

Tricks and Traps of Data Center State Tax Incentives

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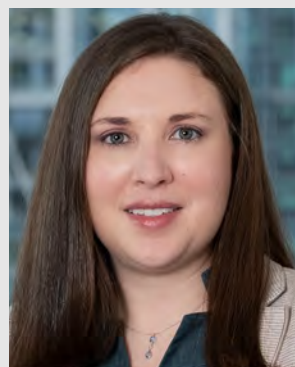
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In this installment of A Pinch of SALT, the authors provide an overview of incentives available for data centers and the different benefits these incentives may offer.

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Over the past decade, data center incentives and exemptions increased in prevalence as states endeavored to attract more businesses in the growing and lucrative tech industry. This installment of A Pinch of SALT lays out general considerations and risks with these incentives. Finally, it provides a detailed chart of each state's incentive provisions.

What Are Data Centers?

Data centers are facilities that house IT equipment that stores, processes, and disseminates data.¹ Most businesses and entities need access to a data center for critical functions like data storage and email.² Businesses have the option to build and maintain their own data centers, rent servers at co-location facilities,³ use third-party services, or use public cloud-based services hosted by large tech companies.⁴ Data centers contain infrastructure to support their hardware and software, including components like power subsystems, power supplies, ventilation, cooling systems, fire suppression, backup generation, and connections to external networks.⁵ These facilities potentially create new jobs and bring major new investment to communities in which they are located.

Types of Tax Incentives

State data center incentives seek to attract large-scale investments in new facilities. The incentives are often tailored to data centers, with minimum investment thresholds and job creation requirements, and typically require pre-certification to claim benefits. Qualifying data centers may be able to claim income, sales, and property tax incentives on the basis of their qualification.⁶ And, these data center project incentives often inure to the benefit of the data center operators' customers, who may also

¹ Palo Alto Networks, "What Is a Data Center?" (undated).

² *Id.*

³ Collocation facilities are centers owned by others in which a company may rent space. Cisco, "What Is a Data Center?" (undated).

⁴ Palo Alto, *supra* note 1.

⁵ Cisco, *supra* note 3.

⁶ See, e.g., Ala. Code sections 40-9B-4, -8; Nev. Rev. Stat. Ann. section 360.754.

claim sales tax exemptions on the basis of the operators' qualification. States typically limit the availability of incentives to 10 to 20 years,⁷ although some states allow the incentives to go on indefinitely.⁸

In addition, many states have long-standing and more general incentives (usually sales tax or property tax exemptions) that may apply to data centers and their purchases or property. These types of exemptions may be less beneficial than data center incentives, but generally do not require the investment in a new data center project or pre-qualification. Instead, these general incentives operate more in line with standard sales tax exemptions whereby the purchaser uses an exemption certificate or claims a refund. Therefore, the following section focuses on the specific data center incentives rather than the general sales tax exemptions (except as noted).

While some of these data center incentives date back over a decade (for example, in Alabama and Texas),⁹ several states have adopted or expanded exemptions in the past few years (for example, Minnesota and Washington).¹⁰

Qualifying Criteria

Most property and sales tax exemptions designed for data centers have stringent criteria such as investment and job requirements. A data center operator or project must certify that it will meet the minimum thresholds, among other things, and seek preapproval from the prescribed authority, which may be either the state taxing agency or the development authority.

Investment threshold. The minimum amount of capital investment to qualify varies widely among the state incentives, ranging from \$2 million to \$250 million. For example, Maryland's investment requirement for its

property tax and sales tax incentives is only \$2 million in qualified personal property in specified areas of the state.¹¹ On the other end of the spectrum is Illinois, which requires a minimum capital investment of \$250 million to qualify for its sales tax exemptions.¹² The necessary level of investment may also depend on factors such as the data center's location in less-developed areas of the state, the number of jobs created, and whether the investment is in a new or existing facility.

States generally require that a given project be started and completed within a set number of years. For example, Florida's sales tax exemption provides that each requirement of the data center must be satisfied no later than five years after the commencement of construction.¹³ Because the certification process is prospective in nature, states may have a clawback process or other means of remediation if a taxpayer ultimately does not meet the certified project thresholds.

Jobs threshold. Fifteen states require that a qualifying company create a minimum number of new jobs.¹⁴ Qualifying jobs are typically measured based on the wage relative to the median income at the location of the data center. For example, Tennessee's sales tax exemption requires that qualifying jobs pay at least 150 percent of the state's average occupational wage, which is defined as "the average wage for all industries as reported by the department of labor and workforce development in the most recent annual quarterly census of employment and wages super sector data for the state."¹⁵ Some states require that the qualifying jobs be maintained for a certain number of years or for all years that the data center qualifies for the exemption. For example, South Carolina's sales tax exemption provides that taxpayers must maintain the newly created jobs for three consecutive years after the data center facility has been certified.

⁷ See, e.g., Ala. Code sections 40-9B-3(a)(12), -11; Minn. Stat. section 297A.68(42)(f); Nev. Rev. Stat. Ann. section 360.754(2).

⁸ See, e.g., Ohio Rev. Code Ann. section 122.175.

⁹ See Ala. Code section 40-9B-3(a)(12) (eff. Apr. 19, 2012); Tex. Tax Code section 151.359 (eff. Sept. 1, 2013).

¹⁰ See Minn. Stat. section 297A.68; Wash. Rev. Code section 82.08.986 (eff. June 9, 2022).

¹¹ Md. Code Ann., Tax-Gen. section 11-239(a)(5).

¹² 20 Ill. Comp. Stat. 605/605-1025(c).

¹³ Fla. Stat. section 212.08(r)(2).

¹⁴ See, e.g., Ga. Code Ann. section 48-8-3(68.1)(g)(v); Miss. Code Ann. section 57-113-21(a).

¹⁵ Tenn. Code Ann. sections 67-4-2004, 67-6-102(81).

Other requirements. States may have various other requirements like minimum square footage,¹⁶ minimum IT load,¹⁷ or attainment of certain “green building” standards.¹⁸

The requirements do not always have to be met by a single entity, but in some states may be based off the aggregation of the investments by the center’s owners and tenants.¹⁹ Furthermore, when a data center facility meets the threshold criteria, co-located users of that data center in some states may take advantage of the sales tax exemptions for their own property purchases.²⁰

Sales Tax Incentives

The most common data center incentive is a sales tax exemption for purchases of tangible personal property to be incorporated into the data center. The breadth and the procedures for claiming these exemptions vary by state.

What is exempt? Most exemptions are limited to the acquisition of facilities and equipment (hardware and software). For example, Illinois provides that qualified tangible personal property includes items like electrical systems and equipment, mechanical systems and equipment, monitoring and security systems, and “building materials physically incorporated into the qualifying data center.”²¹ Arizona exempts purchases of computer data center equipment, which means equipment “used to outfit, operate or benefit a computer data center and component parts, installations, refreshments, replacements and upgrades to this equipment.”²²

Many states’ exemptions are more expansive and include not only the hardware purchased but other taxable goods and services used by the data center. Several states exempt electricity or other energy sources — Florida, Indiana, Iowa, Minnesota, Mississippi, South

Carolina, and Texas.²³ Other states include the heating/air conditioning equipment or security equipment. But states generally exclude general office equipment if there are corporate offices on site at the data center.

