

## STATEMENT OF PURPOSE

RS32440 / H0315

Most businesses in Idaho pay a sales tax on business purchases and deduct the expense on income tax returns. In 2019, data centers that cost at least \$250 million and provide at least 30 jobs received a full sales tax exemption for their servers and related consumer equipment. The exemption never ends so future expenses are exempt. Data centers use a lot of water and electric resources and do not create many jobs except during construction. This legislation provides that the exemption is good for 7 years after the exemption is first issued. Those who presently have the exemption are not affected. After 7 years the sales tax revenues must be remitted by the data center owners to the tax relief fund for the benefit of the people of Idaho.

### FISCAL NOTE

This legislation will not cost the State of Idaho anything. The revenue to be received is uncertain but it could be significant and result in tax relief for the people of Idaho.

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**DISCLAIMER:** This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).