



Data Center Legislation Language Summary

The bill provides a graduated scale of incentives based on the relative size of the investment a data center business makes in the state of Iowa.

Definition:

“Data Center” means a building rehabilitated or constructed to house a group of networked server computers in one physical location in order to centralize the storage, management, and dissemination of data and information pertaining to a particular business, taxonomy, or body of knowledge. A data center business’s facility typically includes the mechanical and electrical systems, redundant or backup power supplies, redundant data communications connections, environmental controls, and fire suppression systems. A data center business’s facility also includes a restricted access area employing advanced physical security measures such as video surveillance systems and card-based security or biometric security access systems.

Incentives:

The following table illustrates the incentives available for eligible data center businesses:

Investment	Incentive	Covers	Size Requirement	Time Period
\$200 million in 1 st six years of operation	Sales and Property Tax Exemptions	Computers and equipment, backup fuel, and electricity	5,000 square feet	Permanent
\$136 - \$200 million in 1 st six years of operation	Refund of 50% of Sales Taxes Paid*	Computers and equipment, backup fuel, and electricity	5,000 square feet	7 Years
New Construction: \$10 – \$136 million in 1 st six years of operation Rehabilitation: \$5 – \$136 million in 1 st six years of operation	Refund of 50% of Sales Taxes Paid*	Computers and equipment, backup fuel, and electricity	5,000 square feet	10 Years
New Construction: \$1 – \$10 million in 1 st three years of operation Rehabilitation: \$1 – \$5 million in 1 st three years of operation	Refund of 50% of Sales Taxes Paid*	Fuel and electricity	Not Applicable	5 Years

* Only applies to the 1st 5% of the state sales and use tax; does not apply to local option sales and services taxes

Additional Information:

- Must comply with sustainable design and construction standards which will be established by the State Building Code Commissioner
- Would be effective July 1, 2009
- Administered by the Department of Revenue

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