

GREATER LOUISVILLE



REGIONAL PARTNERSHIP

Project Louisville

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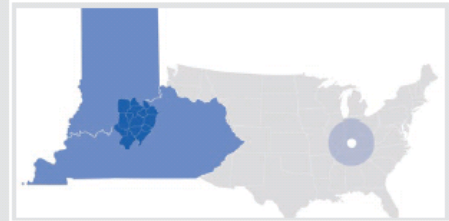


Greater Louisville Inc. provides confidential relocation services in close collaboration with our regional partners.

Call on us for:

- >> **Site Selection** / Assist with coordination with real estate brokers
- >> **Community Networking** / Provide introductions to business leaders across various industries
- >> **Workforce** / Connect businesses to workforce services and programs
- >> **Talent Attraction** / Collaborate with regional representatives to attract talented professionals
- >> **Research** / Provide data and research on various industries, the community, and other topics
- >> **Incentives** / Facilitate introductions to community representatives to execute incentive opportunities

15 COUNTIES
2 STATES
1 COMMUNITY



These services are offered courtesy of the generous support of Greater Louisville's business community, who is eager to welcome your company to the region.

INDIANA



KENTUCKY

15 COUNTIES | 2 STATES | 1 COMMUNITY

A PARTNERSHIP FOR REGIONAL ECONOMIC GROWTH

GREATER LOUISVILLE REGIONAL OVERVIEW

- Snapshot
- Cost of Living
- Cost of Doing Business
- Population
- Drive Time
- Commuter Shed

QUALITY OF LIFE

- The Arts
- The Outdoors
- Festivals & Events
- Neighborhoods
- Sports

EDUCATION & TALENT

- Educational Attainment
- Workforce Readiness & Programs
- Colleges & Universities

LEADING COMPANIES

- Major Employers
- Major Manufacturers

WAGE DATA

LOUISVILLE WATER

TAXES

- Kentucky
- Indiana

INCENTIVES

- Kentucky
- Indiana



SNAPSHOT OF GREATER LOUISVILLE

- 1.4 million people/715,000+ in labor force
- 58,000+ business establishments
- 48 business & industrial parks
- 3 Major Riverports
- 2 Megasites
- 8 Municipal airports including an International Airport
- 26 minutes average commute time

COST OF LIVING: US AVERAGE = 100

MSA	OVERALL	GROCERY	HOUSING	UTILITIES	TRANS.	HEALTH CARE	MISC.
Louisville	93.3	88.8	78.5	92.0	101.2	97.8	105.1

Source: C2ER Cost of Living Index: 2018 Annual Average

COST OF DOING BUSINESS: US AVERAGE = 100

MSA	OVERALL	LABOR	ENERGY	SALES & LOCAL TAX	OFFICE RENT
Louisville	88.6	99.2	84.8	86.3	70.0

Source: Moody's North American Business Cost Review: 2017

REGIONAL POPULATION & DRIVE TIME

AREA	POPULATION (2019 ESTIMATED)	AVG. DRIVE TIME TO WORK (MINUTES)
Bullitt County, KY	81,511	31
Clark County, IN	118,496	26
Floyd County, IN	77,560	25
Harrison County, IN	40,168	33
Henry County, KY	16,219	34
Jefferson County, KY	776,768	25
Oldham County, KY	67,780	30
Scott County, IN	23,947	27
Shelby County, KY	48,596	27
Spencer County, KY	18,853	35
Trimble County, KY	8,473	32
Washington County, IN	27,816	35
12 COUNTY MSA	1,306,187	26.56
Hardin County, KY	108,545	24
Meade County, KY	27,986	33
Nelson County, KY	46,013	29
15 COUNTY REGION	1,488,731	26.56

Source: Environics Analytics, Claritas 2019

COMMUTER SHED

567,981 People In The Regional Labor Force Live In The Louisville/Jefferson County MSA

- 85.4% of those people live in and are employed in the MSA
- 14.6% of those people live in the MSA but are employed outside
- 485,248 internal jobs filled by residents
- 82,733 external jobs filled by residents

595,518 People Are Employed In The Louisville/Jefferson County MSA

- 81.5% of those people live in and are employed in the MSA
- 18.5% of those people are employed in the MSA but live outside
- 110,270 internal jobs filled by outside workers
- 485,248 internal jobs filled by residents

Net Job Inflow Is 27,537 Outside Employees Working In The Louisville/Jefferson County MSA

110,270 (internal jobs filled by outside workers)
 – 82,733 (external jobs filled by residents)
 = 27,537 net job inflow

Of The 595,518 People Who Are Employed In The Louisville/Jefferson County MSA

- 52.0% live less than 10 miles from work
- 28.0% live 10 to 24 miles from work
- 7.1% live 25 to 50 miles from work
- 13% live greater than 50 miles from work