State definitions of what data center equipment purchases are exempt tend to be broad. As an example, Virginia’s sales tax exemption broadly applies to equipment “used or to be used” in the operation of the data center. In June the Virginia tax commissioner granted a data center operator’s refund claim on equipment purchased for a data center.²⁴ The equipment was delivered to a storage center before the data center was operating. Nonetheless, the commissioner ruled that the data center operator was entitled to the exemption, explaining that nothing in the statutory exemption defined when the equipment must be placed in service. The commissioner further noted that storing equipment in reserve is “an essential part of data center operations.” The center operator relied on the exemption in making decisions, and therefore, the exemption should not be interpreted to prohibit qualifying purchases for future use.

Exemption certificates versus refunds. Most states allow a taxpayer who has pre-qualified to obtain an exemption certificate to make all its qualified purchases without paying sales or use tax upfront. Some, but not all, states require the data center operator to report all purchases at a later time. This may be as part of the data center verification process or a specific procedure prescribed for sales tax purposes. At least one state (Minnesota) does not allow the use of an exemption certificate, and instead requires that data center operators receive the benefit only through a refund process.²⁵ While some states allow the taxpayer to either use the exemption

¹⁶ See, e.g., Iowa Code section 423.3(b); Minn. Stat. sections 297A.68(42)(c), (d).

¹⁷ Fla. Stat. section 212.08(5)(s)(2).

¹⁸ See, e.g., 20 Ill. Comp. Stat. 605/605-1025(c); Ariz. Rev. Stat. section 41-1519(O)(11).

¹⁹ See, e.g., Fla. Stat. section 212.08(5)(s)(2); 72 Pa. Stat. section 2934-D.

²⁰ Ga. Code Ann. section 48-8-3(68.1)(g)(v).

²¹ 20 Ill. Comp. Stat. 605/605-1025(c).

²² Ariz. Rev. Stat. section 41-1519(O)(2).

²³ See, e.g., Fla. Stat. section 212.08(5)(s)(1)(d); Ind. Code Ann. section 6-2.5-15-2; Iowa Code Ann. section 423.3(95)(a); Minn. Stat. section 297A.68(42)(b); Miss. Code Ann. sections 27-65-101(ff), (mm); S.C. Code Ann. section 12-36-2120(79)(A); Tex. Tax Code Ann. sections 151.359, 151.3595; 34 Tex. Admin. Code section 3.335.

²⁴ Va. Public Document Ruling No. 23-67, Va. Dep’t of Tax. (June 1, 2023).

²⁵ Ariz. Rev. Stat. section 41-1519(O)(2).

certificate or claim a refund, several states do not allow interest to accrue on the refund claim.

General sales tax exemptions. Some states have a generally applicable sales tax exemption often used by data center operators, but available to all taxpayers. These exemptions are generally separate from the data center exemptions already discussed. However, some states have both as options, and the general exemptions may offer opportunities for a data center to use one or both exemptions.

Georgia, for example, has maintained a generally applicable sales tax exemption for purchases of high-tech computer equipment since 2002, applicable to taxpayers that purchase over \$15 million of such equipment in a calendar year. However, in 2018 Georgia enacted an additional and separate sales tax exemption applicable specifically to qualifying data center operators (with an investment threshold and jobs requirements) on their purchases of computer equipment and additional items. Because the two exemptions use the same definition of exempt computer equipment, they are interrelated and courts' decisions on the general exemption would likely apply to the data center exemption.

In 2010 the Georgia Court of Appeals ruled that purchases of electronically delivered computer software, which is exempt from sales tax, nevertheless count toward meeting the \$15 million computer equipment spending threshold.²⁶ This remained unchanged until 2024, when the legislature amended the exemption so that nontaxable purchases of electronically delivered software will no longer count toward the spending threshold.²⁷ Thus, prospectively, it will be more difficult for many companies to qualify for the general exemption if they primarily purchase nontaxable software.

While Georgia's data center exemption statute lists more types of property than the general computer equipment exemption, the general exemption can be used at multiple locations rather than at a single data center. In a

case that tested the reach of the general sales tax exemption for computer equipment, the Georgia Tax Tribunal ruled that a wireless high-speed LTE network qualifies as computer equipment because all the component parts of that network are either individual computers or an organized assembly of hardware and software.²⁸

Income Tax Incentives

While states that provide a specific income tax incentive to data centers are limited, Mississippi provides for an exemption of all income tax imposed on income earned by the enterprise and franchise taxes imposed on the value of capital used, invested, or employed by the business enterprise.²⁹

Texas provides a franchise tax incentive that may benefit particular data centers. Generally, in computing the receipts apportionment ratio for Texas franchise tax purposes, receipts from providing a service are sourced to the location where the service is performed.³⁰ In 2021 Texas issued a revised administrative rule regarding sourcing receipts for purposes of its franchise tax, which provides that receipts from internet hosting are generally considered Texas gross receipts only if the customer is located in Texas.³¹ The rule explains that the customer location is determined by the physical location where the purchaser or purchaser's designee consumes the service. This rule may provide an additional incentive for data centers to locate in Texas by providing a market-based, rather than the costs-of-performance-based, sourcing for data storage and retrieval and data processing services.³²

Limitations on other types of income tax credits. A few states proscribe data center operators

²⁸ *T-Mobile South LLC v. Curry*, Nos. 17232418, 1800700 (Ga. Tax. Trib. Aug. 6, 2020); *T-Mobile South LLC v. Crittenden*, 364 Ga. App. 523 (2022) (vacating the Fulton County Superior Court's decision to reverse the tribunal).

²⁹ Miss. Code Ann. section 57-113-21(d).

³⁰ Tex. Tax Code section 171.103(a)(2).

³¹ 34 Tex. Admin. Code section 3.591(e)(13); see also *Sirius XM Radio Inc. v. Hegar*, 643 S.W.3d 402 (Tex. 2022).

³² Some other states also provide these types of electronic services sourcing incentives for business activity taxes that benefit data centers. See, e.g., La. Rev. Stat. Ann. section 47:287.95(L)(1)(c) (eff. Jan. 1, 2024).

²⁶ *ChoicePoint Services Inc. v. Graham*, 305 Ga. App. 254 (Ga. Ct. App. 2010).

²⁷ Georgia H.B. 1291 (eff. Jan. 1, 2024).

using the data center incentive from concurrently claiming other income tax credits, like the jobs tax credit for the same jobs that qualify the operator as a qualifying data center.

Property Tax

Because property tax is generally administered locally, the availability and extent of property tax exemptions for data centers may vary based on the jurisdiction. While the valuation of data center property may be prescribed by the state law, the exemptions in some states may be negotiated locally.

