FREE REFERENCE

Wisconsin business taxes, explained for 2026

Small businesses in Wisconsin register with the state revenue agency for income tax withholding and sales tax, and with the Wisconsin Department of Workforce Development, UI Tax for unemployment tax. Wisconsin has income tax rates from 3.5% to 7.65%, a 5% state sales tax and a $14,000 unemployment wage base for 2026.

QUICK FACTS

- **Income tax.** Income tax rates from 3.5% to 7.65% for 2026
- **Sales tax.** 5% state rate, about 5.72% combined with local
- **Unemployment.** Employers pay Wisconsin unemployment tax on the first $14,000 of each worker's 2026 wages

What taxes does a small business pay in Wisconsin?

Most Wisconsin 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 Wisconsin?

Before your first payroll in Wisconsin:

1. Get a federal EIN and enroll in EFTPS for federal deposits.
2. Open a Wisconsin withholding account with the Wisconsin revenue agency, so you can withhold and pay state income tax.
3. Register for unemployment insurance with the Wisconsin Department of Workforce Development, UI Tax. 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 Wisconsin'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 Wisconsin sales tax permit?

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

SALES TAX IN WISCONSIN, MIDYEAR 2026	RATE
State rate	5%
Average local rate	0.72%
Average combined rate	5.72%
Highest local rate	2.9%

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 Wisconsin tax business owners?

Profit from a sole proprietorship, LLC, partnership or S-Corp passes through to the owners, who pay Wisconsin income tax on it at the personal rates: income tax rates from 3.5% to 7.65%. Wisconsin allows a standard deduction of $13,960 single and $25,840 joint, a personal exemption of $700 single and $1,400 joint and $700 for each dependent.

Estimate yours with the Wisconsin income tax calculator.

Where are Wisconsin's tax forms and refund status?

- Wisconsin tax forms
- Wisconsin revenue agency
- Wisconsin refund status
- Wisconsin Department of Workforce Development, UI Tax

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

Which calculators work for Wisconsin?

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

Common questions

Do I need a sales tax permit in Wisconsin?

Yes, if you sell taxable goods or services there. Register with the Wisconsin revenue agency before your first taxable sale.

What is the Wisconsin unemployment wage base for 2026?

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

Does Wisconsin have a state income tax?

Yes. Wisconsin has income tax rates from 3.5% to 7.65% for 2026.

Who runs payroll taxes in Wisconsin?

The Wisconsin revenue agency handles income tax withholding, and the Wisconsin Department of Workforce Development, UI Tax 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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