

Tax Incentives for Data Centers 50 State Survey

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Alabama

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
Authorized by AL ST § 40–9B; availability extended by the 2023 HB 241 to July 31, 2028	Including but not limited to property tax, sales tax, and use tax abatements (for a complete list please see AL ST § 40–9B–4(a).)	- To be considered a data processing center, the establishment must create at least 20 jobs with an average annual compensation of \$40,000. - Different maximum exemption periods apply based on amount of investment. - A period of 10 years from and after the date on which private use property is or becomes owned, for federal income tax purposes, by such private user or users (including the lessor and any lessee with respect to co-location centers), if the aggregate capital investment in the data processing center by such private user or users does not exceed \$200 million within 10 years from the date on which a private user commences the acquisition, construction, and equipping of the data processing center. - A period of 20 years from and after the date on which private use property is or becomes owned, for federal income tax purposes, by such private user or users (including the lessor and any lessee with respect to co-location centers), if the aggregate capital investment in the data processing center by such private user or users exceeds \$200 million but is not greater than \$400 million within 10 years from the date on which a private user commences the acquisition, construction, and equipping of the data processing center - A period of 30 years from and after the date on which private use property is or becomes owned, for federal income tax purposes, by such private user or users (including the lessor and any lessee with respect to co-location centers), if the aggregate capital investment in the data processing center by such private user or users exceeds \$200 million within 10 years from the date on which a private user commences the physical work of constructing and equipping the data processing center and exceeds \$400 million within 20 years from the date on which a private user commences the acquisition, construction, and equipping of the data processing center.	- Apply to the governing body at or about the time that the private user is requesting inducement. The application shall contain information that will permit the governing body to which it is submitted to make a reasonable cost/benefit analysis as to the proposed industrial development property and to determine the maximum exemption period for the abatement of noneducational ad valorem taxes. - The abatement granted shall be embodied in an agreement, setting forth (1) the estimated amount of each abatement and the maximum exemption period, and (2) good faith projections by the private user of the amount to be invested; the number of individuals to be employed, initially and in the succeeding three years; and the payroll. - The private user shall file with the Department of Revenue within 90 days after the granting of the abatements a copy of the agreement.

Alaska

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
N/A	N/A	N/A	N/A

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
A.R.S. § 41-1519; A.R.S. § 42-5061, A.R.S. § 42-5159, A.R.S. § 42-6004	- Arizona offers qualifying data centers investing at least \$50 million a sales tax exemption for data center equipment. - Incentive program “allows data center owners, operators, or qualified co-location tenants of a commercial data center in the state of Arizona to be excluded from paying state, county, and local sales tax on equipment purchases for up to ten (10) full calendar years.” - Qualifying companies are exempted from sales and use tax liability on data center-related equipment purchases for 10 years. - The legislation caters to co-location projects and multi-tenant facilities as well.	- Owner or operator must invest at least \$50 million for projects in urban locations and \$25 million in non-urban environments. - Companies with existing data centers in Arizona that have accrued an investment of at least \$250 million to the state over the past six years will also qualify for tax benefits on future purchases. - Tenants may qualify for exemptions on their equipment if they commit to at least 500 KW’s of critical power capacity. - The authority shall not certify any new computer data center that submits an application to the authority after December 31, 2033. - In general, an owner, operator, or qualified colocation tenant of a certified CDC can obtain the tax exemptions provided by the Program for up to ten 10 full calendar years following the year of the CDC certification. - However, if the CDC qualifies as a sustainable redevelopment project, the Program tax exemptions are available for up to 20 full calendar years following the year of the certification. - The TPT and Use Tax exemptions provided by the Program are available if all of the following are satisfied: - An applicant submits an application for CDC certification and receives a letter of certification from the ACA. - The CDC owner, operator, and/or qualified colocation tenant collectively satisfy the applicable capital investment threshold in a timely manner: - If the CDC facility is located in either Maricopa or Pima County, a capital investment of at least \$50 million must be made within five years of the date of the CDC’s certification, OR - If the CDC facility is located in a county other than Maricopa or Pima Counties, a capital investment of at least \$25 million must be made within five years of the date of the CDC’s certification, OR - In the case of a pre-2013 CDC, regardless of location, a capital investment of at least \$250 million must have been made during the period between September 1, 2007, and August 31, 2013, OR - If the CDC Facility is Greenfield SRP, a capital investment of at least \$200 million must be made and the CDC must attain certification under the energy star or green globes standard within five years of the date of the CDC’s certification. - The applicant remits the requisite processing fee. - All relevant parties furnish evidence of registration under the Federal E-Verify Program.	Owner or operator must submit to the Arizona tax authority prescribing the following: - The owner’s or operator’s name, address, and telephone number. - The address of the site where the facility is or will be located, including, if applicable, information sufficient to identify the specific portion or portions of the facility composing the computer data center. - If the computer data center is to qualify under subsection E, paragraph 1 of this section, both of the following: - The anticipated investment associated with the computer data center for which the tax relief is being sought and whether the computer data center is anticipated to qualify as a sustainable redevelopment project. - An affirmation, signed by an authorized executive representing the owner or operator, that the computer data center is expected to satisfy one of the certification requirements prescribed in subsection E, paragraph 1 of this section and that the computer data center will not violate subsection M of this section.

Arkansas

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
Authorized by House Bill 1654	- The gross receipts or gross proceeds from the sale of the following are exempt from the gross receipts tax levied by this chapter and the compensating use tax levied by the Arkansas Compensating Tax Act of 1949, § 26–53–101 et seq.: - Data center equipment; - Eligible data center costs; - Service purchased for the purpose of and in conjunction with developing, acquiring, constructing, expanding, renovating, refurbishing, and operating a qualified data center; - Electricity used by a qualified data center. “Eligible data center costs” means expenditures for the development, acquisition, construction, expansion, renovation, refurbishment, and operation of a qualified data center, including without limitation costs of land, buildings, site improvements, modular data centers, computer data center equipment acquisition and permitting, lease payments, site characterization and assessment, engineering, and design used directly and exclusively in a qualified data center.	- Must be a “qualified data center”: which is a facility that: (A) is developed, acquired, constructed, expanded, rehabilitated, renovated, repaired, or operated to house a group of networked computer servers in one physical location or multiple contiguous locations to centralize the storage, management, and dissemination of data and information pertaining to a particular business or classification or body of knowledge; (B) is owned or operated by a qualified firm that: (i) creates a qualified investment of at least \$500 million within five years of the issuance of a certificate of occupancy by the relevant local building authority; and (ii) pays an aggregate annualized compensation of at least \$1 million to employees within the state over the two calendar years following the commencement of operating; and (C) has received a positive cost-benefit analysis from the Arkansas Economic Development Commission. “Qualified firm” means a for-profit business establishment that is: (A) subject to state income, sales, or property taxes; (B) the owner or operator of a qualified data center; and (C) engaged in data processing, storage, and dissemination. “Qualified investment” means, with respect to a qualified data center, the aggregate nonduplicative eligible data center costs expended by an entity with an interest in a qualified data center in the state.	- A qualified firm shall submit an application for the exemption to the Arkansas Economic Development Commission. - Within 30 days after receipt of a completed application, the Commission shall grant or deny the application in whole or in part. - If an application is complete and meets the requirements, the Commission shall certify the qualified data center that is eligible for the exemption. - Once application is approved, the Commission shall transmit an approved financial incentive certificate to the qualified firm. - The qualified firm shall then certify annually to the Commission the qualified data center’s minimum qualified investment and aggregate annualized compensation at the qualified data center during the preceding calendar year for the term of the financial incentive certificate.

