



## Business Cost Comparison - MIDWEST

Taxes & Factors	INDIANA	ILLINOIS	IOWA	KENTUCKY	MICHIGAN	MINNESOTA	MISSOURI	OHIO	WISCONSIN
Corporate Income Tax Rate <sup>(a)</sup>	6.0% 5.75% by 2018 5.5% by 2019 5.25% by 2020 4.9% by 2021	9.5% (7.0% + 2.5% replacement tax)	6% - 12%	4% - 6%	6.0%	9.8%	6.25%	0% - 0.26%	7.9%
State Apportionment of Corporate Income	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	Gross Receipts Tax (known as: Commercial Activity Tax)	Single Sales Factor
Individual Income Tax Rate	3.23%	4.95%	.36% - 8.98%	2% - 6%	4.25%	5.35% - 9.85%	1.5% - 6%	0.495% - 4.997%	4%-7.65%
Local Average Individual Income Tax Rate <sup>(b)</sup>	1.56%	None	0.45%	2.08%	1.7%	None	0.5%	2.25%	None
Sales Tax Rate	7.0%	6.25%	6.0%	6.0%	6.0%	6.875%	4.225%	5.75%	5.0%
Local Average Sales Tax Rate <sup>(c)</sup>	None	2.44%	0.8%	None	None	0.42%	3.74%	1.39%	0.42%
2018 Tax Foundation Property Tax Index Rank	4	45	39	36	21	28	7	11	26
Inventory Tax	No	No	No	Yes	Partial	No	No	No	No
Unemployment Insurance Tax - New Employer Rate	2.5%	3.45%	1.0%	2.7%	2.7%	1.44% or 8.34%	2.7%	2.7%	3.05% - 4.55%
Unemployment Insurance Tax - Wage Base	\$9,500	\$12,960	\$29,300	\$10,200	\$9,000	\$32,000	\$13,000	\$9,000	\$14,000
Workers' Compensation Premium Rate Rank	2	44	28	16	18	30	32	12	40
Workers' Compensation Premium Rate Index (Per \$100 of Payroll)	\$1.05	\$2.23	\$1.86	\$1.52	\$1.57	\$1.91	\$1.92	\$1.45	\$2.06
Mean Hourly Wage <sup>(d)</sup>	\$21.51	\$27.32	\$21.32	\$21.13	\$24.38	\$26.27	\$22.39	\$22.65	\$22.09
Cost of Living Index	96.4	111.8	99.0	93.9	96.6	106.0	98.0	96.2	103.9
Right To Work	Yes	No	Yes	Yes	Yes	No	Yes (pending referendum)	No	Yes

Reviewed 10/23/2017

(a) The corporate income tax rate decreases are effective July 1 of 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) QCEW 2016 - Statewide, Total-all industries, Private, All establishment sizes, Average Annual Pay/2080

Source: Tax Foundation (10/2017). Federation of Tax Administrators (State Apportionment of Corporate Income, 1/2017). Oregon Dept. of Consumer & Business Services (Oregon Workers' Compensation Premium Rate Ranking, 10/2016). Various state unemployment insurance agencies. ADP FastFacts. PayrollTaxes.com. Bureau of Labor Statistics - Quarterly Census of Employment & Wages (9/2017). Emsi 2017.3 (using C2ER Cost of Living data). National Right To Work Legal Defense Foundation. Area Development (9/2017). Chief Executive (5/2017). CNBC (7/2017). Forbes (11/2016).



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State Rankings	INDIANA	ILLINOIS	IOWA	KENTUCKY	MICHIGAN	MINNESOTA	MISSOURI	OHIO	WISCONSIN
<b>US News &amp; World Report</b> <i>Best States for Government - Overall</i>	1	47	10	35	22	24	14	12	5
<b>CNBC</b> <i>America's Top States for Business 2017 - Cost of Doing Business</i>	2	30	10	3	24	36	17	22	22
<b>Area Development</b> <i>Top States for Doing Business 2017 - Shovel-Ready Sites Programs</i>	3 (tie)	Not Ranked in Top 10	Not Ranked in Top 10	9	Not Ranked in Top 10	Not Ranked in Top 10	Not Ranked in Top 10	Not Ranked in Top 10	Not Ranked in Top 10
<b>CNBC</b> <i>America's Top States for Business 2017 - Infrastructure</i>	3	24	23	6	19	10	11	5	26
<b>Forbes</b> <i>The Best States for Business &amp; Careers - Regulatory Environment</i>	4	42	6	35	17	26	12	10	23
<b>Chief Executive</b> <i>2017 Best &amp; Worst States for Business</i>	5	48	14	22	36	38	25	11	10
<b>Area Development</b> <i>Top States for Doing Business 2017 - Speed of Permitting</i>	6 (tie)	Not Ranked in Top 10	Not Ranked in Top 10	Not Ranked in Top 10	Not Ranked in Top 10	Not Ranked in Top 10	Not Ranked in Top 10	Not Ranked in Top 10	Not Ranked in Top 10
<b>Tax Foundation</b> <i>2018 State Business Tax Climate Index</i>	9	29	40	33	12	46	16	45	38