

Second Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 24-0654.01 Nicole Myers x4326

SENATE BILL 24-085

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SENATE SPONSORSHIP

Priola and Buckner,

HOUSE SPONSORSHIP

Parenti and Weinberg,

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Senate Committees

Business, Labor, & Technology

House Committees

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A BILL FOR AN ACT

101 CONCERNING A REBATE OF THE STATE SALES AND USE TAX PAID ON  
102 NEW DIGITAL INFRASTRUCTURE ASSETS PURCHASED IN  
103 CONNECTION WITH AN ELIGIBLE DATA CENTER.

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Bill Summary

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

For the state fiscal year beginning July 1, 2026, and for each state fiscal year thereafter through the state fiscal year beginning July 1, 2033, the bill allows a data center business or a data center operator (taxpayer) to claim a rebate for all state sales and use tax that the taxpayer paid for construction materials or data center equipment that is for the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters or bold & italic numbers indicate new material to be added to existing law.*  
*Dashes through the words or numbers indicate deletions from existing law.*

construction or operation of an eligible data center.

To be eligible to claim a sales and use tax rebate, a taxpayer is required to obtain certification from the Colorado office of economic development (office) stating that the data center is an eligible data center and that the taxpayer may claim a rebate of state sales and use tax (certification). An "eligible data center" is defined as a data center that creates a specified number of jobs, generates a specified amount of revenue, and requires a specified amount of power. The sales and use tax rebate is allowed only for the sale, storage, or use of construction materials or data center equipment that occurs on or after the date that the taxpayer obtains certification from the office.

When a taxpayer believes that the data center that will be identified in a sales and use tax rebate application satisfies the criteria to be an eligible data center, the taxpayer may apply to the office for the certification. The taxpayer must demonstrate in the certification application that the data center is an eligible data center, and the taxpayer is required to submit any documentation or proof that the office deems necessary to determine whether a data center satisfies the criteria to be an eligible data center.

Before issuing a certification, the office shall provide the application to the Colorado economic development commission (commission) to determine whether the data center satisfies the criteria to be an eligible data center, and the commission shall approve or deny the certification. When approving an application for certification as an eligible data center, the commission may limit a certification by specifying that an eligible data center may claim a rebate only up to a specified dollar amount based on specified economic development priorities. The commission may issue certification for up to 3 data centers to claim a sales and use tax rebate in any fiscal year.

If the commission determines that a data center satisfies the criteria to be an eligible data center, the office is required to notify the department of revenue (department) and issue a certification to the taxpayer.

To claim a sales and use tax rebate, a taxpayer must submit a rebate application and a copy of the certification from the office to the department. A taxpayer is required to submit certain documentation with the application.

The bill allows a taxpayer to assign a certification to specified types of parties after it is awarded.

The bill requires the office and the department to prepare an annual report including information regarding eligible data centers and state sales and use tax rebates allowed. The office is required to submit the report to the finance committees of the house of representatives and senate.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-48.5-135 as  
3 follows:

4 **24-48.5-135. Eligible data centers - rebate for state sales and**  
5 **use tax paid - application process - criteria - awards - report -**  
6 **legislative declaration - definitions - repeal.** (1) (a) THE GENERAL  
7 ASSEMBLY HEREBY FINDS AND DECLARES THAT:

8 (I) INVESTING IN DIGITAL INFRASTRUCTURE ASSETS IS CRUCIAL FOR  
9 THE ECONOMY OF THE FUTURE AS IT LAYS THE FOUNDATION FOR  
10 SUSTAINABLE GROWTH, ENHANCES PRODUCTIVITY, AND FOSTERS  
11 INNOVATION;

12 (II) COLORADO IS FALLING BELOW THE CURVE IN TERMS OF  
13 ATTRACTING MORE DIGITAL INFRASTRUCTURE ASSETS. THE STATE MUST  
14 INCENTIVIZE THE DEVELOPMENT OF THESE PROJECTS AND CREATE A  
15 RESILIENT ECONOMIC FRAMEWORK FOR FUTURE GENERATIONS.