California

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
N/A	N/A	N/A	N/A

Colorado

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
N/A	N/A	N/A	N/A

Connecticut

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
Data Center Tax Incentive Program Legislative authorization: House Bill No. 6514, Public Act No. 21-1	20 years exemption of sales and use tax, 30 years if investment exceeds \$200M/\$400M depending on location.	- New build or expansion of existing center - Investment of \$50M if in an “enterprise zone” or federal “opportunity zone”, or \$200M if elsewhere - Must enter into fee agreements with municipalities in which the data center will be located prior to beginning the capital project.	- Submit application to commissioner of economic and community development outlining the capital project; - If approved, company must enter into tax incentive agreements with DECD; - Agreement will include five-year qualifying period to meet investment requirements; - Agreement will require payment of fee not to exceed \$50,000 during each year of the qualifying period or until the minimum investment threshold is reached, whichever is sooner.

Delaware

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
Blue Collar Job Act Legislative authorization: Title 30, Delaware Code, Chapter 20, Subchapters II-III, V	Benefit: Eligible businesses receive credits of \$500 for each qualified employee and \$500 for each \$100,000 invested. Credit may be as high as \$650 in underdeveloped areas of the state.	Business must be: - engaged in a qualified activity (including maintenance/management of data center); - hire five or more qualified employees; and - make an investment of at least \$200,000 (\$40,000 per qualified employee) in a qualified facility.	- Submit Form 402AP 9901 to DoR; - Applicant must receive written approval prior to claiming tax credit; - DoR will notify applicant in writing whether approved or denied; - Submit Form 1100CR 9901 with business Income Tax return.

Florida

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
Authorized by FL ST § 212.08(5)(r)	The exemption eliminates sales tax and use tax for data centers, infrastructure, equipment, personal property, and electricity	- A company must make a minimum \$150 million cumulative investment. - The data center must have a critical load of at least 15MW and a critical load of at least 1MW per each individual owner or tenant in the facility. - The data center must be operational by June 30, 2023	- To receive the exemption provided by this paragraph, the person seeking the exemption must apply to the department for a temporary tax exemption certificate. The application must state that a qualifying data center designation is being sought and provide information that the requirements will be met. Upon a tentative determination by the department that the data center will meet the requirements of, the department must issue the certificate. - The certificate holder shall maintain all necessary books and records to support the exemption. Upon satisfaction of all requirements, the certificate holder must deliver the temporary tax certificate to the department together with documentation sufficient to show the satisfaction of the requirements. Such documentation must include written declarations, pursuant to s. 92.525, from: (a) A professional engineer, licensed pursuant to chapter 471, certifying that the critical IT load requirement set forth in subparagraph 2. has been satisfied at the data center; and (b) A Florida certified public accountant, as defined in s. 473.302, certifying that the cumulative capital investment requirement set forth in subparagraph 2. has been satisfied for the data center. - The professional engineer and the Florida certified public accountant may not be professionally related with the data center’s owners, tenants, or contractors, except that they may be retained by a data center owner to certify that the requirements of subparagraph 2. have been met. - If the department determines that the requirements have been satisfied, the department must issue a permanent tax exemption certificate.

Georgia

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
Data Center Sales and Use Tax Exemption Program Legislative authorization: O.C.G.A. § 48-8-3(68.1)	Benefit: 100% sales and use tax exemptions	Qualifications: The purchase and use of high-technology data center equipment to be incorporated or used in a high-technology data center are exempt from state and local sales and use tax, subject to the following conditions: - The purchaser must be a high-technology data center or a high-technology data center customer. - Company must meet county-specific minimum investment threshold, ranging between \$25M and \$250M. - Must create an average of 25 “new quality jobs” as defined in O.C.G.A. § 48-7-40.17(a)(2) in a single county in a single year, or 50 “new quality jobs” statewide within two years. 30+ hours/week at 110% of the average wage of the county.	- Data center must apply to obtain a certificate of exemption from the Department of Revenue. - Department of Revenue may require a bond not to exceed \$20M, to be forfeited if the company fails to meet the minimum investment threshold.

Hawaii

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
N/A	N/A	N/A	N/A

Idaho

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
Idaho Code Ann. § 63-3622VV	Provides a sales tax exemption to new data centers choosing to locate in Idaho on server equipment as well as construction materials used in the construction of the data center facility.	- Companies must create and maintain at least 30 new jobs in Idaho within the first two years after beginning operations, paying an average wage that is at or above the county average for the county in which the data center is located (i.e., raising the county average wage – “good jobs” requirement) - Companies must also make a capital investment of at least \$250 million within five years after construction begins and be solely devoted to the purpose of providing the data center or have a separately operated segment of a business solely devoted to the purpose of providing the data center.	- Companies should apply for a provisional exemption through the Idaho Tax Commission. - Application Form: Sales Tax Exemption Certificate - Real Property Contractors - Contractors working on a certified data center project can buy building materials, equipment, and fixtures that will become part of the new data center facility without paying sales tax. This exemption doesn’t apply to tools, equipment, or building materials that don’t become part of the data center facility. See Idaho Code section 63-3622VV.” - Additional regulatory/administrative guidance may be forthcoming on this matter. Note: there has been no update to existing legislation. U.C. has been returned to the Revenue and Taxation Committee and has not been updated.

Illinois

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
20 Ill. Comp. Stat. 605/605-1025	- Tax exemption for qualified tangible personal property, which includes electrical equipment, computer equipment, heating and cooling systems, network equipment, and building materials physically incorporated into the data center building. (35 Ill. Comp. Stat. 110/3-5) - Tax exemption from the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act, all locally imposed retailers’ occupation taxes administered and collected by the Department, and the Chicago non-titled Use Tax. - Tax credit certification and tax credits that can be applied towards subsections (a) and (b) of the Illinois Income Tax Act. - Tax credit worth 20% of the wages paid to construction contractors during the taxable year if the wages are paid for the construction of a new data center that meets specific criteria. (35 Ill. Comp. Stat. 5/229)	- New or existing data center that is located in Illinois. - New data centers must make a capital investment of at least \$250 million over a 60-month period. - Must create at least 20 new full-time jobs over a period of 60 months. Jobs must be associated with the operation or maintenance of the data center, and the jobs must have a total compensation equal to or greater than 120% of the average full-time wage paid in the county where the data center is located. - Data center must become carbon neutral within two years after being placed in service.	- Applications must be submitted to the Department of Commerce and Economic Opportunity. - Applicants must submit a memorandum of understanding that gives project details concerning capital investment, new job creation, timeline for achieving requirements, and other provisions deemed necessary by the Department. - If approved, applicants will receive a certificate of eligibility and exemption.

