

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

This bill authorizes a state and local sales and use tax exemption for project taxpayers for all machinery, equipment, computers, electrical energy, gas, water, and other utilities, including telecommunication and Internet services, used in a new data storage center facility for a project period of up to 15 years from the date of conditional approval and subject to specified requirements. The bill authorizes a state and local sales and use tax exemption for purchases of tangible personal property for the construction of a new data storage center. The exemptions must be limited to the net fiscal benefit of the state calculated over a 10-year period. In order to receive the exemption, 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 within 36 consecutive months and create at least 10 new jobs within 36 consecutive months with wages of at least 150% of the county average wage.

The bill authorizes a state and local sales and use tax exemption for project taxpayers for expanding data center projects for up to 10 years for all machinery, equipment, computers, electrical energy, gas, water, and other utilities, including telecommunication and Internet services used in an expanding data storage center. The exemption will only apply to the increase in expenditures for utilities over the expenditures prior to the expansion. In order to receive the exemption, 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 during a period of up to 12 consecutive months and create at least five new jobs during a period of up to 24 consecutive months with wages of at least 150% of the county average wage.

The departments of Economic Development and Revenue are authorized to conduct random audits to ensure compliance with the requirements for the tax exemptions.