FREE REFERENCE

North Dakota business taxes, explained for 2026

Small businesses in North Dakota register with the state revenue agency for income tax withholding and sales tax, and with the Job Service North Dakota for unemployment tax. North Dakota has income tax rates from 1.95% to 2.5%, a 5% state sales tax and a $46,600 unemployment wage base for 2026.

QUICK FACTS

- **Income tax.** Income tax rates from 1.95% to 2.5% for 2026
- **Sales tax.** 5% state rate, about 7.09% combined with local
- **Unemployment.** Employers pay North Dakota unemployment tax on the first $46,600 of each worker's 2026 wages

What taxes does a small business pay in North Dakota?

Most North Dakota businesses deal with four: federal and state payroll taxes once they hire, sales tax if they sell taxable items, income tax on profit, and the state's annual report or franchise filing for an LLC or corporation, filed with the Secretary of State.

How do I register for payroll taxes in North Dakota?

Before your first payroll in North Dakota:

1. Get a federal EIN and enroll in EFTPS for federal deposits.
2. Open a North Dakota withholding account with the North Dakota revenue agency, so you can withhold and pay state income tax.
3. Register for unemployment insurance with the Job Service North Dakota. For 2026, the tax applies to the first $46,600 of each employee's wages, at a rate the state sets for new employers and then adjusts to your history.
4. Report each new hire to North Dakota's new hire registry, usually within 20 days.

Our state payroll registration guide explains each step, and our payroll service handles it for you.

General information, not tax advice for your situation.

Do I need a North Dakota sales tax permit?

If you sell taxable goods or services in North Dakota, yes. Register with the North Dakota revenue agency before your first taxable sale. Out-of-state sellers need one once they pass North Dakota's economic nexus threshold.

SALES TAX IN NORTH DAKOTA, MIDYEAR 2026	RATE
State rate	5%
Average local rate	2.09%
Average combined rate	7.09%
Highest local rate	3.75%

The state sets how often you file. Our sales tax permit guide covers what to have ready, and the sales tax calculator adds tax to a price.

How does North Dakota tax business owners?

Profit from a sole proprietorship, LLC, partnership or S-Corp passes through to the owners, who pay North Dakota income tax on it at the personal rates: income tax rates from 1.95% to 2.5%. North Dakota allows a standard deduction of $16,100 single and $32,200 joint.

Estimate yours with the North Dakota income tax calculator.

Where are North Dakota's tax forms and refund status?

- North Dakota tax forms
- North Dakota revenue agency
- North Dakota refund status
- Job Service North Dakota

Every state's links are on our state tax forms page.

Which calculators work for North Dakota?

- North Dakota paycheck calculator: take-home pay after every deduction
- North Dakota income tax calculator: your 2026 state income tax
- Payroll cost calculator: what a hire costs you, with North Dakota unemployment

Common questions

Do I need a sales tax permit in North Dakota?
Yes, if you sell taxable goods or services there. Register with the North Dakota revenue agency before your first taxable sale.

What is the North Dakota unemployment wage base for 2026?
$46,600. Employers pay North Dakota unemployment tax on that much of each employee's wages, at a rate the state assigns.

Does North Dakota have a state income tax?
Yes. North Dakota has income tax rates from 1.95% to 2.5% for 2026.

Who runs payroll taxes in North Dakota?
The North Dakota revenue agency handles income tax withholding, and the Job Service North Dakota handles unemployment tax.

Want payroll handled?

We set it up, run it and file the returns. Book a free 30-minute call at eminenttax.com/contact or call (972) 347-4590.

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