



*To Lead, Advocate and Connect as the Voice of Business*

**Senate Bill 397 - Sales and Use Tax and Personal Property Tax - Exemptions - Data Centers**

Budget and Taxation Committee

February 12, 2020

**SUPPORT**

Senate Bill 397 provides a sales-and-use tax exemption for the sale of computer technology for use at a qualified data center.

A February 26th, 2019 article in the Washington Business Journal highlighted the economic benefits of data centers in Loudoun County, Virginia and the surrounding region. More specifically, as it relates to data center incentives, every \$1 million of incentive generated 155 jobs, \$26.5 million in state GDP and \$14.6 million in personal income. Further, over the last dozen years, the commercial portion of Loudoun's tax base has grown from 19 percent to 34 percent, largely due to data center growth. The real estate tax rate is down 20 cents per \$100 of assessed value over the past six years and Loudon County received about \$250 million in 2019 alone from data center-related taxes.

Senate Bill 397 will level the playing field with neighboring states, attract data center business to Maryland, and support the state as a leader in innovation and investment in cyber and IT.

For the aforementioned reasons, **the Chamber supports Senate Bill 397 and respectfully urges a favorable report.**

*The Montgomery County Chamber of Commerce (MCCC) accelerates the success of our nearly 500 members by advocating for increased business opportunities, strategic investment in infrastructure, and balanced tax reform to advance Metro Maryland as a regional, national, and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and is proud to be a Montgomery County Green Certified Business.*