

February 10, 2026



Maryland General Assembly  
House Ways and Means Committee  
Attn: Sara Hartman, Assistant to Chair Wilkins  
130 Taylor House Office Building  
131 Taylor House Office Building  
Annapolis, MD 21401

**RE: HB 560, “Sales and Use Tax and Property Tax - Exemptions for Data Centers - Repeal” (Unfavorable)**

Dear Chair Wilkins and Members of the House Ways and Means Committee:

On behalf of the Data Center Coalition (DCC), I am writing to request an unfavorable report of HB 560. DCC is the national membership association for the data center industry, and our membership is comprised of leading data center owners and operators, as well as companies that lease large amounts of data center capacity.<sup>1</sup> Data centers provide the digital infrastructure that keeps us connected in our daily lives and supports many sectors of the 21<sup>st</sup> century innovation economy, including financial services, advanced manufacturing, cybersecurity, healthcare, artificial intelligence, and other key industries.

HB 560 would repeal the sales and use tax and property tax exemptions for data centers that were just established by SB 397 in 2020. This law and other legislation advanced in the past several years has sought to establish a competitive market that provides the certainty and predictability required to attract and grow long-term data center capital investment and data center jobs in Maryland. HB 560 runs counter to those efforts just as new projects and investment are just beginning to land in the state. At a time when Maryland is experiencing lagging economic growth and facing significant budget constraints, HB 560 would send a signal to all industries, not just data centers, that Maryland may not stand behind its long-term economic development commitments. Furthermore, HB 560 fails to provide grandfathering protections for businesses that have already qualified for the exemption and deployed capital within the state. By jeopardizing existing exemptions, the bill broadcasts a troubling message: that Maryland lacks the tax and regulatory stability essential for sustaining high-capital investments.

Data centers represent large capital investments and support a wide range of roles in the broader local service ecosystem, including construction professionals, engineers, HVAC technicians, electricians, and local hospitality and catering businesses. In fact, each job in a data center supports six jobs elsewhere in the economy. A report from PwC found that in

---

<sup>1</sup> Public testimony and written comments submitted by DCC do not necessarily reflect the views of each individual DCC member. A list of current DCC members is accessible at <https://www.datacentercoalition.org/members>.

2023, the data center industry in Maryland provided 7,780 direct jobs and supported 40,560 jobs in total when considering direct, indirect, and induced effects. The report also found that over that same time, the data center industry contributed \$6.3 billion to Maryland GDP and directly and indirectly generated \$646 million in state and local tax revenues.<sup>2</sup> Repealing these exemptions abruptly would deter further investments by the data center industry and jeopardize projects that are currently in the planning stages, causing Maryland to lose out on the revenue and job impacts associated with the data center industry. Make no mistake – these are high-wage jobs – the law mandates that to qualify for the sales and use tax exemption for qualified data center personal property, a “qualified job” must be full-time and pay 150% of the state minimum wage.

We appreciate your consideration of these comments and stand ready to serve as a resource as the General Assembly considers legislation impacting the data center industry. We urge the Committee not to advance this legislation.

Respectfully,

Khara Boender  
Director, State Policy  
Data Center Coalition  
[khara@datacentercoalition.org](mailto:khara@datacentercoalition.org)

---

<sup>2</sup> PwC, “Economic Contributions of Data Centers in the United States, 2017-2023,” February 2025, <https://www.centerofyourdigitalworld.org/2025-impact-study>.