

BUSINESS COST COMPARISON - WEST

Taxes & Factors	INDIANA	ARIZONA	CALIFORNIA	COLORADO	IDAHO	NEW MEXICO	OREGON	WASHINGTON
Corporate Income Tax Rate	4.9%	4.9%	8.84%	4.55%	6.0%	4.8% - 5.9%	6.6% - 7.6%	None
State Apportionment of Corporate Income	Single Sales Factor	Single Sales Factor / Sales, Property, & Payroll with Sales Double-Weighted	Single Sales Factor	Single Sales Factor	Sales, Property, & Payroll with Sales Double-Weighted	Sales / Sales, Property, & Payroll Equally Weighted	Single Sales Factor	No State Income Tax
Gross Receipts Tax	None	None	Applies to LLCs only	None	None	None	0.57% over \$1 Million plus \$250	.13% - 3.3%
Individual Income Tax Rate	3.15%	2.5%	1% - 13.3%	4.55%	5.8%	1.7% - 5.9%	4.75% - 9.9%	None
Local Average Individual Income Tax Rate (a)	1.76%	None	None	None	None	None	2.387%	None
Sales Tax Rate	7.0%	5.6%	7.25%	2.9%	6.0%	5.0%	None	6.5%
Local Average Sales Tax Rate (b)	None	2.77%	1.57%	4.87%	0.02%	2.72%	None	2.79%
2023 Tax Foundation Property Tax Index Rank	2	11	19	36	3	1	20	22
Inventory Tax	No	No	No	No	No	No	No	No
Unemployment Insurance Tax - New Employer (c)	\$238	160	\$238	347	499	325	1069	\$777 to \$4431
Workers' Compensation Premium Rate Rank	4	8	49	11	36	25	10	28
Workers' Compensation Premium Rate Index (Per \$100 of Payroll)	\$0.77	\$0.87	\$2.26	\$0.93	\$1.43	\$1.27	\$0.93	\$1.31
Mean Hourly Wage (d)	\$26.65	\$29.66	\$41.56	\$34.39	\$24.59	\$24.46	\$30.33	\$40.38
Cost of Living Index	95.6	102.3	135.2	111.1	99.6	100.1	119.1	114.9
Right To Work	Yes	Yes	No	No	Yes	No	No	No

Reviewed 02/06/2023

(a) 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.

(b) City, county and municipal rates vary. These rates are weighted by population to compute an average local tax rate.

(c) Highest new employer (non-construction/mining) rate multiplied by highest new employer wage base

(d) QCEW 2020 - Statewide, Total-all industries, Private, All establishment sizes, Average Annual Pay/2080

Source: Tax Foundation (12/2022). Federation of Tax Administrators (State Apportionment of Corporate Income, 1/2022). Oregon Dept. of Consumer & Business Services (Oregon Workers' Compensation Premium Rate Ranking, 10/2022). Various state unemployment insurance agencies. ADP 2022 FastFacts. Bureau of Labor Statistics - Quarterly Census of Employment & Wages (9/2021). C2ER 2021 State Index. National Right To Work Legal Defense Foundation. Area Development (9/2022). Chief Executive (4/2022). CNBC (7/2022). Forbes (12/2019). Site Selection Magazine (5/2022). Small Business & Entrepreneurship Council (5/2019). S&P Global Rating (1/2023). US News (3/2021).

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State Rankings	INDIANA	ARIZONA	CALIFORNIA	COLORADO	IDAHO	NEW MEXICO	OREGON	WASHINGTON
CNBC <i>America's Top States for Business 2022 - Infrastructure</i>	1	6	25	16	42	39	33	29
CNBC <i>America's Top States for Business 2022 - Cost of Doing Business</i>	2	35	48	36	15	29	34	33
Site Selection <i>Prosperity Cup Top 10 - 2022</i>	4 (tie)	Not Ranked in Top 10	Not Ranked in Top 10	Not Ranked in Top 10	Not Ranked in Top 10	Not Ranked in Top 10	Not Ranked in Top 10	Not Ranked in Top 10
Area Development <i>2022 Top States for Doing Business - Logistics & Infrastructure</i>	5	Not Ranked in Top 10	Not Ranked in Top 10	Not Ranked in Top 10	Not Ranked in Top 10	Not Ranked in Top 10	Not Ranked in Top 10	Not Ranked in Top 10
Area Development <i>2022 Top States for Doing Business - Favorable Regulatory Environment</i>	6	9 (tie)	Not Ranked in Top 10	Not Ranked in Top 10	Not Ranked in Top 10	Not Ranked in Top 10	Not Ranked in Top 10	Not Ranked in Top 10
Chief Executive <i>2022 Best & Worst States for Business</i>	6	4	50	13	16	37	45	46
US News & World Report <i>2021 Best States - Affordability</i>	6	29	49	43	30	49	46	44
Tax Foundation <i>2023 State Business Tax Climate Index</i>	9	19	48	21	15	22	24	28
S&P Global State Credit Rating <i>General Obligation or ICR</i>	AAA	AA	AA-	AA	AA+	AA	AA+	AA+