The Goal: Attract a large-scale, enterprise data center to Pennsylvania

example 1: Facebook's new data center in New Albany, Ohio

About 1 million SF
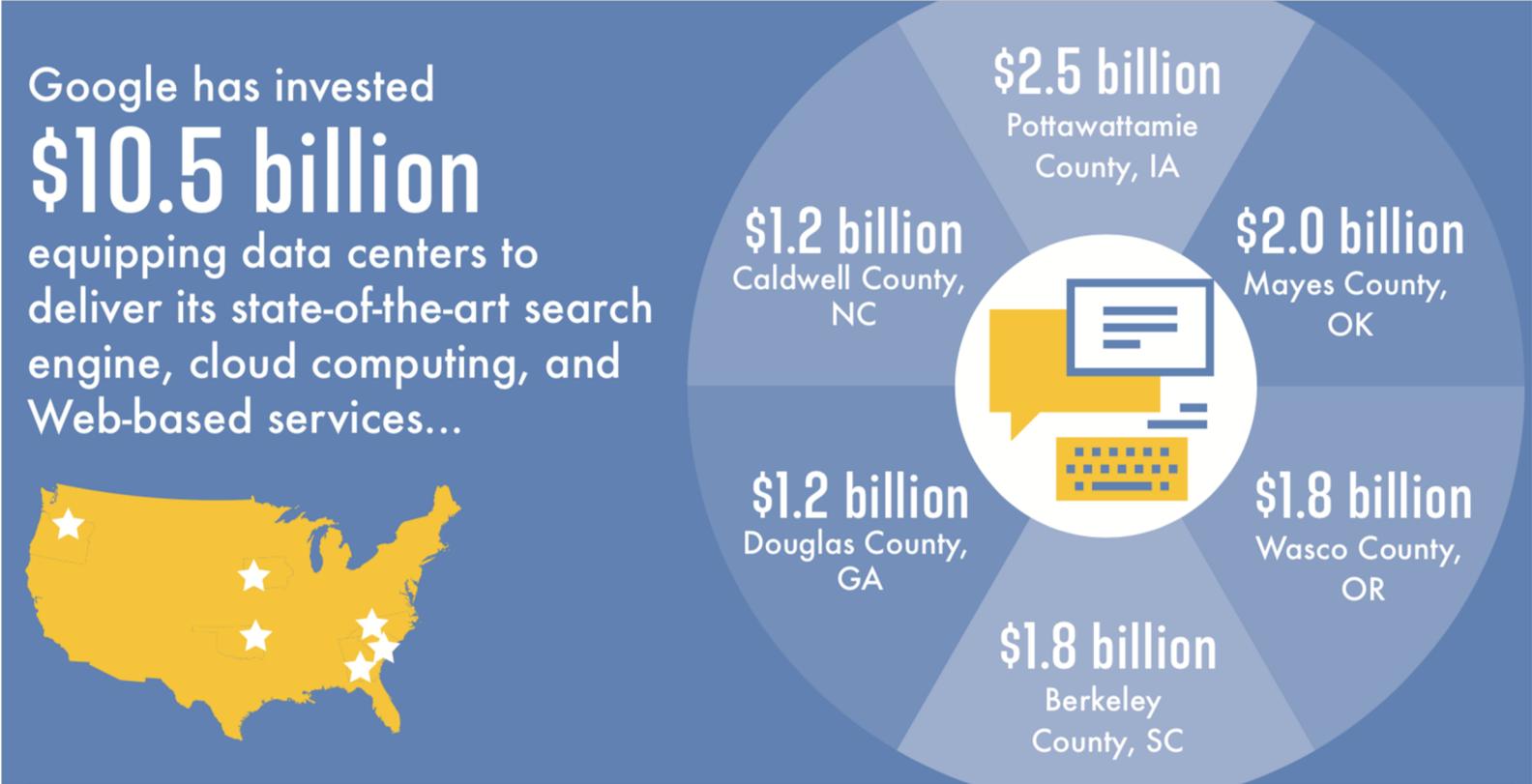
$ 750 million cost over 2-year construction period

$ 244 million in local construction spend

1,200 construction workers earned $ 78 million in wages

Across the street, Google is planning a $ 600 million, 275,000 SF data center on 440 acres.

example 2: Over $10 Billion invested in 6 Google Data Centers

Google has invested **$10.5 billion** equipping data centers to deliver its state-of-the-art search engine, cloud computing, and Web-based services…

$2.5 billion
Pottawattamie County, IA

$1.2 billion
Caldwell County, NC

$2.0 billion
Mayes County, OK

$1.2 billion
Douglas County, GA

$1.8 billion
Wasco County, OR

$1.8 billion
Berkeley County, SC

America's top *Investment Heroes* are Tech Firms

Tech invested **$70 billion** in 2019 – more than energy, telecom, pharma, or manufacturing.