Indiana

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
Ind. Code § 6-2.5-15.	- The sale of qualified data center equipment is exempt from the state gross retail tax if the equipment is sold to a data center and the equipment will be located within the data center. “Qualified data center equipment” means computer equipment or software purchased or leased for the processing, storage, retrieval, or communication of data that is preapproved by the corporation. This includes water conservation systems and electricity used by the data center for purposes other than administration of the facility. - Generally, benefits will last for 25 years. Benefits will last for 50 years if the qualified investment is \$750 million or more.	- One or more buildings that are rehabilitated or constructed to house a group of networked server computers. - Create a minimum qualified investment no later than five years from the date of the issuance of the specific transaction award certificate. Minimum qualified investments are: \$150 million if located in a county with a population greater than 100,000. \$100 million if located in a county with a population greater than 50,000 but less than 100,000. \$25 million if located in a county with a population of 50,000 or less. “Qualified investment” means the aggregate nonduplicative eligible data center costs. “Eligible data center costs” means expenditures for the development, acquisition, construction, and operation of a facility to be used as a qualified data center, including costs of land, buildings, site improvements, modular data centers, computer data center equipment acquisition and permitting, lease payments, site characterization and assessment, engineering, and design used directly and exclusively in a qualified data center.	- Applications must be submitted to the Indiana Economic Development Corporation, a state agency. - Approved applicants will receive a “specific transaction award certificate.” The corporation has exclusive authority over issuing award certificates. - Approved data centers must enter into an agreement with the corporation as a condition of receiving award certificates.

Iowa

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
Authorized by Iowa Code Ann. § 423.3.95 Iowa Data Center Business Property Exemption	Exemption from the amount of tax imposed by the sales price: - from the sale of computers and equipment that are necessary for the maintenance and operation of a data center business and property whether directly or indirectly connected to the computers - This includes but is not limited to cooling systems, cooling towers, and other temperature control infrastructure; power infrastructure for transformation, distribution, or management of electricity used for the maintenance and operation of the data center business, including but not limited to exterior dedicated business-owned substations, backup power generation systems, battery systems, and related infrastructure; and racking systems, cabling, and trays, which are necessary for the maintenance and operation of the data center business	- The purchaser must be a data center business - The data center business must have a physical location in the state - Must be, in the aggregate, at least 5,000 square feet that is used for the operations and maintenance of the data center business includes the initial investment, including land and subsequent acquisition of additional adjacent land and subsequent investment at the Iowa location - Failure to meet 80% of this minimum investment amount results in losing the right to claim this exemption - The data center business shall comply with the sustainable design and construction standards established by the state building code commissioner	- The owner must file an application with the city or county assessor by February 1 of the first year the exemption is claimed - Form: Data Center Business Application for Property Tax Exemption (54-009) - Claims for exemption in successive years are required only for property additions - Verification from the Iowa Department of Revenue that the data center business meets the requirements of Iowa Code section 423.3(95) is required before the exemption may be granted.

Kansas

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
N/A	N/A	N/A	N/A

Kentucky

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
Ky. Rev. Stat. § 154.32-020.	- Tax credits up to 100% of the Kentucky income tax and limited liability entity tax imposed on income, gross profits, or gross receipts. - Authorization for the approved company to impose a wage assessment against the gross wages of each new employee subject to Kentucky income tax as provided. - Notwithstanding any provision of law to the contrary, for any economic development project with an eligible investment of more than \$200 million, the authority may authorize approval to the economic development project based upon terms and incentives applicable to the economic development project locating in an enhanced incentive county.	- Incur eligible costs of at least \$100,000. - Create at least 10 new full-time jobs and maintain an annual average number of at least 10 new full-time jobs. - Pay at least 90% of all new full-time employees a minimum wage of at least 150% of the federal minimum wage. - Provide employee benefits for all new full-time jobs equal to at least 15% of the minimum wage requirement.	- Eligible company must submit applications to the Kentucky Economic Development Finance Authority. - If approved, the Authority will authorize and negotiate a memorandum of understanding that will establish a preliminary job target, minimum wage, employee benefits, and maximum approved cost for the economic development project. - The Authority will post the eligible company’s information and offered incentives on its website. - Final approval will be granted after the eligible company provides documentation confirming the requirements and detailing the manner and level of local contribution.

Louisiana

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
HB 827 R.S. 47:305.73 R.S. 47:303.1(B)(5)	- State and local sales and use tax rebate on the sale of certain communications service equipment and data center equipment. - Tax breaks to last for 20-30 years.	- Create a minimum of 50 new direct, permanent jobs in Louisiana - See at least \$200 million in new capital investment in Louisiana from July 2024 to July 1, 2029.	(a) Obtain certification from the Department of Economic Development that the data center is an approved data center facility eligible to receive a rebate in accordance with administrative rules. - A copy of the certification shall be submitted to the department with the request for rebate.

Maine

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
N/A	N/A	N/A	N/A

Maryland

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
Data Center Maryland Sales and Use Tax Exemption Incentive Program Legislative authorization: (Ch. 640 (S.B. 397))	Benefit: 20 years exemption of sales and use tax, 30 years if investment exceeds \$200M/\$400M depending on location	- At least \$2M in qualified personal property for a business in an underdeveloped area or \$5M in any other area. - Must create at least 5 qualified positions: 150% of state minimum wage - Full time position - Exemption may be extended to 20 years if company invests \$250M within 10 years of submitting application.	- Business must submit eligibility application to Department of Commerce. - Commerce will issue a certificate of eligibility and notify the comptroller’s office, who will issue the sales & use tax exemption certificate

