FREE REFERENCE

Oregon business taxes, explained for 2026

Small businesses in Oregon register with the state revenue agency for income tax withholding and sales tax, and with the Oregon Employment Department for unemployment tax. Oregon has income tax rates from 4.75% to 9.9%, no statewide sales tax and a $56,700 unemployment wage base for 2026.

QUICK FACTS

- **Income tax.** Income tax rates from 4.75% to 9.9% for 2026
- **Sales tax.** No statewide sales tax
- **Unemployment.** Employers pay Oregon unemployment tax on the first $56,700 of each worker's 2026 wages

What taxes does a small business pay in Oregon?

Most Oregon 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 Oregon?

Before your first payroll in Oregon:

1. Get a federal EIN and enroll in EFTPS for federal deposits.
2. Open a Oregon withholding account with the Oregon revenue agency, so you can withhold and pay state income tax.
3. Register for unemployment insurance with the Oregon Employment Department. For 2026, the tax applies to the first $56,700 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 Oregon's new hire registry, usually within 20 days.

Employees in Oregon also pay paid Leave Oregon at 0.6% of wages up to $184,500; statewide transit tax at 0.1% of wages.

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

General information, not tax advice for your situation.

Does Oregon have a sales tax?

Oregon has no statewide sales tax. Businesses there don't collect sales tax on their Oregon sales, though they may owe it in other states where they sell.

How does Oregon tax business owners?

Profit from a sole proprietorship, LLC, partnership or S-Corp passes through to the owners, who pay Oregon income tax on it at the personal rates: income tax rates from 4.75% to 9.9%. Oregon allows a standard deduction of $2,910 single and $5,820 joint and exemption credits of $256 single and $512 joint. Portland-area residents may also owe the Metro and Multnomah County income taxes on higher incomes.

Estimate yours with the Oregon income tax calculator.

Where are Oregon's tax forms and refund status?

- Oregon tax forms
- Oregon revenue agency
- Oregon refund status
- Oregon Employment Department

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

Which calculators work for Oregon?

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

Common questions

Do I need a sales tax permit in Oregon?
No. Oregon has no statewide sales tax.

What is the Oregon unemployment wage base for 2026?
$56,700. Employers pay Oregon unemployment tax on that much of each employee's wages, at a rate the state assigns.

Does Oregon have a state income tax?
Yes. Oregon has income tax rates from 4.75% to 9.9% for 2026.

Who runs payroll taxes in Oregon?
The Oregon revenue agency handles income tax withholding, and the Oregon Employment Department 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.

eminenttax.com

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