



February 24, 2020

The Honorable Anne R. Kaiser, Chairman
House Ways and Means Committee
Room 131, House Office Building
Annapolis, MD 21401

Re: **SUPPORT** House Bill 1339 – Sales and Use Tax and Personal Property Tax – Exemptions
– Data Centers

Dear Delegate Kaiser and Members of the Ways and Means Committee:

We have reviewed and fully support House Bill 1339 being heard in the 2020 legislative session to provide an exemption from the sales and use tax for data centers.

The proposed bill encourages data centers to locate in the state of Maryland. This industry is both environmentally friendly and provides high paying jobs. This bill gives Maryland a competitive place in the market for data center attraction.

The state of Virginia passed similar legislation ten years ago and has seen an incredible increase in data centers, partially due to the sales and use tax exemption offer by the State. In Virginia the data center sector provides up to \$9.50 in tax revenue or every dollar in expenditures. Increased state and county tax revenues and additional jobs are realized from the businesses that follow data center locations.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads 'Thomas J. Collins'. The signature is written in a cursive style with a large, stylized 'T' and 'C'.

Thomas J. Collins
Director of Sales & Marketing



9194 Legion Rd, Suite 1
Denton, MD 21629
Tel: 410.479.4188

February 14, 2020

The Honorable Anne R. Kaiser, Chairman
House Ways and Means Committee
Room 131, House Office Building
Annapolis, MD 21401

Dear Chair Kaiser:

I am writing in support of **House Bill 1339, Sales and Use Tax and Personal Property Tax - Exemptions - Data Centers** to provide an exemption from the sales and use tax for certain qualified computer technology equipment for use at a qualified data center.

The proposed bill encourages data centers to locate in the state of Maryland. This industry is both environmentally friendly and provides high paying jobs that are especially needed in the rural areas of Maryland, including Caroline County. This bill gives Maryland a competitive place in the market for data center attraction.

A Sales and Use Tax exemption will help attract data centers to choose Maryland over neighboring Virginia and Delaware. State, counties, and municipalities could realize additional tax revenue from the increase in economic activity and jobs.

Caroline County supports House Bill 1339 and requests a favorable report from the Ways and Means Committee.

Sincerely,

A handwritten signature in blue ink that reads "Debbie Bowden".

Debbie Bowden
Director



House Bill 1339

Sales and Use Tax and Personal Property Tax –
Exemptions – Data Centers

Hearing: March 6, 2020

SUPPORT

February 13, 2020

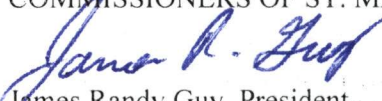
The Honorable Anne R. Kaiser, Chairman
House Ways and Means Committee
Room 131, House Office Building
6 Bladen Street
Annapolis, MD 21401

Dear Chairman Kaiser:

The Commissioners of St. Mary's County SUPPORT House Bill 1339 - Sales and Use Tax and Personal Property Tax – Exemptions – Data Centers which is being heard on March 6, 2020 in the Ways and Means Committee.

We appreciate the introduction of this legislation and believe this legislation would benefit the citizens of St. Mary's County. We look forward to working with you on this and other initiatives throughout the session.

Sincerely,
COMMISSIONERS OF ST. MARY'S COUNTY


James Randy Guy, President

CSMC/AB/sf
T:/ALL/Consent/2020/060

Cc: Senator Jack Bailey
Delegate Matthew Morgan
Delegate Gerald Clark
Delegate Brian Crosby
Commissioner Eric Colvin
Commissioner Michael Hewitt
Commissioner Todd Morgan
Commissioner John O'Connor
Dr. Rebecca Bridgett, County Administrator
David Weiskopf, County Attorney

SENATORS

MARY BETH CAROZZA
ADDIE C. ECKARDT
JASON C. GALLION
STEPHEN S. HERSHEY, JR.



