Sample Tax Scenario | Non-Resident Single-Member LLC

U.S. LLC Tax Comparison: All 50 States

A comprehensive breakdown of state filing fees, franchise taxes, and compliance rules.

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DISCLAIMER

This document is provided for **educational and illustrative purposes only**. All figures are based on **sample assumptions and simplified calculations** to demonstrate how federal and state taxes may vary by jurisdiction. **Actual tax liabilities can differ significantly** depending on applicable U.S. tax treaties, individual circumstances, deductions, elections, nexus, and regulatory changes.

This material should not be considered tax, legal, or accounting advice. Readers are strongly encouraged to **consult a qualified tax professional or accountant** before making any tax or business decisions. Washington, D.C. is a federal district and is not included in this 50-state comparison.

Consult A Qualified Tax Professional →

2026 Federal Income Tax Brackets: for Taxes Filed in 2027

The U.S. federal income tax system uses progressive individual tax brackets. Since a single-member LLC is a pass-through entity, its profits are taxed under individual income tax brackets, not at the entity level.

Below are the individual federal tax brackets applicable for 2026 income, filed in 2027, based on IRS inflation-adjusted brackets published by the **IRS**:

Tax Rate	Single Filer Taxable Income Range
10%	$0 to $12,400
12%	$12,401 to $50,400
22%	$50,401 to $105,700
24%	$105,701 to $201,775
32%	$201,776 to $256,225
35%	$256,226 to $640,600
37%	$640,601 or more

2026 Federal Income Tax Brackets: for Taxes Filed in 2027 (Cont.)

📌 These ranges are representative for **single filers**. Brackets for other filing statuses (married filing jointly, head of household) differ in threshold but use the same seven rates.

📌 These rates reflect the tax structure for the **2026 tax year**, not future years.

LLC Tax Treatment

Because a single-member LLC is a **pass-through entity**, its net profit is taxed under the individual federal tax brackets shown above.

In this sample scenario, we calculate federal income tax progressively using the 2026 single-filer brackets (based on $25,000 taxable profit), and then compare how state-level taxes and required annual fees can change the total tax burden.

Learn Your Tax Liability →

Why Single-Member LLC vs. C Corporation Taxation Matters

Single-Member LLC (Pass-Through Entity)

By default, the IRS treats a single-member LLC as a pass-through entity. This means:

- The LLC itself does not pay federal income tax.
- The owner reports the LLC's net profit on their individual federal tax return (e.g., Schedule C attached to Form 1040).

Because the profit flows through to the owner, it is taxed under the individual federal tax brackets listed above.

That's why, in this PDF, we apply the individual tax framework, calculating federal income tax **progressively using the 2026 single-filer brackets**, because an LLC owner's business profit becomes part of personal taxable income.

Single Member LLC Taxation →

Why Single-Member LLC vs. C Corporation Taxation Matters (Cont.)

C Corporation (Separate Entity Tax)

If an LLC elects to be taxed as a C corporation by filing IRS Form 8832, it becomes a distinct tax entity for federal purposes.

A C corporation pays federal tax on its taxable income at a **flat corporate rate**:

- **21% corporate income tax rate** (established under current law).

Important Distinction

- C-corp profits taxed at the corporate level first (21%).
- If profits are then distributed as dividends to owners, those dividends may be taxed again at individual dividend tax rates, leading to **double taxation**.

For this PDF's purpose (single-member LLCs not electing C corp status), we focus on the pass-through individual tax scenario.

Everything About C Corp Tax Return →

Base Sample Scenario (Same for Every State)

Entity
Single-Member LLC

Owner
Non-U.S. resident

Filing status
Single

Business type
Online/digital /eCommerce

Annual revenue
$100,000

Net profit
$25,000 (After all deductions)

⚠ **This is a simplified illustration for comparison purposes only.**

What Is Actually Taxed: Revenue vs. Profit

⚠ **Federal income tax is NOT calculated on revenue.**

It is calculated on **taxable income**, which for our scenario is:

Annual Revenue: **$100,000**

Net Profit: **$25,000**

Only the $25,000 profit is subject to federal income tax, not the full $100,000.

Why:

- Revenue includes costs, expenses, fees, refunds, operations, etc.
- Income tax applies **after expenses**, on net profit.
- This is true for individuals, LLCs, and corporations.

So, the calculation must be based on $25,000, not $100,000.

