

Executive Office of Economic Development
Massachusetts Qualified Data Center Sales and Use Tax Exemption

Application Attachment B

Qualified Data Center Investments and Anticipated Eligible Expenditures

Owners and operators of a Qualified Data Center applying to receive Certification for purposes of qualifying for the Qualified Data Center Sales and Use Tax Exemption are required to submit, as part of the application, the following information:

1. **Qualified Data Center Costs** - Anticipated investments in Qualified Data Center Costs at the data center facility. These investments must exceed \$50,000,000 within a 10-year period from the effective date of the Certification. Only Qualified Data Center Costs incurred by the Qualified Data Center entity after Certification becomes effective are eligible to meet the \$50,000,000 requirement.

1. **Anticipated Eligible Expenditures** – Identify all anticipated expenditures eligible for exemption under the Qualified Data Center Sales and Use Tax Exemption. Only expenditures incurred by the Qualified Data Center entity after Certification becomes effective are eligible for the tax exemption.

This document must be submitted as an attachment to the Qualified Data Center Sales and Use Tax Exemption application.

SECTION 1: APPLICANT INFORMATION

Business Entity Name (applicant): _____

Data Center Facility Address: _____

Application Attachment B
Qualified Data Center Investments and Anticipated Eligible Expenditures

SECTION 2: QUALIFIED DATA CENTER COSTS

The Qualified Data Center must invest at least \$50,000,000 in Qualified Data Center Costs within a 10-year period from the effective date of the Certification.

“Qualified Data Center Costs” are defined as expenditures made for the construction, refurbishment, renovation or improvement of a facility to be used as a Qualified Data Center, including, but not limited to, the cost of land, land development, site improvement, site utility infrastructure, construction of each Data Center Building, accessory building, building improvement and Eligible Data Center Equipment. See *M.G.L. c. 64H Section 6(zz)(4) and 400 CMR 9.02*.

I. Qualified Data Center Costs by Category

Category	Description	Anticipated Investment Amount (\$)
Cost of Land		\$
Site Improvement		\$
Site Utility Infrastructure		\$
Construction or Improvement Costs of Data Center Buildings and Accessory Buildings		\$
Eligible Data Center Equipment		\$
Other		\$
	TOTAL: (must exceed \$50,000,000)	\$

Application Attachment B
Qualified Data Center Investments and Anticipated Eligible Expenditures

II. Qualified Data Center Costs Incurred by Year

Identify the year over year Qualified Data Center Costs the Qualified Data Center will incur during the Certification Period. Costs should be identified by fiscal year (July 1st to June 30th of each year). Year 1 means the first fiscal year that includes the effective date of certification.

Year	Investment Amount (\$)	Notes
Year 1	\$	
Year 2	\$	
Year 3	\$	
Year 4	\$	
Year 5	\$	
Year 6	\$	
Year 7	\$	
Year 8	\$	
Year 9	\$	
Year 10	\$	
TOTAL (<i>must exceed \$50,000,000</i>)	\$	
Years 11 to 20	\$	

Application Attachment B
Qualified Data Center Investments and Anticipated Eligible Expenditures

SECTION 3: ANTICIPATED EXPENDITURES ELIGIBLE FOR TAX EXEMPTION

Eligibility for the Qualified Data Center Sales and Use Tax Exemption requires an applicant to detail all expenditures the approved Qualified Data Center entity anticipates incurring that are eligible for exemption under the Qualified Data Center Sales and Use Tax Exemption during the 20-year Qualification Period(s).

Expenditures eligible for the Qualified Data Center Sales and Use Tax Exemption consist of the following expenses:

1. Construction Costs incurred for the construction, renovation or refurbishment of a Qualified Data Center (**Note – The Qualified Data Center Sales and Use Tax Exemption for subsequent data center buildings with separate Qualification Periods does not become effective until such building Commences Commercial Operations, evidenced by a Certificate of Occupancy. Accordingly, any expenditures related to the subsequent data center building are not eligible for the tax exemption until that Qualification Period becomes effective.*);
2. Eligible Data Center Equipment for use in the Qualified Data Center;
3. Computer Software for use in the Qualified Data Center; or
4. Electricity for use or consumption in the operation of the Qualified Data Center.

Application Attachment B
Qualified Data Center Investments and Anticipated Eligible Expenditures

Summary of Anticipated Expenditures Eligible for Tax Exemption

Provide details on anticipated expenditures eligible for the tax exemption that are made after initial certification for the entire Qualified Data Center facility.

Category	Description	Anticipated Expenditure Amount (\$\$)	Anticipated Sales and Use Tax Exemption Amount (\$\$)
Construction Costs		\$	\$
Eligible Data Center Equipment		\$	\$
Computer Software		\$	\$
Electricity Use		\$	\$
	TOTAL:	\$	\$

Application Attachment B
Qualified Data Center Investments and Anticipated Eligible Expenditures

Summary of Anticipated Expenditures Eligible for Tax Exemption Incurred by Year

Identify the year over year anticipated expenditures eligible for the tax exemption the Qualified Data Center will incur during the Certification Period. Expenditures should be identified by fiscal year (July 1st to June 30th of each year). Year 1 means the first fiscal year that includes the effective date of certification.