THE MARYLAND GENERAL ASSEMBLY
ANNAPOLIS, MARYLAND 21401
EASTERN SHORE DELEGATION

DELEGATES

STEVEN J. ARENTZ
CHAIR

JOHNNY MAUTZ
VICE CHAIR

CHRISTOPHER T. ADAMS
TREASURER

CARL ANDERTON, JR.
JEFFERSON L. GHRIST
MIKE GRIFFITH
WAYNE A. HARTMAN
KEVIN BAILEY HORNBERGER
JAY A. JACOBS
CHARLES OTTO
TERESA REILLY
SHEREE SAMPLE-HUGHES

February 7, 2020

The Honorable Anne Kaiser
Chair, Ways & Means Committee
6 Bladen Street, Room 130
Annapolis, Maryland 21401

Re: SB 397/HB 1339-Sales and Use Tax and Personal Property Tax-Exemptions-Data Center

Dear Chairwoman Kaiser and Members of the Ways & Means Committee:

This is a letter of support from the Eastern Shore Delegation for SB 397/HB 1339-Sales and Use Tax and Personal Property Tax-Exemptions-Data Center.

Thank you for your consideration for a favorable report on this bill.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steven J. Arentz".

Steven J. Arentz, Chair
Eastern Shore Delegation

cc: Maryland Chamber of Commerce



POSITION STATEMENT

TESTIMONY PRESENTED TO THE HOUSE WAYS AND MEANS COMMITTEE HOUSE BILL 1339 -- SALES AND USE TAX AND PERSONAL PROPERTY TAX – EXEMPTIONS - DATA CENTERS

March 6, 2020

**DONALD C. FRY
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE**

Position: Support

House Bill 1339 provides a sales and use tax exemption for the sale of qualified computer technology for data centers. The sales and use tax exemption applies to purchases of computer equipment, software, servers, routers, connections, mechanical systems, and power supply equipment. The bill applies to data centers that invest at least \$2 million in improvements or new construction and create five jobs in a Tier 1 county or data centers that invest at least \$5 million in improvements or new construction and create 10 jobs in all other jurisdictions.

Data centers, which are secure facilities that house computer and network equipment that store, process and distribute large amounts of data, are a vital part of the growing digital economy. They have a significant and measurable impact on the economy by providing jobs, wages, and taxes for State and local governments.

House Bill 1339 would create a new incentive that makes Maryland more competitive in attracting data center businesses. This would serve to support the State's mission of being a leader in innovation and investment in cyber and information technology.

Other states have embraced the economic impact of providing incentives to attract data centers. Maryland is one of only 15 states that does not have a data center sales and use tax exemption for the purchase of data center equipment. The lack of an incentive drives data centers to consider other states when building and locating new facilities. Most recently in 2019, Illinois, Indiana, and Alabama passed data center incentive legislation to help their state attract this industry.

This bill is consistent with one of the key tenets in *Gaining the Competitive Edge: Keys to Economic Growth and Job Creation in Maryland*, a report published by the Greater Baltimore Committee (GBC) that identifies eight core pillars for a competitive business environment and job growth:

Strategic and effective investments in business growth. The State must commit to substantive strategic investments, leveraged with capital assets, to nurture business and job growth. Investments should include competitive and effective tax credits, business development incentives, and tactical initiatives to nurture private investments in industry growth.

Additionally, the GBC's *2020 Legislative Priorities* state that an important priority is to "support a strong economic development infrastructure that improves the business climate, creates jobs, and cultivates entrepreneurship" and "maintain state investment in Maryland's most innovative industries...."

For these reasons, the Greater Baltimore Committee urges a favorable report on House Bill 1339.

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 65-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.

GREATER BALTIMORE COMMITTEE

111 South Calvert Street • Suite 1700 • Baltimore, Maryland • 21202-6180

(410) 727-2820 • www.gbc.org



The Honorable Anne R. Kaiser, Chairman
Ways & Means Committee
House Office Building, Room 131
6 Bladen Street
Annapolis, MD 21401

March 3, 2020

Re: Department of Commerce- Economic Development – Sales and Use Tax and Property Tax – Exemptions – Data Centers

Dear Chairman,

This letter is in support of HB 1339 Sales and Use Tax and Personal Property Tax – Exemptions – Data Centers.

Data Centers are secure facilities that house computer and network equipment which store, process, and distribute large amounts of data. Data centers are imperative to the overall operation of today's booming digital economy and rapidly growing technology sector which impacts multiple industries as result. For example, drones and sensors used by farmers to monitor their crops and soil are powered by data centers, as are gene therapies for diseases like cancer.

