

Cost of Business & Taxes

- In 2015 CNBC ranked Indiana #1 in lowest cost of doing business in the U.S.
- 2nd lowest worker comp rates in U.S.
- 5th lowest property tax ranking in U.S.
- 8th best overall tax climate in U.S.
- Lowest 25% of electricity cost in U.S.
- No inventory or franchise taxes
- No tax on most business services
- Indiana is a Right To Work State

Sources: CNBC, State of Indiana, Tax Foundation, US Dept. of Energy

Real Estate Q1 2015 (Indianapolis MSA)

Industrial Market

Inventory	226,348,504 Sq. Ft.
Vacancy Rate	6.8%
Manufacturing Avg. Net Lease Rate/Sq. Ft.	\$2.92
Warehouse/Distr. Avg. Net Lease Rate/Sq. Ft.	\$3.37

Office Market

Inventory	36,844,406 Sq. Ft.
Vacancy Rate (Downtown)	19.6%
Vacancy Rate (Suburban)	15.6%
Avg. Class A Gross Lease \$/Sq. Ft. (Downtown)	\$19.05
Avg. Class A Gross Lease \$/Sq. Ft. (Suburban)	\$17.51

Source: Cushman & Wakefield

Energy Costs

Electricity*	\$6.87 cents/kWh
Natural Gas**	\$6.54 cents/MCF

Indiana Industrial Average, 2014*, 2013**
Source: US Energy Information Administration

Wages

Average Annual Wage

Indianapolis-Carmel-Anderson MSA	\$46,853
United States	\$51,361

Source: US Bureau of Labor Statistics, QCEW, 2014

Average Hourly Wage

Indianapolis-Carmel-Anderson MSA	\$21.91
United States	\$22.71

Source: US Bureau of Labor Statistics, OES, 2014

Tax Structure

Personal Income Tax

Current State Rate	3.30%
Effective 2017	3.23%
Local Option Tax (rates vary by county)	
Resident	1.0 – 2.72%
Non-Resident	0.25 - 0.52%

Rates are applied to adjusted gross income and do not vary based on income. Source: Indiana Department of Revenue, 2015

Indiana Corporate Adjusted Gross Income Tax

Current Rate	6.5%
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Rate will decrease annually, resulting in a 4.9% rate on July 1, 2021.

Rates are applied to adjusted gross income and do not vary based on income. Various incentives are available to eligible companies to reduce this rate. Source: Indiana Economic Development Corporation, 2015

Indiana Sales and Use Tax 7.00%

Exemptions include: Manufacturing raw materials, manufacturing equipment, utilities and other consumables used in production and environmental control equipment used by manufacturers. Most services are not subject to tax. Source: Tax Foundation, 2015

Indiana Real & Personal Property Tax

(Per \$100 Assessed Value)

Average Tax Rate	\$2.4309
Range by Taxing Districts	\$0.9464 - \$5.0348

Business property taxes are capped at 3% of the assessed value. Source: STATS Indiana, 2015

Indiana Unemployment Insurance

New Employer Rate	2.50%
Taxable Wage Base	\$9,500

Percentage rates may be lowered after 36 months of compliance, or raised due to non-compliance. \$9,500 is the maximum taxable amount per employee. Source: Indiana Department of Workforce Development, 2015

Indiana Workers' Compensation

(per \$100 of payroll)

Average Rate for Manufacturing	\$2.01
Average Rate for Office	\$0.26
Average Rate for All Industry Classes	\$1.31

Source: Indiana Compensation Ratings Bureau, 2015