



Business Cost Comparison - MIDWEST

Taxes & Factors	INDIANA	Illinois	Iowa	Kentucky	Michigan	Minnesota	Missouri	Ohio	Wisconsin
Corporate Income Tax Rate *Indiana's corporate income tax rate is decreasing from the current 7.5% to 6.5% for 2015 through 0.5% per year reductions. Next decrease scheduled for July 2014 to 7%.	*7.5% 6.5% by 2015	9.5%	6% - 12%	4% - 6%	6%	9.8%	6.25%	Gross Receipts Tax 0.26%	7.9%
State Apportionment of Corporate Income Slash (/) separating two formulas indicates taxpayer option or specified by state rules.	Single Sales Factor	Single Sales Factor	Single Sales Factor	Sales, Property, & Payroll with Sales Double-Weighted	Single Sales Factor	Single Sales Factor	Sales, Property, & Payroll Equally Weighted / Single Sales Factor	Sales, Property, & Payroll with Sales Triple-Weighted	Single Sales Factor
Individual Income Tax Rate *Indiana's individual income tax rate is decreasing from the current 3.4% to 3.3% for 2015 and 2016 and 3.23% for 2017 and beyond.	*3.4% 3.23% by 2017	5%	0.36% - 8.98%	2% - 6%	4.25%	5.35% - 9.85%	1.5% - 6%	0.537% - 5.421%	4.6% - 7.65%
Local Average Individual Income Tax Rate (a)	1.31%	None	None	2.08%	1.75%	None	0.5%	2.25%	None
Sales Tax Rate	7%	6.25%	6%	6%	6%	6.88%	4.23%	5.5%	5%
Local Average Sales Tax Rate (b)	None	1.88%	0.78%	None	None	0.3%	3.28%	1.3%	0.43%
Property Tax Index Rank	5	44	38	17	28	33	7	20	36
Inventory Tax	No	No	No	Yes	Partial	No	No	No	Partial
Unemployment Insurance Tax - New Employer Rate	2.5%	4.15%	1.1%	2.7%	2.7%	3% or 9.4%	3.51%	2.7%	3.6% or 4.1%
Unemployment Insurance Tax - Wage Base	\$9,500	\$12,900	\$26,000	\$9,300	\$9,500	\$29,000	\$13,000	\$9,000	\$14,000
Workers' Compensation Premium Rate Rank	2	48	27	30	20	35	16	24	40
Workers' Compensation Premium Rate Rank	\$1.16	\$2.83	\$1.90	\$1.96	\$1.73	\$2.03	\$1.62	\$1.84	\$2.15
Mean Hourly Wage	\$19.38	\$22.68	\$19.02	\$18.72	\$21.14	\$22.42	\$19.79	\$20.52	\$20.15
Cost of Living Index	95.9	106.3	99.3	91.9	99.8	104.1	99.9	99.5	101.2
Right To Work	Yes	No	Yes	No	Yes	No	No	No	No

Updated 1/28/2014

(a) 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.

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

Source: Tax Foundation (2014 State Business Tax Climate Index). Federation of Tax Administrators (State Apportionment of Corporate Income, Jan 2013). Oregon Dept. of Consumer & Business Services (Oregon Workers' Compensation Premium Rate Ranking CY 2012, Feb 2013). Various state unemployment insurance agencies. PayrollTaxes.com. Bureau of Labor Statistics - Occupational Employment Statistics (5/2012). The Council for Community and Economic Research (2012 State-Level Cost of Living Index). National Right To Work Legal Defense Foundation.