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Federal Income Tax Calculation for 2026 Tax Filing (Same Across All States)

2025 Tax Brackets | Single Filer | Pass-Through LLC

Applicable Brackets for $25,000 of Taxable Income

10% Bracket
$0 – $12,400

12% Bracket
$12,401 – $50,400

Step-by-Step Federal Tax Calculation

10% Bracket
$12,400 × 10%
$1,240.00

12% Bracket
Remaining income:
$25,000 - $12,400 = $12,600
$12,600 × 12%
$1,512.00

Total Federal Income Tax

$1,240.00 + $1,512.00 =

$2,752.00

*This amount **is identical across all states**, because federal income tax is independent of state choice.*

⚠️Tax Treaties (Important Note for Non-U.S. Residents)

The United States has income tax treaties with many countries that **may reduce or eliminate federal income tax** on certain types of U.S.-sourced income. Treaty benefits are **not automatic** and depend on the taxpayer's country of residence, income classification, and proper filing (e.g., treaty disclosures or elections).

For simplicity and consistency, **this state comparison PDF assumes no tax treaty benefits are applied.** State income taxes are **not affected by U.S. tax treaties.**

Have questions about how this applies to your situation?

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State Tax Comparison (Based on $25,000 Net Profit)

Now, for the state comparison:

Fixed Rules (Applied to ALL States)

- **Tax base:** Net profit = $25,000
- **Entity:** Single-member LLC (pass-through)
- **Federal tax (already calculated):** $2,752
- **Category logic:**

○ **Zero-tax:** 0% individual income tax
○ **Low-tax:** >0% to ≤ 3.25%
○ **Mid-range:** 3.26% – 5.50%
○ **High-tax:** > 5.50%

- **Annual state fees** do not affect category (only total burden)

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Zero State Income Tax States

Alaska
- State tax: **$0**
- Biennial LLC fee (annualized): $100
- Federal tax: $2,752

Total Burden: $2,852.00

Delaware
- State tax: **$0** (no out-of-state tax)
- Annual LLC franchise tax: $300
- Federal tax: $2,752

Total Burden: $3,052.00

New Hampshire
- State tax: **$0** (earned income)
- Annual LLC report fee: $100
- Federal tax: $2,752

Total Burden: $2,852.00

Wyoming
- State tax: **$0**
- Annual report fee: $60
- Federal tax: $2,752

Total Burden: $2,812.00

Nevada
- State tax: **$0**
- Business license & fees: $350
- Federal tax: $2,752

Total Burden: $3,102.00

South Dakota
- State tax: **$0**
- Annual report fee: $50
- Federal tax: $2,752

Total Burden: $2,802.00

Zero State Income Tax States (Cont.)

Texas

- State income tax: **$0**
- Franchise tax: $0 (below threshold)
- Federal tax: $2,752

Total tax burden: $2,752

Florida

- State income tax: **$0**
- Annual report fee: $138
- Federal tax: $2,752

Total tax burden: $2,890.00

Tennessee

- State income tax: **$0** (earned income)
- Annual report: $300
- Federal tax: $2,752

Total tax burden: $3,052.00

Washington

- State income tax: **$0**
- Others (B&O gross receipts tax ~1.5%): o $100,000 × 1.5% = $1,500.00
- Federal tax: $2,752

Total tax burden: $4,252.00

Low–Tax States (>0% to ≤ 3.25%)

