

# 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 2016 (Indianapolis MSA)

### Industrial Market

Inventory	249,012,067 Sq. Ft.
Vacancy Rate	5.8%
Manufacturing Avg. Net Lease Rate/Sq. Ft.	\$3.98
Modern Bulk Avg. Net Lease Rate/Sq. Ft.	\$3.72

### Office Market

Inventory	35,110,160 Sq. Ft.
Vacancy Rate (Downtown)	17.5%
Vacancy Rate (Suburban)	15.1%
Avg. Class A Lease \$/Sq. Ft. (Downtown)	\$20.68
Avg. Class A Lease \$/Sq. Ft. (Suburban)	\$20.15

Sources: CBRE and Cushman & Wakefield

## Energy Costs

<b>Electricity</b>	\$6.97 cents/kWh
<b>Natural Gas</b>	\$7.45 cents/MCF

Indiana Industrial Average, 2014

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 - 0.502%

Rates are applied to adjusted gross income and do not vary based on income. Source: Indiana Department of Revenue, 2016

### 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, 2016

### 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, 2016

### Indiana Real & Personal Property Tax

(Per \$100 Assessed Value)

Average Tax Rate	\$2.4309
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Range by Taxing Districts	\$0.9464 - \$5.0348
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Business property taxes are capped at 3% of the assessed value.

Source: STATS Indiana, 2015

### Indiana Unemployment Insurance

New Employer Rate	2.50%
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Taxable Wage Base	\$9,500
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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, 2016

### Indiana Workers' Compensation

(per \$100 of payroll)

Average Rate for Manufacturing	\$2.07
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Average Rate for Office	\$0.26
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Average Rate for All Industry Classes	\$1.34
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Source: Indiana Compensation Ratings Bureau, 2016