Hancock County

Cost of Business & Taxes

- **2nd lowest worker comp rates in U.S.**
- **Lowest 10% of real estate cost (major metros)**
- **Lowest 25% of electricity cost**
- **Low property taxes**
- **Competitive wages and incentives**
- **No inventory or franchise taxes**
- **No tax on business services**

Real Estate Q1 2010 (Indianapolis MSA only)

Industrial Market

Inventory	240,155,000 Sq. Ft.
Vacancy Rate	10.5%
Manufacturing Avg. Net Lease Rate/Sq. Ft.	$2.03
W/D Avg. Net Lease Rate/Sq. Ft.	$3.00

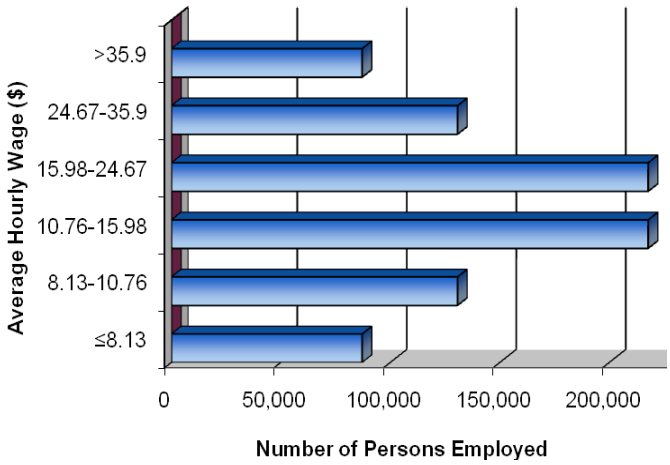
Office Market

Inventory	35,400,858 Sq. Ft.
Vacancy Rate (Downtown)	20.7%
Vacancy Rate (Suburban)	22.9%
Avg. Gross Lease Rate/Sq. Ft. (Downtown)	$19.56
Avg. Gross Lease Rate/Sq. Ft. (Suburban)	$20.13

Sources: Summit Realty, Cassidy Turley.

Electricity (Industrial Avg.) = $.0606/kWh

Employment & Wages



Source: Bureau of Labor Statistics, May 2009 OES. Indianapolis MSA data.

Tax Structure

Personal Income Tax

State Rate	3.40%
Local Option Tax	
Resident	1.2%
Non-Resident	0.45%

Rates are applied to adjusted gross income and do not vary based on income.

Corporate Franchise Tax — None

Corporate Adjusted Gross Income Tax

Gross Rate 8.50%

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.

Sales and Use Tax — 7.00%

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.

Business Property Tax

	Per $100 AV
Median Tax Rate	$2.25
Range by Taxing Districts	$1.46-$3.00

Source: Indiana Department of Revenue; Indiana Tax Commission; and Katz, Sapper & Miller

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

Unemployment Insurance

New Employer Rate	2.70%
Taxable Wage Base	$7,000

Percentage rates may be lowered after 36 months of compliance, or raised due to non-compliance. $7,000 is the maximum taxable amount per employee.

Workers' Compensation (per $100 of payroll)

Average Rate for Manufacturing	$2.22
Average Rate for Office	$0.26
All Classes Average	$1.42

Source: Worker's Compensation Board of Indiana, Indiana Compensation Ratings Bureau, Department of Workforce Development-Unemployment Insurance Division/US Dept. of Labor

The 10-county Indianapolis Region includes Boone, Hamilton, Hancock, Hendricks, Johnson, Madison, Marion, Monroe, Morgan and Shelby counties

Produced with support from the Indy Partnership Foundation. **7/1/10**

Indy Partnership
317-236-6262 or Toll Free 1-800-236-4332
E-mail: info@indypartnership.com
Website: www.indypartnership.com