METROPOLITAN/MICROPOLITAN AREAS (CBSA) WHERE LOUISVILLE/ JEFFERSON COUNTY MSA WORKERS LIVE:

Louisville/Jefferson County, KY-IN	485,248	81.50%
Elizabethtown-Fort Knox, KY	15,139	2.50%
Cincinnati, OH-KY-IN	13,981	2.30%
Lexington-Fayette, KY	13,937	2.30%
Bardstown, KY	6,890	1.20%
Indianapolis-Carmel-Anderson, IN	4,088	0.70%
Frankfort, KY	2,885	0.50%
Bowling Green, KY	2,867	0.50%
Evansville, IN-KY	1,922	0.30%
Richmond-Berea, KY	1,891	0.30%
All Other Locations	46,670	7.80%

STATES WHERE LOUISVILLE/JEFFERSON COUNTY MSA WORKERS LIVE:

Kentucky	465,070	78.10%
Indiana	120,272	20.20%
Ohio	4,070	0.70%
Tennessee	1,958	0.30%
Illinois	863	0.10%
Georgia	402	0.10%
Michigan	285	0.00%
Missouri	242	0.00%
North Carolina	219	0.00%
Virginia	174	0.00%
All Other Locations	1,963	0.30%

COUNTIES WHERE LOUISVILLE/ JEFFERSON COUNTY MSA WORKERS LIVE:

Jefferson County, KY	300,324	50.40%
Clark County, IN	44,964	7.60%
Bullitt County, KY	31,372	5.30%
Floyd County, IN	30,331	5.10%
Oldham County, KY	23,228	3.90%
Shelby County, KY	14,383	2.40%
Harrison County, IN	13,548	2.30%
Hardin County, KY	9,544	1.60%
Fayette County, KY	8,864	1.50%
Washington County, IN	7,447	1.30%
All Other Locations	111,513	18.70%

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2015).

A LIFE YOU LOVE

People are friendly and compassionate, commutes are short, leadership is accessible, and our quality of life is second to none. Louisville, once a hidden secret, is now known as one of the top emerging markets. The word is out, and people and businesses are taking notice and making the move to Lou.

THE ARTS

Greater Louisville is known for its rich diversity of traditional and not-so-traditional cultural activities. In fact, Louisville is one of the few U.S. cities with all the five major performance arts, and offers a wide variety of festivals involving music, art, and cultural activities throughout the region.



ORCHESTRA

BROADWAY

OPERA

BALLET

THEATRE

THE OUTDOORS

With 173 parks, Greater Louisville maintains over 56,000 acres of park land, including a large Waterfront Park and Walking Bridge that connects Downtown Louisville with Southern Indiana. The region offers lake-life, unique music venues, and one of the largest caverns in the United States – Louisville Mega Cavern, which is home to a one-of-a-kind underground bike park.

FESTIVALS & EVENTS

Hundreds of festivals and events are hosted every year throughout the region. One of the largest being the Kentucky Derby Festival, which is a month-long festival, offering more than 70 events. Louisville is also becoming known for its music scene – hosting Forecastle, Bourbon & Beyond, Louder Than Life, and Hometown Rising, which in total attract over 200,000 people to the region.

A TOP 10 FOOD CITY

- National Geographic

NEIGHBORHOODS

Throughout the 15 counties, you'll find cities and neighborhoods with distinctive qualities that offer a diverse range of settings, restaurants, night-life, and amenities - from urban and metropolitan to quaint and laid-back - to accommodate any (and every) type of lifestyle.

SPORTS

Louisville is home to the greatest two minutes in sports – the Kentucky Derby, as well as the greatest of all time – Muhammad Ali. Our region enjoys college athletics, Triple-A baseball, a PGA-owned golf course, a professional soccer team, and one of the nation's greatest skate parks.

3rd
Most Affordable
Place to Live in
the U.S. -
Trulia.com



LOUISVILLE is home to a dynamic, diversified economy. The 15-county Greater Louisville region has a population of 1.4 million, and draws workers from a 26-county, bi-state area, providing an ample and reliable source of educated and skilled employees. And the public and private sectors are collaborating to ensure that workforce quality continues to improve.

EDUCATIONAL ATTAINMENT

DEGREE	2019 EST. POPULATION AGE 25+	% OF POPULATION
Master's Degree+	110,145	10.76%
Bachelor's Degree	167,224	16.34%
Associate Degree	92,152	9.01%
Some College	236,329	23.09%

The business community, local governments, and education providers are working toward a shared vision that focuses on people - tomorrow's workforce - as both the means to, and the ultimate beneficiaries of future economic growth. Innovative inclusion initiatives, transformational education attainment programs, and proactive talent attraction and retention measures are accelerating Louisville's progress in this area. Louisville is a regional magnet for talent.