16 (III) DIGITAL INFRASTRUCTURE ASSETS CREATE AND SUPPORT  
17 HIGH-SKILLED, HIGH-PAYING, HIGH-MULTIPLIER JOBS WHILE INCREASING  
18 THE TAX BASE AND HAVING A LOW BURDEN ON GOVERNMENT RESOURCES.  
19 THE PROLIFERATION OF CLOUD COMPUTING AND EVERY  
20 INDUSTRY'S INCREASING DEPENDENCE ON CLOUD COMPUTING HAS  
21 RESULTED IN EMPLOYMENT GROWTH RELATED TO DIGITAL  
22 INFRASTRUCTURE ASSETS SIGNIFICANTLY OUTPACING GENERAL  
23 EMPLOYMENT GROWTH.

24 (IV) WITH THE HISTORIC INVESTMENT IN BROADBAND FUNDING IN  
25 COLORADO, RURAL COMMUNITIES WILL NOW BE ABLE TO BE PART OF THE  
26 ECONOMY AND JOBS OF THE FUTURE. THIS APPROACH ENHANCES  
27 RESPONSIVENESS, FLEXIBILITY, AND THE ABILITY TO NAVIGATE THE

1 INTRICACIES OF LOCAL CHALLENGES FOR DECADES TO COME.

2 (V) THE AVERAGE DATA CENTER ADDS THIRTY-TWO MILLION FIVE  
3 HUNDRED THOUSAND DOLLARS IN ECONOMIC ACTIVITY TO ITS LOCAL  
4 COMMUNITY EACH YEAR ACCORDING TO A RECENT REPORT BY THE UNITED  
5 STATES CHAMBER TECHNOLOGY ENGAGEMENT CENTER; AND

6 (VI) ANNUALLY, A TYPICAL LARGE DATA CENTER SUPPORTS ONE  
7 HUNDRED FIFTY-SEVEN LOCAL JOBS AND SEVEN MILLION EIGHT HUNDRED  
8 THOUSAND DOLLARS IN WAGES AT THE DATA CENTER AND ALONG THE  
9 SUPPLY CHAIN. IN ADDITION TO PROPERTY AND SALES TAXES PAID  
10 DIRECTLY BY THE DATA CENTER, LOCAL GOVERNMENTS RECEIVE ONE  
11 MILLION ONE HUNDRED THOUSAND DOLLARS PER YEAR IN INDIVIDUAL  
12 INCOME AND SALES TAXES.

13 (b) (I) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH  
14 REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE  
15 A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY  
16 LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY HEREBY FINDS AND  
17 DECLARES THAT THE PURPOSES OF THE TAX EXPENDITURE CREATED IN  
18 THIS SECTION ARE TO:

19 (A) INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS,  
20 SPECIFICALLY TO ATTRACT DATA CENTER OPERATIONS TO COLORADO AND  
21 TO ENCOURAGE THE CONSTRUCTION AND OPERATION OF ELIGIBLE DATA  
22 CENTERS IN THE STATE; AND

23 (B) PROVIDE TAX RELIEF FOR DATA CENTER BUSINESSES AND DATA  
24 CENTER OPERATORS THAT CONSTRUCT AND OPERATE ELIGIBLE DATA  
25 CENTERS IN THE STATE.

