



Indianapolis Region

Cost of Doing Business

- **Lowest cost of doing business among Great Lakes States**
- **3rd lowest worker comp rates in U.S.**
- **Lowest property tax ranking in the Midwest**
- **Best overall tax climate in the Midwest**
- **Best infrastructure in the Midwest**
- **No inventory or franchise taxes**
- **No tax on most business services**
- **Indiana is a Right to Work State**

Sources: Area Development, CNBC, State of Oregon, Tax Foundation

Real Estate Costs

Industrial Market (Q4 2020)

Inventory	294,106,215 Sq. Ft.
Vacancy Rate	5.6%
Avg. Asking Lease Rate/Sq. Ft.	\$4.49

Office Market (Q4 2020)

Inventory	37,806,845 Sq. Ft.
Vacancy Rate (Downtown)	17.4%
Vacancy Rate (Suburban)	20.7%
Avg. Class A Lease \$/Sq. Ft. (Downtown)	\$23.23
Avg. Class A Lease \$/Sq. Ft. (Suburban)	\$23.42

Source: CBRE

Industrial Energy Costs

Electricity	\$7.36 cents/kWh
Natural Gas	\$5.76/MCF

Indiana Industrial Average, 2019

Source: US Energy Information Administration

Wages

Average Annual Wage

Indianapolis-Carmel-Anderson MSA	\$53,767
Indiana	\$48,793
United States	\$59,209

Source: US Bureau of Labor Statistics, QCEW, 2019

Average Hourly Wage

Indianapolis-Carmel-Anderson MSA	\$24.55
Indiana	\$22.49
United States	\$25.72

Source: US Bureau of Labor Statistics, OES, 2019

Tax Structure

Personal Income Tax

Current State Rate	3.23%
Local Option Tax (rates vary by county)	
Range:	1.1 – 2.72%

Rates are applied to adjusted gross income and do not vary based on income. Source: Indiana Department of Revenue, 2021

Indiana Corporate Adjusted Gross Income Tax

July 1, 2020 Rate: 5.25%

Tax rate will decrease to 4.9% 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, 2021

Indiana Sales and Use Tax

	7.00%
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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, 2021

Indiana Real & Personal Property Tax

(Per \$100 Assessed Value)

Average Tax Rate	\$2.4491
Range by Taxing Districts	\$1.0761 - \$5.3982

Business property taxes are capped at 3% of the assessed value.

Source: STATS Indiana, 2020

Indiana Unemployment Insurance

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

Percentage rates may be lowered after 36 months of compliance.

\$9,500 is the maximum taxable amount per employee.

Source: Indiana Department of Workforce Development, 2021

Indiana Workers' Compensation

(per \$100 of payroll)

Average Rate for Manufacturing	\$1.55
Average Rate for Office/Clerical	\$0.18
Average Rate for All Industry Classes	\$0.96

Source: Indiana Compensation Ratings Bureau, 2021

Cost of Living

Cost of Living Index = 91.1 (100=US Average)

Source: C2ER, 2020 Annual Average

The 9-county Indianapolis Region includes Boone, Hamilton, Hancock, Hendricks, Johnson, Madison, Marion, Morgan and Shelby counties.

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