LABOR SUPPLY

Talent Attraction Initiative

Greater Louisville Inc. launched a talent attraction initiative in 2017 called LiveinLou.com. This toolkit supports employers as they work to attract their own talent to Greater Louisville. It offers information on job opportunities, neighborhoods, recreation, education and much more. LiveinLou is also a marketing initiative to recruit 38,000 people to Greater Louisville to fill jobs, and enjoy the lifestyle of an urban-rural setting.

Talent Pipeline Initiative

Academies of Louisville is a partnership between our metro government, GLI, and the Jefferson County School System (JCPS) collaborate to inspire students to follow their passion for certain careers. The JCPS high schools offer career pathway guidance and project-based learning while students earn dual credit, and other credentials improving their college and career readiness.

College Outreach

In addition to marketing and pipeline strategies, GLI works closely with the regional universities and training programs to identify job opportunities of the future, and collaborate with the universities to retain college graduates. Our regional universities have an average of about 81% retention after graduation, and we want to continue that trajectory in keeping talent in greater Louisville.

The following is a list of opportunity examples that enhance the region's ability to support workforce, education, and training interests:

WORKFORCE READINESS & JOB PLACEMENT PROGRAMS:

- Conexus Indiana
- Elizabethtown/Hardin County Industrial Foundation Training Consortium
- Harrison County Lifelong Learning, Inc.
- KentuckianaWorks
- WorkOne Southern Indiana
- Kentucky Manufacturing Career Center
- Power of Work
- Kentucky Health Career Center

TRAINING & CONTINUED LEARNING:

- Code Louisville
- Ivy Tech Community College Apprenticeship Programs
- Mid-America Science Park
- Software Guild
- UL's Additive Manufacturing Competency Center (AMCC)
- Software Guild
- UPS' Metropolitan College
- University of Southern Indiana Applied Engineering Center



YOUTH EXPERIENTIAL LEARNING:

- Junior Achievement (JA) Company Program
- Mayor’s SummerWorks
- ReImage
- Emerging Workforce Initiative
- The Kentucky Federation for Advanced Manufacturing Education (KY FAME)
- Kentucky Youth Career Center
- YouthBuild

COMMUNITY PARTNERSHIPS FOR SUCCESS:

- Academies of Louisville
- Communities in Schools of Clark County
- KentuckianaWorks College Access Center
- Education Matters Southern Indiana
- Louisville Entrepreneurship Acceleration Partnership (LEAP)

COLLEGES & UNIVERSITIES IN REGION

School	2017 Enrollment	2018 Enrollment
ATA College	306	356
Bellarmino University	3,757	3,368
Brown Mackie College		1,120
Campbellsville University - Louisville Education Center	3,294	6,362
Elizabethtown Community & Technical College	6,868	7,314
Embry-Riddle Aeronautical University	91	94
Galen College of Nursing	1,477	2,054
Indiana University Southeast	5,238	5,098
Indiana Wesleyan University - Louisville Education Center	1,216	1,220
Ivy Tech Community College of Indiana	3,587	4,681
Jefferson Community and Technical College	12,192	11,706
Louisville Bible College	162	162
Louisville Presbyterian Theological Seminary	152	143
McKendree University – Radcliff Campus	194	NA
McKendree University – Shepherdsville Campus	20	11
Mid-America College of Funeral Service	78	65
Northwood University - Louisville Program Center	101	91
Ottawa University - Jeffersonville Campus	85	227
Purdue Polytechnic New Albany	250	262
Simmons College of Kentucky	215	210
Spalding University	2,031	1,766
Spencerian College	458	416
Sullivan College of Technology & Design	282	365
Sullivan University	2,598	2,856
The Southern Baptist Theological Seminary	4,225	4,368
University of Louisville	21,763	21,657
University of Phoenix - Louisville Campus	106	106
Webster University – Louisville & Fort Knox	80	85
Western Kentucky University – Elizabethtown/Fort Knox	204	NA

Sources: Business First, December 2018; CollegeSource.com; CommunityCollegeReview.com

