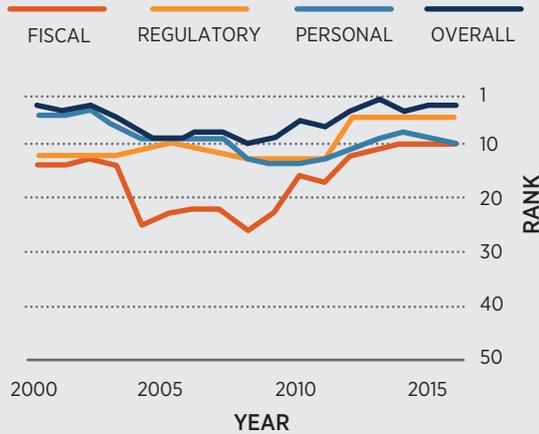


# INDIANA

2016 RANK  
**3rd**



## POLICY RECOMMENDATIONS

- **Fiscal:** Reduce debt and sales and income taxes by cutting spending on health and hospitals, libraries, and interest on the debt, areas where Indiana spends more than the national average.
- **Regulatory:** Allow independent nurse practitioner practice with full prescription authority, join the Nurse Licensure Compact, and legalize independent dental hygienist practice.
- **Personal:** Legalize happy hours and decriminalize low-level marijuana possession.



Population, 2017  
**6,666,818**

Net Migration Rate  
**-1.3%**



State Taxes, Percent of Personal Income, FY 2017  
**6.15%**

Local Taxes, Percent of Personal Income, FY 2015  
**3.10%**

Partisan Lean, 2016  
**R +11.3**



Real Per Capita Personal Income, 2016, in 2009 \$  
**\$43,180**

Real Personal Income Growth, CAGR, 2000-15  
**2.1%**

## ANALYSIS

Indiana has quietly built a record as one of America's freest states and the freest state by a wide margin in the Great Lakes region. Hoosiers enjoy top scores on all three dimensions of freedom, with regulatory policy a particular area of excellence. Although it has still experienced small net outmigration to the rest of the country over the past 17 years, its record in that department has been better than that of any other of the eight Great Lakes states, and its economic growth has been better than all its neighbors' for at least a decade.

Although Indiana's fiscal policy deteriorated quite a bit between FY 2000 and FY 2009, it has made a good recovery since then. Local taxes have fallen from 4.7 percent of income in FY 2010 to 3.1 percent in FY 2015, and state taxes have edged down as well. Government debt has also fallen over that period. State and local government employment is substantially smaller than the national average, as is government consumption.

Although the PPACA disproportionately harmed the state because of its previously fairly free-market health insurance policies, Indiana has maintained the elements of a solid regulatory policy as far as it can. Land-use freedom is high by any measure, although it could be more consistently principled if it didn't stop employers from banning guns in their parking lots. The state passed right-to-work legislation in 2012 and has resisted increasing the minimum wage above the federal mark. It is a model state for tele-

communications deregulation. Occupational freedom is extensive, though not for second-line health care professions. The state did legalize greater prescribing authority by physician assistants in 2013. There is no hospital certificate-of-need requirement, although there is such a requirement for moving companies. Insurance freedom is above average, and the state has recently allowed direct Tesla sales. The civil liability system shows steady improvement over the past decade.

Indiana has more personal freedom than most other conservative states. It was forced to legalize same-sex marriage in 2014 but never had an oppressive super-DOMA. Gun rights are fairly secure, especially for concealed carry, but the state has stricter-than-federal minimum age limits for possession and dealer licensing. The ban on short-barreled shotguns was eliminated in 2015. Victimless crime arrests are fairly low, but the incarceration rate is a bit higher than average, adjusted for crime rates. Educational freedom is excellent, and the state posted major gains in 2011 with a new statewide voucher law and a limited scholarship tax credit law. State civil asset forfeiture law is fairly good, although it is often circumvented through equitable sharing. Legal gambling is extensive. Smoking bans have not gone quite as far as in other states. Marijuana freedom is virtually nonexistent, but alcohol freedom has been improving consistently in the past few years. The state now has direct-to-consumer wine shipments and it reformed off-premises Sunday sales in 2018, and alcohol taxes are low.