North Dakota

#12

Overall Rank	Corporate Tax Rank	Individual Income Tax Rank	Sales Tax Rank	Property Tax Rank	Unemployment Insurance Tax Rank
12 ▼ 2	7 ▲ 5	23 ▼ 8	17 ▼ 1	7 ▼ 1	13 ▲ 1

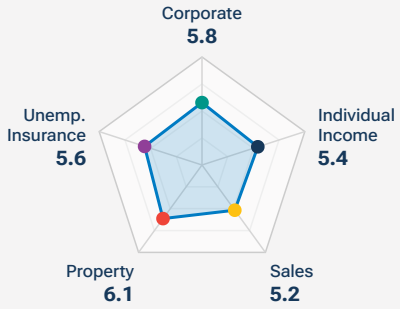
North Dakota performs above average across all tax categories, ranking just outside of the top 10 states overall, as well as within the top 10 on the property tax and corporate tax components. While North Dakota's corporate and individual income taxes have a graduated-rate structure, both rates are low, with North Dakota's top marginal individual income tax rate tied with Arizona's as the lowest in the country (2.5 percent). In May 2025, North Dakota lawmakers limited the growth in local property tax collections by placing a 3 percent cap on annual property tax revenue increases. The same law also raised the homestead property tax credit from $500 to $1,600 and increased the property tax credit for disabled veterans and surviving spouses from $8,100 to $9,000.

One shortcoming in North Dakota's tax code is its throwback rule, which increases tax liability for in-state businesses making sales of tangible personal property in states with which they lack nexus.

However, North Dakota conforms to federal expensing provisions under Section 168(k) and Section 179, provides generous carryforward treatment for NOLs, and does not levy a capital stock tax, real estate transfer tax, or estate or inheritance tax.

Component scores

out of 10



North Dakota and its neighbors

Overall rank, 2027 Index, with change from 2026

South Dakota	#2	–
Montana	#7	▼ 2
North Dakota	**#12**	▼ 2
Minnesota	#41	▲ 2