MANUFACTURING & PRODUCTION WAGE ESTIMATES

OCCUPATION	MEDIAN HOURLY WAGE	MEAN HOURLY WAGE	MEAN ANNUAL WAGE
Assemblers & Fabricators, All Other – Including Team Assemblers	\$16.33	\$17.19	\$35,750
Computer-Controlled Machine Tool Operators, Metal & Plastic	\$17.68	\$17.89	\$37,210
Conveyor Operators and Tenders	\$16.44	\$17.98	\$37,390
Crane and Tower Operators	\$16.49	\$18.52	\$38,530
Extruding, Forming, Pressing, and Compacting Machine Setters, Operators, and Tenders	\$13.68	\$14.64	\$30,450
First-Line Supervisors of Production & Operating Workers	\$26.89	\$28.60	\$59,490
Food & Tobacco Roasting, Baking and Drying Machine Operators and Tenders	\$16.58	\$15.75	\$32,760
Food Batchmakers	\$13.84	\$14.94	\$31,000
Food Cooking Machine Operators and Tenders	\$18.95	\$17.37	\$36,120
Food Processing Workers, All Other	\$14.11	\$14.45	\$30,050
Helpers—Production Workers	\$12.38	\$13.02	\$27,080
Industrial Engineers	\$35.92	\$37.00	\$76,960
Industrial Production Managers	\$43.76	\$47.58	\$98,970
Industrial Truck and Tractor Operators	\$14.72	\$15.50	\$32,240
Laborers and Freight, Stock, and Material Movers, Hand	\$12.81	\$14.28	\$29,700
Machine Feeders & Offbearers	\$13.19	\$14.27	\$29,680
Packaging and Filling Machine Operators and Tenders	\$16.14	\$16.64	\$34,600
Packers and Packagers, Hand	\$11.21	\$12.12	\$25,200
Production, Planning, & Expediting Clerks	\$22.30	\$22.50	\$46,810
Production Workers, All Other	\$11.31	\$127.74	\$26,500
Transportation & Material Moving Occupations	\$14.90	\$19.29	\$40,120
Weighers, Measurers, Checkers, Samplers, & Recordkeeping	\$14.32	\$15.26	\$31,740

Source: BLS

OCCUPATION DEFINITIONS

ASSEMBLERS AND FABRICATORS, ALL OTHER, INCLUDING TEAM ASSEMBLERS

All other assemblers and fabricators not listed separately, including team assemblers who work as part of a team having responsibility for assembling an entire product or component of a product. Team assemblers can perform all tasks conducted by the team in the assembly process and rotate through all or most of them rather than being assigned to a specific task on a permanent basis. May participate in making decisions affecting the work. Includes team leaders who work as part of the team. Assemblers who continuously perform the same task may be classified elsewhere in 51-2000.

COMPUTER-CONTROLLED MACHINE TOOL OPERATORS, METAL AND PLASTIC

Operate computer-controlled machines or robots to perform one or more machine functions on metal or plastic work pieces.

CONVEYOR OPERATORS AND TENDERS

Control or tend conveyors or conveyor systems that move materials or products to and from stockpiles, processing stations, departments, or vehicles. May control speed and routing of materials or products.

CRANE AND TOWER OPERATORS

Operate mechanical boom and cable or tower and cable equipment to lift and move materials, machines, or products in many directions. Excludes "Excavating and Loading Machine and Dragline Operators" (53-7032).

EXTRUDING, FORMING, PRESSING, AND COMPACTING MACHINE SETTERS, OPERATORS, AND TENDERS

Set up, operate, or tend machines, such as glass forming machines, plodder machines, and tuber machines, to shape and form products, such as glassware, food, rubber, soap, brick, tile, clay, wax, tobacco, or cosmetics. Excludes "Paper Goods Machine Setters, Operators, and Tenders" (51-9196) and "Shoe Machine Operators and Tenders"

FIRST-LINE SUPERVISORS OF PRODUCTION AND OPERATING WORKERS

Directly supervise and coordinate the activities of production and operating workers, such as inspectors, precision workers, machine setters and operators, assemblers, fabricators, and plant and system operators. Excludes team or work leaders.

FOOD AND TOBACCO ROASTING, BAKING AND DRYING MACHINE OPERATORS AND TENDERS

Operate or tend food or tobacco roasting, baking, or drying equipment, including hearth ovens, kiln driers, roasters, char kilns, and vacuum drying equipment.

FOOD BATCHMAKERS

Set up and operate equipment that mixes or blends ingredients used in the manufacturing of food products. Includes candy makers and cheese makers.

FOOD COOKING MACHINE OPERATORS AND TENDERS

Operate or tend cooking equipment, such as steam cooking vats, deep fry cookers, pressure cookers, kettles, and boilers, to prepare food products. Excludes "Food and Tobacco Roasting, Baking, and Drying Machine Operators and Tenders" (51-3091).

FOOD PROCESSING WORKERS, ALL OTHER

All food processing workers not listed separately

HELPERS—PRODUCTION WORKERS

Help production workers by performing duties requiring less skill. Duties include supplying or holding materials or tools, and cleaning work area and equipment. Apprentice workers are classified in the appropriate production occupations (51-0000).

INDUSTRIAL ENGINEERS

Design, develop, test, and evaluate integrated systems for managing industrial production processes, including human work factors, quality control, inventory control, logistics and material flow, cost analysis, and production coordination. Excludes "Health and Safety Engineers, Except Mining Safety Engineers and Inspectors" (17-2111).

