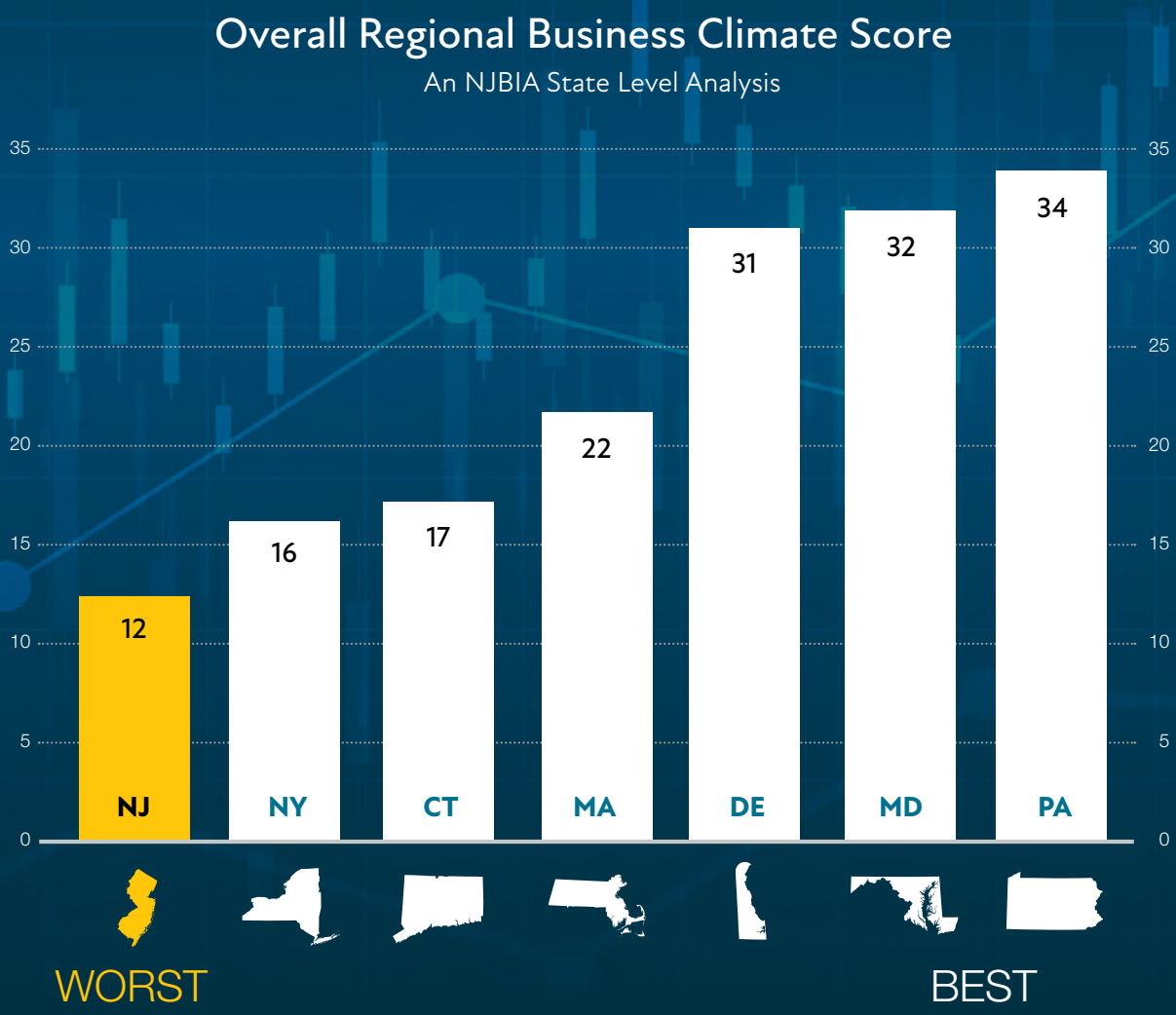
2026 Regional Business Climate

New Jersey Remains Worst in the Region for 8th consecutive year

METHODOLOGY: NJBIA scored the regional rates from 1 (least competitive in the region) to 7 (most competitive). Overall, the higher the total points, the more competitive a state is. New Jersey's cumulative regional business climate score was 12 after totaling the six categories, ranking seventh in the region. Pennslyvania, New Jersey's neighbor, has the best regional score at 34.



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NJBIA tracked six individual business costs and metrics – minimum wage rate, top income tax rate, top corporate tax rate, sales tax rate, property taxes as a percentage of personal income, and the state's maximum unemployment insurance contribution per employee – and compared New Jersey's rates with those of Connecticut, Delaware, Maryland, Massachusetts, New York and Pennsylvania.

2026 Regional Rates

HIGHEST LOWEST

State	Minimum Wage Rate	Top Income Tax Rate	Top Corporate Tax Rate	State Sales Tax Plus Avg. Local Rate§	Property Tax Paid as a % of Personal Income	Maximum UI Contribution Per Employee¶
Connecticut	$16.94	6.99%	8.25%‡	6.35%	3.66%	$2,673.0
Delaware	$15.00	6.60%	8.70%	**0.00%**	**1.67%**	$913.0
Maryland	$15.00	6.50%	8.25%	6.00%	2.54%	**$637.5**
Massachusetts	$15.00	9.00%	8.00%	6.25%	3.33%	**$2,782.5**
New Jersey	$15.92	10.75%	**11.50%**	6.60%	**4.38%**	$2,598.4
New York	**$17.00***	**10.90%**	**7.25%**	**8.54%**	4.22%	$1,658.8
Pennsylvania	**$7.25**	**3.07%**	7.49%	6.34%	2.63%	$1,059.2

Footnotes:

* Basic Minimum Rate (per hour): $17.00 (New York City, Nassau County, Suffolk County, & Westchester County); $16.00 (remainder of the state)
‡ Includes a 10% surtax that effectively raises the state's 7.5% rate to a maximum rate of 8.25%.
§ Combined rate, as measured by the Tax Foundation, accounts for states where local sales taxes are applied in addition to state rates.
¶ Calculated by multiplying the state's taxable wage base and maximum tax rate.

Sources:

- United States Department of Labor, State Minimum Wage Laws Database
- First Nonprofit. (2026). SUTA 2026 Cost Changes
- Tax Foundation. (2026). 2026 State Tax Competitiveness Index
- State Government Labor & Tax Websites

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