Some states, such as Indiana, instituted statutory programs applicable to property tax exemptions. Localities within Indiana have statutory authority to provide an exemption from local personal property tax for data centers with at least a \$25 million investment in real and personal property in the facility.³³ Absent a specific state statute, many local jurisdictions may offer programs or campaigns to lure data center operators (and other businesses generally) with substantial property tax incentives.

Limitations on other property tax incentives. Several states specify that a taxpayer cannot simultaneously benefit from the specific data center incentive and other property tax-related incentives such as those for redevelopment or opportunity zones.

Considerations and Opportunities

While the data center incentives offer opportunities, these incentives may not be perpetual. Some state legislatures recently have scrutinized the qualification for data center (and other) tax incentives.³⁴ Thus, it is possible that there may be additional requirements or limitations on their availability. Most exemption statutes have a sunset provision that

automatically terminates the incentives at a certain date, unless renewed by the legislature.

Taxpayers should be aware of legislative changes and updates affecting what qualifies for the exemptions. For example, Washington's data center sales tax exemption depends on the location of the data center and when the Legislature enacted such exemptions. Washington recently published guidance clarifying the construction periods for the data center and what equipment qualifies.³⁵

Many states require a preapproval process through a state agency before a center can claim broader credits. Such approval processes may include detailed reporting requirements. In some cases, the reporting or other information about the qualifying data center may be public. So taxpayers should consider whether there are potential risks to public availability or scrutiny. For example, publicity around an incentive could subject a taxpayer to an audit for other state and local taxes.

Given the variety of state incentive requirements and benefits, taxpayers should consider potential opportunities in locating or relocating data centers to favorable jurisdictions. The accompanying table summarizes many of the key provisions and limitations for the states that offer data center exemptions.

³³ Ind. Code section 6-1.1-10-44(b).

³⁴ E.g., "Georgia's 2023 Legislative Session Ends With Significant Tax Legislation," Eversheds Sutherland Legal Alert (Mar. 31, 2023) ("Upcoming review of state incentives"); Idaho H.B. 328 (eff. Mar. 16, 2023) (limiting availability of other incentives for taxpayers claiming data center benefit). Many states have mandatory annual studies to review the efficacy of these incentives. See, e.g., Nebraska Department of Revenue, "2023 Annual Report to the Nebraska Legislature" (Oct. 31, 2023).

³⁵ Washington Excise Tax Advisory 3213.2023 (May 22, 2023).

Data Center Incentives by State

State	Tax Type	Prequalification Required?	Items Exempt	Qualifying Period	Investment Requirement	Job Requirement	Collocation Permitted	Other Limitations	Sunset
AL	Sales and use tax and property tax ¹	Must apply to the governing body of a municipality, county, or public industrial authority for abatements. ²	Sales and use: materials, equipment, and other capitalized costs. ³ Property: Real and personal property incorporated into project. ⁴	10-30 yrs. depending on investment. ⁵	At least \$200 million for 10-yr. abatement; \$200 million to \$400 million for 20-yr. abatement; over \$400 million for 30-yr. abatement. ⁶	At least 20 new jobs paying at least \$40,000. ⁷	Yes ⁸	N/A	July 31, 2028 ⁹
AR	Sales and use tax ¹⁰	Must apply for approval to the Arkansas Economic Development Commission. ¹¹	Data center equipment, eligible data center costs, services purchased for the purpose of an in conjunction with developing, acquiring, constructing, expanding, renovating, refurbishing, and operating a qualified data center, and electricity. ¹²	As long as it meets the qualifying criteria as determined on an annual basis. ¹³	At least \$500 million within five years of the issuance of a certificate of occupancy. ¹⁴	Must pay an aggregate annualized compensation of at least \$1 million to employees within the state over the two calendar years following commencement of operations. ¹⁵	No ¹⁶	N/A	N/A
AZ	Transaction privilege tax and use tax ¹⁷	Must receive certification from Arizona commerce authority. ¹⁸	Equipment, including water conservation systems, software, equipment, and other tangible personal property. ¹⁹	10 yrs., or 20 yrs. if the data center is a "sustainable redevelopment project." ²⁰	At least \$25 million if county population is 800,000 or less or \$50 million if county population is more than 800,000. ²¹	N/A	Yes ²²	N/A	Dec. 31, 2033 ²³
FL	Sales and use tax ²⁴	Must apply to the department for tax exemption certificate. ²⁵	Construction material, machinery, equipment, component parts, other tangible personal property, and electricity. ²⁶	Indefinite until sunset.	At least \$150 million. ²⁷	N/A	Yes ²⁸	N/A	June 30, 2027 ²⁹

Data Center Incentives by State (Continued)

State	Tax Type	Prequalification Required?	Items Exempt	Qualifying Period	Investment Requirement	Job Requirement	Collocation Permitted	Other Limitations	Sunset
GA	Sales and use tax ³⁰	Prequalification required for data centers, but high-tech equipment exemption may be claimed through pre-application or a refund. ³¹	Computer equipment ³² and data center equipment, including machinery, hardware, software, etc. ³³ Data center exemption includes temperature control, security, and power equipment.	10 yrs. ³⁴	Equipment exemption: \$15 million per calendar yr. ³⁵ Data center equipment: \$100 million to \$250 million based on county population. ³⁶	Equipment exemption: N/A Data center: 20 quality jobs. ³⁷	Yes ³⁸	Jobs credit not available for qualifying data centers. ³⁹	Equipment: Dec. 31, 2028. ⁴⁰ Data Center: Dec. 31, 2031. ⁴¹
ID	Sales and use tax ⁴²	No, but must certify that the entity will meet the criteria, but operates automatically. ⁴³	Eligible server equipment and purchases associated with constructing new data center facilities. ⁴⁴	Indefinite.	At least \$250 million. ⁴⁵	30 new jobs. ⁴⁶	No, only the qualifying business entity may take the exemption. ⁴⁷	Not available to taxpayers receiving incentive under the Idaho Reimbursement Incentive Act. ⁴⁸	N/A
IL	Use tax, service use tax, service occupation tax, and state and local retailer's occupation tax ⁴⁹	Must apply to the department for certification for the program and enter into MOU with the department. ⁵⁰	Tangible personal property, including electrical, climate control, and monitoring systems; equipment; telecommunications infrastructure; building materials; etc. ⁵¹	20 yrs. ⁵²	At least \$250 million. ⁵³	20 jobs with wages at least 120% of median county wage. ⁵⁴	Yes ⁵⁵	N/A	No certificates issued after July 1, 2029. ⁵⁶

Data Center Incentives by State (Continued)