Massachusetts

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
N/A	N/A	N/A	N/A

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
Authorized by MI ST 205.54ee (sales tax exemption); MI ST 205.94cc (use tax exemption); and SB 237	- Sales tax exemption: Beginning January 1, 2016, through December 31, 2050, with specific conditions for enterprise data centers located on brownfield sites, extending through December 31, 2065. Applies to a sale of data center equipment to the owner or operator of a qualified data center or a co-located business for assembly, use, or consumption in the operations of the qualified data center or a sale of data center equipment to a person engaged in the business of constructing, altering, repairing, or improving real estate for others to the extent the data center equipment is to be affixed to or made a structural part of a qualified data center is exempt from sales tax. - Use tax exemption: The storage, use, or consumption of data center equipment sold to the owner or operator of a qualified data center or a co-located business for assembly, use, or consumption in the operations of the qualified data center or data center equipment sold or provided to a person engaged in the business of constructing, altering, repairing, or improving real estate for others to the extent the data center equipment is to be affixed to or made a structural part of a qualified data center	“Qualified data center” means a facility composed of one or more buildings located in this state and the facility is owned or operated by an entity engaged at that facility in operating, managing, or maintaining a group of networked computers or networked facilities for the purpose of centralizing, or allowing one or more co-located businesses to centralize the storage, processing, management, or dissemination of data of one or more other persons who is not an affiliate of the owner or operator of a qualified data center or of a co-located business and that entity receives 75% or more of its revenue from co-located businesses that are not an affiliate of the owner or operator of the qualified data center. - The exemption under this section only continues to apply after January 1, 2022, if the numbers gathered by the local economic development corporations are certified and reported to the department of talent and economic development and subsequently forwarded to the department and demonstrate that the qualified data centers, the co-located businesses, and the contractors of the qualified data centers, collectively, have, in aggregate, established in this state at least 400 data center industry jobs or data center industry related jobs, or a combination of both, since January 1, 2016. The department of talent and economic development shall submit a report no later than April 1, 2022, related to the number of data center industry jobs or data center industry related jobs that have been established since January 1, 2016, to the speaker and minority leader of the house of representatives, the majority and minority leaders of the senate, and the governor. - The exemption under this section only continues to apply after January 1, 2026, if the numbers gathered by the local economic development corporations are certified and reported to the department of talent and economic development and subsequently forwarded to the department and demonstrate that the qualified data centers, the co-located businesses, and the contractors of the qualified data centers, collectively, have, in aggregate, established in this state at least 1,000 data center industry jobs or data center industry related jobs, or a combination of both, since January 1, 2016. The department of talent and economic development shall submit a report no later than April 1, 2026, related to the number of data center industry jobs or data center industry related jobs that have been established since January 1, 2016, to the speaker and minority leader of the house of representatives, the majority and minority leaders of the senate, and the governor.	- Entities must apply to the Michigan strategic fund for a certificate, providing detailed plans and affirmations of meeting criteria within six years. - Qualified entities must receive a certificate from the Michigan strategic fund to claim the exemption and must report annually on purchases and other relevant data to ensure compliance. - Facilities must attain certification under recognized green building standards within three years of being placed in service. - While not required, the legislation encourages adopting practices to mitigate environmental impacts, such as using renewable energy and improving energy efficiency. - Must annually report the sales or purchase price of eEquipment sold to, or purchased by, them each calendar year for which the exemptions were claimed. In addition to reporting the sales and/or purchase price of such eEquipment, these persons must provide any other information required by the Department to determine the amount of revenue lost to the School Aid Fund from claiming these exemptions. - Reporting must be submitted on a form and at the time and in the manner prescribed by the Department. The Department has issued Form 5726 (Report for Qualified Data Center Exemptions) for the purpose of reporting the information required. Form 5726 is available under the Business Taxes (Sales and Use Tax) Forms and Instructions section of the Department’s website at: www.michigan.gov/taxes. - Form 5726 must be filed no later than January 31 of the year immediately following the close of the calendar year being reported and contains instructions for how to submit the form to the Department. The filing of Form 5726 is not a means for claiming an exemption, must not include any remittance for tax, and does not constitute a return or otherwise alleviate any obligations under either MCL 205.56 or MCL 205.96. - To maintain the tax exemption, data centers must collectively establish at least 400 data center industry jobs by January 1, 2022, and 1,000 jobs by January 1, 2026 - The Michigan strategic fund may revoke certificates if facilities no longer meet the required criteria, with specific guidelines for repayment of tax exemptions received.

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
Minn. Stat. Ann. § 297A.68 Subd. 42	- Purchases of enterprise information technology equipment and computer software for use in a qualified data center, or a qualified refurbished data center, are exempt, except that computer software maintenance agreements are exempt for purchases made after June 30, 2013 - This exemption includes enterprise information technology equipment and computer software purchased to replace or upgrade enterprise information technology equipment and computer software in a qualified data center, or a qualified refurbished data center - Electricity used or consumed in the operation of a qualified data center or qualified refurbished data center is exempt - A qualified data center or qualified refurbished data center may claim this exemption for purchases made either within 20 years of the date of its first purchase qualifying for the exemption, or by June 30, 2042, whichever is earlier	- Must be a qualified data center or qualified refurbished data center - A "Qualified data center" means a facility in Minnesota that is: (a) comprised of one or more buildings that consist in the aggregate of at least 25,000 square feet, and located on a single parcel or on contiguous parcels, where the total cost of construction or refurbishment, investment in enterprise information technology equipment, and computer software is at least \$30,000,000 million within a 48-month period (b) that is constructed or substantially refurbished after June 30, 2012. ""Substantially refurbished"" means that at least 25,000 square feet have been rebuilt or modified, including: - installation of enterprise information technology equipment; environmental control, computer software, and energy efficiency improvements; and - building improvements; and (c) that is used to house enterprise information technology equipment, where the facility has the following characteristics: - uninterruptible power supplies, generator backup power, or both; - sophisticated fire suppression and prevention systems; and - enhanced security - A ""qualified refurbished data center"" means an existing facility that qualifies as a data center as defined above (not including (a.)), but that is comprised of one or more buildings that consist in the aggregate of at least 25,000 square feet, and that are located on a single parcel or contiguous parcels, where the total cost of construction or refurbishment, investment in enterprise information technology equipment, and computer software is at least \$50,000,000 million within a 24-month period. ""Computer software"" includes, but is not limited to, software utilized or loaded at a qualified data center or qualified refurbished data center, including maintenance, licensing, and software customization. ""Enterprise information technology equipment"" means computers and equipment supporting computing, networking, or data storage, including servers and routers	

Mississippi

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
Miss. Code § 57-113-21	Exemption from state taxes: - Any sale or use tax imposed on the data center pursuant to the purchase or lease of component building materials and equipment for initial construction of the facility. - Any sale and use tax imposed on the data center pursuant to the purchase of replacement hardware, software, or other technology necessary to operate the data center. - All income tax imposed on income earned by the data center. - Franchise tax imposed on the value of capital used, invested, or employed by the data center. Exemptions last for a period of ten 10 years, subject to performance requirements. Performance requirements are laid out in an agreement between the MDA and the data center.	- Minimum capital investment of \$20 million. - Create a minimum of 20 new full-time jobs. - New full-time jobs must pay 125% of the average annual state wage.	- Application must be submitted to the Mississippi Development Authority prior to construction or acquisition of buildings to be used as data centers. - Approved applicants will receive a certificate designating the data center as eligible for tax exemptions.

Missouri

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
Authorized by MO ST 144.810	- Expanding Facilities: 100% of state and local sales and use taxes exemption for a project period not to exceed 10 years. - New Facilities: 100% of state and local sales and use taxes for a project period not to exceed 15 years.	- Expanding facilities (in operation as a data center in Missouri prior to August 28, 2015) must have \$5 million qualifying investment within 12 months of conditional approval; must have five new fulltime jobs with average wage of 150% of county average wage within 24 months of conditional approval; the exemption is for a project period not to exceed 10 years. - New facilities (any facility that did not exist prior to August 28, 2015) must have \$25 million qualifying investment within 36 months of conditional approval; must have 10 new fulltime jobs with average wage of 150% of county average wage within 36 months of conditional approval; the exemption is for a project period not to exceed 15 years.	- Project taxpayer (applicant) must submit to Department of Economic Development (DED): - Notice of Intent (NOI) - List of all employees at the facility - E-Verify Memorandum of Understanding (MOU) - Tax clearance for each applicant, and Project Plan. - DED reviews application and provides either a conditional approval or denial within 30 days of receipt of NOI to applicant and to Department of Revenue (DOR). - DED issues Data Center Program Agreement document to project taxpayers for execution (terms and conditions for repayment and penalties, compliance, and reporting). - Applicant performs work (retain all receipts). - Applicant sends project paperwork to DED for certification including executed agreement, if not provided previously. - DED reviews and send to DOR review. - DOR approves and DED certifies to applicant. - DOR refunds sales/use tax and issues annual certificates, as applicable. - Applicant provides annual reporting to DED.

