
SUBSTITUTE SENATE BILL 5262

State of Washington

67th Legislature

2021 Regular Session

By Senate Ways & Means (originally sponsored by Senators Lias, Warnick, and Saldaña)

1 AN ACT Relating to broadening the eligibility requirements and
2 extending the expiration date for the data center tax incentive;
3 amending RCW 82.08.986 and 82.12.986; creating new sections; and
4 providing expiration dates.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that the data
7 center industry is experiencing explosive growth across the nation
8 and the competition among states for data center investments has
9 increased dramatically. A department of commerce study, *2018 State of*
10 *the Data Center Industry, An Analysis of Washington's*
11 *Competitiveness*, found that data center growth in rural Washington is
12 at the lower end of the growth rate experienced by other major
13 competitive markets. If the state desires to attract more projects,
14 Washington should improve its promotional strategy for this industry
15 segment and reexamine the competitiveness of its overall incentives
16 strategy.

17 (2) The legislature intends to encourage additional investments
18 in data technology facilities that in turn incentivize local economic
19 development, increased local tax revenues, and rural construction and
20 trade jobs through the development of additional data center
21 facilities.

1 NEW SECTION. **Sec. 2.** (1) This section is the tax preference
2 performance statement for the tax preferences contained in sections 3
3 and 4, chapter . . ., Laws of 2021 (sections 3 and 4 of this act).
4 This performance statement is only intended to be used for subsequent
5 evaluation of the tax preferences. It is not intended to create a
6 private right of action by any party or be used to determine
7 eligibility for preferential tax treatment.

8 (2) The legislature categorizes the sales and use tax exemptions
9 on eligible server equipment and eligible power infrastructure
10 equipment at eligible computer data centers as ones intended to:
11 Induce certain designated behavior by taxpayers as indicated in RCW
12 82.32.808(2)(a); improve industry competitiveness as indicated in RCW
13 82.32.808(2)(b); create or retain jobs as indicated in RCW
14 82.32.808(2)(c); and reduce structural inefficiencies in the tax
15 structure as indicated in RCW 82.32.808(2)(d).

16 (3) It is the legislature's specific public policy objective to
17 maintain and grow the existing data center sector in Washington
18 state, and encourage development of new data center facilities and
19 refurbishment of existing data centers, thereby increasing the
20 competitiveness of Washington's tax structure, which will increase or
21 maintain construction and trade job growth in rural areas, and
22 increase local tax revenue streams.

23 (4) The legislature intends to extend the expiration date of the
24 tax preference if a review finds that the tax preference is (a)
25 generating capital investment in new computer data centers,
26 refurbished data centers, and existing data centers (e.g.,
27 replacement server equipment), (b) generating state and local tax
28 collections from data center investment and operations, and (c)
29 generating construction and trade jobs in the state. The review must
30 factor in changing economic conditions.

31 (5) In order to obtain the data necessary to perform the review
32 in subsection (4) of this section, the joint legislative audit and
33 review committee may refer to any available data source, including
34 data available from the department of revenue regarding rural county
35 property tax assessments and employment data from the employment
36 security department.

37 **Sec. 3.** RCW 82.08.986 and 2017 c 135 s 26 are each amended to
38 read as follows:

1 (1)(a) An exemption from the tax imposed by RCW 82.08.020 is
2 provided for sales to qualifying businesses and to qualifying tenants
3 of eligible server equipment to be installed, without intervening
4 use, in an eligible computer data center to which a valid exemption
5 certificate applies, and to charges made for labor and services
6 rendered in respect to installing eligible server equipment. (~~Until~~
7 ~~January 1, 2026, the~~)

8 (b) This exemption also applies to sales to qualifying businesses
9 and to qualifying tenants of eligible power infrastructure, including
10 labor and services rendered in respect to constructing, installing,
11 repairing, altering, or improving eligible power infrastructure at an
12 eligible computer data center for which an exemption certificate has
13 been issued.

14 (c) No new exemption certificates may be issued on or after July
15 1, 2035.

16 (d) The exemptions provided in this section expire July 1, 2047.

17 (e) Each calendar year, the department may issue no more than two
18 certificates for data centers which qualify through refurbishment.
19 Certificates are available for refurbished data centers on a first-
20 in-time basis based on the date the application required under this
21 section is received by the department. Each qualifying business may
22 apply for only one certificate for a refurbished data center each
23 calendar year.

