



BUSINESS COST COMPARISON - MIDWEST

| Taxes & Factors | INDIANA | ILLINOIS | IOWA | KENTUCKY | MICHIGAN | MINNESOTA | MISSOURI | NEBRASKA | OHIO | WISCONSIN |
|--|-----------------------------|--|---------------------|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Corporate Income Tax Rate (a) | 5.25% (4.9% on 7/1/2021) | 9.5% (7.0% + 2.5% replacement tax) | 6% - 12% | 5.0% | 6.0% | 9.8% | 4.0% | 5.58% - 7.81% | None | 7.9% |
| State Apportionment of Corporate Income | Single Sales Factor | Single Sales Factor | Single Sales Factor | Single Sales Factor | Single Sales Factor | Single Sales Factor | Single Sales Factor | Single Sales Factor | No State Income Tax | Single Sales Factor |
| Gross Receipts Tax | None | None | None | None | None | None | None | None | 0.26% | None |
| Individual Income Tax Rate | 3.23% | 4.95% | .33% - 8.53% | 5.0% | 4.25% | 5.35% - 9.85% | 1.5% - 5.4% | 2.46% - 6.84% | 0% - 4.797% | 4%-7.65% |
| Local Average Individual Income Tax Rate (b) | 1.56% | None | 0.22% | 2.08% | 1.7% | None | 0.5% | None | 2.5% | None |
| Sales Tax Rate | 7.0% | 6.25% | 6.0% | 6.0% | 6.0% | 6.875% | 4.225% | 5.5% | 5.75% | 5.0% |
| Local Average Sales Tax Rate (c) | None | 2.83% | 0.94% | None | None | 0.58% | 3.96% | 1.43% | 1.42% | 0.46% |
| 2020 Tax Foundation Property Tax Index Rank | 2 | 40 | 35 | 36 | 24 | 26 | 7 | 41 | 9 | 23 |
| Inventory Tax | No | No | No | Yes (Offset by tax credit) | Partial | No | No | No | No | No |
| Unemployment Insurance Tax - New Employer (d) | \$238 | \$398 | \$316 | \$292 | \$243 | \$350 to \$686 | \$273 | \$113 | \$243 | \$490 |
| Workers' Compensation Premium Rate Rank | 2 | 30 | 22 | 19 | 15 | 24 | 25 | 26 | 16 | 41 |
| Workers' Compensation Premium Rate Index (Per \$100 of Payroll) | \$0.87 | \$1.80 | \$1.64 | \$1.51 | \$1.38 | \$1.67 | \$1.68 | \$1.70 | \$1.40 | \$2.02 |
| Mean Hourly Wage (e) | \$23.01 | \$29.05 | \$22.63 | \$22.21 | \$25.79 | \$28.10 | \$23.84 | \$22.05 | \$24.03 | \$23.54 |
| Cost of Living Index | 95.3 | 99.9 | 98.3 | 92.6 | 90.5 | 102.4 | 89.9 | 100.1 | 92.3 | 100.0 |
| Right To Work | Yes | No | Yes | Yes | Yes | No | No | Yes | No | Yes |

Reviewed 08/26/2020

(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) Highest new employer (non-construction/mining) rate multiplied by highest new employer wage base
 (e) QCEW 2018 - Statewide, Total-all industries, Private, All establishment sizes, Average Annual Pay/2080

Source: Tax Foundation (2/2020). Federation of Tax Administrators (State Apportionment of Corporate Income, 1/2020). Oregon Dept. of Consumer & Business Services (Oregon Workers' Compensation Premium Rate Ranking, 10/2018). Various state unemployment insurance agencies. ADP 2020 FastFacts. Bureau of Labor Statistics - Quarterly Census of Employment & Wages (9/2019). Emsi 2020.3 (using C2ER Cost of Living data). National Right To Work Legal Defense Foundation. Area Development (9/2019). Chief Executive (5/2020). CNBC (7/2019). Forbes (12/2019). US News (5/2019). S&P Global Rating (1/2020).



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| State Rankings | INDIANA | ILLINOIS | IOWA | KENTUCKY | MICHIGAN | MINNESOTA | MISSOURI | NEBRASKA | OHIO | WISCONSIN |
|--|---------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------|----------------------|
| CNBC <i>America's Top States for Business 2019 - Infrastructure</i> | 1 | 16 | 32 | 2 | 33 | 9 | 7 | 22 | 4 | 24 |
| US News & World Report <i>2019 Best States for Long-Term Fiscal Stability</i> | 2 | 50 | 14 | 45 | 26 | 30 | 20 | 6 | 44 | 11 |
| US News & World Report <i>2019 Best States for Affordability</i> | 3 | 17 | 1 | 13 | 5 | 21 | 7 | 6 | 2 | 16 |
| CNBC <i>America's Top States for Business 2019 - Business Friendliness</i> | 4 | 40 | 24 | 45 | 22 | 28 | 27 | 10 | 32 | 26 |
| Forbes <i>The Best States for Business 2019 - Regulatory Environment</i> | 5 | 39 | 11 | 33 | 22 | 16 | 25 | 2 | 26 | 10 |
| Chief Executive <i>2020 Best & Worst States for Business</i> | 5 | 48 | 21 | 27 | 13 | 33 | 20 | 28 | 9 | 15 |
| Area Development <i>2019 Top States for Doing Business - Competitive Labor Environment</i> | 5 (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 | 8 | Not Ranked in Top 10 |
| Tax Foundation <i>2020 State Business Tax Climate Index</i> | 10 | 35 | 42 | 24 | 12 | 45 | 14 | 28 | 38 | 26 |
| S&P Global State Credit Rating <i>General Obligation or ICR</i> | AAA | BBB- | AAA | A | AA | AAA | AAA | AAA | AA+ | AA |