Montana

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
MCA 15-6-162	A property tax abatement of 75% or 50% of their taxable value in the first five years after a construction permit is issued, with each year thereafter, the percentage must increase by equal percentages until the full taxable value is attained in the 10th year, approved by the corresponding county jurisdiction.	Qualified “data center” means the land, improvements, and personal property of a facility designed or modified to house networked computers or equipment supporting computing, networking, or data storage that is composed of one or more buildings under single ownership on contiguous parcels of land that consist of at least: i. 300,000 square feet, where the total cost of land, improvements, personal property, and software is at least \$150 million with construction commencing after June 30, 2017; or ii. 25,000 square feet of new or expanded area, where the total cost of land, improvements, personal property, and software is at least \$50 million invested during a 48-month period with construction commencing after January 1, 2019.	File Qualified Data Center Application and supporting documentation with the Montana Department of Revenue. (Form can be found online)

Nebraska

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
N/A	N/A	N/A	N/A

Nevada

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
NRS 360.754	- Personal property tax abatement of 75% of the tax due for 10 or 20 years - Sales and use tax abatement reducing the rate to 2% for 10 or 20 years (Requires the Governor’s Office of Economic Development Board to approve a reduction to 2% by a two-thirds vote. If this is not approved, the abatement will be reduced to 4.6%)	10-year abatements: - Jobs: Within 5 five years, employ 10 full-time employees who are Nevada residents - Wages: Pay at least 100% of the statewide average wage - Capital Investment: Within 5 five years, invest at least \$25 million in cumulative capital expenditures between the applicant and tenants 20-year abatements: - Jobs: Within 5 five years, employ 50 full-time employees who are Nevada residents - Wages: Pay at least 100% of the statewide average wage - Capital Investment: Within 5 five years, invest at least \$100 million in cumulative capital expenditures between the applicant and tenants Company must also: - Maintain the business in Nevada for 10 years - Register pursuant to the laws of Nevada - Offer medical insurance plan and pay at least 65% of the plan’s premium costs - Ensure that 50% or more of all workers engaged in construction of the data center are Nevada residents	- Application Intake - A company works directly with the RDA (Regional Development Authority) to submit a Tax Abatement Application to GOED. - Processing and Analyzing - GOED’s staff processes applications to determine eligibility and qualifications, as well as perform an economic analysis of the qualifying application. - Board Meeting - Applications are presented to the GOED Board members who determine abatements. - Abatement Agreement and Tax Abatement Package - When approved, companies will enter a contract with GOED. After signing the contract, Department of Taxation will provide the company with a Taxation Abatement Package, so that companies can use received abatements.

New Hampshire

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
N/A	N/A	N/A	N/A

New Jersey

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
(L. 2024, S3432 (c. 49) As part of the state’s Next New Jersey Program, established to benefit AI industry, including large-scale AI data-center industry.	- The amount of the tax credit allowed for a particular project is equal to the lesser of: (1) 0.1% multiplied by the eligible business’s total capital investment multiplied by the number of new full-time jobs; (2) 25% of the eligible business’s total capital investment; or (3) \$250 million. - The law provides for up to \$500 million in tax credits, originally allocated for the New Jersey Aspire Program and the Emerge Program, be made available to eligible AI businesses under the Next New Jersey Program.	- The term “project” means a capital investment at a qualified business facility and an employment commitment specified in the eligible business’s project agreement. The term “qualified business facility” to mean any building, complex of buildings, or structural components of buildings and all machinery and equipment located therein, used in connection with the operation of an eligible business. - Eligible AI businesses include a business or division that is primarily engaged in the AI industry or large-scale AI data center industry. A business would be considered primarily engaged in such an industry if at least 50% of the business’s employees are engaged in AI-related activities, or at least 50% of the business’s revenue is generated from AI-related activities. However, the use of AI applications in the furtherance of a business’s own operations will not be considered in determining whether a business or division is primarily engaged in AI or large-scale AI data centers. “Artificial intelligence” or “AI” means the development of software and hardware, and the end-use application of technologies that are able to perform tasks normally requiring human intelligence, including, but not limited to, visual perception, speech recognition, decision-making, translation between languages, and generative artificial intelligence, which generates new content in response to user inputs of data. - The minimum capital investment at the qualified business facility that is required to be eligible for a project agreement is \$100 million. The minimum number of new full-time jobs in New Jersey required to be eligible for a project agreement is 100. - A business eligible for the credit may be a corporation that is subject to the corporation business tax; insurance premium taxes, retaliatory taxes; or is a partnership, S corporation, limited liability company or non-profit corporation.	- NJEDA will provide tax credits to eligible businesses, following approval of an application by the NJEDA, to eligible AI businesses. - An eligible business must pay the NJEDA the full amount of the direct costs of an analysis concerning the eligible business’s application for a tax credit, which a third party retained by the NJEDA performs, if the NJEDA deems such retention to be necessary. - Taxpayers that cannot fully utilize their tax credits are permitted to transfer their credits to other taxpayers for consideration. The consideration cannot be less than 85% of the face value of the credit. The purchaser of the credit is not permitted to make any subsequent transfers of the credit. - The NJEDA may recapture all or part of a tax credit if an eligible business does not remain in compliance with the requirements of a project agreement for the duration of the commitment period.

New Mexico

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
N/A	N/A	N/A	N/A

New York

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
Authorized by Tax Law §§ 1115(a)(37) and 1115(y) Internet Data Center Exemption	- Operator of an Internet data center doesn’t have to pay sales tax on the purchase or use of machinery, equipment, and certain other tangible personal property - Services such as installation, maintenance, and repair of personal property, as well as maintenance, servicing, and repair of real property are exempt from tax	Property eligible includes computer system hardware, such as servers and routers; pre-written computer software; storage racks and cages for computer equipment; property necessary to maintain the appropriate climate-controlled environment, such as air-filtration equipment, air-conditioning equipment, and vapor barriers; power generators and power conditioners; and property that will constitute raised flooring when installed.	- Use of specific forms when purchasing items - Form ST-121.5 should be used by the data center operator when purchasing either property or services exempt from tax.

New York

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
	Contractor, subcontractor, or repairman may buy property exempt from tax only when the property is to be part of a capital improvement project at the internet data center	- Exempt property must be placed or installed in the internet data center for use there. - Services exempt include things provided directly to or in relation to exempt internet data center property.	Form ST-120.1 should be used by contractors, subcontractors, or repairment when purchasing exempt property or services.

