FREE REFERENCE

Utah business taxes, explained for 2026

Small businesses in Utah register with the state revenue agency for income tax withholding and sales tax, and with the Utah Department of Workforce Services for unemployment tax. Utah has a flat 4.5% income tax, a 6.1% state sales tax and a $50,700 unemployment wage base for 2026.

QUICK FACTS

- **Income tax.** A flat 4.5% income tax for 2026
- **Sales tax.** 6.1% state rate, about 7.42% combined with local
- **Unemployment.** Employers pay Utah unemployment tax on the first $50,700 of each worker's 2026 wages

What taxes does a small business pay in Utah?

Most Utah 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 Utah?

Before your first payroll in Utah:

1. Get a federal EIN and enroll in EFTPS for federal deposits.
2. Open a Utah withholding account with the Utah revenue agency, so you can withhold and pay state income tax.
3. Register for unemployment insurance with the Utah Department of Workforce Services. For 2026, the tax applies to the first $50,700 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 Utah'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 Utah sales tax permit?

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

SALES TAX IN UTAH, MIDYEAR 2026	RATE
State rate	6.1%
Average local rate	1.32%
Average combined rate	7.42%
Highest local rate	4.7%

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 Utah tax business owners?

Profit from a sole proprietorship, LLC, partnership or S-Corp passes through to the owners, who pay Utah income tax on it at the personal rates: a flat 4.5% income tax. Utah allows a taxpayer credit of $966 single and $1,932 joint that phases out as income rises.

Estimate yours with the Utah income tax calculator.

Where are Utah's tax forms and refund status?

- Utah tax forms
- Utah revenue agency
- Utah refund status
- Utah Department of Workforce Services

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

Which calculators work for Utah?

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

Common questions

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

General information, not tax advice for your situation.

What is the Utah unemployment wage base for 2026?
$50,700. Employers pay Utah unemployment tax on that much of each employee's wages, at a rate the state assigns.

Does Utah have a state income tax?
Yes. Utah has a flat 4.5% income tax for 2026.

Who runs payroll taxes in Utah?
The Utah revenue agency handles income tax withholding, and the Utah Department of Workforce Services 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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