

# Legislative Alert

## MISSOURI S&U TAX EXEMPTION FOR DATA CENTERS

Atlas Insight assists companies from all industry sectors and geographies to negotiate and secure tax credits and incentives for business investment and job creation/retention.

The professionals at Atlas Insight are industry leaders in the field of corporate site selection and incentive procurement.

We help to choose locations for all types of business facilities that meet the long-term needs of those operations, while helping to achieve overall corporate goals.

Our team has extensive experience in all corporate sectors and has consulted on many sensitive projects for some of the world's largest corporations. We strive for excellence with every client.

For more information, please contact:

Brian P. Corde  
Managing Partner  
(732) 410-4568  
bcorde@atlasinsight.com

### ***Target Audience: Companies Establishing New and Expanding Data Centers in Missouri***

#### **Summary of New Legislation:**

On April 14, 2015, Governor Jay Nixon signed into law legislation providing a sales and use tax exemption for new or expanded data center projects. While the regulations for this program are still being finalized by the Dept. of Economic Development, it is important for companies to be aware of this upcoming incentive program.

#### **S&U Tax Exemption**

The legislation provides a 100% exemption of state and local sales taxes for all machinery, equipment, electric, gas, water, telecommunication and internet services used in connection with the new or expanded data center. In addition, building materials and personal property used in the construction or expansion of the data center are also eligible.

To qualify, new projects must satisfy certain job creation and investment requirements (other requirements may be added at a later date):

#### **New Data Centers:**

New investment of \$25 million and the creation of 10 new, full-time jobs over a 3 year period, earning at least 150% the county average wage. The maximum benefit period is 15 years.

#### **Expanding Data Centers:**

New investment of \$5 million in the first year, and the creation of 5 new, full-time jobs over a 2 year period, earning at least 150% the county average wage. The maximum benefit period is 10 years.

#### **Application and Benefit Process**

The Program takes effect on August 28, 2015. Applications for projects commencing on or after that date may be submitted to the Department of Economic Development. If approved, the eligible purchases and taxes are tracked until the requisite thresholds are met. A refund claim for taxes paid would be submitted at this time. Exemption certificates are then issued to the eligible taxpayers for any future purchases. The maximum award per project is capped by the calculated return on investment for the State.

#### **Recommended Action:**

Please contact us immediately if your company is planning to establish or expand a data center in Missouri. An analysis must be completed to determine if this program would benefit you and if other incentives you may have or be eligible for will cause a conflict with this new program. The experts at Atlas Insight have the experience and resources to help you maximize your benefits.

