

### **3. Corporate Income/Sales Tax Rates**

(State by State)

Oklahoma's overall business and personal tax burden is relatively low when compared to the rest of the country. The corporate income tax is 6% of federal taxable income; the state sales tax rate is 4.5%. When comparing the maximum corporate tax and sales tax rates of all 50 states, Oklahoma ranks in the bottom third. The following shows a comparison of U.S. state corporate income and sales tax rates.

### **4. Corporate Income Tax Overview**

The following discussion of taxes and tax rates is a general outline of the primary taxes applicable to corporate businesses conducted in Oklahoma at the time of this publication. It should not be relied upon as a complete guide to all taxes, exemptions, and rates applicable to individual corporations or business operations. It is generally advisable to review corporate operations with a tax specialist to determine the rate and application of taxes to be paid by a specific corporation or business.

#### **A. Federal Taxes:**

All taxes imposed by the federal government are applicable throughout the U.S. All employers are subject to three major taxes:

- Corporate Income Tax - on net income.
- Social Security Tax - payable on each employee's earnings.
- Unemployment Tax - on wages paid to each employee.

Currently the maximum federal corporate tax on net income is 34%. The maximum Oklahoma corporate tax on net income is 6% of the portion of corporate income earned in Oklahoma.