INDUSTRIAL PRODUCTION MANAGERS

Plan, direct, or coordinate the work activities and resources necessary for manufacturing products in accordance with cost, quality, and quantity specifications.

INDUSTRIAL TRUCK AND TRACTOR OPERATORS

Operate industrial trucks or tractors equipped to move materials around a warehouse, storage yard, factory, construction site, or similar location. Excludes "Logging Equipment Operators" (45-4022).

LABORERS AND FREIGHT, STOCK, AND MATERIAL MOVERS, HAND

Manually move freight, stock, or other materials or perform other general labor. Includes all manual laborers not elsewhere classified. Excludes "Material Moving Workers" (53-7011 through 53-7199) who use power equipment. Excludes "Construction Laborers" (47-2061) and "Helpers, Construction Trades" (47-3011 through 47-3019).

MACHINE FEEDERS AND OFFBEARERS

Feed materials into or remove materials from machines or equipment that is automatic or tended by other workers.

PACKAGING AND FILLING MACHINE OPERATORS AND TENDERS

Operate or tend machines to prepare industrial or consumer products for storage or shipment. Includes cannery workers who pack food products.

PACKERS AND PACKAGERS, HAND

Pack or package by hand a wide variety of products and materials.

PRODUCTION, PLANNING, AND EXPEDITING CLERKS

Coordinate and expedite the flow of work and materials within or between departments of an establishment according to production schedule. Duties include reviewing and distributing production, work, and shipment schedules; conferring with department supervisors to determine progress of work and completion dates; and compiling reports on progress of work, inventory levels, costs, and production problems. Excludes "Weighers, Measurers, Checkers, and Samplers, Recordkeeping" (43-5111).

PRODUCTION WORKERS, ALL OTHER

All production workers not listed separately.

TRANSPORTATION AND MATERIAL MOVING OCCUPATIONS

Major group comprised of all the transportation and material moving occupations.

WEIGHERS, MEASURERS, CHECKERS, AND SAMPLERS, RECORDKEEPING

Weigh, measure, and check materials, supplies, and equipment for the purpose of keeping relevant records. Duties are primarily clerical by nature. Includes workers who collect and keep record of samples of products or materials. Excludes "Inspectors, Testers, Sorters, Samplers, and Weighers" (51-9061).

MAJOR MANUFACTURERS

COMPANY	EMPLOYMENT	PRODUCT/SERVICE	DATE EST. IN REGION
Ford Motor Company (2 plants)	12,600	F-series Super Duty Pickup trucks, Expeditions, Navigators and Escapes	1913
GE Appliances, a Haier company	6,000	Home appliances	1953
Samtec Inc.	1,500	Electronic connectors and microelectronics	1976
Brown-Forman	1,300	Producer and marketer of beverage alcohol brands	1870
JBS USA	1,200	Pork products	1875
Faurecia	1,200	Exhaust, interior and seat systems	1978
LSC Communications	1,038	Printing Services	1866
Beach Mold & Tool Inc.	800	Injection-molded plastic parts, contract assembly	1972
Heaven Hill Brands Inc.	650	Producer and marketer of alcoholic beverage brands	1935
Tyson Foods	550	Poultry processor	1998

Source: Business First, December 2018

MAJOR EMPLOYERS

COMPANY	LOCAL EMPLOYMENT	PRODUCT/SERVICE	YEAR FOUNDED
United Parcel Service	21,233	International air hub	1963
Jefferson County Public Schools	14,476	Education	n/a
Ford Motor Co. (2 plants)	12,600	Automotive manufacturer	1913
Norton Healthcare	12,247	Health care services	1886
Humana Inc.	12,000	Health and well-being	1961
University of Louisville	6,933	Research university, education	1798
Amazon.com	6,500	Logistics and customer service	2005
Louisville-Jefferson County Metro Government	6,226	Metropolitan government	1778
Baptist Healthcare Systems Inc.	6,159	Health care services	1924
GE Appliances, a Haier company	6,000	Home appliances	1953
KentuckyOne Health, Inc.	6,000	Health care facilities	2012
The Kroger Co.	3,079	Retail grocer	1883
Spectrum	2,400	Call center, cable, Internet	1998
Manna Inc.	2,300	Quick service & casual dining restaurants	1996
Archdiocese of Louisville	2,252	Catholic schools, churches, agencies	1808
ResCare Inc.	1,948	Health and human services provider	1974
Robley Rex VA Medical Center	1,816	Health care services	1952
Bullitt County Public Schools	1,736	Education	n/a
U.S. Postal Service	1,691	Mailing and shipping	1775
New Albany-Floyd County Consolidated School Corp.	1,652	Education	1956
Papa John's International Inc.	1,626	Pizza restaurants	1984
Kindred Healthcare Inc.	1,571	Health care services	1985
Oldham County Public Schools	1,567	Education	n/a
Churchill Downs	1,515	Racing, gaming and online entertainment	1875
Samtec Inc.	1,500	Electronic connectors and microelectronics	1976

Source: Business First, December 2018



Louisville Water

Discover Louisville's Liquid Assets

Revenue streams flow faster with abundant, high-quality, affordable water

Abundant



With the Ohio River as the source, **75 billion gallons** of water flow by Louisville daily.



