State of Tennessee

PUBLIC CHAPTER NO. 1001

SENATE BILL NO. 2537

By Norris, Dickerson, Stevens

Substituted for: House Bill No. 1535

By McCormick, Kevin Brooks, Hazlewood, Daniel, Zachary

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 6, relative to qualified data centers.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-6-102, is amended by deleting the following language from the first sentence of the definition of the term "qualified data center":

required capital investment in excess of two hundred fifty million dollars ($250,000,000) during an investment period not to exceed three (3) years and that creates at least twenty-five (25) net new full-time employee jobs

and substituting instead the language:

required capital investment in excess of one hundred million dollars ($100,000,000) during an investment period not to exceed three (3) years and that creates at least fifteen (15) net new full-time employee jobs

SECTION 2. Tennessee Code Annotated, Section 67-6-206(c), is amended by deleting the subsection in its entirety and substituting instead the following language:

(c)(1) Tax at the rate of one and one-half percent (1.5%) shall be imposed with respect to electricity when sold to or used by a qualified data center.

(2) No tax is imposed with respect to cooling equipment or backup power infrastructure when sold to or used by a qualified data center.

(3) As used in subdivision (c)(2):

(A) "Backup power infrastructure" means backup power generation, battery systems, and related infrastructure used primarily for and necessary to the operations of a qualified data center; and

(B) "Cooling equipment" means cooling systems, cooling towers, and other temperature control infrastructure used primarily for and necessary to the operations of a qualified data center.

SECTION 3. Tennessee Code Annotated, Section 67-6-206, is amended by adding the following language as a new subsection:

(d) Any qualified data center that applies for job tax credits under § 67-4-2109 must certify on its business plan that it has not, within the previous twelve (12) months, been found to be in violation of the Worker Adjustment and Retraining Notification (WARN) Act (29 U.S.C. §§ 2101-2109), the Fair Labor Standards Act of 1938 (29 U.S.C. § 201 et seq.), or federal immigration laws. Any qualified data center that fails to provide the required certification shall not qualify for job tax credits under § 67-4-2109.

SECTION 4. This act shall take effect July 1, 2016, the public welfare requiring it, and shall apply to tax years ending on or after July 1, 2016.

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PASSED: April 18, 2016

RON RAMSEY
SPEAKER OF THE SENATE

BETH HARWELL, *SPEAKER*
HOUSE OF REPRESENTATIVES

APPROVED this 27th day of April 2016

BILL HASLAM, *GOVERNOR*