

# HOUSE RESEARCH

## Bill Summary

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**Subject:** Modifying the sales tax exemption for qualified data centers

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### Overview

Expands the data centers that will qualify for the existing sales tax exemption for enterprise information technology equipment and software and electricity used in the center by modifying the qualifications as follows:

- reducing the minimum square footage of the data center from 30,000 square feet to 25,000 square feet;
- reducing the minimum required investment in construction or refurbishment, technology equipment, and software from \$50 million to 20 million; and
- expanding the time in which the qualifying investment must be made from a 24-month period to a 48-month period.

In addition, the definition of “construction or refurbishment” is modified to explicitly include installation of equipment, computer software, and environmental control and energy efficiency improvements. Also a definition is added for “computer software” which includes expenditure related to software used or loaded at the data center, such as maintenance, licensing, and software customization.

Effective for sales and purchases made after June 30, 2013.