State	Tax Type	Prequalification Required?	Items Exempt	Qualifying Period	Investment Requirement	Job Requirement	Collocation Permitted	Other Limitations	Sunset
IN	Gross retail and use tax ⁵⁷ Local property tax ⁵⁸	Must receive specific transaction award certificate from Indiana Economic Development Corp. ⁵⁹	Equipment, including water conservation systems, monitoring systems, software, other tangible personal property, and all electricity, excluding electricity used in administration of facility. ⁶⁰	25 yrs., or 50 yrs. if investment is at least \$750 million. ⁶¹	\$150 million if county population greater than 100,000; \$100 million if county population greater than 50,000 but not more than 100,000; or \$25 million if county population not more than 50,000. ⁶²	No	Yes ⁶³	N/A	N/A
IA	Sales and use tax ⁶⁴ Property ⁶⁵	May claim exemption upon meeting initial investment, or may file for 50% refund. ⁶⁶ Property: Must file for exemption with assessor by Feb. 1. ⁶⁷	Computers and equipment, power generation, backup power generation fuel, and electricity. ⁶⁸ Property: Follows sales tax eligibility. ⁶⁹	Indefinite.	At least \$200 million. ⁷⁰	No	No ⁷¹	N/A	N/A
KY	Sales and use tax ⁷²	Approved company may receive refund, but no interest is allowed. ⁷³	Computer systems, which includes system composed of personal computers, laptops, computer software, computer servers, processors, co-processors, memory devices, storage devices, input and output devices, and other similar devices deployed as part of the system configuration but excludes repair, replacement, and installation materials. ⁷⁴	Indefinite.	At least \$100 million. ⁷⁵	No	No ⁷⁶	N/A	N/A

Data Center Incentives by State (Continued)

State	Tax Type	Prequalification Required?	Items Exempt	Qualifying Period	Investment Requirement	Job Requirement	Collocation Permitted	Other Limitations	Sunset
MD	Sales and use tax ⁷⁷ Property tax approved by local governing body ⁷⁸	Comptroller must issue certificate of eligibility, renewed annually. ⁷⁹ Local governing body that exempts or reduces data center property tax must submit a copy of the law to department. ⁸⁰	Computer equipment, software, energy generation equipment, heating or cooling systems, etc. ⁸¹ Property: Follows eligibility for sales tax. ⁸²	Generally may be renewed up to 10 yrs.; up to 20 yrs. if investment of at least \$250 million. ⁸³	Investment of at least \$2 million in tier 1 area and at least \$5 million for businesses in any other areas. ⁸⁴	At least five qualified positions. ⁸⁵	No ⁸⁶	N/A	N/A
MI	Sales and use tax ⁸⁷ Property tax	No, but beginning in 2020, must file Form 5726 reporting exempt equipment. ⁸⁸	Equipment, including computers, servers, routers, switches, backup generators, environmental control equipment, etc. ⁸⁹ Property tax exemption applies only to data centers in a "renaissance zone" approved in 2016. ⁹⁰	Indefinite until sunset.	N/A ⁹¹	N/A	Yes, includes collocated businesses. ⁹²	N/A	Dec. 31, 2035 ⁹³
MN	Sales and use tax ⁹⁴	Must be certified by Department of Economic Development. Must pay sales tax and request a refund. ⁹⁵	Electricity used to operate or maintain a qualified data center, enterprise information technology equipment, and software. ⁹⁶	20 yrs. or by June 30, 2042, whichever is earlier. ⁹⁷	New data centers: At least \$30 million. Refurbished data centers: At least \$50 million. ⁹⁸	N/A	Yes, tenants file for refunds using sales tax refund form. ⁹⁹	N/A	June 30, 2042 ¹⁰⁰

Data Center Incentives by State (Continued)

State	Tax Type	Prequalification Required?	Items Exempt	Qualifying Period	Investment Requirement	Job Requirement	Collocation Permitted	Other Limitations	Sunset
MS	Sales and use, income, and franchise taxes ¹⁰¹	Must receive certification from state Development Authority. ¹⁰²	Component materials, machinery, equipment, software, and electricity. Income earned by the certified business enterprise. ¹⁰⁴ Capital used, invested, or employed by business enterprise for franchise tax. Value of capital used, invested, or employed. ¹⁰⁵	10 yrs. ¹⁰⁶	At least \$20 million. ¹⁰⁷	20 new full-time jobs with minimum average salary of not less than 125% of average state wage. ¹⁰⁸	No ¹⁰⁹	N/A	N/A
MO	Sales and use tax ¹¹⁰	Must submit notice of intent and project plan to Department of Economic Development for approval. ¹¹¹	Utilities (including energy, gas, and water), machinery, equipment, computers, and construction materials. ¹¹²	New facilities: 15 yrs. ¹¹³ Existing facilities: 10 yrs. ¹¹⁴	New facilities: At least \$25 million. ¹¹⁵ Existing facilities: At least \$5 million. ¹¹⁶	New facilities: 10 jobs. ¹¹⁷ Existing facilities: 5 new jobs. ¹¹⁸	Yes ¹¹⁹	Not eligible for business recruitment tax credit. ¹²⁰	N/A
NE	Sales and use tax Personal property tax	No new applications after Dec. 31, 2020, but qualified businesses continue to claim benefits.	N/A	N/A	N/A	N/A	N/A	N/A	N/A
NV	Sales and use tax and property tax ¹²¹	DOR issues exemption certificate if Office of Economic Development approves application for an abatement. ¹²²	No criteria for qualifying items by exempt entity.	Up to 20 yrs. ¹²³	10-yr. abatement: At least \$25 million. ¹²⁴ 10- to 20-yr. abatement: At least \$100 million. ¹²⁵	10-yr. abatement: At least 10 jobs. ¹²⁶ 10- to 20-yr. abatement: At least 50 jobs. ¹²⁷	Yes ¹²⁸	N/A	Jan. 1, 2056 ¹²⁹

Data Center Incentives by State (Continued)

State	Tax Type	Prequalification Required?	Items Exempt	Qualifying Period	Investment Requirement	Job Requirement	Collocation Permitted	Other Limitations	Sunset
NY	Sales and use tax ¹³⁰	No, may use ST-121.5 when making purchases. ¹³¹	Machinery, other equipment, other tangible personal property, and services related to data centers. ¹³²	Indefinite.	N/A ¹³³	N/A	N/A	N/A	N/A
NC	Sales and use tax ¹³⁴	Generally no, but must apply to the Secretary of Commerce to meet the definition of a "qualifying data center" or "eligible internet data center" for purchases of electricity. ¹³⁵	Computer software for data centers; electricity and support equipment for a "qualifying data center"; electricity and certain business property for an "eligible internet data center." ¹³⁶	Indefinite.	For purposes of meeting the definition of a "qualifying data center": \$75 million. ¹³⁷ For purposes of meeting the definition of an "eligible internet data center": \$250 million. ¹³⁸	N/A	Yes ¹³⁹	N/A	N/A
ND	Sales and use tax ¹⁴⁰	Must apply to tax commissioner to be certified as qualified data center. ¹⁴¹	IT equipment and computer software. ¹⁴²	Indefinite.	N/A ¹⁴³	N/A	Yes ¹⁴⁴	N/A	N/A
OH	Sales and use tax ¹⁴⁵	Tax credit authority may completely or partially exempt taxes. ¹⁴⁶	Computer data center equipment used or to be used at an eligible data center. ¹⁴⁷	Indefinite.	Capital investment of \$100 million during at least 3 consecutive calendar yrs. ¹⁴⁸	Annual payroll of at least \$1.5 million or more. ¹⁴⁹	Yes ¹⁵⁰	N/A	N/A
OK	Sales and use tax ¹⁵¹	Must annually file affidavit with tax commission that facility qualifies. ¹⁵²	Machinery and equipment purchased and used by establishments primarily engaged in computer services and data processing. ¹⁵³	Indefinite.	N/A ¹⁵⁴	N/A	N/A	Establishments receiving incentive payment under Oklahoma Quality Jobs Program Act are not eligible. ¹⁵⁵	N/A