Louisville Water can **double** its production almost overnight.



Reserve treatment capacity can supply **35 auto manufacturing plants.**

Affordable

Louisville Water's footprint includes more than 1,000 square miles in Louisville Metro and surrounding counties. The customer base includes more than one million people.



Rates are **more affordable** here than peer cities.

Large volume users have access to

special rates.



High Quality

Louisville Water's treatment plants are rated as:

216 of the top **in North America**



The water has such high quality it's trademarked as **Louisville pure tap®**.

And, the taste? Louisville pure tap® rates **best-in-class** in taste competitions.



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LouisvilleWater.com

Q U A L I T Y

I N N O V A T I O N

V A L U E

GREATER LOUISVILLE



REGIONAL PARTNERSHIP

KENTUCKY DEPARTMENT OF REVENUE

Kentucky has some of the most competitive tax rates in the country. Below is an outline of state taxes impacting Kentucky business.

CORPORATION NET INCOME TAX

Kentucky corporations and foreign corporations are subject to income tax due to a “doing business” standard. The tax rate is as follows:

Net Taxable Income	Tax Rate	Per Taxable Income Level
\$0 – \$50,000	4%	
\$50,001 – \$100,000	5%	
\$100,001 +	6%	

Corporations having business income taxable in Kentucky and elsewhere pay Kentucky income tax on the portion of business income earned in Kentucky as determined by the state’s apportionment formula. The formula is based upon the Uniform Division of Income for Tax Purpose Act (UDITPA), which has been adopted by many states, and uses a three-factor formula (sales, property, and payroll) with sales being double weighted.

A Limited Liability Entity Tax (LLET) applies to both C corporations and Limited Liability Pass-Through Entities (LLPTEs) and is not an alternative to another tax. However, corporations paying the LLET are allowed to apply that amount as a credit towards its regular corporate income tax. The LLET may be calculated using the lesser of \$0.095/\$100 of Kentucky gross receipts or \$0.75/\$100 of Kentucky gross profits. A minimum tax of \$175 applies regardless of the method used.

INCOME TAX: PROPRIETORSHIPS AND PASS-THRU ENTITIES

Sole proprietorships and pass-through entities are exempt from state corporate income taxes. Instead, owners pay state individual income taxes on their share of earnings from the business, regardless of whether the income is used for personal use or reinvested in the business. Corporate partners involved with a pass-through entity doing business in Kentucky are taxed on the distributive share of the pass-through entities’ income. If the corporate partner’s only business activity in Kentucky is the pass-through entity interest, then the corporate partner is subject to Kentucky’s corporation income tax on its distributive share income multiplied by the three-factor apportionment formula.

LOCAL OCCUPATIONAL LICENSE TAX ON NET PROFITS

Kentucky statutes allow cities, counties and school districts to levy occupational license taxes on the net profits of businesses, including corporations, proprietorships, partnerships and self-employed individuals. The taxes may be levied either on a flat-rate schedule (based on type of business or employment size) or as a percentage of local net profits or gross receipts. For businesses with payroll and sales in more than one tax jurisdiction, net profits or gross receipts are apportioned using an equal weight of a payroll factor and a sales factor. For businesses with just sales in more than one tax jurisdiction, net profits or gross receipts are apportioned using a sales factor only. A few cities and counties place a cap on the tax payable annually by an individual business or exempt the lower amounts of profits. Some communities exempt income from sales to points outside of the local area.

For current occupational license tax rates & forms visit <http://app.sos.ky.gov/occupationaltax/>.

STATE AND LOCAL PROPERTY TAX

Kentucky taxes all property which is not specifically exempted by the state constitution or personal property exempted by the legislature. Local taxing jurisdictions in Kentucky include counties, cities, school districts, and special taxing districts (fire protection districts, sanitation districts, watershed districts, etc.) Local governments are prohibited from taxing certain classes of property, such as manufacturing machinery, raw materials and goods in process.



PROPERTY TAX RATES

Manufacturing Machinery: Rates based on a state-only rate of \$0.15 per \$100 valuation.

Raw Materials: Rates are based on a state-only rate of \$0.05 per \$100 valuation.

