



BUSINESS COST COMPARISON - MIDWEST

Taxes & Factors	INDIANA	ILLINOIS	IOWA	KENTUCKY	MICHIGAN	MINNESOTA	MISSOURI	NEBRASKA	OHIO	WISCONSIN
Corporate Income Tax Rate (a)	4.9%	9.5% (7.0% + 2.5% replacement tax)	5.5% - 9.8%	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% -3.99%	3.54%-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%
2021 Tax Foundation Property Tax Index Rank	2	48	38	21	35	31	8	41	6	17
Inventory Tax	No	No	No	Yes (Offset by tax credit)	Partial	No	No	No	No	No
Unemployment Insurance Tax - New Employer (d)	\$238	\$473	\$324	\$300	\$257	\$350 to \$686	\$261	\$113	\$243	\$455
Workers' Compensation Premium Rate Rank	3	28	31	14	15	35	38	27	12	41
Workers' Compensation Premium Rate Index (Per \$100 of Payroll)	\$0.77	\$1.46	\$1.54	\$1.13	\$1.14	\$1.61	\$1.65	\$1.44	\$1.11	\$1.74
Mean Hourly Wage (e)	\$23.57	\$29.87	\$23.21	\$22.94	\$26.35	\$28.89	\$24.59	\$22.84	\$24.80	\$24.29
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 08/03/2021

(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 2019 - Statewide, Total-all industries, Private, All establishment sizes, Average Annual Pay/2080

Source: Tax Foundation (1/2021). Federation of Tax Administrators (State Apportionment of Corporate Income, 1/2021). Oregon Dept. of Consumer & Business Services (Oregon Workers' Compensation Premium Rate Ranking, 1/2021). Various state unemployment insurance agencies. ADP 2021 FastFacts. Bureau of Labor Statistics - Quarterly Census of Employment & Wages (9/2020). Emsi 2020.3 (using C2ER Cost of Living data). National Right To Work Legal Defense Foundation. Area Development (9/2020). Chief Executive (4/2021). CNBC (7/2021). Forbes (12/2019). Site Selection Magazine (5/2021). Small Business & Entrepreneurship Council (5/2019). S&P Global Rating (7/2021).

* Illinois businesses such as S - Corps and partnerships that pay taxes through individual returns rather than corporate are subject to an additional 1.5% personal property replacement tax.



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State Rankings	INDIANA	ILLINOIS	IOWA	KENTUCKY	MICHIGAN	MINNESOTA	MISSOURI	NEBRASKA	OHIO	WISCONSIN
CNBC <i>America's Top States for Business 2021 - Infrastructure</i>	3	1	35	20	18	12	25	33	11	27
Area Development <i>2020 Top States for Doing Business - Logistics & Infrastructure</i>	4	8 (tie)	Not Ranked in Top 10	10	Not Ranked in Top 10	5	Not Ranked in Top 10			
Forbes <i>The Best States for Business 2019 - Regulatory Environment</i>	5	39	11	33	22	16	25	2	26	10
Chief Executive <i>2021 Best & Worst States for Business</i>	5	48	17	23	15	40	18	26	7	22
Area Development <i>2020 Top States for Doing Business - Competitive Labor Environment</i>	5	Not Ranked in Top 10	10	Not Ranked in Top 10						
Site Selection <i>Prosperity Cup Top 10 - 2021</i>	5 (tie)	Not Ranked in Top 10	Not Ranked in Top 10	5 (tie)	10	Not Ranked in Top 10	Not Ranked in Top 10	Not Ranked in Top 10	4	Not Ranked in Top 10
SBE Council <i>Small Business Policy Index - 2019</i>	6	35	42	30	14	46	19	37	13	28
Tax Foundation <i>2021 State Business Tax Climate Index</i>	9	36	40	19	14	46	12	28	39	25
S&P Global State Credit Rating <i>General Obligation or ICR</i>	AAA	BBB	AAA	A	AA	AAA	AAA	AAA	AA+	AA