North Carolina

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
Authorized by N.C. Gen. Stat. § 105-164.13	Electricity and support tax exemption for a “qualifying data center” - Benefits – Sale, storage, or consumption of electricity for use at a qualifying data center is exempt from sales and use tax. Purchase of data center support equipment to located at and used at such a facility is exempt from sales tax. Electricity and certain business property purchased - Benefits – Purchases of electricity for use at an eligible internet data center is exempt from sales tax. Computer software - Benefits – Computer software sold to a person who operates a data center and used within that center is exempt from sales tax.	1. Qualifications to be data support equipment: - Providing service or function included in the business of an owner, user, or tenant of the data center; - The generation, transformation, transmission, distribution, or management of electricity, including exterior substations, generators, transformers, unit substations, uninterruptible power supply systems, batteries, power distribution units, remote power panels, and other capital equipment for these purposes; - HVAC and mechanical systems, including chillers, cooling towers, air handlers, pumps, and other capital equipment used for these purposes; - Hardware and software for distributed and mainframe computers and servers, data storage devices, network connectivity equipment, and peripheral components and equipment; or - Providing related computer engineering or computer science research. 2. Qualifications to be considered an “eligible internet data center” - Written determination that at least \$250 million in private funds will be invested in real property and/or eligible business property at the facility. The investment must take place within five years of the commencement of construction of the facility. - The facility is used primarily by a business engaged in software publishing included in industry. - The facility is located in a Tier 1 or Tier 2 county. - The facility comprises a structure or series of structures located or to be located on (1) a single parcel of land or (2) contiguous parcels of land that are commonly owned or owned by affiliation with the operator of that facility. 3. Qualifications – Computer software is defined as a set of coded instructions designed to cause a computer or automatic data-processing equipment to perform a task.	N/A

North Dakota

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
NDCC, 57-39.2-04.17	- Gross receipts from sales of enterprise information technology equipment and computer software purchased for use by a qualifying business in a qualified data center are exempt from the tax imposed by this chapter. - Purchases of upgraded or replacement enterprise information technology equipment and computer software for use in a qualified data center also are exempt.	To qualify for the exemption, the enterprise information technology equipment or computer software must be incorporated into or physically located within the Qualified data center. “Qualified data center” means a newly constructed or substantially refurbished facility located in this state: - Comprised of one or more buildings, the primary purpose of which is to contain a data center, consisting of an aggregate amount of 15,000 square feet [1394 square meters] or more, no fewer than 50% of which is used for data processing; - Located on a single parcel or on contiguous parcels; - On which construction is completed or which is substantially refurbished after December 31, 2020; - Having the following attributes: (a) Sophisticated fire suppression and prevention systems; and (b) Enhanced security with security features, including video camera surveillance; an electronic system requiring pass codes, key cards, or biometric scans, such as hand scans or retinal or fingerprint recognition to restrict access to selected personnel; or other similar security features; and - Certified by the tax commissioner as a qualified data center.	- The future owner of a proposed data center shall apply to the tax commissioner to be certified as a qualified data center. An applicant shall respond to a request for additional information from the tax commissioner within 30 days of the request or the application may no longer be considered. - Provide the operators or tenants with documentation from the tax commissioner that the center meets the definition of a qualified data center under this section. Operators or tenants shall obtain and submit a copy of the documentation with all applications for sales tax exemption on information technology equipment and computer software purchased for use in the Qualified data center. - Qualified business shall obtain from the tax commissioner a certificate that the enterprise information technology equipment or computer software the Qualified business intends to purchase qualifies for the exemption. If a certificate is not received before the purchase, the qualified business shall pay the applicable tax imposed by this chapter and apply to the tax commissioner for a refund. - If the enterprise information technology equipment is purchased or installed by a contractor subject to the tax imposed by this chapter, the qualified business may apply for a refund of the difference between the amount remitted by the contractor and the exemption imposed or allowed by this section. Application for a refund must be made at the times and in the manner directed by the tax commissioner and must include sufficient information to permit the tax commissioner to verify the sales and use taxes paid and the exempt status of the sale or use. - By January 31 of each year, a qualified data center owner shall file with the tax commissioner, on forms and in the manner prescribed by the tax commissioner, a report showing for the previous calendar year.

Ohio

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
Ohio Rev. Code. § 122.175	The tax credit authority may completely or partially exempt qualified data centers from taxes levied on the sale, storage, use, or other consumption of computer data center equipment. Any such exemption will extend to charges for the delivery, installation, or repair of computer data center equipment.	- Required capital investment of at least one hundred million dollars during a period of three consecutive years. Capital investment projects include the acquisition, construction, renovation, expansion, replacement, or repair of a computer data center or of computer data center equipment. - Must pay at least \$1.5 million a year to employees employed at the project site for each year of the agreement, starting 25 months after the agreement is signed.	- The capital investment project will increase payroll and the amount of income taxes to be withheld from employee compensation. - The applicant is economically sound and has the ability to complete or effect the completion of the proposed capital investment project. - Applicant intends to and has the ability to maintain operations at the project site for the term of the agreement. - Receiving the exemption is a major factor in the applicant’s decision to begin, continue, or complete the capital investment project. - If approved, the tax authority will enter into an agreement with the data center for complete or partial tax exemptions on computer data center equipment.

Oklahoma

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
68 O.S. 1357 [21] Okla. Stat. Ann. tit. 68, § 1357	- Oklahoma provides a sales tax exemption for equipment bought by businesses engaged in computer services or data processing, so long as most of the revenue comes from out-of-state sales. - Also, an ad valorem tax reimbursement program for property taxes for data centers previously existed, but has recently (as of 2021) been removed for all data centers permanently except for Google through 2036.	- Firms must apply for an exemption certificate preemptively each year, instead of submitting documentation for a refund after making qualifying purchases. - Must derive at least 50% of their annual gross revenues from the sale of a product or service to an out-of-state buyer or consumer. - Must derive at least 80% of their annual gross revenues from the sale of a product or service to an out-of-state buyer or consumer. - Further, “Eligibility for the exemption set out in this paragraph shall be established, subject to review by the Tax Commission, by annually filing an affidavit with the Tax Commission stating that the facility so qualifies and such information as required by the Tax Commission. For purposes of determining whether annual gross revenues are derived from sales to out-of-state buyers or consumers, all sales to the federal government shall be considered to be to an out-of-state buyer or consumer”	Firms must apply for an exemption certificate preemptively each year, instead of submitting documentation for a refund after making qualifying purchases

Oregon

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
N/A	N/A	N/A	N/A

Pennsylvania

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
Computer Data Center Equipment Exemption Program Legislative authorization: 72 Pa. Stat. § 9931-D	Exemption from Pennsylvania sales and use tax	- On or before the fourth anniversary of certification, applicant must have invested either (1) \$75M and created 25 new jobs if in a county with a population less than 250K, or (2) \$100M and created 45 new jobs if in a county with a population greater than 250K. - Annual compensation to employees at the data center must exceed \$1,000,000 in the aggregate for each year after the fourth anniversary of certification.	- Submit application to Department of Revenue - Application must affirm that company will meet eligibility requirements by the fourth anniversary of certification. - Conditional approval or denial will be issued within 60 days of application - Application that has been acknowledged as received by the department is considered approved if no approval or denial has been issued within 60 days after receipt. - Certificate is valid for 25 full calendar years from filing. - By the fourth anniversary, the company must inform the department whether they met all requirements.

