State Income Tax Nexus by State: Bright-Line Thresholds (2026)

Corporate income, franchise and gross receipts tax nexus standards for all 50 states and DC. Last reviewed September 2026.

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State	Business tax	Bright-line test (any one)	Notes
Alabama	Corporate income tax	**$675,000 in sales, $68,000 of property, $68,000 of payroll or 25% of your total sales, property or payroll (2025)**	Thresholds are indexed; these are the 2025 amounts.
Alaska	Corporate income tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.
Arizona	Corporate income tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.
Arkansas	Corporate income tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.
California	Corporation franchise and income tax	**$757,070 in sales, $75,707 of property, $75,707 of payroll or 25% of your total sales, property or payroll (2025)**	Indexed every year; 2025 amounts are the latest published. California also charges an $800 minimum franchise tax.
Colorado	Corporate income tax	**$500,000 in sales, $50,000 of property, $50,000 of payroll or 25% of your total sales, property or payroll**	
Connecticut	Corporation business tax	**$500,000 in sales**	
Delaware	Corporate income tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state. Delaware also has a gross receipts tax that applies to businesses operating there.
District of Columbia	Corporate franchise tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.
Florida	Corporate income tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.
Georgia	Corporate income tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.
Hawaii	Corporate income tax	**$100,000 in sales or 200 transactions**	
Idaho	Corporate income tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.
Illinois	Corporate income and replacement tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.
Indiana	Adjusted gross income tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.

State	Business tax	Bright-line test (any one)	Notes
Iowa	Corporate income tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.
Kansas	Corporate income tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.
Kentucky	Corporation income tax and LLET	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.
Louisiana	Corporate income tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.
Maine	Corporate income tax	**$500,000 in sales, $250,000 of property, $250,000 of payroll or 25% of your total sales, property or payroll**	
Maryland	Corporate income tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.
Massachusetts	Corporate excise	**$500,000 in sales**	P.L. 86-272 does not protect against the non-income measure or the minimum excise.
Michigan	Corporate income tax	**$350,000 in sales**	The $350,000 test applies together with active solicitation in Michigan.
Minnesota	Corporation franchise tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.
Mississippi	Corporate income tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.
Missouri	Corporate income tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.
Montana	Corporate income tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.
Nebraska	Corporate income tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.
Nevada	Commerce tax	**No bright-line test**	No corporate income tax. The commerce tax applies only when Nevada gross revenue is over $4 million a year.
New Hampshire	Business profits tax and business enterprise tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state. Filing thresholds apply to both taxes.
New Jersey	Corporation business tax	**$100,000 in sales or 200 transactions**	Businesses protected by P.L. 86-272 still file and pay the minimum tax.
New Mexico	Corporate income tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.
New York	Corporation franchise tax	**$1,283,000 in sales (2026)**	Indexed; this is the threshold for 2024 to 2026. New York also applies a narrower reading of P.L. 86-272 to internet activity.
North Carolina	Corporate income and franchise tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.

State	Business tax	Bright-line test (any one)	Notes
North Dakota	Corporate income tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.
Ohio	Commercial activity tax (CAT)	**$500,000 in sales, $50,000 of property, $50,000 of payroll or 25% of your total sales, property or payroll**	No corporate income tax. CAT is due only on Ohio receipts above the $6 million annual exclusion.
Oklahoma	Corporate income tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.
Oregon	Corporate excise tax and corporate activity tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state. The corporate activity tax requires registration above $750,000 of Oregon commercial activity and is due above $1 million.
Pennsylvania	Corporate net income tax	**$500,000 in sales**	
Rhode Island	Business corporation tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.
South Carolina	Corporate income tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.
South Dakota	None	**Not applicable**	No corporate income or gross receipts tax.
Tennessee	Franchise and excise tax	**$500,000 in sales, $50,000 of property, $50,000 of payroll or 25% of your total sales, property or payroll**	P.L. 86-272 protects only against the excise tax; the franchise tax on net worth still applies.
Texas	Franchise (margin) tax	**$500,000 in sales**	No corporate income tax. No franchise tax is due if total revenue is at or below $2.65 million (2026 and 2027 reports).
Utah	Corporate franchise and income tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.
Vermont	Corporate income tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.
Virginia	Corporate income tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.
Washington	Business and occupation (B&O) tax	**$100,000 in sales**	No corporate income tax. B&O tax is on gross receipts.
West Virginia	Corporate net income tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.
Wisconsin	Corporate franchise and income tax	**No bright-line test**	No bright-line test; nexus depends on whether you are doing business in the state.
Wyoming	None	**Not applicable**	No corporate income or gross receipts tax.

A company that meets any one bright-line test is treated as having nexus. P.L. 86-272 can still protect sellers of tangible goods from net income tax, but not from gross receipts or franchise taxes, and several states read it narrowly for internet activity. States without a bright line use a “doing business” standard.

Check your own numbers free: catchingnumbers.com/resources/state-income-tax-nexus-checker/ · **Questions?** contact@catchingnumbers.com · +1 (646) 450-8036

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