



## Cost of Doing Business

| Business Cost Comparison – Midwest                                     |                                       |                                      |                     |                            |                     |                     |   |                     |                     |
|--|---------------------------------------|--------------------------------------|---------------------|----------------------------|---------------------|---------------------|---|---------------------|---------------------|
| Taxes & Factors  | INDIANA                               | ILLINOIS                             | IOWA                | KENTUCKY                   | MICHIGAN            | MINNESOTA           | MISSOURI  | OHIO                | WISCONSIN           |
| <b>Corporate Income Tax Rate (a)</b>                                   | 5.5%<br>5.25% by 2020<br>4.9% by 2021 | 9.5%<br>(7.0% +2.5% replacement tax) | 6% – 12%            | 5%                         | 6%                  | 9.8%                | 6.25%   | None                | 7.9%                |
| <b>State Apportionment of Corporate Income</b>                         | Single Sales Factor                   | Single Sales Factor                  | Single Sales Factor | Single Sales Factor        | Single Sales Factor | Single Sales Factor | Sales / Sales, Property, & Payroll Equally Weighted | No State Income Tax | Single Sales Factor |
| <b>Individual Income Tax Rate</b>                                      | 3.23%                                 | 4.95%                                | .33%-8.53%          | 5%                         | 4.25%               | 5.35%-9.85%         | 1.5%-5.4%   | 0 – 4.997%          | 4%-7.65%            |
| <b>Local Average Individual Income Tax Rate (b)</b>                    | 1.56%                                 | None                                 | 0.22%               | 2.08%                      | 1.7%                | None                | 0.5%  | 2.5%                | None                |
| <b>Sales Tax Rate</b>  | 7%                                    | 6.25%                                | 6%                  | 6%                         | 6%                  | 6.875%              | 4.225%  | 5.75%               | 5.0%                |
| <b>Local Average Sales Tax Rate (c)</b>                                | None                                  | 2.49%                                | 0.82%               | None                       | None                | 0.55%               | 3.9%  | 1.42%               | 0.44%               |
| <b>2019 Tax Foundation Property Tax Index Rate</b>                     | 2                                     | 45                                   | 39                  | 35                         | 22                  | 31                  | 7   | 13                  | 21                  |
| <b>Inventory Tax</b>   | No                                    | No                                   | No                  | Yes (offset by tax credit) | Partial             | No                  | No  | No                  | No                  |
| <b>Unemployment Insurance Tax – New Employer (d)</b>                   | \$237.50                              | \$463.32                             | \$306.00            | \$283.50                   | \$243.00            | \$340 to \$693.60   | \$285.12  | \$256.50            | \$455.00            |
| <b>Workers' Compensation Premium Rate Rank</b>                         | 2                                     | 30                                   | 22                  | 19                         | 15                  | 24                  | 25  | 16                  | 41                  |
| <b>Workers' Compensation Premium Rate Index (per \$100 of payroll)</b> | \$0.87                                | \$1.80                               | \$1.64              | \$1.51                     | \$1.38              | \$1.67              | \$1.68  | \$1.40              | \$2.02              |

|                             |         |         |         |         |         |         |         |         |         |
|-----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                             |         |         |         |         |         |         |         |         |         |
|                             |         |         |         |         |         |         |         |         |         |
| <b>Mean Hourly Wage (e)</b> | \$22.32 | \$28.08 | \$21.89 | \$21.66 | \$25.16 | \$27.24 | \$22.99 | \$23.35 | \$22.70 |
| <b>Cost of Living Index</b> | 95.2    | 100.6   | 97.7    | 93.4    | 90.6    | 102.0   | 90.7    | 91.7    | 100.3   |
| <b>Right To Work</b>        | Yes     | No      | Yes     | Yes     | Yes     | No      | No      | No      | Yes     |

(a) The corporate income tax rate decreases are effective July 1 each year noted.

(b) The effective local income tax rate is calculated by taking the mean of the income tax rate in the most populous city and the capital city.

(c) City, county and municipal rates vary. These rates are weighted by population to compute an average local tax rate.

(d) Highest new employer (non-construction/mining) rate multiplied by highest new employer wage base.

(e) QCEW 2017 – Statewide, Total-all industries, Private, All establishment sizes, Average Annual Pay/2080

Source: Tax Foundation (9/2018). Federation of Tax Administrators (State Apportionment of Corporate Income, 1/2019). Oregon Dept. of Consumer & Business Services (Oregon Workers' Compensation Premium Rate Ranking, 10/2018). Various state unemployment insurance agencies. ADP FastFacts. PayrollTaxes.com. Bureau of Labor Statistics – Quarterly Census of Employment & Wages (9/2018). Emsi 2019.1 (using C2ER Cost of Living data). National Right To Work Legal Defense Foundation. Area Development (9/2018). Chief Executive (5/2019). CNBC (7/2018). Forbes (11/2018). U.S. News (5/2019). S&P Global Ratings (2/2019).