26 (II) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL  
27 MEASURE THE EFFECTIVENESS OF THE SALES AND USE TAX REBATE

1 ALLOWED IN THIS SECTION IN ACHIEVING THE PURPOSES SPECIFIED IN  
2 SUBSECTION (1)(b)(I) OF THIS SECTION BASED ON THE NUMBER OF DATA  
3 CENTERS FOR WHICH CONSTRUCTION BEGINS EACH YEAR, THE NUMBER OF  
4 EXISTING DATA CENTERS THAT TAKE STEPS TO BECOME ELIGIBLE DATA  
5 CENTERS EACH YEAR, AND THE TOTAL AMOUNT OF SALES AND USE TAX  
6 THAT IS RETURNED TO TAXPAYERS THROUGH A REBATE PURSUANT TO THIS  
7 SECTION EACH YEAR. THE OFFICE AND THE DEPARTMENT SHALL PROVIDE  
8 THE STATE AUDITOR WITH AVAILABLE INFORMATION THAT WILL ASSIST  
9 THE STATE AUDITOR'S MEASUREMENT.

10 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
11 REQUIRES:

12 (a) "BUSINESS" MEANS A PERSON, FIRM, OR ENTITY THAT IMPROVES  
13 RAW LAND OR REDEVELOPS EXISTING SITES.

14 (b) "COMMISSION" MEANS THE COLORADO ECONOMIC  
15 DEVELOPMENT COMMISSION CREATED IN SECTION 24-46-102.

16 (c) "CONSTRUCTION MATERIALS" MEANS ANY MATERIALS USED IN  
17 THE CONSTRUCTION OF A DATA CENTER IN THE STATE.

18 (d) "DATA CENTER" MEANS A FACILITY OR CAMPUS OF NETWORKED  
19 COMPUTER SERVERS AND SYSTEMS TYPICALLY USED BY ORGANIZATIONS  
20 FOR THE REMOTE STORAGE, PROCESSING, AND DISSEMINATION OF LARGE  
21 AMOUNTS OF DATA.

22 (e) "DATA CENTER EQUIPMENT" MEANS COMPUTER EQUIPMENT OR  
23 SOFTWARE PURCHASED OR LEASED FOR THE PROCESSING, STORAGE,  
24 RETRIEVAL, OR COMMUNICATION OF DATA. "DATA CENTER EQUIPMENT"  
25 INCLUDES THE FOLLOWING:

26 (I) SERVERS, ROUTERS, CONNECTIONS, MONITORING AND SECURITY  
27 SYSTEMS, AND OTHER ENABLING MACHINERY, EQUIPMENT, AND

1     HARDWARE, REGARDLESS OF WHETHER THE PROPERTY IS AFFIXED TO OR  
2     INCORPORATED INTO REAL PROPERTY;

3             (II) EQUIPMENT THAT IS USED IN THE OPERATION OF COMPUTER  
4     EQUIPMENT OR SOFTWARE THAT IS USED FOR THE BENEFIT OF THE DATA  
5     CENTER, INCLUDING COMPONENT PARTS, INSTALLATION REFRESHMENTS,  
6     REPLACEMENTS, AND UPGRADES, REGARDLESS OF WHETHER THE  
7     PROPERTY IS AFFIXED TO OR INCORPORATED INTO REAL PROPERTY;

8             (III) ALL EQUIPMENT NECESSARY FOR THE TRANSFORMATION,  
9     GENERATION, DISTRIBUTION, OR MANAGEMENT OF ELECTRICITY THAT IS  
10    REQUIRED TO OPERATE COMPUTER SERVER EQUIPMENT, INCLUDING  
11    SUBSTATIONS, GENERATORS, UNINTERRUPTIBLE ENERGY EQUIPMENT,  
12    SUPPLIES, CONDUIT, FUEL PIPING AND STORAGE, CABLING, DUCT BANKS,  
13    SWITCHES, SWITCHBOARDS, BATTERIES, TESTING EQUIPMENT, AND BACKUP  
14    GENERATORS;