As 35 states currently provide data centers with sales-and-use tax exemptions for the purchase of required equipment, Maryland has not responded in kind. Subsequently, in the last five years, no large-scale enterprise data center has located in a state that imposes its full sales tax burden on data center equipment. According to a 2019 report from Virginia's Joint Legislative Audit and Review Commission, data center employment and investment have increased as data center incentives have expanded in the state. The same report notes that each dollar of sales tax exemption returned 72 cents to the state – not accounting for the impact to local tax revenue.

The economic impact of data centers in Maryland's economy is substantial. During construction, a typical data center employs approximately 1,700 workers, provides \$77.7 million in annual wages for those workers, injects \$243.5 million into the local economy, and generates \$9.9 million in revenue for state and local governments. Every year thereafter, the same data center will support approximately 160 jobs, pay \$7.8 million in annual wages, inject \$32.5 million into the local economy, and generate \$1.1 million in state and local revenues.

Additionally, local taxes paid by data centers support schools, law enforcement, and local public infrastructure, including the expansion of broadband. Expanding broadband throughout Maryland helps to bridge the digital divide and increase access to technology which our society increasingly depends on. HB 1339 would level the playing field and attract data center business to Maryland and support the state as a leader in innovation and investment in cyber and information technology.

We urge your favorable support of HB 1339.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lawrence F. Twele", is written over a horizontal line.

Lawrence F. Twele
Chief Executive Officer

Kent County Economic Development Commission
The County Commissioners of Kent County
400 High Street, 3rd Floor
Chestertown, MD 21620

February 24, 2020

The Honorable Anne R. Kaiser, Chair
Ways and Means Committee
131 House Office Building
6 Bladen Street
Annapolis, MD 21401

Re: **SUPPORT** House Bill 1339 - Sales and Use Tax and Personal Property Tax - Exemptions – Data Centers

Dear Chair Kaiser and Members of the Ways and Means Committee:

The Kent County Economic Development Commission fully supports House Bill 1339. The proposed bill encourages data centers to locate in the State of Maryland. This will give Maryland the opportunity to compete in the market for data centers. The industry is both environmentally friendly and provides high paying jobs. Those two factors are very desirable for rural areas, particularly Kent County, which is a Tier I county.

Kent County's substantial investment in fiber infrastructure has positioned us to attract technology-based businesses. In addition, businesses that follow data center locations will create jobs and increase state and county tax revenues.

Please take into consideration the significant opportunities House Bill 1339 would create for the State of Maryland, and rural areas like Kent County. For these reasons, The Kent County Economic Development Commission respectfully requests a favorable consideration of House Bill 1339.

Very truly yours,



James M. Luff, Chair

cc: Jamie Williams CECD, Director Economic Development
The County Commissioners of Kent County
The Honorable Stephen S. Hershey, Jr.
The Honorable Jay A. Jacobs
The Honorable Steven J. Arentz
The Honorable Jeffery Ghrist



*Kent County Department of Economic Development
The County Commissioners of Kent County
400 High Street, 3rd Floor
Chestertown, MD 21620*

February 24, 2020

The Honorable Anne R. Kaiser, Chair
Ways and Means Committee
131 House Office Building
6 Bladen Street
Annapolis, MD 21401

Re: **SUPPORT** House Bill 1339 - Sales and Use Tax and Personal Property Tax - Exemptions – Data Centers

Dear Chair Kaiser and Members of the Ways and Means Committee:

The Kent County Economic Development Commission fully supports House Bill 1339. The proposed bill encourages data centers to locate in the State of Maryland. This will give Maryland the opportunity to compete in the market for data centers. The industry is both environmentally friendly and provides high paying jobs. Those two factors are very desirable for rural areas, particularly Kent County, which is a Tier I county.

Kent County's substantial investment in fiber infrastructure has positioned us to attract technology-based businesses. In addition, businesses that follow data center locations will create jobs and increase state and county tax revenues.

Please take into consideration the significant opportunities House Bill 1339 would create for the State of Maryland, and rural areas like Kent County. For these reasons, The Kent County Economic Development Commission respectfully requests a favorable consideration of House Bill 1339.

Sincerely,



Jamie Williams, CECD, Director

cc: The County Commissioners of Kent County
Senator Stephen S. Hershey
Delegate Jay A. Jacobs
Delegate Steven J. Arentz
Delegate Jefferson L. Ghrist





February 28, 2020

The Honorable Anne R. Kaiser, Chairman
House Ways and Means Committee
Room 131, House Office Building
Annapolis, MD 21401
Re: SUPPORT House Bill 1339 –Sales and Use Tax and Personal Property Tax -
Exemptions -Data Centers

Dear Delegate Kaiser and Members of the Ways and Means Committee:

Kent Fiber Optic Systems supports the House Bill 1339 that provides for a sales and use tax exemption for certain technology equipment for use at a qualified data center.

