FREE REFERENCE

West Virginia business taxes, explained for 2026

Small businesses in West Virginia register with the state revenue agency for income tax withholding and sales tax, and with the WorkForce West Virginia for unemployment tax. West Virginia has income tax rates from 2.22% to 4.82%, a 6% state sales tax and a $9,500 unemployment wage base for 2026.

QUICK FACTS

- **Income tax.** Income tax rates from 2.22% to 4.82% for 2026
- **Sales tax.** 6% state rate, about 6.6% combined with local
- **Unemployment.** Employers pay West Virginia unemployment tax on the first $9,500 of each worker's 2026 wages

What taxes does a small business pay in West Virginia?

Most West Virginia 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 West Virginia?

Before your first payroll in West Virginia:

1. Get a federal EIN and enroll in EFTPS for federal deposits.
2. Open a West Virginia withholding account with the West Virginia revenue agency, so you can withhold and pay state income tax.
3. Register for unemployment insurance with the WorkForce West Virginia. For 2026, the tax applies to the first $9,500 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 West Virginia'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 West Virginia sales tax permit?

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

SALES TAX IN WEST VIRGINIA, MIDYEAR 2026	RATE
State rate	6%
Average local rate	0.6%
Average combined rate	6.6%
Highest local rate	1.4%

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 West Virginia tax business owners?

Profit from a sole proprietorship, LLC, partnership or S-Corp passes through to the owners, who pay West Virginia income tax on it at the personal rates: income tax rates from 2.22% to 4.82%. West Virginia allows a personal exemption of $2,000 single and $4,000 joint and $2,000 for each dependent.

Estimate yours with the West Virginia income tax calculator.

Where are West Virginia's tax forms and refund status?

- West Virginia tax forms
- West Virginia revenue agency
- West Virginia refund status
- WorkForce West Virginia

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

Which calculators work for West Virginia?

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

Common questions

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

What is the West Virginia unemployment wage base for 2026?
$9,500. Employers pay West Virginia unemployment tax on that much of each employee's wages, at a rate the state assigns.

Does West Virginia have a state income tax?
Yes. West Virginia has income tax rates from 2.22% to 4.82% for 2026.

Who runs payroll taxes in West Virginia?
The West Virginia revenue agency handles income tax withholding, and the WorkForce West Virginia 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