15            (IV) ALL EQUIPMENT NECESSARY TO COOL AND MAINTAIN A  
16    CONTROLLED ENVIRONMENT FOR THE OPERATION OF COMPUTER SERVERS  
17    AND OTHER COMPONENTS OF THE DATA CENTER, INCLUDING CHILLERS,  
18    MECHANICAL EQUIPMENT, REFRIGERANT PIPING, FUEL PIPING AND  
19    STORAGE, ADIABATIC AND FREE COOLING SYSTEMS, COOLING TOWERS,  
20    WATER SOFTENERS, AIR HANDLING UNITS, INDOOR DIRECT EXCHANGE  
21    UNITS, FANS, DUCTING, AND FILTERS;

22            (V) ALL WATER CONSERVATION SYSTEMS, INCLUDING FACILITIES  
23    OR MECHANISMS, THAT ARE DESIGNED TO COLLECT, CONSERVE, AND  
24    REUSE WATER;

25            (VI) ALL COMPUTER SERVER EQUIPMENT, CHASSIS, NETWORKING  
26    EQUIPMENT, SWITCHES, RACKS, FIBER OPTIC AND COPPER CABLING, TRAYS,  
27    AND CONDUIT;

1 (VII) ALL CONDUIT, DUCTING, AND FIBER OPTIC AND COPPER  
2 CABLING THAT MAY BE LOCATED OUTSIDE THE DATA CENTER, OR THAT IS  
3 DIRECTLY RELATED TO CONNECTING ONE OR MORE DATA CENTERS  
4 TOGETHER;

5 (VIII) ALL MONITORING EQUIPMENT AND SECURITY SYSTEMS;

6 (IX) MODULAR DATA CENTERS AND PREASSEMBLED COMPONENTS  
7 OF ANY ITEM DESCRIBED IN THIS SUBSECTION (2)(e), INCLUDING  
8 COMPONENTS USED IN THE MANUFACTURING OF MODULAR DATA CENTERS;

9 (X) ALL SOFTWARE; AND

10 (XI) OTHER TANGIBLE AND INTANGIBLE PERSONAL PROPERTY  
11 THAT IS ESSENTIAL TO THE OPERATIONS OF A DATA CENTER.

12 (f) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

13 (g) "ELIGIBLE DATA CENTER" MEANS A DATA CENTER THAT:

14 (I) CREATES AT LEAST TWENTY NEW FULL-TIME EQUIVALENT JOBS,  
15 AS DEFINED IN SECTION 24-75-112 (1)(d); EXCEPT THAT SUCH JOBS ARE  
16 NOT REQUIRED TO BE FILLED BY ELECTED STATE OFFICIALS OR BY STATE  
17 EMPLOYEES;

18 (II) BRINGS AT LEAST ONE HUNDRED MILLION DOLLARS OF NEW  
19 INVESTMENT TO THE STATE; AND

20 (III) WILL REACH A MINIMUM OF THREE MEGAWATTS OF NEW  
21 ELECTRIC LOAD.

22 (h) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC  
23 DEVELOPMENT CREATED IN SECTION 24-48.5-101.

24 (i) "OPERATOR" MEANS A PERSON, FIRM, TENANT OF A DATA  
25 CENTER, OR ENTITY THAT INSTALLS, OPERATES, AND MAINTAINS A DATA  
26 CENTER EITHER FOR USE IN A BUSINESS OWNED BY THE SAME PERSON,  
27 FIRM, OR ENTITY, OR FOR THE PURPOSE OF SELLING OR LEASING DATA

1 STORAGE AND COMPUTING SERVICES TO OTHER PERSONS, FIRMS, OR  
2 ENTITIES.

3 (j) "TAXPAYER" MEANS A DATA CENTER BUSINESS OR AN  
4 OPERATOR THAT CONSTRUCTS OR OPERATES OR THAT PLANS TO  
5 CONSTRUCT OR OPERATE A DATA CENTER IN THE STATE THAT WILL  
6 SATISFY THE CRITERIA TO BE AN ELIGIBLE DATA CENTER. A "TAXPAYER"  
7 IS NOT REQUIRED TO OWN OR LEASE THE LAND ON WHICH A DATA CENTER  
8 IS LOCATED AND IS NOT REQUIRED TO BE RESPONSIBLE FOR PAYING REAL  
9 OR PERSONAL PROPERTY TAXES IN CONNECTION WITH THE DATA CENTER.

