

S-corp savings calculator by state

Would electing S-corp taxes for my LLC save money at my profit, salary and state?

How it works

- 1. As a regular LLC or sole proprietor, self-employment tax (15.3%) applies to all profit.
- 2. As an S-corp, you pay yourself a reasonable salary through payroll; Social Security and Medicare apply only to that salary.
- 3. Subtract the S-corp's extra costs: payroll service, a separate tax return and any state or city S-corp tax.
- 4. What's left is the yearly saving. Break-even is roughly your salary plus \$15,000–\$18,000 of profit.

Worked example

In California, with \$120,000 of profit and a \$55,000 salary, self-employment tax as an LLC would be about \$16,955. As an S-corp, payroll taxes are about \$8,457, payroll and tax prep about \$1,600, and California's 1.5% tax adds about \$87 beyond the \$800 an LLC pays anyway. Net saving: about **\$6,811 a year**. Break-even at this salary: about \$72,000 of profit.

2026 figures used

FIGURE	2026	SOURCE
Self-employment tax	15.3%	IRS: self-employment tax
Social Security wage base	\$184,500	2026 Social Security wage base
Reasonable salary rule	Required before distributions	IRS: S corporation compensation
California S-corp tax	1.5% of net income, \$800 minimum	California FTB: S corporations
New York City	8.85% General Corporation Tax on S-corps	NYC General Corporation Tax for S-corps (summary)



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