Pennsylvania
- State tax: 3.07% flat ($767.50)
- Federal tax: $2,752.00

Total Burden: $3,519.50

Ohio
- State tax: $0 (at income level)
- Federal tax: $2,752.00

Total Burden: $2,752.00

Arizona
- State tax: 2.5% flat ($625.00)
- Federal tax: $2,752.00

Total Burden: $3,377.00

Indiana
- State tax: 2.95% flat ($737.50)
- Federal tax: $2,752.00

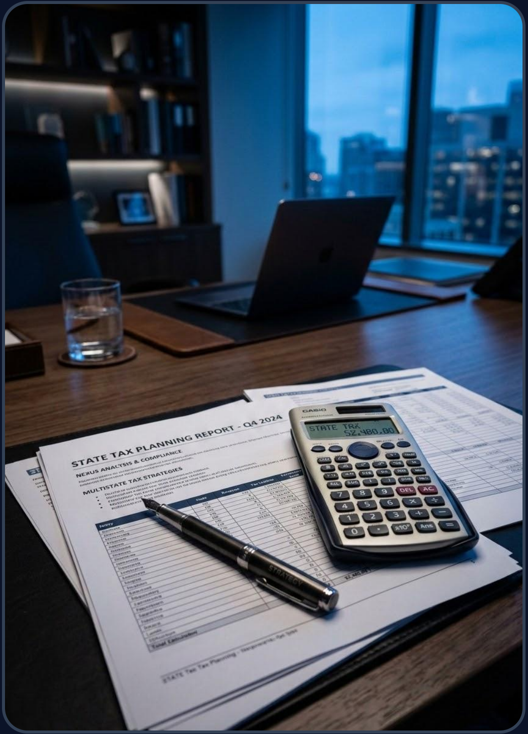
Total Burden: $3,489.50

Louisiana
- State tax: 3% flat ($750.00)
- Federal tax: $2,752.00

Total Burden: $3,502.00

North Dakota
- State tax: ≈2.5% ($625.00)
- Federal tax: $2,752.00

Total Burden: $3,377.00



Mid-Range Tax States (3.26% – 5.50%)

Arkansas

- State tax: 3.7% progressive **$925.00** ($25k × 3.7%)
- Federal tax: $2,752.00

Total burden: $3,677.00

Idaho

- State tax: 5.3% (on >$2.5k) **$1,192.50** (eff. formula)
- Federal tax: $2,752.00

Total burden: $3,944.50

Mississippi

- State tax: flat total **$600.00** (effective tax)
- Federal tax: $2,752.00

Total burden: $3,352.00

Iowa

- State tax: 3.8% flat **$950.00** ($25k × 3.8%)
- Federal tax: $2,752.00

Total burden: $3,702.00

Kansas

- State tax: ≈5.0% progressive **$1,250.00** ($25k × 5.0%)
- Federal tax: $2,752.00

Total burden: $4,002.00

Nebraska

- State tax: ≈4.55% progressive **$1,137.50** ($25k × 4.55%)
- Federal tax: $2,752.00

Total burden: $3,889.50

Mid-Range Tax States (Cont.) (3.26% – 5.50%)

New Mexico

- State tax: ~4.75% effective [cite: 16]

$1,187.50 ($25k × 4.75%) [cite: 16]

- Federal tax: $2,752.00 [cite: 16]

Total tax burden: $3,939.50 [cite: 16]

Oklahoma

- State tax: progressive (eff. ≈3.4%) [cite: 16]

$850.00 ($25k × 3.4%) [cite: 16]

- Federal tax: $2,752.00 [cite: 16]

Total tax burden: $3,602.00 [cite: 16]

West Virginia

- State tax: ~4.50% effective [cite: 16]

$1,125.00 ($25k × 4.50%) [cite: 16]

- Federal tax: $2,752.00 [cite: 16]

Total tax burden: $3,877.00 [cite: 16]

Wisconsin

- State tax: ~5.25% effective [cite: 16]

$1,312.50 ($25k × 5.25%) [cite: 16]

- Federal tax: $2,752.00 [cite: 16]

Total tax burden: $4,064.50 [cite: 16]

Montana

- State tax: ~4.70% effective [cite: 16]

$1,175.00 ($25k × 4.70%) [cite: 16]

- Federal tax: $2,752.00 [cite: 16]

Total tax burden: $3,927.00 [cite: 16]

Illinois

- State tax: 4.95% flat [cite: 16]

$1,237.50 ($25k × 4.95%) [cite: 16]

- Annual report: $75 | Fed: $2,752.00 [cite: 16]

Total tax burden: $4,064.50 [cite: 16]

Mid-Range Tax States (Cont.) (3.26% – 5.50%)

Georgia

- State tax (4.99%): $1,247.50 ($25k × 4.99%)
- Registration: $50 | Fed: $2,752.00

Total burden: $4,050.00

North Carolina

- State tax (3.99% flat): $997.50 ($25k × 3.99%)
- Annual report: $200 | Fed: $2,752.00

Total burden: $3,949.50

Colorado

- State tax (4.40% flat): $1,100.00 ($25k × 4.4%)
- Annual report: $10 | Fed: $2,752.00

Total burden: $3,862.00

Michigan

- State tax (4.25% flat): $1,062.50 ($25k × 4.25%)
- Federal tax: $2,752.00

Total burden: $3,814.50

Kentucky

- State tax (3.5% flat): $875.00 ($25k × 3.5%)
- Federal tax: $2,752.00

Total burden: $3,627.00

Missouri

- State tax (≈4.7%): $1,175.00 ($25k × 4.70%)
- Federal tax: $2,752.00

Total burden: $3,927.00

Mid-Range Tax States (Cont.) (3.26% – 5.50%)