The proposed bill supports economic growth in Maryland and will provide opportunities for job growth throughout the State, especially in rural and economically depressed areas. Maryland has never been able to compete in the attraction of Data Centers because so many other states offer huge incentives.

Virginia enacted such laws over ten years ago and they are now the Data Center Hub of the Country. Bills like this not only provide jobs in technology but they also create many other jobs from supporting trades (ie electricians, plumbers, etc.) and all the hospitality industries that support them.

Kent Fiber Optics is in a Public/Private Partnership with Kent County, Maryland that has a 150 mile fiber backbone throughout the county that is in a great and unique position to attract Data Centers and create jobs and economic growth for the county.

Kent Fiber Optic Systems requests a favorable consideration for this bill.

Sincerely,

Dee Anna Sobczak
CEO
Kent Fiber Optic Systems, LLC

P.O. Box 1388
Brooklandville, MD 21022
(443) 215-0330



205 Cannon Street
Suite 1
Chestertown, MD 21620
(410) 810 1574 *Phone*
(410) 810 1571 *Fax*

165 Log Canoe Circle
Suite J
Stevensville, MD 21666
(410) 604 2622 *Phone*
(410) 604 2624 *Fax*

www.krm-dev.com

February 17, 2020

The Honorable Anne R. Kaiser, Chairman
House Ways and Means Committee
Room 131, House Office Building
Annapolis, MD 21401

Re: HB 1339 – Sales and Use Tax and Personal Property Tax – Exemptions – Data Centers

Dear Chairman Kaiser:

KRM Development Corporation supports House Bill 1339 being heard in the 2020 legislative session to provide an exemption from the sales and use tax for certain qualified computer technology equipment for use at a qualified data center.

This bill encourages data centers to locate in the state of Maryland, and especially in rural areas in need of job growth. This bill gives Maryland a competitive place in the market for data center attraction.

Kent County's investment in fiber infrastructure has helped position us to attract business growth, including technology-based businesses, and this bill is consistent with that goal. We are continually working towards business attraction and retention in order to establish more jobs on the Eastern Shore of Maryland. Legislation such as this is an important piece of that mission. KRM respectfully requests a favorable consideration of this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Kate Goodall Gray". The signature is written in a cursive style with a large, prominent "K" and "G".

Kate Goodall Gray

President, KRM Development Corporation

C: Jamie Williams, Kent County Economic Development Office

February 28, 2020

The Honorable Anne Kaiser
Chairman, Ways and Means Committee
House Office Building, Room 131
6 Bladen St., Annapolis, MD 21401

Re: House Bill **HB 1339** – Sales and Use Tax
and Personal Property Tax – Exemptions – Data
Centers

Dear Chair Kaiser:

I write to bring to your attention the value that the enactment of House Bill 1339 - Sales and Use Tax and Personal Property Tax – Exemptions – Data Centers - could bring to Prince George's County. Data Centers are a critical part of the modern digital economy, and with the massive volume of information storage and online communications growth, there is a significant need for new and larger data center facilities. With available sites, a skilled local workforce, and much of the necessary infrastructure already in place, Prince George's County could be a beneficiary of substantial real and personal property tax generating facilities.

As you know, Maryland faces a competitive disadvantage for data centers compared to Virginia, and as many as 35 other States that provide sales and use tax exemptions on the computers and servers that are the largest portion of private investment in data centers. Industry expenditures on those computers and servers are not a one-time expense either; they are a recurring expense as the equipment must be regularly replaced.

According to our research, there are more than 135 data centers in Virginia, compared to about 30 in Maryland, including six relatively small facilities in Prince George's County. Should Maryland exempt data centers from the State's 6% sales and use tax, Prince George's County could compete effectively for this industry. While Maryland would be waiving State sales taxes that it is now not currently collecting, local governments would see growth in jobs, payroll, and local real, but in particular personal property, taxes. In essence, any data center proposal in Maryland is at an immediate 6% disadvantage compared to one in Virginia. For a \$150 million facility, that could be \$6-8 million initially, but also a recurring cost as equipment is replaced on a 2-3-year cycle.