Rhode Island

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
N/A	N/A	N/A	N/A

South Carolina

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
Authorized by SCC § 12-36-2120(79)	- Computers, computer equipment, and computer hardware are tax exempt once it meets the qualifying job requirements - The tax exemption for electricity only applies to the percentage of the sales price calculated by dividing the number of qualifying jobs by 25	- An investment of at least \$50 million in real and/or personal property over a five-year period (\$75 million if two or more investors) - Create and maintain at least 25 full-time jobs with an average cash compensation level of 150% of the per capita income of the state or county, whichever is lower, within the five-year period - Jobs must be maintained for three years following certification - Must be certified by Department of Commerce	- Notify the Department of Commerce in writing of its intent to claim exemption and commitment to make the required investment (\$50 million in real / personal property for one investor, \$75 million for two or more) and create required amount of jobs (25 full-time with an average compensation level of 150% of the per capita income of the state) - Notify the Department of Commerce once it reaches those requirements or if it has not reached them by the end of the five-year investment period

South Dakota

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
N/A	N/A	N/A	N/A

Tennessee

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
Tenn. Code § 67-6-206(c)	- Electricity tax rate of 1.5%. - No tax imposed on cooling equipment or backup power infrastructure sold to qualified data center	- Required capital investment of \$100 million during an investment period not to exceed three years. - Required capital investment means an increase of a business investment in real property, tangible personal property, or computer software owned or leased in the state. - Investment period may be extended to four years with a showing of good cause.	- Application should be mailed to the Department of Revenue. - If approved, Department of Revenue will issue a certificate that can be used to make sales tax exempt purchases of qualified items and tax reduction for electricity.

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
Authorized by TX TAX § 151.359 and § 151.317(a)(9)	Exempt from Sales, Excise, and Use Tax imposed under Chapter 151: Tangible personal property that is necessary and essential to the operation of a qualified data center is exempted from the taxes imposed by this chapter if the tangible personal property is purchased for installation at, incorporation into, or in the case of Subdivision (1), use in a qualifying data center by a qualifying owner, qualifying operator, or qualifying occupant, and the tangible personal property is: - electricity; - an electrical system; - a cooling system; - an emergency generator; - hardware or a distributed mainframe computer or server; - a data storage device; - network connectivity equipment; - a rack, cabinet, and raised floor system; - a peripheral component or system; - software; - a mechanical, electrical, or plumbing system that is necessary to operate any tangible personal property described by Subdivisions (2)-(10); - any other item of equipment or system necessary to operate any tangible personal property described by Subdivisions (2)-(11), including a fixture; and - a component part of any tangible personal property described by Subdivisions (2)-(10) The exemption does not apply to: - office equipment or supplies; - maintenance or janitorial supplies or equipment; - equipment or supplies used primarily in sales activities or transportation activities; - tangible personal property on which the purchaser has received or has a pending application for a refund under Section 151.429; - tangible personal property not otherwise exempted under Subsection (b) that is incorporated into real estate or into an improvement of real estate; - tangible personal property that is rented or leased for a term of one year or less; or - notwithstanding Section 151.3111, a taxable service that is performed on tangible personal property exempted under this section.	Must be a data center: “Data center” means at least 100,000 square feet of space in a single building or portion of a single building, which space: - is located in this state; - is specifically constructed or refurbished and actually used primarily to house servers and related equipment and support staff for the processing, storage, and distribution of data; - is used by a single qualifying occupant for the processing, storage, and distribution of data; - is not used primarily by a telecommunications provider to place tangible personal property that is used to deliver telecommunications services; and - has an uninterruptible power source, generator backup power, a sophisticated fire suppression and prevention system, and enhanced physical security that includes restricted access, video surveillance, and electronic systems. Must be a qualifying data center: A data center may be certified by the comptroller as a qualifying data center for purposes of this section if, on or after September 1, 2013: - a single qualifying occupant: - contracts with a qualifying owner or qualifying operator to lease space in which the qualifying occupant will locate a data center; or - occupies a space that was not previously used as a data center in which the qualifying occupant will locate a data center, in the case of a qualifying occupant who is also the qualifying operator and the qualifying owner; and - the qualifying owner, qualifying operator, or qualifying occupant, jointly or independently: - creates at least 20 qualifying jobs in the county in which the data center is located, not including jobs moved from one county in this state to another county in this state; and - makes or agrees to make a capital investment, on or after September 1, 2013, of at least \$200 million in that particular data center over a five-year period beginning on the date the data center is certified by the comptroller as a qualifying data center. - A data center is not eligible to receive an exemption under this section if the data center is subject to an agreement limiting the appraised value of the data center’s property under Subchapter B or C, Chapter 313.	- Must apply to the comptroller for certification as a qualifying data center and for issuance of a registration number or numbers by the comptroller. - Special note on expiration: The exemption provided by this section begins on the date the data center is certified by the comptroller as a qualifying data center and expires: - on the 10th anniversary of that date, if the qualifying occupant, qualifying owner, or qualifying operator independently or jointly makes a capital investment of at least \$200 million but less than \$250 million as provided by Subsection (d)(2)(B); or - on the 15th anniversary of that date, if the qualifying occupant, qualifying owner, or qualifying operator independently or jointly makes a capital investment of \$250 million or more as provided by Subsection (d)(2)(B).

Utah

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
Utah Code Ann. § 59-12-104	- In 2020, Utah made changes to its tax code to provide qualified data center owners, operators, and clients an exemption from sales tax on purchases of data center equipment with an economic life of at least one year as long as if it is used in their operations at the data center. - Additionally, the facility needs to be new or constructed after July 2016. - Covers data centers of 150,000 square feet or more. - Not limited to servers; covers other machinery, equipment, and ordinary operation, maintenance, and repair parts. - The legislation is retroactive, covering data centers constructed after July 1, 2016.	- Appears to cover any amounts/disbursements made by an owner or occupant (tenant), including purchases or leases, provided the machinery, equipment, or operating or replacement parts are used in the actual operation of the data center. - Equipment and machinery at issue, however, must have an economic life of one or more years.	Must fill out a “qualified data center” tax form.