10 (3) FOR THE STATE FISCAL YEAR BEGINNING JULY 1, 2026, AND  
11 FOR EACH STATE FISCAL YEAR THEREAFTER THROUGH THE STATE FISCAL  
12 YEAR BEGINNING JULY 1, 2033, AND SUBJECT TO LIMITATION OF THE  
13 AMOUNT THAT MAY BE CLAIMED PURSUANT TO SUBSECTION (5)(d) OF THIS  
14 SECTION, A TAXPAYER IS ALLOWED TO CLAIM A REBATE FOR ALL STATE  
15 SALES AND USE TAX THAT THE TAXPAYER PAID PURSUANT TO PARTS 1 AND  
16 2 OF ARTICLE 26 OF TITLE 39, FOR CONSTRUCTION MATERIALS OR DATA  
17 CENTER EQUIPMENT THAT IS FOR THE CONSTRUCTION OR OPERATION OF AN  
18 ELIGIBLE DATA CENTER SO LONG AS THE TAXPAYER OBTAINS  
19 CERTIFICATION FROM THE OFFICE PURSUANT TO SUBSECTION (6) OF THIS  
20 SECTION STATING THAT THE DATA CENTER IS AN ELIGIBLE DATA CENTER  
21 AND THAT THE TAXPAYER MAY CLAIM A REBATE FOR STATE SALES AND  
22 USE TAX PURSUANT TO THIS SECTION. A TAXPAYER MAY CLAIM A SALES  
23 AND USE TAX REBATE PURSUANT TO THIS SECTION ONLY FOR  
24 CONSTRUCTION MATERIALS OR DATA CENTER EQUIPMENT THAT IS SOLD,  
25 STORED, OR USED ON OR AFTER THE DATE THAT THE TAXPAYER OBTAINS  
26 CERTIFICATION FROM THE OFFICE PURSUANT TO SUBSECTION (6) OF THIS  
27 SECTION.



1           (4) THE OFFICE SHALL CREATE A PROGRAM WHEREBY A TAXPAYER  
2           MAY OBTAIN CERTIFICATION, PURSUANT TO SUBSECTION (6) OF THIS  
3           SECTION, TO CLAIM A REBATE FOR STATE SALES AND USE TAX PURSUANT  
4           TO THIS SECTION. THE OFFICE MAY REQUEST INFORMATION AS IT DEEMS  
5           NECESSARY FROM ANY TAXPAYER WHO INTENDS TO OBTAIN  
6           CERTIFICATION FOR A SALES AND USE TAX REBATE PURSUANT TO  
7           SUBSECTION (6) OF THIS SECTION.

8           (5)(a) WHEN A TAXPAYER BELIEVES THAT THE DATA CENTER THAT  
9           WILL BE THE BASIS FOR A SALES AND USE TAX REBATE CLAIM SATISFIES  
10          THE CRITERIA TO BE AN ELIGIBLE DATA CENTER, THE TAXPAYER MAY  
11          APPLY TO THE OFFICE, IN A FORM AND MANNER TO BE DETERMINED BY THE  
12          OFFICE, FOR CERTIFICATION STATING THAT THE DATA CENTER IS AN  
13          ELIGIBLE DATA CENTER AND THAT THE TAXPAYER MAY CLAIM A REBATE  
14          FOR STATE SALES AND USE TAX PAID ON CONSTRUCTION MATERIALS AND  
15          DATA CENTER EQUIPMENT PURSUANT TO SUBSECTION (3) OF THIS SECTION.

