

Data Center Property Tax Exemption

Indiana passed Senate Enrolled Act 448, effective July 1, 2009. The law specifies that enterprise information technology equipment purchased after June 30, 2009, by an eligible business or its transferee is exempt from personal property taxation for a period agreed to by a local designating body.

The law defines enterprise information technology equipment as:

- (1) Hardware supporting computing, networking, or data storage function, including servers and routers;
- (2) Networking systems having an industry designation as equipment within the “enterprise” or “data center” class of networking systems that support the computing, networking, or data storage functions; and
- (3) Generators and other equipment used to ensure an uninterrupted power supply to such hardware and networking systems.

The equipment cannot include computer hardware designed for a single user, workstation, or departmental level use.

The law defines an eligible business as an entity that meets the following requirements:

- (1) Engaged in a business that operates one or more facilities dedicated to computing, networking, or data storage activities;
- (2) Located in a facility or data center in Indiana;
- (3) Invests in the aggregate at least \$10,000,000 in personal property and real property in Indiana after June 30, 2009; and
- (4) The average employee wage is at least 125% of the county for each county in which the entity conducts business operations.

Contact Indy Partnership business development staff for assistance with making contact with local officials.