I believe that the return on investment to State and local governments would be significant, more than justifying the sales and use tax waiver that HB 1339 would require. A single large data center could generate as much as \$5-10 million annually in local real and personal property taxes. Should you enact this legislation, I am confident that Maryland, and Prince George's County, will

see a dramatic increase in data center construction, creating jobs, injecting millions of dollars into local economies, and creating tax revenues that will benefit your citizens.

We would suggest that the greatest return on investment to both the State and Counties will come from very large data centers, and that the legislation could be tailored to require substantial minimum capital investments to encourage that.

I would be pleased to answer any questions that you may have. Thank you.

A handwritten signature in black ink, appearing to read "David S. Iannucci". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

David S. Iannucci
President & CEO
Prince George's County Economic Development Corporation

Cc:
The Honorable Erek L. Barron, Chair
Prince George's County House Delegation



The Town of Rock Hall

P.O. Box 367
ROCK HALL, MARYLAND 21661
410-639-7611
FAX 410-639-7298

March 5, 2020

The Honorable Anne R. Kaiser, Chair
Ways and Means Committee
131 House Office Building
6 Bladen Street
Annapolis, MD 21401

RE: SUPPORT House Bill 1339 – Sales and Use Tax and Personal Property Tax – Exemptions – Data Centers

Dear Chair Kaiser and Members of the Ways and Means Committee:

The Town of Rock Hall fully supports House Bill 1339.

The proposed bill encourages data centers to locate in the State of Maryland. This will give Maryland the opportunity to compete in the market for data centers. The industry is both environmentally friendly and would add employment in both constructing and operating new facilities.

Kent County has made a substantial investment in fiber infrastructure and is positioned to attract technology-based businesses. Data Centers and the businesses that follow them could take advantage of this unique resource and has potential to improve the economy of all the towns in the county including Rock Hall.

Please take into consideration the significant opportunities House Bill 139 would create for the State of Maryland and rural areas like Kent County and small towns like Rock Hall. For these reasons, the town of Rock Hall respectfully requests a favorable consideration of House Bill 1339.

Sincerely,

Dawn E. Jacobs
Mayor
Town of Rock Hall

CC: The County Commissioners of Kent County
The Honorable Stephen S., Hershey, Jr.
The Honorable Jay A. Jacobs
The Honorable Steven J. Arentz
The Honorable Jeffery Ghrist



March 3, 2020

Delegate Anne R. Kaiser, Chair
House Ways and means Committee
House Office Building, Room 131
6 Bladen Street
Annapolis, MD 21401

Dear Chairwoman Kaiser,

On behalf of the seven-hundred businesses and organizations that make up the Salisbury Area Chamber of Commerce, I urge a favorable report on HB 1339. This Bill would provide a sale-and-use tax exemption for the sale of computer technology for use at a qualified data center. The legislation will level the playing field and attract new data center businesses to our State. This will further support Maryland as a leader in innovation and investment in cyber and information technology. The Maryland Data Centers Coalition, a group of businesses and organizations across Maryland and led by the Maryland Chamber of Commerce, is in strong support of HB1339 which will create new jobs, new State and local tax revenues and give a boost to the construction industry as these centers are built around the State.

Bringing new businesses to Maryland, employing Marylanders and generating significant local tax revenues to support County budgets is an opportunity not to be passed by. Again, we respectfully urge your support of HB 1339.

Sincerely,

William R. Chambers
President / CEO
Salisbury Area Chamber of Commerce
144 East Main Street
Salisbury, Maryland 21801
bchambers@salisburyarea.com
410-749-0144
FAX 410-860-9925
www.salisburyarea.com

**SALISBURY AREA
CHAMBER OF
COMMERCE**

144 EAST MAIN ST.

P.O. Box 510

SALISBURY
MARYLAND
21803-0510

TELEPHONE:
410-749-0144

FAX:
410-860-9925

**ACCREDITED BY
THE CHAMBER OF
COMMERCE OF THE
UNITED STATES
SINCE 1966**

THE VOICE FOR BUSINESS ON DELMARVA

www.salisburyarea.com

**Somerset County
Economic Development Commission**

11916 Somerset Avenue, Suite 202
Princess Anne, Maryland 21853
www.somersetcountyedc.org



Daniel K. Thompson
Executive Director

February 20, 2020

Telephone: 410.651.0500
Fax: 410.651.3836
Email: edc@somersetmd.us

The Honorable Anne R. Kaiser, Chairman
House Ways and Means Committee
Room 131, House Office Building
Annapolis, MD 21401

Re: Letter of Support- House Bill 1339 - Sales and Use Tax and Personal Property Tax - Exemptions – Data Centers

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

On behalf of the Somerset County Economic Development Commission, I want to express our support for House Bill 1339 – Sales and Use Tax and Personal Property Tax - Exemptions – Data Centers.