That tech investment will continue, with increasing American appetites for cloud storage of data for multimedia, autonomous vehicles, genomics, AI, and other emerging industries.
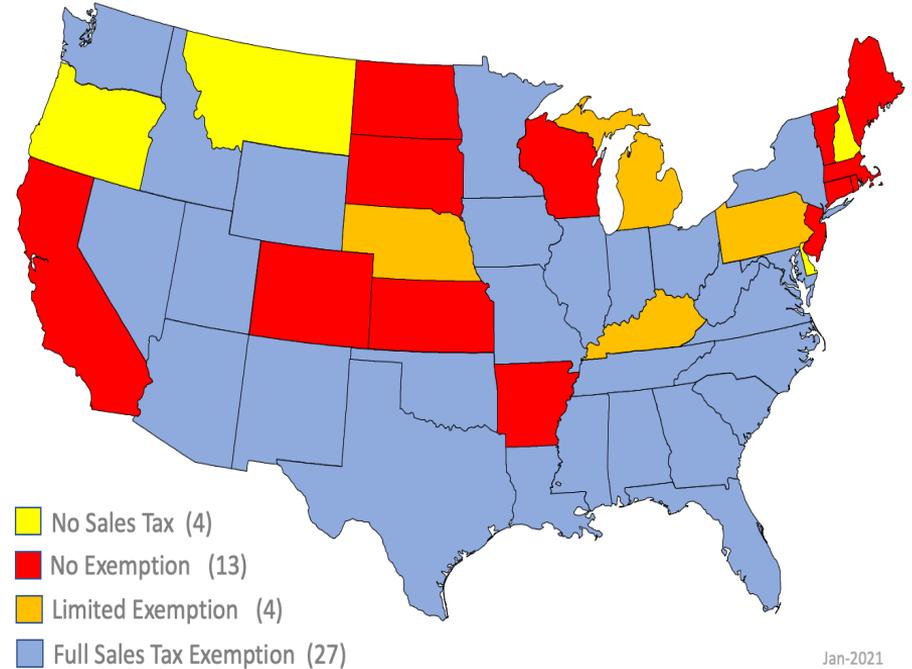
2019 U.S. CAPITAL EXPENDITURES (Millions USD)

1	Amazon.com	$19,306
2	AT&T	$18,520
3	Alphabet	$18,037
4	Exxon Mobil	$16,580
5	Verizon Communications	$16,058
6	Intel	$13,416
7	Facebook	$12,457
8	Duke Energy	$11,122
9	Microsoft	$11,073*
10	Comcast	$10,467

Source: Progressive Policy Institute, 2020

The Challenge: To attract a **billion-dollar data center**, Pennsylvania needs a **targeted sales tax exemption**

No enterprise data centers have located in Pennsylvania.

Pennsylvania's current sales tax exemption is capped, and is allocated among those *who already have data centers here*.

No Sales Tax (4)
No Exemption (13)
Limited Exemption (4)
Full Sales Tax Exemption (27)

Jan-2021

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PA's Response: Enact a sales tax exemption targeted to *incremental*, large-scale data center investments, using *incremental* analysis:

Virginia's Joint Legislative Audit and Review Commission shows Virginia recovered $1.09 in state tax revenue for every dollar of exempted tax (2017).

Data centers generate over $300 million in local tax revenue for Loudoun county – funding services *and offsetting residential property taxes*.

Mangum's 2020 Study: "the 'cost' of the State data center incentive is only 10 percent of the amount of State sales tax revenue exempted."

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Last words on large data centers

Mick Berry
Manager,
Catawba County, NC

"I highly recommend it — take 'em if you can get 'em. Otherwise, send them to us."

"It's our single biggest taxpayer, generating revenue to the county of almost $1.5 million and employing 400 or 500 people.

It was as close to a no-brainer as you get in this business."