Goods-in-Transit (GIT): Personal property placed in a warehouse or distribution center to be permanently shipped out of state within six months is considered goods in transit and is exempt from state, city, county, and school district personal property taxes. Fire districts or other special districts may exempt such property.

*Real property (land & buildings), Tangible property (other, including office & computer equipment & furniture) and Finished Goods may be taxed by the following jurisdictions:

State County; School District City*; Fire District* Special district* *

Real (land & buildings): State rate of \$0.122 per \$100 value. All 120 counties levy a local property tax averaging \$0.3064 per \$100 of value in 2014. More than 400 cities in Kentucky also levy a property tax which averaged \$0.2240 in 2014.

Tangible: State rates vary based on type of property. For example, business furniture and computer equipment are taxed by the state at \$0.45 per \$100 of value. Local rates vary averaging \$0.3757 per \$100 of value among the 120 counties and \$0.2863 per \$100 of value in the 299 cities that levy the tax.

Finished Goods: Taxed by the state at \$0.05 per \$100 value. Local rates vary.

KENTUCKY SALES TAX

The state rate is 6 percent. There are no local sales taxes in Kentucky. Major exemptions from the state sales tax important to business and industry in Kentucky include:

- Machinery for new and expanded industry.
- Raw materials, industrial supplies, and industrial tools.
- Items purchased for resale.
- Certified pollution control equipment.
- Containers, packaging, and wrapping materials used in manufacturing.
- Energy and energy producing fuels, to the extent that they exceed 3 percent of the cost of production in manufacturing.
- Industrial supplies and tools used to perform a manufacturing process on another entity's property.

UNEMPLOYMENT INSURANCE

For new employers, the rate is 2.7 percent on the first \$9,900 in wages per employee (in 2015) and will increase \$300 each year until 2022. Unemployment Insurance tax rates for Kentucky's employers are set annually from statutory tables of rates. The balance in the state unemployment insurance trust fund determines the rate table in effect during a calendar year. An individual employer's contribution rate within the table is determined by its reserve account balance ratio.

UTILITIES GROSS RECEIPTS LICENSE TAX

Kentucky statutes allow the imposition of a utility gross receipts license tax for schools:

- Imposed by over 100 counties to fund local schools.
- The tax is levied on telephone service, water/sewer, gas and electric and cable services.
- The rate is 3 percent.

INDIVIDUAL INCOME TAX

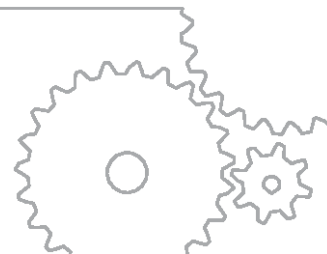
Kentucky has a graduated income tax rate. Rates are as follows:

\$0 - \$3,000 is taxed at 2%;
 \$3,001 - \$4,000 is taxed at 3%;
 \$4,001 - \$5,000 is taxed at 4%;
 \$5,001 - \$8,000 is taxed at 5%;
 \$8,001 - \$75,000 is taxed at 5.8%;
 More than \$75,000 is taxed at 6.0%.

Visit the Kentucky Department of Revenue at www.revenue.ky.gov to learn more.



Indiana Economic Development Corporation



TAXES

CORPORATE INCOMETAX

Indiana's corporate adjusted gross income tax is calculated at a flat percentage of the company's adjusted gross income attributable to the company's Indiana sales. The applied corporate income tax rate is decreasing from the current 6.25% by 0.25% in July of each year until 2020 when we reach 5.25%. In 2021, the rate will fall one final time to 4.9%.

To determine Indiana's share of an interstate or international corporation's taxable income, a company's adjusted gross income is apportioned based upon a single sales factor with Indiana's portion based solely on the portion of the company's sales in Indiana. Adjusted gross income is a company's federal adjusted gross income with certain adjustments. This method of determination simplifies tax calculations for corporations and does not apply to S corporations and not-for-profit organizations.

CORPORATE INCOME TAX SCHEDULE

July 1, 2015 – 6.50%
July 1, 2016 – 6.25%
July 1, 2017 – 6.00%
July 1, 2018 – 5.75%
July 1, 2019 – 5.50%
July 1, 2020 – 5.25%
July 1, 2021 – 4.9%

INDIVIDUAL INCOMETAX

Indiana's individual income tax rate is 3.23% of federal adjusted gross income. The rate decreased from 3.4% to 3.3% on 1/1/2015 and again on 1/1/2017 to the current 3.23%.

PERSONAL INCOME TAX SCHEDULE

2015-2016 – 3.30%
2017 – 3.23%

SALES AND USE TAX

Indiana's sales and use tax is calculated at a rate of 7%. In manufacturing, the following are exempt from the sales tax: raw materials, equipment, power, electricity, and utilities. Wholesale sales, items used directly in production, and sales made in interstate commerce are exempt. In addition, the purchase of research and development equipment is exempt from the tax. Exemption procedures may apply.