16          (b) THE APPLICATION FOR THE CERTIFICATION MUST REQUIRE THE  
17          TAXPAYER TO DEMONSTRATE TO THE OFFICE THAT THE DATA CENTER  
18          THAT WILL BE THE BASIS OF THE STATE SALES AND USE TAX REBATE CLAIM  
19          IS AN ELIGIBLE DATA CENTER. THE OFFICE MAY REQUIRE THE TAXPAYER  
20          TO SUBMIT ANY DOCUMENTATION OR PROOF THAT IT DEEMS NECESSARY  
21          TO DETERMINE WHETHER A DATA CENTER SATISFIES THE CRITERIA TO BE  
22          AN ELIGIBLE DATA CENTER.

23          (c) PRIOR TO ISSUING A CERTIFICATION PURSUANT TO SUBSECTION  
24          (6) OF THIS SECTION, THE OFFICE SHALL REFER THE APPLICATION TO THE  
25          COMMISSION TO DETERMINE WHETHER THE DATA CENTER SATISFIES THE  
26          CRITERIA TO BE AN ELIGIBLE DATA CENTER. THE COMMISSION SHALL  
27          APPROVE OR DENY THE CERTIFICATION SUBJECT TO THE LIMITATION

1 SPECIFIED IN SUBSECTION (5)(e) OF THIS SECTION.

2 (d) WHEN APPROVING AN APPLICATION FOR CERTIFICATION AS AN  
3 ELIGIBLE DATA CENTER PURSUANT TO SUBSECTION (5)(c) OF THIS SECTION,  
4 THE COMMISSION MAY LIMIT A CERTIFICATION BY ALLOWING AN ELIGIBLE  
5 DATA CENTER TO ONLY CLAIM A REBATE PURSUANT TO THIS SECTION UP  
6 TO A SPECIFIED DOLLAR AMOUNT BASED ON THE FOLLOWING ECONOMIC  
7 DEVELOPMENT PRIORITIES:

8 (I) THE CAPITAL INVESTMENT THAT WAS REQUIRED TO BUILD THE  
9 ELIGIBLE OPERATING DATA CENTER;

10 (II) THE SALES AND USE TAXES THAT WERE ABATED IN THE FIRST  
11 TWO YEARS OF CONSTRUCTION;

12 (III) THE DATA CENTER'S ALIGNMENT WITH STATE, REGIONAL, AND  
13 LOCAL LAND USE, HOUSING, AND TRANSIT PRIORITIES;

14 (IV) THE AMOUNT OF LOCAL INCENTIVES PROVIDED TO ATTRACT  
15 THE DATA CENTER TO THE LOCAL COMMUNITY;

16 (V) THE ECONOMIC HEALTH OF THE STATE;

17 (VI) A COMPETITIVE ANALYSIS BETWEEN COLORADO AND OTHER  
18 STATES INCLUDING, BUT NOT LIMITED TO, IDENTIFICATION OF THE COST  
19 DIFFERENTIAL IN THE COSTS OF THE PROJECT IN COLORADO COMPARED TO  
20 THE PROJECTED COSTS IF THE PROJECT HAD COMMENCED IN ANOTHER  
21 STATE. THE COST DIFFERENTIAL INCLUDES ANY IMPACT OF THE OTHER  
22 STATE'S INCENTIVE PROGRAMS INCLUDING:

23 (A) SPECIFIC COSTS FOR LABOR, UTILITIES, TAXES, AND ANY OTHER  
24 COSTS OF ANOTHER STATE'S SITE; AND

25 (B) THE COST STRUCTURE OF THE TAXPAYER'S INDUSTRY IN THE  
26 OTHER STATE;

27 (VII) CERTIFIED DOCUMENTATION FROM THE TAXPAYER TO

1 DEMONSTRATE THAT THE REBATE ALLOWED PURSUANT TO THIS SECTION  
2 WAS A SUBSTANTIAL FACTOR IN THE DECISION TO LOCATE THE PROJECT IN  
3 THE STATE. THE DOCUMENTATION MUST INCLUDE INFORMATION  
4 INDICATING THAT:

