

- 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 2011 (Indianapolis MSA only)

### 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

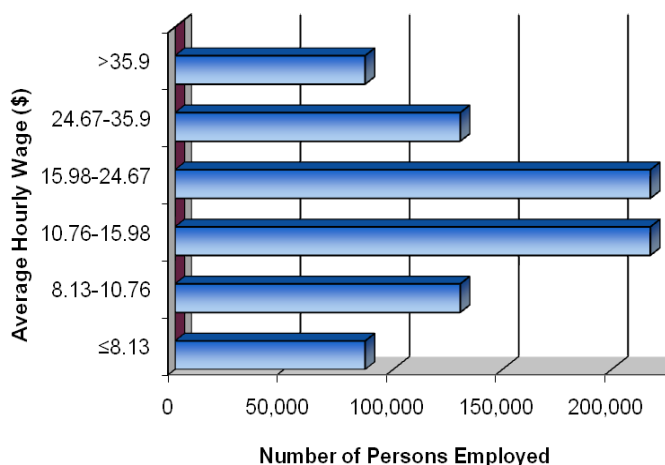
### Office Market

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: 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	1.0%
Non-Resident	0.25%

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

**Corporate Franchise Tax** None

### 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** 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 Taxes Per \$100 AV

Median Tax Rate	\$1.74
Range by Taxing Districts	\$1.11-\$2.68

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

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.

### 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