Year	Construction Cost Expenditures (\$)	Eligible Data Center Equipment Expenditures (\$)	Computer Software Expenditures (\$)	Electricity Use Expenditures (\$)	TOTAL (\$)
Year 1	\$	\$	\$	\$	\$
Year 2	\$	\$	\$	\$	\$
Year 3	\$	\$	\$	\$	\$
Year 4	\$	\$	\$	\$	\$
Year 5	\$	\$	\$	\$	\$
Year 6	\$	\$	\$	\$	\$
Year 7	\$	\$	\$	\$	\$
Year 8	\$	\$	\$	\$	\$
Year 9	\$	\$	\$	\$	\$
Year 10	\$	\$	\$	\$	\$

Application Attachment B
Qualified Data Center Investments and Anticipated Eligible Expenditures

Year	Construction Cost Expenditures (\$)	Eligible Data Center Equipment Expenditures (\$)	Computer Software Expenditures (\$)	Electricity Use Expenditures (\$)	TOTAL (\$)
Year 11	\$	\$	\$	\$	\$
Year 12	\$	\$	\$	\$	\$
Year 13	\$	\$	\$	\$	\$
Year 14	\$	\$	\$	\$	\$
Year 15	\$	\$	\$	\$	\$
Year 16	\$	\$	\$	\$	\$
Year 17	\$	\$	\$	\$	\$
Year 18	\$	\$	\$	\$	\$
Year 19	\$	\$	\$	\$	\$
Year 20	\$	\$	\$	\$	\$
TOTAL	\$	\$	\$	\$	\$

Application Attachment B
Qualified Data Center Investments and Anticipated Eligible Expenditures

SECTION 4: SUMMARY OF COSTS AND EXPENDITURES BY CATEGORY

Provide specific details of the following categories of Qualified Data Center Costs or Anticipated Expenditures eligible for the tax exemption of the Qualified Data Center Facility.

Construction Costs: Construction costs are defined as the costs of materials, labor, services and equipment purchased or leased to construct a qualified data center facility, including, but not limited to, the cost of data center building, accessory building, building improvement, land development, site improvement, site utility infrastructure, building materials, steel, concrete, gravel, engineering services, heavy equipment, cranes, transportation equipment, excavation, storm water system and management, access roads, bridges, fencing, lighting, landscaping and other costs to construct the facility. See M.G.L. c. 64H Section 6(z)(4) and 400 CMR 9.02.

**Note – The Qualified Data Center Sales and Use Tax Exemption for subsequent data center buildings with separate Qualification Periods does not become effective until such building Commences Commercial Operations, evidenced by a Certificate of Occupancy. Expenditures related to the subsequent data center building are not eligible for the tax exemption until that Qualification Period becomes effective. Accordingly, Construction Costs are unlikely to be eligible for the tax exemption of subsequent data center buildings with separate Qualification Periods. However, Construction Costs for subsequent data center buildings may be included for purposes of fulfilling the \$50,000,000 Qualified Data Center Cost threshold identified in Section 2.*

Description	Anticipated Expenditure Amount (\$)
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
TOTAL	\$

Application Attachment B
Qualified Data Center Investments and Anticipated Eligible Expenditures

Eligible Data Center Equipment: “Eligible data center equipment” is defined by M.G.L. c. 64H Section 6(zz)(4) and 400 CMR 9.02 as computers and equipment supporting computing, networking, data processing or data storage, including, but not limited to: (i) servers and routers, computer servers and routers, connections, chassis, networking equipment, switches, racks, fiber optic and copper cables, trays, conduits and other enabling machinery, equipment and hardware; (ii) component parts, replacement parts and upgrades; (iii) cooling systems, cooling towers, chillers, mechanical equipment, HVAC equipment, refrigerant piping, fuel piping and storage, adiabatic and free cooling systems, water softeners, air handling units, indoor direct exchange units, fans, ducting, filters and other temperature control infrastructure; (iv) power infrastructure for transformation, generation, distribution or management of electricity used for the operations and maintenance of a qualified data center, including, but not limited to, substations, switchyards, transformers, generators, uninterruptible power supplies, backup power generation systems, battery systems, energy efficiency measures, supplies, fuel piping and storage, duct banks, switches, switchboards, testing equipment and related utility infrastructure; (v) monitoring and security equipment; (vi) water conservation systems, including, but not limited to, equipment designed to collect, conserve and reuse water; (vii) modular data center equipment and preassembled components of any item described in this paragraph, including, but not limited to, components used in the manufacturing of modular data centers; and (viii) any other personal property or equipment that is used or consumed in the operation and maintenance of the qualified data center. Eligible data center equipment does not include Computer Software. See *M.G.L. c. 64H Section 6(zz)(4) and 400 CMR 9.02.*

Description	Anticipated Expenditure Amount (\$)
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
TOTAL	\$

Application Attachment B
Qualified Data Center Investments and Anticipated Eligible Expenditures

Computer Software: Computer software is defined as software purchased, leased, utilized or loaded at a Qualified Data Center, including, but not limited to, maintenance, licensing and software customization. See *M.G.L. c. 64H Section 6(zz)(4) and 400 CMR 9.02.*

Description	Anticipated Amount (\$)
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
TOTAL	\$

Application Attachment B
Qualified Data Center Investments and Anticipated Eligible Expenditures