

Cost of Business & Taxes

- In 2016 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 30% 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 Costs

Industrial Market (Q1 2017)

Inventory	262,924,182 Sq. Ft.
Vacancy Rate	5.3%
Avg. Asking Lease Rate/Sq. Ft.	\$4.03

Office Market (Q1 2017)

Inventory	36,052,857 Sq. Ft.
Vacancy Rate (Downtown)	16.3%
Vacancy Rate (Suburban)	16.4%
Avg. Class A Lease \$/Sq. Ft. (Downtown)	\$21.49
Avg. Class A Lease \$/Sq. Ft. (Suburban)	\$20.78

Source: CBRE

Industrial Energy Costs

Electricity	\$7.02 cents/kWh
Natural Gas	\$6.36 cents/MCF

Indiana Industrial Average, 2016 (electricity) 2015 (natural gas)

Source: US Energy Information Administration

Wages

Average Annual Wage

Indianapolis-Carmel-Anderson MSA	\$48,175
Indiana	\$43,903
United States	\$52,942

Source: US Bureau of Labor Statistics, QCEW, 2015

Average Hourly Wage

Indianapolis-Carmel-Anderson MSA	\$22.52
Indiana	\$20.64
United States	\$23.86

Source: US Bureau of Labor Statistics, OES, 2016

Tax Structure

Personal Income Tax

Current State Rate	3.23%
Local Option Tax (rates vary by county)	
Range:	1.0 – 2.72%

Rates are applied to adjusted gross income and do not vary based on income. Source: Indiana Department of Revenue, 2017

Indiana Corporate Adjusted Gross Income Tax

Current Rate	6.25%
Rate will decrease annually on July 1, 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, 2017

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: Indiana Department of Revenue, 2017	

Indiana Real & Personal Property Tax

(Per \$100 Assessed Value)	
Average Tax Rate	\$2.4209
Range by Taxing Districts	\$0.8224 - \$5.2079
Business property taxes are capped at 3% of the assessed value.	
Source: STATS Indiana, 2016	

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, 2017	

Indiana Workers' Compensation

(per \$100 of payroll)	
Average Rate for Manufacturing	\$1.94
Average Rate for Office	\$0.24
Average Rate for All Industry Classes	\$1.23
Source: Indiana Compensation Ratings Bureau, 2017	