FREE REFERENCE

South Carolina business taxes, explained for 2026

Small businesses in South Carolina register with the state revenue agency for income tax withholding and sales tax, and with the South Carolina Department of Employment and Workforce for unemployment tax. South Carolina has income tax rates from 3% to 6%, a 6% state sales tax and a $14,000 unemployment wage base for 2026.

QUICK FACTS

- **Income tax.** Income tax rates from 3% to 6% for 2026
- **Sales tax.** 6% state rate, about 7.49% combined with local
- **Unemployment.** Employers pay South Carolina unemployment tax on the first $14,000 of each worker's 2026 wages

What taxes does a small business pay in South Carolina?

Most South Carolina 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 South Carolina?

Before your first payroll in South Carolina:

1. Get a federal EIN and enroll in EFTPS for federal deposits.
2. Open a South Carolina withholding account with the South Carolina revenue agency, so you can withhold and pay state income tax.
3. Register for unemployment insurance with the South Carolina Department of Employment and Workforce. For 2026, the tax applies to the first $14,000 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 South Carolina'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 South Carolina sales tax permit?

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

SALES TAX IN SOUTH CAROLINA, MIDYEAR 2026	RATE
State rate	6%
Average local rate	1.49%
Average combined rate	7.49%
Highest local rate	3%

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 South Carolina tax business owners?

Profit from a sole proprietorship, LLC, partnership or S-Corp passes through to the owners, who pay South Carolina income tax on it at the personal rates: income tax rates from 3% to 6%. South Carolina allows a standard deduction of $8,350 single and $16,700 joint and $4,930 for each dependent.

Estimate yours with the South Carolina income tax calculator.

Where are South Carolina's tax forms and refund status?

- South Carolina tax forms
- South Carolina revenue agency
- South Carolina refund status
- South Carolina Department of Employment and Workforce

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

Which calculators work for South Carolina?

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

Common questions

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

What is the South Carolina unemployment wage base for 2026?

$14,000. Employers pay South Carolina unemployment tax on that much of each employee's wages, at a rate the state assigns.

Does South Carolina have a state income tax?

Yes. South Carolina has income tax rates from 3% to 6% for 2026.

Who runs payroll taxes in South Carolina?

The South Carolina revenue agency handles income tax withholding, and the South Carolina Department of Employment and Workforce 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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