Alabama

- State income tax (progressive): **$1,210.00**
- State tax total: **$1,210.00**
- Federal tax: **$2,752.00**

Total tax burden: **$3,962.00**

Virginia

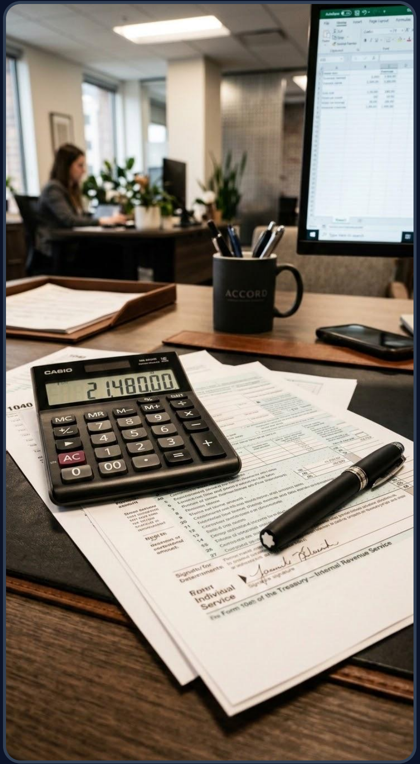
- State income tax (≈5%): **$1,250.00** ($25k × 5%)
- Federal tax: **$2,752.00**

Total tax burden: **$4,002.00**

Utah

- State income tax (4.50%): **$1,125.00** ($25k × 4.50%)
- Annual report: **$20.00**
- Federal tax: **$2,752.00**

Total tax burden: **$3,897.00**



High-Tax States (> 5.50%)

Maine
- State tax (5.8%): $1,450.00 ($25k × 5.8%)
- Federal: $2,752.00

Total: $4,202.00

Maryland
- State tax (~6%): $1,500.00 ($25k × 6%)
- Federal: $2,752.00

Total: $4,252.00

California
- State tax (~6%): $1,500
- Franchise tax: $800
- Federal: $2,752.00

Total: $5,052.00

Rhode Island
- State tax (~6%): $1,500.00 ($25k × 6%)
- Federal: $2,752.00

Total: $4,252.00

South Carolina
- State income tax: $3,624.64
- Federal: $2,752.00

Total: $3,634.14

Connecticut
- State tax (≈6%): $1,500.00
- Federal: $2,752.00

Total: $4,252.00

High-Tax States (Cont.) (> 5.50%)

Hawaii

- State tax (≈7%): $1,750.00 ($25k × 7%)
- Federal: $2,752.00

Total: $4,502.00

Massachusetts

- State tax (5% flat): $1,250.00 ($25k × 5%)
- Annual report: $500.00
- Federal: $2,752.00

Total: $4,502.00

Minnesota

- State tax (~6.8%): $1,700.00 ($25k × 6.8%)
- Federal: $2,752.00

Total: $4,452.00

New Jersey

- State tax (~6.37%): $1,592.50 ($25k × 6.37%)
- Annual report: $75.00
- Federal: $2,752.00

Total: $4,419.50

New York

- State tax (~6.5%): $1,625.00 ($25k × 6.5%)
- Filing fee: $25.00
- Federal: $2,752.00

Total: $4,402.00

Oregon

- State tax (≈8.75%): $2,187.50 ($25k × 8.75%)
- Federal: $2,752.00

Total: $4,939.50

Vermont

- State tax (~5.5%): $1,375.00 ($25k × 5.5%)
- Federal: $2,752.00

Total: $4,127.00

Before You Close This PDF...

If you're wondering why some non-U.S. founders legally pay **far less than what you see in these examples**, **sometimes close to zero**, it's not sheer luck, and it's not guesswork. It's structure, timing, and knowing which rules quietly work in your favor. This comparison shows what tax exposure looks like by state.

If you want to understand how that exposure is reduced in real life, we've put together two focused resources: a **free guide** that explains the foundations of legally minimizing U.S. tax liability, and a **premium blueprint** that walks through advanced LLC structuring and long-term planning used by serious founders.

Start light, or go deep; the choice is completely yours.
Choose the level of detail that fits where you are now and explore further when you're ready.

Free Resource

Get Your Free Guide →

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THANK YOU

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