Data Center Incentives by State (Continued)

State	Tax Type	Prequalification Required?	Items Exempt	Qualifying Period	Investment Requirement	Job Requirement	Collocation Permitted	Other Limitations	Sunset
PA	Sales and use tax ¹⁵⁶ (Exemption does not apply to local sales taxes.)	Must apply for and receive certification from DOR. ¹⁵⁷	Computer data center equipment. ¹⁵⁸	25th full calendar year after calendar year in which application for qualification filed. ¹⁵⁹	At least \$75 million if county population 250,000 or less and center creates 25 new jobs; or at least \$100 million if county population more than 250,000 and center creates 45 new jobs. ¹⁶⁰	At least 25 new jobs. ¹⁶¹	Yes, and owner/operator must list qualified tenants upon request. ¹⁶²	N/A	No new certifications after Dec. 31, 2032. ¹⁶³
SC	Sales and use tax ¹⁶⁴	Must notify Department of Commerce of intention to claim the exemption for certification. ¹⁶⁵	Computers, equipment, hardware and software, and electricity. ¹⁶⁶	Indefinite.	One taxpayer invests at least \$50 million or one or more taxpayers invest at least \$75 million. ¹⁶⁷	25 people with average compensation level of 150% of per capita income of state or county. ¹⁶⁸	Yes ¹⁶⁹	N/A	Jan. 1, 2032. ¹⁷⁰
TN	Sales and use tax ¹⁷¹	Must apply to DOR for exemption certificate for purchases. ¹⁷²	Computers, computer networks, software, peripheral devices, and repair and installation of parts and services used in the operation of a qualified data center, including a reduced (1.5%) rate on electricity. ¹⁷³	Indefinite.	At least \$100 million during investment period. ¹⁷⁴	15 jobs paying at least 150% of state's average wage. ¹⁷⁵	No	N/A	N/A
TX	Sales and use tax ¹⁷⁶	Comptroller must certify qualifying large data center. ¹⁷⁷	Equipment, software, and electricity. ¹⁷⁸	10 yrs. if investment under \$250 million; 15 yrs. if investment is \$250 million or more. ¹⁷⁹	At least \$200 million. ¹⁸⁰	20 jobs paying at or above 120% of average wage. ¹⁸¹	Yes ¹⁸²	Data centers subject to agreement limiting the appraised value of center's property for property tax. ¹⁸³	N/A

Data Center Incentives by State (Continued)

State	Tax Type	Prequalification Required?	Items Exempt	Qualifying Period	Investment Requirement	Job Requirement	Collocation Permitted	Other Limitations	Sunset
UT	Sales and use tax ¹⁸⁴	No, can certify criteria met through standard exemption certificate (TC-721). ¹⁸⁵	Machinery and equipment. ¹⁸⁶	Indefinite.	N/A ¹⁸⁷	N/A	Yes ¹⁸⁸	N/A	N/A
VA	Sales and use tax ¹⁸⁹	Must enter into MOU with Economic Development Partnership Authority. ¹⁹⁰	Computer equipment and enabling software. ¹⁹¹	Indefinite.	At least \$150 million. For distressed localities investment requirement reduced to \$70 million. ¹⁹²	50 new jobs. For distressed localities jobs requirement reduced to 10 jobs. ¹⁹³	Yes ¹⁹⁴	N/A	June 30, 2035 ¹⁹⁵
WA	Sales and use tax ¹⁹⁶ (Two separate exemptions for urban and rural data centers.)	Yes, must submit application to DOR for exemption certificate. ¹⁹⁷ No tax refunds for periods before issuance of exemption. ¹⁹⁸	Eligible server equipment and eligible infrastructure in rural and urban counties. ¹⁹⁹	Indefinite until sunset.	N/A ²⁰⁰	Within 6 years, must show net employment increased by a minimum of the lesser of: 35 family wage employment positions, or 3 family wage employment positions for each 20,000 square feet or less of newly dedicated server space. ²⁰¹	Yes, for tenants the increase of family wage jobs is based only on the space occupied. ²⁰²	DOR may issue only 6 certificates for each type of (rural and urban) data center, and they are issued on time-filed basis. ²⁰³	Jan. 1, 2026. ²⁰⁴ Rural data Urban data centers: July 1, 2038. ²⁰⁵ Rural data centers: July 1, 2048. ²⁰⁶

Data Center Incentives by State (Continued)

State	Tax Type	Prequalification Required?	Items Exempt	Qualifying Period	Investment Requirement	Job Requirement	Collocation Permitted	Other Limitations	Sunset
WI	Sales and use tax ²⁰⁷	Must receive certification from the Economic Development Corporation. ²⁰⁸	Computer server equipment and the chassis of certain specified equipment used in the data center. ²⁰⁹	Indefinite.	For building located in a county having a population greater than 100,000: \$150 million; For buildings located in a county having a population greater than \$50,000: \$100 million; For building in a county having a population of not more than 50,000: \$50 million. ²¹⁰	N/A	Yes ²¹¹	N/A	N/A
WV	Sales and use tax ²¹² Personal property tax ²¹³	Application and certification required from tax commissioner. ²¹⁴	Prewritten computer software, computers, computer hardware, servers, building materials, and tangible personal property for direct use in a qualified high-technology business or internet advertising business. ²¹⁵ Property tax: Salvage value of servers directly used in a high-technology business or in an internet advertising business. ²¹⁶	Indefinite.	N/A	N/A	N/A	N/A	N/A

Data Center Incentives by State (Continued)

State	Tax Type	Prequalification Required?	Items Exempt	Qualifying Period	Investment Requirement	Job Requirement	Collocation Permitted	Other Limitations	Sunset
WY	Sales and use tax ²⁷	Must receive certification from state business council that it will create a number of jobs appropriate to the size and stage of development. ²⁸	Prewritten software, computer equipment, uninterruptible power supplies, and cooling equipment. ²⁹	Indefinite.	At least \$5 million, plus additional \$2 million in calendar year for computer equipment. ²⁰ Initial capital investment of \$50 million, plus additional \$2 million in calendar year for power supplies and cooling equipment. ²³¹	N/A	Yes ²²	N/A	N/A

¹Ala. Code sections 40-9B-4, -8. Exemption does not apply to taxes levied for educational purposes or for capital improvements for education.

