

Michigan – New and Amended Data Center Legislation

On January 9, 2025, Governor Gretchen Whitmer signed Michigan's data center legislation into law, enacting changes to its existing data center sales & use tax exemption as well as creating a new program to try to attract large enterprise data centers. The State is in the process of finalizing the application guidelines and procedures for these data center incentives.

Details of New Legislation

- **Existing** Data Center Sales & Use Tax Legislation Extensions:
 - For existing qualified data centers facilities, program extended to December 31, 2050
 - For enterprise data centers on brownfield sites or former power plants, program extends to December 31, 2065
- **New** Enterprise Data Center Sales & Use Tax Exemption:
 - Michigan is increasing efforts to actively recruit major tech investments
 - Sales & use tax exemption for equipment purchases by enterprise data centers through December 31, 2050 (or 2065 for specified locations)
 - Eligible facilities must be in Michigan, invest at least \$250 million, and create 30+ high-paying jobs
 - Program also emphasizes sustainability, requiring green building certification, 90% clean energy usage, and municipal water utilization

Within three years from the date the data center has been placed into service, a certification is required to demonstrate the company has met at least one of the green building standards specified in the program. Additionally, a company must certify that the data center uses municipal water as well as a clean energy equivalent for at least 90% of the facility's forecasted electricity annual usage.

The Michigan Strategic Fund (MSF) will oversee the application process, compliance, and reporting requirements. The MSF will only be able to issue new certificates until December 31, 2029.

Recommended Action

The experts at Atlas Insight have the data center experience to help you determine whether your project may qualify for sales & use tax exemptions from this program.

Please contact **Brian Corde at (732) 410-4568 / bcorde@atlasinsight.com**
to review your planned investment so that potential incentives can be secured and maximized.
Learn more about our dedicated Site Selection and Incentives specialties at www.atlasinsight.com.