

TAX STRUCTURE & INCENTIVES

Sources: Indiana Economic Development Corporation (Unless Noted)

INDIANA CORPORATE INCOME TAX	
Tax Rate	8.5% of Federal Adjusted Gross Income
Apportionment Formula	Single-Sales Factor - based solely on the portion of a company's sales in Indiana. Phase-in complete by 2011.
INDIANA PERSONAL INCOME TAX	
Tax Rate	3.4% of Federal Adjusted Gross Income
INDIANA SALES and USE TAX	
Tax Rate	7.0%
Exemptions	Manufacturing raw materials and equipment, power, electricity, and utilities. Wholesale sales, items used directly in production, and sales made in interstate commerce. Purchase of R&D equipment.
PROPERTY TAX	
Real Property	Assessed at 100% of Market Value
Personal Property	Assessed at 100% of Market Value
Noblesville Tax Rate	\$2.61 per \$100 of Assessed Valuation
UNEMPLOYMENT INSURANCE <i>Source: IN Department of Workforce Development</i>	
New Employer Rate	2.7 % for first 36 months - after which a variable merit tax rate is calculated
Taxable Wage Base	\$7,000
WORKER'S COMPENSATION <i>Source: IN Compensation Ratings Bureau - January 2009</i>	
Average Rates by Industry Group	Manufacturing - \$2.24, Contracting - \$4.28, Office - \$.27, Goods & Services - \$1.91, Miscellaneous - \$3.94, All Classes Average - \$1.42
INDIANA PERSONAL INCOME TAX	
Tax Rate	3.4% of Federal Adjusted Gross Income
LOCAL PERSONAL INCOME TAX <i>Source: City of Noblesville</i>	
Hamilton County Resident	1.0%
Non-Resident	0.25%
INDIANA TAX CREDITS and EXEMPTIONS	
Economic Development for a Growing Economy (EDGE) Tax Credit	Based on employee payroll withholdings for new job creation. Negotiated credit amount may be for a period of up to 10 years and is refundable.
Hoosier Business Investment (HBI) Tax Credit	Available for "qualified investment" in new buildings, improvements and equipment. Negotiated credit may equal up to 10 percent of the investment and be carried forward for up to 9 years.
Hoosier Headquarters Relocation Tax Credit	Available to companies with global annual revenue of \$100 million or more that relocate their corporate headquarters to Indiana. Credit is equal to half the costs incurred in the relocation.
Patent Income Exemption	Companies with 500 or fewer employees may qualify for a 50% exemption of patent income for each of the first 5 years, decreasing to 10% in the tenth year. Total exemptions claimed may not exceed \$5 million per year.
Research and Development Tax Credit	Based on the increase in IN R&D over prior 3-year base and equals 15 percent of qualified research expenses on the first \$1 million of investment. May be carried forward 10 years.
Corporate Inventory Tax	None