²Ala. Code sections 40-9B-5, -6, -8.

³Ala. Code section 40-9B-8.

⁴Ala. Code section 40-9B-4.

⁵Ala. Code sections 40-9B-3(a)(12), -11.

⁶Ala. Code section 40-9B-3(a)(12).

⁷Ala. Code section 40-9B-3(a)(4).

⁸Ala. Code section 40-9B-3(a)(12).

⁹Ala. Code section 40-9B-4.1 ("In no event shall any incentive provided in Act 2012-210 be available to any company filing an application after July 31, 2028. Any project granted an incentive prior to July 31, 2028, shall be entitled to the incentive pursuant to the project agreement regardless of whether Act 2012-210 is reauthorized.").

¹⁰Ark. Code Ann. section 26-52-456(b)

¹¹Ark. Code Ann. section 26-52-456(c).

¹²Ark. Code Ann. section 26-52-456(a)(1).

¹³Ark. Code Ann. section 26-52-456(e)(1).

¹⁴Ark. Code Ann. section 26-52-456(a)(4)(b)(i).

¹⁵Ark. Code Ann. section 26-52-456(a)(4)(B)(ii).

¹⁶See Ark. Code Ann. section 26-52-456.

¹⁷Ariz. Rev. Stat. section 41-1519(O)(2).

¹⁸Ariz. Rev. Stat. sections 41-1519(C), 42-5061(B)(23), 42-5159(B)(24), 42-6004(13).

¹⁹Ariz. Rev. Stat. section 41-1419(O)(14).

Data Center Incentives by State (Continued)

²⁰ Ariz. Rev. Stat. sections 41-1519(O)(11), 41-1519(O)(13). A “sustainable redevelopment project” is a data center that meets the general requirements, plus is either “(a) A newly constructed data center, with at least a \$200 million investment, that attains certification under the energy star or green globes standard, the leadership in energy and environmental design green building rating standard developed by the U.S. green building council or an equivalent green building standard and was not previously certified under these standards;] or (b) A data center that occupies an existing facility that either: (i) Was at least 50 percent vacant for 6 of the 12 consecutive months before the acquisition by purchase or lease of or with respect to the facility [and] (ii) Attains certification under the energy star or green globes standard, the leadership in energy and environmental design green building rating standard developed by the U.S. green building council or an equivalent green building standard and was not previously certified under these standards.”

²¹ Ariz. Rev. Stat. section 41-1419(E).

²² Ariz. Rev. Stat. sections 41-1519(A), 42-5159(B)(23), 42-5061(B)(23).

²³ Ariz. Rev. Stat. section 41-1519(C).

²⁴ Fla. Stat. section 212.08(5)(r).

²⁵ Fla. Stat. section 212.08(5)(r)(3).

²⁶ Fla. Stat. section 212.08(5)(r)(1)(d).

²⁷ Fla. Stat. section 212.08(5)(r)(2). Additionally, the data center must have a critical IT load of 15 megawatts or higher and a critical IT load of 1 MW or higher dedicated to each tenant within the data center. *Id.*

²⁸ Fla. Stat. section 212.08(5)(r)(2).

²⁹ Fla. Stat. section 212.08(5)(r)(4).

³⁰ Ga. Code Ann. section 48-8-3(68), (68.1). Georgia offers two ways for data centers to qualify for a sales and use tax exemption. Subsection (68.1) applies to data centers that invest \$100 million to \$250 million in a new facility, while subsection (68) is a sales tax exemption on computer equipment purchased by high-tech companies that spend over \$15 million in qualifying equipment.

³¹ Ga. Comp. R. & Regs. 560-12-2-.117(5)(a); 560-12-2-.107(3).

³² Ga. Code Ann. section 48-8-3(68).

³³ Ga. Code Ann. section 48-8-3(68.1).

³⁴ Ga. Code Ann. section 48-8-3(68.1)(A).

³⁵ Ga. Code Ann. section 48-8-3(68)(A).

³⁶ Ga. Code Ann. section 48-8-3(68.1)(G)(v); Ga. Comp. R. & Regs. 560-12-2-.117(4)(c).

³⁷ Ga. Code Ann. section 48-8-3(68.1)(G)(v).

³⁸ Ga. Comp. R. & Regs. 560-12-2-.117(2)(e).

³⁹ Ga. Code Ann. section 48-8-68.1(F).

⁴⁰ Ga. Code Ann. section 48-8-3(68)(G).

⁴¹ Ga. Code Ann. section 48-8-3(68.1)(H).

⁴² Idaho Code section 63-3622VV.

⁴³ Idaho Code section 63-3622VV(2)(k).

Data Center Incentives by State (Continued)

⁴⁴Idaho Code section 63-3622VV(1).

⁴⁵Idaho Code section 63-3622VV(2)(k).

⁴⁶*Id.*

⁴⁷*See id.*

⁴⁸Idaho Code section 63-3622VV(1).

⁴⁹35 Ill. Comp. Stat. 105/3-5(40); 110/3-5(31); 115/3-5(32); 120/2-5(44).

⁵⁰*Id.*

⁵¹20 Ill. Comp. Stat. 605/605-1025(c) (“Qualified tangible personal property”).

⁵²20 Ill. Comp. Stat. 605/605-1025(d).

⁵³20 Ill. Comp. Stat. 605/605-1025(c) (defining “qualifying Illinois data center”). The data center must also be carbon neutral or attain certification under green building standards.

⁵⁴*Id.*

⁵⁵*Id.*

⁵⁶20 Ill. Comp. Stat. 605/605-1025(i).

⁵⁷Ind. Code Ann. section 6-2.5-15-16.

⁵⁸Ind. Code Ann. section 6-1.1-10-44(b).

⁵⁹Ind. Code Ann. sections 6-2.5-15-15, -16, -19.

⁶⁰Ind. Code Ann. section 6-2.5-15-2.

⁶¹Ind. Code Ann. section 6-2.5-15-14(d).

⁶²Ind. Code Ann. section 6-2.5-15-10.

⁶³Ind. Code Ann. section 6-2.5-15-13.

⁶⁴Iowa Code Ann. section 423.3(95)(a).

⁶⁵Iowa Code Ann. section 427.1(37).

⁶⁶Iowa Admin. Code r. 701-215.13(423).

⁶⁷Iowa Property Tax: Data Center Business, Property Tax Exemption, 54-009 (10/20/2022).

⁶⁸Iowa Code Ann. section 423.3(95)(a).

⁶⁹Iowa Code Ann. section 427.1(37).

⁷⁰Iowa Code section 423.3(b). Additionally, the data center must be at least 5,000 square feet in size and comply with states’ sustainable design requirements.

⁷¹Iowa Code Ann. section 423.3(95)(e)(2) (defining “data center business” as an entity whose business, among other businesses, is to operate a data center).

⁷²Ky. Rev. Stat. Ann. section 139.534.