PROPERTY TAX

Real and personal property tax is assessed at market value. Tax rates and exemptions vary among local jurisdictions, but are effectively capped at 3% for business property pursuant to state law.

UNEMPLOYMENT INSURANCE TAX

Indiana's applied rate for new employers is 2.5% with a taxable wage base of \$9,500.

GROSS RECEIPTS AND INVENTORY TAX

Indiana has no gross receipts tax and no inventory tax.



OFFER OF INCENTIVES

Competitive incentives are negotiated with the state and local municipalities. Counties base their incentive participation on anticipated wage rates.

Both Indiana and Kentucky have generous business incentives and financial programs. Beyond the available state incentives, each local governmental entity with taxing authority also has the ability to offer tax abatement incentives for new and expansion of existing businesses. The individual project's new job creation and value of new real property and equipment are important factors.

For each program or benefit listed below, a description is hyperlinked that includes program requirements, potential savings, the approval process, and compliance and reporting obligations.

KENTUCKY

➤ NEW AND EXPANDING INDUSTRY

- [Kentucky Business Investment \(KBI\) Program](#)
Provides income tax credits and wage assessments to new and existing agribusinesses, regional and national headquarters, manufacturing companies, and non-retail service or technology related companies that locate or expand operations in Kentucky.
- [Kentucky Enterprise Initiative Act \(KEIA\)](#)
For new or expanded service or technology, manufacturing, or tourism attraction project in Kentucky.
- [Industrial Revenue Bonds - IRB](#)
Can be used to finance manufacturing projects and their warehousing areas, major transportation and communication facilities, most health care facilities, and mineral extraction and processing projects.

➤ WORKFORCE TRAINING

- [Bluegrass State Skills Corporation Skills Training Investment Credit](#)
Provides credit against Kentucky income tax to existing businesses that sponsor occupational or skills upgrade training programs for the benefit of their employees.
- [Bluegrass State Skills Corporation Grant-in-Aid](#)
Provides reimbursement dollars to companies for company-specific training programs.

➤ TAX INCREMENT FINANCING (TIF)

- [Tax Increment Financing \(TIF\)\(PDF\)](#)
The state participates with local governments and eligible agencies in three TIF programs: Real Property Ad Valorem Tax Revenues, Signature Projects, and Mixed-Use Redevelopment in Blighted Urban Areas.

➤ UTILITIES

- [Utility Incentive Rates](#)
Electric and gas utility companies regulated by the Kentucky Public Service Commission (excluding municipal systems) can offer economic incentive rates for certain large industrial and commercial customers. The special discount rates can be granted for up to five years for both new and expanding operations. Gas utility companies also can offer a discount or waiver of gas main extension costs. The specific discount terms are set by contracts negotiated with the utility companies, subject to approval by the Public Service Commission. **More detailed information is included in Section 4d – Supporting Information, Utilities.**

INDIANA

➤ NEW AND EXPANDING INDUSTRY

- [Economic Development for a Growing Economy \(EDGE\) Tax Credit](#)
Provides incentive to businesses to support jobs creation, capital investment and to improve the standard of living for Indiana residents.
- [Hoosier Business Investment Tax Credit \(HBITC\)](#)
Provides incentive to businesses to support jobs creation, capital investment and to improve the standard of living for Indiana residents to support new capital investment.
- [Headquarters Relocation Tax Credit](#)
Provides a tax credit to corporations that relocate their headquarters to Indiana. The credit is assessed against the corporation's state tax liability.
- [Industrial Recovery Tax Credit](#)
Also known as DINO for older buildings it benefits, provides an incentive for companies to invest in former industrial facilities requiring significant rehabilitation or remodeling expenses.

➤ WORKFORCE TRAINING

- [Skills Enhancement Fund \(SEF\)](#)
Provides assistance to businesses to support training and upgrading skills of employees required

➤ RESEARCH AND DEVELOPMENT

- [R & D Tax Credit](#)
Provides an incentive for business investment in Indiana by providing a credit against state tax liability for qualified company research expenses. The R&D tax credit (also known as the Research Expense tax credit) is based on the increase in Indiana R&D over the prior three-year base.
- [Patent Income Exemption](#)
Certain income derived from qualified patents (utility patents and plant patents) and earned by a taxpayer are exempt from taxation.

➤ TAXES

- [Jeffersonville Urban Enterprise Zone](#)
An Urban Enterprise Zone (UEZ) is a specially designated area in which businesses and residents are afforded certain state tax benefits. In turn, businesses remit a percentage of their tax savings to the local Urban Enterprise Association (UEA) who manages these funds for the benefit of the Zone.
More detailed information is included in Section 4c – Supporting Information, Taxes.

