S.F. No. 1346, as introduced - 87th Legislative Session (2011-2012) [11-3007]

SENATE STATE OF MINNESOTA EIGHTY-SEVENTH LEGISLATURE

S.F. No. 1346

(SENATE AUTHORS: MICHEL and Bakk) DATE D-PG OF

DATE 05/02/2011 **D-PGOFFICIAL STATUS**1606Introduction and first reading
Referred to Taxes

1.1	A bill for an act
1.2 1.3	relating to taxation; sales and use; providing an exemption for qualified data centers; amending Minnesota Statutes 2010, section 297A.71, by adding a
1.4	subdivision.
1.5	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
1.6	Section 1. Minnesota Statutes 2010, section 297A.71, is amended by adding a
1.7	subdivision to read:
1.8	Subd. 43. Qualified data centers. (a) Materials and supplies used or consumed
1.9	in, and enterprise information technology equipment incorporated into, the construction,
1.10	improvement, or expansion of a qualified data center are exempt, and purchases of
1.11	enterprise information technology equipment for use in a qualified data center are exempt.
1.12	(b) Purchases of computer software for use in enterprise information technology
1.13	equipment exempted in paragraph (a) are also exempt.
1.14	(c) Electricity used or consumed in the operation of a qualified data center is exempt.
1.15	(d) For purposes of this exemption, "qualified data center" means a facility
1.16	comprised of one or more related buildings, consisting in the aggregate of at least
1.17	30,000 square feet, constructed or substantially refurbished or has a total investment
1.18	cost of at least \$10,000,000, occurring after June 30, 2011, and used to house enterprise
1.19	information technology equipment, where the facility has the following characteristics:
1.20	(1) uninterruptible power supplies, generator backup power, or both; (2) sophisticated fire
1.21	suppression and prevention systems; and (3) enhanced security. A facility is considered
1.22	to have enhanced security if it has restricted access to the facility to selected personnel;
1.23	permanent security guards; video camera surveillance; and electronic system requiring
1.24	pass codes; keycards, or biometric scans, such as hand scans and retinal or fingerprint

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recognition; or similar security features. For purposes of this paragraph, "substantially 2.1 refurbished" means that more than 75 percent of the square footage of the facility has been 2.2 rebuilt or modified. For purposes of determining whether the facility has at least 30,000 2.3 square feet, the square footage of the following spaces are included if the spaces support 2.4 or are necessary for the operation of enterprise information technology equipment: office 2.5 space, meeting space, and mechanical and other support facilities. 2.6 (e) For purposes of this exemption, "enterprise information technology equipment" 2.7 means computers and equipment supporting computing, networking, or data storage, 2.8 including servers and routers and it includes, but is not limited to: cooling systems, 2.9 cooling towers, and other temperature control infrastructure; power infrastructure for 2.10 transformation, distribution, or management of electricity used for the maintenance 2.11 and operation of a qualified data center, including but not limited to exterior dedicated 2.12 business-owned substations, backup power generation systems, battery systems, and 2.13 related infrastructure; and racking systems, cabling, and trays, that are necessary for the 2.14 2.15 maintenance and operation of the qualified data center.

2.16 EFFECTIVE DATE. This section is effective for sales and purchases made after
2.17 June 30, 2011.