⁷³Ky. Rev. Stat. Ann. section 139.534(4), (7).

⁷⁴Ky. Rev. Stat. Ann. section 139.534(2).

Data Center Incentives by State (Continued)

⁷⁵Ky. Rev. Stat. Ann. section 139.534(3)(b).

⁷⁶Ky. Rev. Stat. Ann. section 139.534(1)(e) (describing single company).

⁷⁷Md. Code Ann., Tax-Gen. section 11-239.

⁷⁸Md. Code Ann., Tax-Prop. section 7-248.

⁷⁹Md. Code Ann., Tax-Gen. section 11-239(d).

⁸⁰Md. Code Ann., Tax-Prop. section 7-248(c).

⁸¹Md. Code Ann., Tax-Gen. section 11-239(a)(6)(ii).

⁸²Md. Code Ann., Tax-Prop. section 7-248(a).

⁸³Md. Code Ann., Tax-Gen. section 11-239(d)(3).

⁸⁴Md. Code Ann., Tax-Gen. section 11-239(a)(5).

⁸⁵Md. Code Ann., Tax-Gen. section 11-239(a)(7).

⁸⁶Md. Code Ann., Tax-Gen. section 11-239(a)(5) (describing data center as an individual or corporation).

⁸⁷Mich. Comp. Laws section 205.54ee.

⁸⁸Mich. Dep't of Treasury, Report for Qualified Data Center Exemptions, Form 5726 (Rev. 09-2020).

⁸⁹Mich. Comp. Laws section 205.54ee(4)(c).

⁹⁰Mich. Comp. Laws Ann. section 211.7ff.

⁹¹There is no investment qualification, but qualified data centers are limited to one or more buildings in Michigan that are owned or operated by an entity whose primary business is operating a data center for itself and collocated businesses; the entity must also receive 75 percent or more of its revenue from unaffiliated collocated businesses. Mich. Comp. Laws section 205.94ee(4)(d).

⁹²Mich. Comp. Laws section 205.94ee(1).

⁹³Mich. Comp. Laws section 205.94ee(1).

⁹⁴Minn. Employment and Economic Development, Data Center Sales Tax Incentives.

⁹⁵Minn. Stat. section 297A.68(42)(a).

⁹⁶Minn. Stat. section 297A.68(42)(b).

⁹⁷Minn. Stat. section 297A.68(42)(f).

⁹⁸Minn. Stat. sections 297A.68(42)(c), (d). Additionally, data centers must be at least 25,000 square feet and attain uninterruptible power supplies, generator backup power, or both; sophisticated fire suppression and prevention systems; and enhanced security.

⁹⁹Minn. DOR, Qualified Data Centers: Sales Tax Exemption (Q: "What if I'm a tenant of a co-located certified data center?").

¹⁰⁰Minn. Stat. section 297A.68(42)(h).

¹⁰¹Minn. Code Ann. sections 27-65-101(ff), (mm); 57-113-24(d).

¹⁰²Minn. Code Ann. sections 57-113-25.

¹⁰³Miss. Code Ann. section 57-113-21(d).

¹⁰⁴*Id.*

¹⁰⁵*Id.*

Data Center Incentives by State (Continued)

¹⁰⁶Miss. Code Ann. section 57-113-25(2).

¹⁰⁷Miss. Code Ann. section 57-113-21(a).

¹⁰⁸*Id.*

¹⁰⁹*See id.*

¹¹⁰Missouri offers two types of exemptions: one for new data centers and one for expansion of existing data centers. Mo. Rev. Stat. section 144.810.1.

¹¹¹Mo. Rev. Stat. sections 144.810.3, 144.810.5.

¹¹²Mo. Rev. Stat. sections 144.810.2, 144.810.4.

¹¹³Mo. Rev. Stat. section 144.810.2.

¹¹⁴Mo. Rev. Stat. section 144.810.4.

¹¹⁵Mo. Rev. Stat. section 144.810.1(11)(c).

¹¹⁶Mo. Rev. Stat. section 144.810.1(6).

¹¹⁷Mo. Rev. Stat. section 144.810.1(11)(d).

¹¹⁸Mo. Rev. Stat. section 144.810.1(6).

¹¹⁹Mo. Rev. Stat. section 144.810.1(11)(c).

¹²⁰Mo. Rev. Stat. section 144.810.9.

¹²¹ Nev. Rev. Stat. Ann. section 360.754.

¹²² Nev. Rev. Stat. Ann. section 360.7575.

¹²³ Nev. Rev. Stat. Ann. section 360.754(2).

¹²⁴ Nev. Rev. Stat. Ann. section 360.754(2)(d).

¹²⁵ Nev. Rev. Stat. Ann. section 360.754(2)(e).

¹²⁶ Nev. Rev. Stat. Ann. section 360.754(2)(d).

¹²⁷ Nev. Rev. Stat. Ann. section 360.754(2)(e).

¹²⁸ Nev. Rev. Stat. Ann. sections 360.754(2)(d)(2), (2)(e)(2), (5).

¹²⁹ No applications will be received on or after January 1, 2036. Nev. Rev. Stat. Ann. section 360.754(12).

¹³⁰ N.Y. Tax Law section 1115(a)(37).

¹³¹ N.Y. State Dep't of Taxation and Finance, "Exempt Use Certificate for Operators of Internet Data Centers (Web Hosting)," ST-151.5 (07/2011).

¹³² N.Y. Tax Law section 1115(a)(37)(i); New York TB-ST-405 (03/02/2012).

¹³³ Qualifying data centers include a person (A) operating a facility that consists of a data center specifically designed and constructed to provide a high-security environment for the location of servers and similar equipment on which reside internet websites; and (B) providing at such facility the internet website services of: (I) uninterrupted internet access to its customers' web pages in a secure environment and (II) continuous internet traffic management for its customers' web pages. N.Y. Tax Law section 1115(a)(37)(i).

¹³⁴ N.C. Gen. Stat. sections 105-164.13(43a)(b), (55), (55a).

¹³⁵ *See id.*; *see also* N.C. Gen. Stat. section 105-164.3(33c).

¹³⁶ N.C. Gen. Stat. sections 105-164.13(43a)(b), (55), (55a).

¹³⁷ N.C. Gen. Stat. section 105-164.3(201).

Data Center Incentives by State (Continued)

¹³⁸N.C. Gen. Stat. section 105-164.3(79).

¹³⁹N.C. Gen. Stat. sections 105-164.3(79), (201).

¹⁴⁰N.D. Cent. Code section 57-39.2-04.17.

¹⁴¹N.D. Cent. Code section 57-39.2-04.17(2).

¹⁴²N.D. Cent. Code section 57-39.2-04.17(1).

¹⁴³A qualified data center includes a new or substantially refurbished facility the primary purpose of which is to contain a data center, consisting of an aggregate amount of 15,000 square feet or more, no less than 50 percent of which is used for data processing. N.D. Cent. Code section 57-39.2-04.17(5).

¹⁴⁴N.D.C.C. section 57-39.2-04.17(7).