Proposed House Bill 1339 encourages data centers to locate in the State of Maryland. This will give Maryland the opportunity to compete in the market for data centers. The industry is both environmentally friendly and provides high paying jobs. Those two factors are very desirable for rural areas.

The average salary of data center employees is \$110,000, which is considerably higher than the average salaries earned in most counties on the Eastern Shore of Maryland. Adding 10 or 20 of these jobs in our rural communities would have a significant impact on our median household income.

Data Center attraction has allowed Virginia to reduce property taxes while increasing services to citizens. Increased state and county tax revenues and additional jobs are realized from the businesses that follow data center locations.

Please take into consideration the significant opportunities House Bill 1339 would create for the State of Maryland, and rural areas. For these reasons, we respectfully request a favorable consideration of House Bill 1339. We look forward to working with the General Assembly and the Administration to support any proposed legislation that would greatly benefit entire State of Maryland and Somerset County.

Sincerely,

A handwritten signature in black ink that reads "Daniel K. Thompson".

Daniel K. Thompson
Executive Director

cc: The Honorable Stephen S. Hershey, Jr.





February 28, 2020

The Honorable Anne R. Kaiser, Chairman
House Ways and Means Committee
Room 131, House Office Building
Annapolis, MD 21401
Re: SUPPORT House Bill 1339 –Sales and Use Tax and Personal Property Tax -
Exemptions -Data Centers

Dear Delegate Kaiser and Members of the Ways and Means Committee:

ThinkBig Networks, LLC supports the House Bill 1339 that provides for a sales and use tax exemption for certain technology equipment for use at a qualified data center.

The proposed bill supports economic growth in Maryland and will provide opportunities for job growth throughout the State, especially in rural and economically depressed areas. Maryland has never been able to compete in the attraction of Data Centers because so many other states offer huge incentives.

Virginia enacted such laws over ten years ago and they are now the Data Center Hub of the Country. Bills like this not only provide jobs in technology but they also create many other jobs from supporting trades (ie electricians, plumbers, etc.) and all the hospitality industries that support them.

ThinkBig Networks is an internet service provider that is currently providing services in rural areas and opportunities zones in Baltimore City. These areas are in a unique position to attract Data Centers if the sales tax laws were competitive with other states. The passing of this bill could help bring economic and job growth to areas that are currently economically depressed.

ThinkBig Networks, LLC requests a favorable consideration for this bill.

Sincerely,



Mark Wagner
CEO
ThinkBig Networks, LLC



February 14, 2020

The Honorable Anne R. Kaiser, Chairman
House Ways and Means Committee
Room 131, House Office Building
Annapolis, MD 21401

Re: *Support for House Bill 1339 - Sales and Use Tax and Personal Property Tax - Exemptions - Data Centers*

Dear Delegate Kaiser and Members of the House Ways and Means Committee:

The Washington County Department of Business Development has reviewed and fully support ***House Bill 1339*** being heard during the 2020 legislative session to provide an exemption from the sales and use tax for data centers.

The proposed bill encourages data centers to locate in the State of Maryland. Not only is this industry environmentally friendly, but it provides high paying jobs for our communities. ***House Bill 1339*** gives Maryland a competitive place in the market for data center attraction.

The State of Virginia passed similar legislation ten years ago and has seen an incredible increase in data center development, partially due to the *Sales and Use Tax* exemption offered by the State. In Virginia the data center sector provides up to \$9.50 in tax revenue or every dollar in expenditures. Increased state and county tax revenues and additional jobs are realized from the businesses that follow data center locations.

Your consideration is greatly appreciated and welcomed as we all welcome an opportunity to attract and market Maryland as a business-friendly State!

Sincerely,

A handwritten signature in blue ink, appearing to read 'Susan Small', with several loops and flourishes.

Susan Small, Director

cc: Jonathan Horowitz, Business Leader