5 (A) THE TAXPAYER COULD HAVE REASONABLY AND EFFICIENTLY  
6 LOCATED THE PROJECT OUTSIDE OF THE STATE;

7 (B) AT LEAST ONE OTHER STATE WAS CONSIDERED FOR THE  
8 PROJECT;

9 (C) THE POSSIBLE RECEIPT OF THE REBATE ALLOWED IN THIS  
10 SECTION WAS A MAJOR FACTOR IN THE TAXPAYER'S DECISION; AND

11 (D) WITHOUT THE REBATE ALLOWED PURSUANT TO THIS SECTION,  
12 THE TAXPAYER WAS NOT LIKELY TO COMMENCE THE PROJECT IN THE  
13 STATE;

14 (VIII) THE DATA CENTER'S ENERGY EFFICIENCY AND WATER  
15 USAGE; AND

16 (IX) THE NUMBER OF FULL-TIME PERMANENT JOBS CREATED TO  
17 OPERATE THE DATA CENTER ON AN ONGOING BASIS AND THE AVERAGE  
18 ANNUAL WAGE OF THOSE JOBS.

19 (e) IN EACH STATE FISCAL YEAR THAT A SALES AND USE TAX  
20 REBATE IS ALLOWED PURSUANT TO THIS SECTION, THE COMMISSION MAY  
21 APPROVE CERTIFICATION FOR UP TO THREE DATA CENTERS TO CLAIM A  
22 SALES AND USE TAX REBATE PURSUANT TO THIS SECTION.

23 (6) (a) IF THE COMMISSION HAS APPROVED A TAXPAYER'S  
24 APPLICATION FOR CERTIFICATION AS AN ELIGIBLE DATA CENTER, THE  
25 OFFICE SHALL NOTIFY THE DEPARTMENT AND SHALL ISSUE A  
26 CERTIFICATION TO THE TAXPAYER STATING THAT THE DATA CENTER IS AN  
27 ELIGIBLE DATA CENTER AND THAT THE TAXPAYER MAY CLAIM A REBATE

1 FOR THE STATE SALES AND USE TAX PAID ON CONSTRUCTION MATERIALS  
2 AND DATA CENTER EQUIPMENT FOR THE ELIGIBLE DATA CENTER UP TO THE  
3 AMOUNT APPROVED BY THE COMMISSION.

4 (b) IF THE COMMISSION DETERMINES THAT A DATA CENTER IS AN  
5 ELIGIBLE DATA CENTER, THE DATA CENTER RETAINS ITS STATUS AS AN  
6 ELIGIBLE DATA CENTER FOR TEN YEARS FROM THE DATE OF THE  
7 TAXPAYER'S FIRST INVESTMENT IN CONSTRUCTION MATERIALS OR DATA  
8 CENTER EQUIPMENT FOR THE ELIGIBLE DATA CENTER.

9 (c) IF THE COMMISSION DETERMINES THAT A DATA CENTER IS AN  
10 ELIGIBLE DATA CENTER, THE DATA CENTER RETAINS THE STATUS OF AN  
11 ELIGIBLE DATA CENTER REGARDLESS OF ANY DIRECT OR INDIRECT FUTURE  
12 TRANSFER, SALE, OR DISPOSITION OF THE DATA CENTER.

13 (7) (a) TO CLAIM THE REBATE ALLOWED BY THIS SECTION, A  
14 TAXPAYER MUST SUBMIT A REBATE APPLICATION AND A COPY OF ITS  
15 CERTIFICATION FROM THE OFFICE TO THE DEPARTMENT IN A FORM AND  
16 MANNER DETERMINED BY THE DEPARTMENT. THE TAXPAYER MUST SUBMIT  
17 AN APPLICATION PURSUANT TO THIS SUBSECTION (7) DURING THE STATE  
18 FISCAL YEAR FOLLOWING THE STATE FISCAL YEAR FOR WHICH THE REBATE  
19 IS CLAIMED.