¹⁴⁵Ohio Rev. Code Ann. section 122.175.

¹⁴⁶Ohio Rev. Code Ann. section 122.175(B)

¹⁴⁷Ohio Rev. Code Ann. section 122.175(A)(4); Ohio Admin. Code 122:28-1-02.

¹⁴⁸Ohio Rev. Code Ann. section 122.175(A)(5).

¹⁴⁹*Id.*

¹⁵⁰Ohio Rev. Code Ann. section 122.175(M).

¹⁵¹68 Okla. Stat. Ann. section 1357(21).

¹⁵²*Id.*; Okla. Admin. Code 710:65-13-54.

¹⁵³*Id.*

¹⁵⁴The exemption applies to qualified purchasers primarily engaged in computer services and data processing with most of the revenue coming from out-of-state sales.

¹⁵⁵Okla. Admin. Code 710:65-13-53.

¹⁵⁶72 Pa. Stat. section 9931-D.

¹⁵⁷72 Pa. Stat. sections 9932-D, 9942-D.

¹⁵⁸*Id.*

¹⁵⁹72 Pa. Stat. section 9931-D(d).

¹⁶⁰72 Pa. Stat. section 2935-D.

¹⁶¹72 Pa. State section 2935-D.

¹⁶²72 Pa. Stat. section 2934-D.

¹⁶³72 Pa. Stat. section 9935-D(c).

¹⁶⁴S.C. Code Ann. section 12-36-2120(79).

¹⁶⁵S.C. Code Ann. section 12-36-2120(C); S.C. Rev. Rul. 13-5 (06/07/2012).

¹⁶⁶S.C. Code Ann. section 12-36-2120(79)(A).

¹⁶⁷S.C. Code Ann. section 12-36-2120(79)(B)(5)(ii).

¹⁶⁸S.C. Code Ann. section 12-36-2120(79)(B)(5)(iii).

¹⁶⁹S.C. Code Ann. section 12-36-2120(79)(B)(5)(ii).

¹⁷⁰S.C. Code Ann. section 12-36-2120(79)(G). However, the exemption will apply for an additional 10 years for a taxpayer certified by December 31, 2031.

Data Center Incentives by State (Continued)

¹⁷¹Tenn. Code Ann. sections 67-6-102(46)(K), (81).

¹⁷²Tenn. DOR, "Application for Qualified Data Center," RV-F1325001 (02-17).

¹⁷³Tenn. Code Ann. section 67-6-206(c).

¹⁷⁴Tenn. Code Ann. section 67-6-102(81).

¹⁷⁵Tenn. Code Ann. section 67-6-102(81).

¹⁷⁶Tex. Tax Code Ann. sections 151.359, 151.3595; 34 Tex. Admin. Code section 3.335.

¹⁷⁷34 Tex. Admin. Code section 3.335(f).

¹⁷⁸Tex. Tax Code Ann. sections 151.359(b), 151.3595(b).

¹⁷⁹Tex. Tax Code Ann. section 151.359(f).

¹⁸⁰Tex. Tax Code Ann. section 151.359(d).

¹⁸¹Tex. Tax Code Ann sections 151.359(a), 151, 3595(a).

¹⁸²*Id.*

¹⁸³Tex. Tax Code Ann. section 151.3595(j). Statutory authority for such agreements expired effective December 31, 2022.

¹⁸⁴Utah Code Ann. section 59-12-104(84).

¹⁸⁵Utah State Tax Commission, Exemption Certificate, TC 721 (Rev. 05/22)

¹⁸⁶Utah Code Ann. section 59-12-104(84).

¹⁸⁷A qualifying data center is a facility that "(a) houses a group of networked server computers in one physical location in order to disseminate, manage, and store data and information; (b) is located in the state; (c) is a new operation constructed on or after July 1, 2016; (d) consists of one or more buildings that total 150,000 or more square feet; (e) is owned or leased by: (i) the operator of the data center facility; or (ii) a person under common ownership, as defined in Section 59-7-101, of the operator of the data center facility; and (f) is located on one or more parcels of land that are owned or leased by: (i) the operator of the data center facility; or (ii) a person under common ownership, as defined in Section 59-7-101, of the operator of the data center facility." Utah Code Ann. section 59-12-102(109).

¹⁸⁸Utah Code Ann. section 59-12-102(109)(f) (amended in 2020 to apply to the operator of the data center facility that houses other tenants).

¹⁸⁹Va. Code Ann. section 58.1-609.3(18).

¹⁹⁰Va. Code Ann. section 58.1-609.3(18)(a).

¹⁹¹*Id.*

¹⁹²*Id.*

¹⁹³*Id.*

¹⁹⁴*Id.*

¹⁹⁵*Id.*

¹⁹⁶Wash. Rev. Code sections 82.08.986(1) (rural); 82.08.986(1) (urban).

¹⁹⁷Wash. Rev. Code sections 82.08.986(2), 82.08.986(1)(2).

¹⁹⁸*Id.*

¹⁹⁹Wash. Rev. Code section 82.08.986(1).

²⁰⁰A qualifying facility in a rural area has at least 100,000 square feet. Wash. Rev. Code sections 82.08.986(8)(d), 82.08.986(9)(d).

Data Center Incentives by State (Continued)

²⁰¹Wash. Rev. Code sections 82.08.986(3), 82.08.9861(3).

²⁰²*Id.*

²⁰³Wash. DOR Special Notices (06/09/2022) (two notices for data centers in urban and rural counties).

²⁰⁴*Id.*

²⁰⁵Wash. Rev. Code section 82.08.9861(1). No new exemption certificates may be issued on or after July 1, 2028.

²⁰⁶Wash. Rev. Code section 82.08.986(1). No new exemption certificates may be issued on or after July 1, 2036.

²⁰⁷Wis. Stat. section 77.54(70)(a).

²⁰⁸Wis. Stat. section 238.4(2).

²⁰⁹Wis. Stat. section 77.54(70)(a).

²¹⁰Wis. Stat. section 238.40(1)(b)(2).

²¹¹Wis. Stat. section 238.40(1)(c).

²¹²W. Va. Code Ann. section 11-15-9h.

²¹³W. Va. Code Ann. section 11-6j-3.

²¹⁴W. Va. Code Ann. section 11-13D-3c(e); W. Va. Code R. section 110-15-9.4.8.

²¹⁵W. Va. Code Ann. section 11-15-9h(a); W. Va. Code R. section 110-15-9.4.8.

²¹⁶W. Va. Code Ann. section 11-6j-3.

²¹⁷Wyo. Stat. Ann. section 39-15-105(a)(viii)(S).

²¹⁸Wyo. Stat. Ann. section 39-16-105(a)(viii)(S)(III)(4).

²¹⁹Wyo. Stat. Ann. section 39-16-105(a)(viii)(S)(I), (II).

²²⁰*Id.*

²²¹*Id.*

²²²Wyo. Stat. Ann. section 39-15-101(a)(xlv).