



## BUSINESS COST COMPARISON - SOUTH

Taxes & Factors	INDIANA	ALABAMA	ARKANSAS	FLORIDA	GEORGIA	LOUISIANA	MISSISSIPPI	OKLAHOMA	TENNESSEE	TEXAS
Corporate Income Tax Rate <sup>(a)</sup>	5.25% (4.9% on 7/1/2021)	6.5%	1% - 6.5%	4.458%	5.75%	4% - 8%	3% - 5%	6.0%	6.5%	None
State Apportionment of Corporate Income	Single Sales Factor	Sales, Property, & Payroll with Sales Double-Weighted	Sales, Property, & Payroll with Sales Double-Weighted	Sales, Property, & Payroll with Sales Double-Weighted	Single Sales Factor	Single Sales Factor	Based on type of business. Single Sales Factor used if no specific formula is specified.	Sales, Property, & Payroll Equally Weighted	Sales, Property, & Payroll with Sales Triple-Weighted	No State Income Tax
Gross Receipts Tax	None	None	None	None	None	None	None	None	0.02%-0.3%	0.331% -0.750%
Individual Income Tax Rate	3.23%	2% - 5%	2% - 6.6%	None	1% - 5.75%	2% - 6%	3% - 5%	0.5% - 5.0%	1% (Interest and dividend income only)	None
Local Average Individual Income Tax Rate <sup>(b)</sup>	1.56%	0.5%	None	None	None	None	None	None	None	None
Sales Tax Rate	7.0%	4.0%	6.5%	6.0%	4.0%	4.45%	7.0%	4.5%	7.0%	6.25%
Local Average Sales Tax Rate <sup>(c)</sup>	None	5.22%	2.97%	1.05%	3.31%	5.07%	0.07%	4.44%	2.53%	1.94%
2020 Tax Foundation Property Tax Index Rank	2	15	29	13	28	33	37	19	31	38
Inventory Tax	No	No	Yes	No	Partial	Yes	Yes	Yes	No	Yes
Unemployment Insurance Tax - New Employer <sup>(d)</sup>	\$238	\$216	\$217	\$189	\$257	\$219	\$196	\$281	\$189	\$243
Workers' Compensation Premium Rate Rank	2	23	3	31	46	42	21	28	20	9
Workers' Compensation Premium Rate Index (Per \$100 of Payroll)	\$0.87	\$1.65	\$0.90	\$1.81	\$2.27	\$2.05	\$1.54	\$1.71	\$1.52	\$1.21
Mean Hourly Wage <sup>(e)</sup>	\$23.01	\$22.39	\$21.02	\$23.79	\$26.06	\$23.28	\$18.75	\$22.49	\$24.37	\$28.18
Cost of Living Index	95.3	93.9	89.8	100.9	93.2	97.2	88.2	93.2	92.2	96.8
Right To Work	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Reviewed 11/28/2017



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State Rankings	INDIANA	ALABAMA	ARKANSAS	FLORIDA	GEORGIA	LOUISIANA	MISSISSIPPI	OKLAHOMA	TENNESSEE	TEXAS
<b>CNBC</b> <i>America's Top States for Business 2019 - Infrastructure</i>	1	10	20	12	5	42	38	17	5	8
<b>US News &amp; World Report</b> <i>2019 Best States for Long-Term Fiscal Stability</i>	2	31	24	3	16	39	46	28	1	9
<b>US News &amp; World Report</b> <i>2019 Best States for Affordability</i>	3	19	12	35	18	20	15	4	22	23
<b>CNBC</b> <i>America's Top States for Business 2019 - Business Friendliness</i>	4	37	37	12	16	39	47	15	7	17
<b>Forbes</b> <i>The Best States for Business 2019 - Regulatory Environment</i>	5	27	20	7	9	47	30	15	4	21
<b>Chief Executive</b> <i>2020 Best &amp; Worst States for Business</i>	5	25	22	2	11	23	36	18	4	1
<b>Area Development</b> <i>2019 Top States for Doing Business - Competitive Labor Environment</i>	5 (tie)	5 (tie)	Not Ranked in Top 10	Not Ranked in Top 10	1	Not Ranked in Top 10	Not Ranked in Top 10	Not Ranked in Top 10	3 (tie)	2
<b>Tax Foundation</b> <i>2020 State Business Tax Climate Index</i>	10	40	46	4	32	41	31	27	18	13
<b>S&amp;P Global State Credit Rating</b> <i>General Obligation or ICR</i>	AAA	AA	AA	AAA	AAA	AA-	AA	AA	AAA	AAA

- (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 2018 - Statewide, Total-all industries, Private, All establishment sizes, Average Annual Pay/2080

Source: Tax Foundation (2/2020). Federation of Tax Administrators (State Apportionment of Corporate Income, 1/2020). Oregon Dept. of Consumer & Business Services (Oregon Workers' Compensation Premium Rate Ranking, 10/2018). Various state unemployment insurance agencies. ADP 2020 FastFacts. Bureau of Labor Statistics - Quarterly Census of Employment & Wages (9/2019). Emsi 2020.3 (using C2ER Cost of Living data). National Right To Work Legal Defense Foundation. Area Development (9/2019). Chief Executive (5/2020). CNBC (7/2019). Forbes (12/2019). US News (5/2019). S&P Global Rating (1/2020).