20 (b) THE APPLICATION REQUIRED BY SUBSECTION (7)(a) OF THIS  
21 SECTION MUST REQUIRE THAT THE TAXPAYER SUBMIT THE FOLLOWING TO  
22 THE DEPARTMENT:

23 (I) PROOF OF THE STATE SALES AND USE TAX THAT WAS PAID ON  
24 CONSTRUCTION MATERIALS OR DATA CENTER EQUIPMENT FOR WHICH A  
25 REBATE IS CLAIMED;

26 (II) PROOF THAT THE CONSTRUCTION MATERIALS AND DATA  
27 CENTER EQUIPMENT WERE USED FOR THE ELIGIBLE DATA CENTER; AND

1           (III) ANY ADDITIONAL INFORMATION THAT THE DEPARTMENT  
2 REQUIRES, WHICH MAY INCLUDE, WITHOUT LIMITATION, A DETAILED LIST  
3 OF ALL EXPENDITURES THAT SUPPORT A CLAIM FOR A REBATE, THE NAME  
4 AND ADDRESS OF AN INDIVIDUAL WHO MAINTAINS RECORDS OF SUCH  
5 EXPENDITURES, AND A STATEMENT THAT THE TAXPAYER AGREES TO  
6 FURNISH RECORDS OF ALL SUCH EXPENDITURES TO THE OFFICE UPON  
7 REQUEST.

8           (c) THE DEPARTMENT SHALL NOT APPROVE A TAXPAYER'S  
9 APPLICATION FOR A REBATE FOR STATE SALES AND USE TAX PAID UNLESS  
10 THE TAXPAYER HAS COMPLIED WITH THIS SUBSECTION (7).

11           (d) THE DEPARTMENT SHALL PROMULGATE RULES FOR THE  
12 IMPLEMENTATION OF THIS SUBSECTION (7).

13           (8) ONCE GRANTED, A TAXPAYER MAY ASSIGN A CERTIFICATION  
14 ISSUED BY THE OFFICE PURSUANT TO SUBSECTION (6) OF THIS SECTION TO  
15 A LENDER, EQUITY INVESTOR, OR OTHER PROVIDER OF FINANCING OR TO A  
16 SUCCESSOR OPERATOR.

17           (9) NOTWITHSTANDING THE REQUIREMENT OF SECTION 24-1-136  
18 (11)(a), ON OR BEFORE JANUARY 1 OF THE YEAR FOLLOWING THE FIRST  
19 STATE FISCAL YEAR IN WHICH THE OFFICE ISSUES A CERTIFICATION  
20 PURSUANT TO SUBSECTION (6) OF THIS SECTION, AND EVERY JANUARY 1  
21 THEREAFTER, THE OFFICE AND THE DEPARTMENT SHALL PREPARE A  
22 REPORT TO BE SUBMITTED BY THE OFFICE TO THE FINANCE COMMITTEES OF  
23 THE HOUSE OF REPRESENTATIVES AND SENATE. THE REPORT SHALL  
24 PRESENT INFORMATION ON THE DATA CENTERS THAT THE OFFICE  
25 DETERMINED ARE ELIGIBLE DATA CENTERS AND ALL SALES AND USE TAX  
26 REBATES ALLOWED PURSUANT TO THIS SECTION IN THE PRIOR STATE  
27 FISCAL YEAR.

1           (10) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2038.

2           **SECTION 2. Act subject to petition - effective date.** This act  
3 takes effect at 12:01 a.m. on the day following the expiration of the  
4 ninety-day period after final adjournment of the general assembly; except  
5 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
6 of the state constitution against this act or an item, section, or part of this  
7 act within such period, then the act, item, section, or part will not take  
8 effect unless approved by the people at the general election to be held in  
9 November 2024 and, in such case, will take effect on the date of the  
10 official declaration of the vote thereon by the governor.