

HCS SS SCS SB 149 -- TAX INCENTIVES FOR DATA STORAGE

SPONSOR: Parson

COMMITTEE ACTIONS: Voted "Do Pass with Amendments" by the Standing Committee on Economic Development and Business Attraction and Retention by a vote of 10 to 0. Voted "Do Pass with HCS" by the Select Committee on Commerce by a vote of 10 to 0.

This bill provides state and local sales and use tax exemptions for all machinery, equipment, computers, electrical energy, gas, water, and other utilities, including telecommunication and Internet services, used in new data storage center facilities. The bill provides a state and local sales and use tax exemption for purchases of tangible personal property for the construction of a new data storage center facility. In order to receive the sales tax exemption provided for new data storage center facilities, an application must be made to the Department of Economic Development for certification. The application must show that the project will result in at least \$25 million of new facility investment and create at least 10 new jobs with wages of at least 150% of the county average wage over a three-year period.

The bill creates a state and local sales and use tax exemption for existing data storage center facilities for all machinery, equipment, computers, electrical energy, gas, water, and other utilities, including telecommunication and Internet services. The exemption will only apply to the increase in expenditures for utilities over the previous year's expenditures. In order to receive the sales tax exemption provided for existing data storage center facilities, an application must be made to the Department of Economic Development for certification. The application must show that the project will result in at least \$5 million of new facility investment over a one-year period and create at least five new jobs with wages of at least 150% of the county average wage over a two-year period.

New data storage centers may receive incentives for a maximum project period of 15 years. Existing data storage centers may receive incentives for a maximum project period of 10 years.

The Department of Economic Development and the Department of Revenue are authorized to conduct random audits to ensure compliance with the requirements for state and local sales and use tax exemptions authorized in the bill.

PROPONENTS: Supporters say that the tax incentives will encourage data centers to come to Missouri. There is an existing data center in Kansas City which would expand its facilities and use the tax

incentives.

Testifying for the bill were Representative Parson; City of St. Louis; Kansas City Power & Light; Hunt Midwest; Missouri Telecommunications Industry Association; Greater Kansas City Chamber of Commerce; Emerson; Centurylink; and Missouri Chamber of Commerce and Industry.

OPPONENTS: There was no opposition voiced to the committee.