

- 2nd lowest worker comp rates in U.S.
- 4th lowest property tax rates
- 10th best overall tax climate
- Lowest 10% of real estate cost (major metros)
- Lowest 25% of electricity cost
- No inventory or franchise taxes
- No tax on most business services

State of Indiana unless otherwise noted

Real Estate Q1 2011 (Indianapolis MSA)

Industrial Market

Inventory	211,551,421 Sq. Ft.
Vacancy Rate	9.3%
Manufacturing Avg. Net Lease Rate/Sq. Ft.	\$2.15
W/D Avg. Net Lease Rate/Sq. Ft.	\$2.98

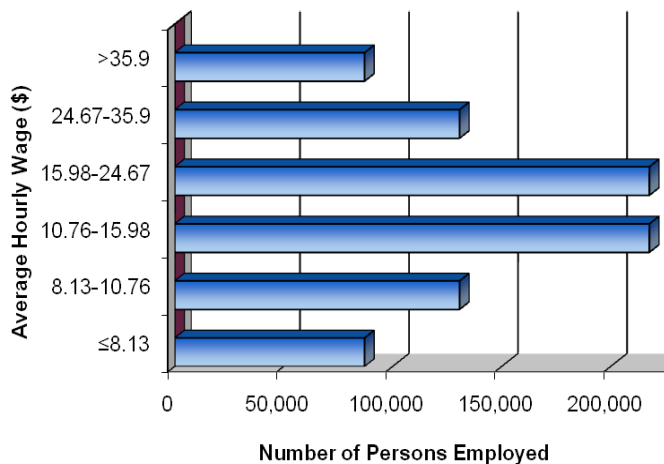
Office Market

Inventory	35,783,966 Sq. Ft.
Vacancy Rate (Downtown)	20.1%
Vacancy Rate (Suburban)	23.5%
Avg. Class A Gross Lease \$/Sq. Ft. (Downtown)	\$19.24
Avg. Class A Gross Lease \$/Sq. Ft. (Suburban)	\$18.84

Sources: CBRE, 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	0.1 – 2.72%
Non-Resident	0.25 - 0.97%

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

Corporate Adjusted Gross Income Tax

Current Rate	8.5%
Effective July 2012	8.0%
Effective July 2013	7.5%
Effective July 2014	7.0%
Effective July 2015	6.5%

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

Rate	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.

Real & Personal Property

Median Tax Rate	Per \$100 AV \$2.12
Range by Taxing Districts	\$0.927 - \$3.00

Business property taxes are capped at 3% of the 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.
Source: Indiana Department of Workforce Development

Workers' Compensation (per \$100 of payroll)

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

Source: Indiana Compensation Ratings Bureau