

2005 Rank	Previous Rank	State	Wage Cost Index (1)	Tax Burden Index (2)	Electricity Cost Index (3)	Industrial Rent Cost Index (4)	Office Rent Cost Index (5)	Cost of Doing Business Index 2005
1	1	Hawaii	91.9	154.5	207.5	286.0	130.4	143.1
2	2	New York	125.4	101.6	153.0	155.8	182.8	130.7
3	4	Massachusetts	121.6	101.5	149.4	139.5	161.5	125.5
4	3	California	112.5	111.1	168.0	136.8	136.3	124.2
5	5	Connecticut	127.2	105.4	136.6	115.6	119.5	122.7
6	7	Alaska	101.9	93.0	139.9	263.8	78.7	120.8
7	6	New Jersey	122.6	95.1	127.5	151.0	123.0	120.7
8	8	Delaware	107.8	130.0	95.0	98.7	111.0	109.6
9	10	Minnesota	101.7	131.3	79.9	133.0	110.0	107.9
10	9	Michigan	104.1	121.3	95.4	105.6	98.0	106.1
11	11	Vermont	83.9	141.4	147.5	98.7	75.4	106.0
12	14	Nevada	96.5	99.0	122.7	107.5	131.5	103.8
13	13	Illinois	107.5	95.1	92.5	103.5	134.2	103.7
14	12	Washington	105.7	103.4	82.6	110.2	130.5	103.5
15	17	Rhode Island	95.7	107.7	145.3	67.6	102.1	103.0
16	15	New Hampshire	98.3	67.9	151.2	124.7	80.8	101.9
17	19	Maryland	108.0	92.0	90.3	100.6	115.8	101.8
18	18	Pennsylvania	97.3	99.8	108.3	97.4	111.7	100.2
19	16	Maine	81.5	117.3	127.3	83.1	88.6	96.0
20	23	New Mexico	82.0	130.8	93.8	103.1	80.5	95.6
21	20	Wisconsin	88.2	115.3	89.1	100.4	96.6	95.4
22	26	Florida	89.4	91.6	95.7	120.2	114.1	95.1
23	31	Wyoming	80.1	141.1	71.7	126.5	61.0	94.7
24	21	Virginia	102.7	87.6	76.0	95.2	98.3	94.7
25	22	Arizona	93.5	95.8	95.1	85.4	105.8	94.0
26	24	Ohio	92.8	102.1	94.4	76.2	94.5	93.3
27	28	Texas	98.0	73.7	100.0	93.0	95.7	92.8
28	25	Oregon	91.1	92.3	84.0	106.4	107.7	92.6
29	29	Colorado	103.3	69.3	89.3	89.2	95.2	92.6
30	27	North Carolina	89.3	108.1	87.2	76.3	92.5	91.6
31	30	Georgia	97.3	89.5	81.4	76.7	103.5	91.6
32	38	Louisiana	81.3	105.0	99.1	80.9	88.9	89.1
33	33	Kansas	83.5	102.2	84.1	92.3	97.7	88.9
34	32	Indiana	88.1	103.8	76.6	80.4	89.9	88.8
35	34	Kentucky	84.5	120.1	65.4	67.6	84.6	87.0
36	36	Missouri	89.6	84.4	78.4	85.0	98.5	86.8
37	35	Utah	83.0	107.4	71.5	80.2	101.3	86.8
38	42	Nebraska	82.0	108.3	76.2	74.1	100.0	86.5
39	39	Tennessee	88.5	87.8	83.6	72.4	91.8	86.2
40	41	Alabama	84.9	90.8	82.6	83.4	95.9	86.2
41	37	W Virginia	77.2	130.1	70.7	62.4	92.1	86.1
42	40	Arkansas	76.3	128.4	73.0	62.4	84.8	85.3
43	45	Oklahoma	79.2	105.8	83.7	76.8	77.3	84.8
44	44	South Carolina	81.6	97.2	82.4	66.5	98.4	84.2
45	43	Mississippi	72.9	116.7	89.5	72.7	73.3	84.1
46	46	Idaho	76.0	114.3	74.1	76.3	73.9	83.3
47	48	Montana	72.2	106.4	84.7	70.2	70.2	80.6
48	47	Iowa	80.5	92.7	79.3	57.2	75.7	80.2
49	49	North Dakota	73.7	100.6	73.2	57.0	65.8	76.9
50	50	South Dakota	72.3	72.8	80.4	54.7	72.8	71.9

Definitions:

- 1 - Wage cost measures the average annual wage per employee in all industries (receives 50 % weight)
- 2 - Tax Burden measures the annual state tax revenue as a share of personal income (receives 20 % weight)
- 3 - Measures the cost of commercial and industrial electricity cost in cents per kilowatt-hour (receives 15 % weight)
- 4 - Measures the cost of renting industrial (warehouse) space on a per square foot basis (receives 10 % weight)
- 5 - Measures the cost of renting office space on a per square foot basis (receives 5 % weight)

Footnotes:

An index score of 100 means that the state is equal to the U.S. average in that particular category

If a state's business cost index is 120, it means that the state's cost of doing business is 20% above than the national average.

Similarly, if a state's business cost index is 80, it means that the state's cost of doing business is 20% less than the national average.

Sources:

- 1 - Global Insight, Milken Institute
- 2 - Global Insight, Milken Institute
- 3 - Energy Information Administration, Milken Institute
- 4 - Global Real Analytics (National Real Estate Index), NAI Global, Milken Institute
- 5 - Global Real Analytics (National Real Estate Index), NAI Global, Milken Institute