Vermont

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
N/A	N/A	N/A	N/A

Virginia

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
Authorized by Virginia Code § 58.1-609.3	Exemption from retail sales and use tax for qualifying computer equipment purchased	DCRSUT Exemption \$150 million new capital investment (\$70 million for distressed localities) 50 new jobs (10 new jobs in distressed localities) - Each new job must pay at least 150% of the prevailing annual average wage in the locality where it is located	- Enter into memorandum of understanding with the Virginia Economic Development Partnership - Once MOU is obtained, separately enter into a participation certificate and agreement, then an exemption certificate will be issued. - Qualifying purchases must be made after the exemption certificate's effective date - Comply with annual reporting requirements

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
Wash. Rev. Code Ann. § 82.08.9861	It is a sales or use tax exemption provided to qualifying businesses or qualifying tenants of an eligible computer data center on purchases of: - Eligible server equipment installed, without intervening use, in an eligible computer data center, and the labor and services required to install it. - Eligible power infrastructure and the labor and services required to construct, install, alter, or improve it.	- At least 20,000 square feet dedicated for housing working servers. - Located in nonrural county; population greater than 800,000 as determined by April 1, 2021, Office of Financial Management population estimates. - A computer data center is a facility comprised of one or more buildings specifically constructed or refurbished and primarily used to house working servers that has all the following characteristics: - Uninterrupted power supplies, - Generator backup power, or both. - Sophisticated fire suppression and prevention systems. - Enhanced physical security such as: - Restricted access to the facility to selected personnel. - Permanent security guards. - Video camera surveillance. - Electronic system requiring passcodes, keycards, or biometric scans. - Similar security features	- To claim the exemption, a business must apply for Sales Tax Exemption for Purchases by Data Centers to the department. - Businesses should submit the following documentation with the application: - site plan. - building permit or certificate of occupancy. - confidential tax information authorization form if the application is not signed by a governing person. - The application and supporting documentation should be submitted by sending a web message from the My DOR portal using the topic “Data Centers.”. - The department will issue a Certificate for Sales Tax Exemption for Purchases by Nonrural Data Centers to qualifying businesses. - The qualifying business must present this exemption certificate to the seller who must keep a copy for their files.

West Virginia

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
W. Va. Code Ann. § 11-6J-1	The value of servers directly used in a high-technology business or in an internet advertising business, and the value of tangible personal property directly used in a high-technology business or in an internet advertising business, shall be its salvage value. “Network” means a group of two or more computer systems linked together; “Salvage value” means 5% of original cost; and “Server” means a computer or device on a network that manages network resources.	The statute on this Act did not give much detail but seems to be liberally applied so long as the servers and/or tangible personal property is used in a high-technology business	- The assessor of the county in which a server or specific item of tangible personal property is located shall determine whether that server or specific item of tangible personal property is directly used in a high-technology business or an internet advertising business subject to valuation. Upon making a determination that a taxpayer has a server or tangible personal property directly used in a high-technology business or an internet advertising business, the county assessor must notify the Tax Commissioner of that determination and shall provide information to the Tax Commissioner as he or she requires relating to that determination. - At any time after the property is returned for taxation, but prior to January 1 of the assessment year, any taxpayer may apply to the county assessor for information regarding the issue of whether any particular item or items of property constitute property directly used in a high-technology business or an internet advertising business under this article which should be subject to valuation in accordance with this article. If the taxpayer believes that some portion of the taxpayer’s property is subject to this article, the taxpayer shall file objections in writing with the county assessor. The county assessor shall decide the matter by either sustaining the protest and making proper corrections, or by stating, in writing if requested, the reasons for the county assessor’s refusal. The county assessor may, and if the taxpayer requests, the county assessor shall, before January 1 of the assessment year, certify the question to the tax commissioner in a statement sworn to by both parties, or if the parties are unable to agree, in separate sworn statements. - The tax commissioner shall, as soon as possible on receipt of the question, but in no case later than February 28 of the assessment year, instruct the county assessor as to how the property shall be treated. The instructions issued and forwarded by mail to the county assessor are binding upon the county assessor, but either the county assessor or the taxpayer may apply to the circuit court of the county for review of the question of the applicability of this article to the property in the same fashion as is provided for appeals from the county commission in section 25, article three of this chapter. The tax commissioner shall prescribe forms on which the questions under this section shall be certified, and the tax commissioner has the authority to pursue any inquiry and procure any information necessary for disposition of the matter.

Wisconsin

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
Wis. Adm. Code § Tax 11.68 Wis. Adm. Code § Tax 11.71	- Tax exemption for the sale of and the storage, use, or other consumption of equipment or software used for the processing, storage, retrieval, or communication of data servers and other computer equipment, parts and upgrades, software, electricity and electrical connections, cooling equipment, water conservation system, etc. “Eligible data center costs” means expenditures made for the development, acquisition, construction, renovation, expansion, replacement, or repair and the operation of a qualified data center, including costs of equipment or software, land, buildings, site improvements, modular data centers, computer data center equipment acquisition and permitting, lease payments, site characterization and assessment, engineering, and design used at a qualified data center	“Qualified data center” means one or more buildings or an array of connected buildings owned, leased, or operated by the same business entity, or its affiliate - The buildings must be rehabilitated or constructed to house a group of networked server computers in one physical location or multiple locations in order to centralize the processing, storage, management, retrieval, communication, or dissemination of data and information - The buildings must create a minimum qualified investment in this state of any of the following amounts within five years from the date on which the corporation certifies the data center as eligible to claim the exemption \$150 million for buildings located in a county having a population greater than 100,000 \$100 million for buildings located in a county having a population greater than 50,000 and not more than 100,000 \$50 million for buildings in a county having a population of not more than 50,000 - For buildings located in more than one county, use the amount provided above for the most populous county in which the buildings are located “Qualified investment” means the aggregate, non-duplicative eligible data center costs expended at a qualified data center by an owner, operator, or tenant, or an affiliate of an owner, operator, or tenant, of the qualified data center	Every vendor shall obtain from the department a sales tax license to conduct business in the state. Any out-of-state vendor not otherwise subject to this article may voluntarily apply for a license from the department and if licensed, shall collect and remit the state sales tax imposed by W.S. 39-15-104. The license shall be granted only upon application stating the name and address of the applicant, the character of the business in which the applicant proposes to engage, the location of the proposed business and other information as the department may require.

Wyoming

LEGISLATIVE AUTHORIZATION	BENEFITS	QUALIFICATIONS	APPROVAL PROCEDURE
Wyo. Stat. Ann. § 39-15-105	- Provides a sales tax exemption to data center users on eligible equipment for data center projects. - Wyoming offers data centers that invest at least \$5 million a sales tax exemption on computer equipment. Data centers that invest at least \$50 million also can get a sales tax break on power supplies and cooling equipment.	- Investment in capital infrastructure of at least \$5 million is required to qualify along with an additional \$2 million in data center equipment and software purchases. - Once an entity exceeds \$50 million of investment in capital infrastructure, HVAC and UPS system purchases also become exempted from sales tax.	Every vendor shall obtain from the department a sales tax license to conduct business in the state. Any out-of-state vendor not otherwise subject to this article may voluntarily apply for a license from the department and if licensed, shall collect and remit the state sales tax imposed by W.S. 39-15-104. The license shall be granted only upon application stating the name and address of the applicant, the character of the business in which the applicant proposes to engage, the location of the proposed business and other information as the department may require.