

- 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

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.

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.

Corporate Adjusted Gross Income Tax

Gross Rate	8.50%
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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%
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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.

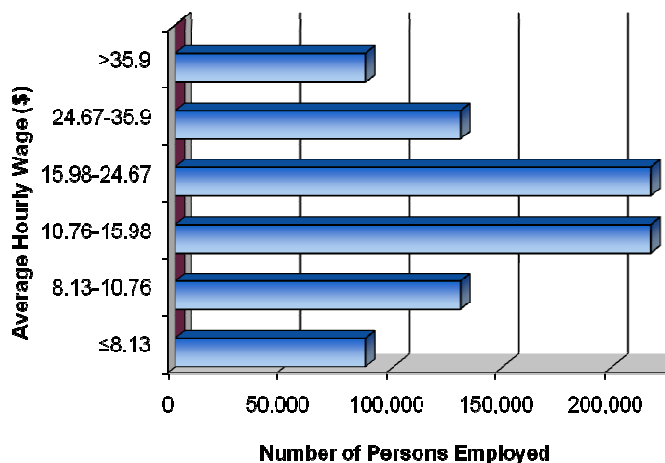
Real & Personal Property

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

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

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

Employment & Wages



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

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