24 (2)(a) In order to (~~claim the exemption~~) obtain an exemption
25 certificate under this section, a qualifying business or a qualifying
26 tenant must submit an application to the department for an exemption
27 certificate. The application must include the information necessary,
28 as required by the department, to determine that a business or tenant
29 qualifies for the exemption under this section. The department must
30 issue exemption certificates to qualifying businesses and qualifying
31 tenants. The department may assign a unique identification number to
32 each exemption certificate issued under this section.

33 (b) A qualifying business or a qualifying tenant claiming the
34 exemption under this section must present the seller with an
35 exemption certificate in a form and manner prescribed by the
36 department. The seller must retain a copy of the certificate for the
37 seller's files.

38 (c) With respect to computer data centers for which the
39 commencement of construction occurs after July 1, 2015, but before
40 July 1, 2019, the exemption provided in this section is limited to no

1 more than eight computer data centers, with total eligible data
2 centers provided under this section limited to twelve from July 1,
3 2015, through (~~July 1, 2025~~) the effective date of this section.
4 Tenants of qualified data centers do not constitute additional data
5 centers under the limit. The exemption is available on a first-in-
6 time basis based on the date the application required under this
7 section is received by the department.

8 (d) The exemption certificate is effective on the date the
9 application is received by the department, which is deemed to be the
10 date of issuance. Only purchases on or after the date of issuance
11 qualify for the exemption under this section. No tax refunds are
12 authorized for purchases made before the effective date of the
13 exemption certificate.

14 (e) Exemption certificates expire two years after the date of
15 issuance, unless construction has been commenced.

16 (3) (a) Within six years of the date that the department issued an
17 exemption certificate under this section to a qualifying business or
18 a qualifying tenant with respect to an eligible computer data center,
19 the qualifying business or qualifying tenant must establish that net
20 employment at the eligible computer data center has increased by a
21 minimum of:

22 (i) Thirty-five family wage employment positions; or, if lower

23 (ii) Three family wage employment positions for each twenty
24 thousand square feet of space or less that is newly dedicated to
25 housing working servers at the eligible computer data center. For
26 qualifying tenants, the number of family wage employment positions
27 that must be increased under this subsection (3) (a) (ii) is based only
28 on the space occupied by the qualifying tenant in the eligible
29 computer data center.

30 (b) In calculating the net increase in family wage employment
31 positions:

32 (i) The owner of an eligible computer data center, in addition to
33 its own net increase in family wage employment positions, may
34 include:

35 (A) The net increase, since the date of issuance of the
36 qualifying business's exemption certificate, in family wage
37 employment positions employed by qualifying tenants; and

38 (B) The net increase in family wage employment positions
39 described in (c) (ii) (B) of this subsection (3).

1 (ii) (A) Qualifying tenants, in addition to their own net increase
2 in family wage employment positions, may include:

3 (I) A portion of the net increase in family wage employment
4 positions employed by the owner; and

5 (II) A portion of the net increase in family wage employment
6 positions described in (c) (ii) (B) of this subsection (3).

7 (B) The portion of the net increase in family wage employment
8 positions to be counted under this subsection (3) (b) (ii) by each
9 qualifying tenant (~~must be in proportion to the amount of space in~~
10 ~~the eligible computer data center occupied by the qualifying tenant~~
11 ~~compared to the total amount of space in the eligible computer data~~
12 ~~center occupied by all qualifying tenants)) is equal to the net
13 increase in family wage employment positions at the eligible computer
14 data center as described in (b) (ii) (A) (I) and (II) of this subsection
15 (3), multiplied by the percentage of total space within the eligible
16 computer data center occupied by the qualifying tenant. Any
17 combination of qualifying business and qualifying tenant family wage
18 employment positions may meet this requirement.~~

19 (C) (I) In the instance of an existing data center facility that
20 was ineligible, regardless of the date commencement of construction,
21 that later pursues an exemption certificate under this section, the
22 data center may count the existing employment positions that are
23 dedicated to the data center toward the family wage employment
24 position requirements so long as the employment positions meet the
25 definition of a family wage employment position.

26 (II) In the instance of the refurbishment of an existing data
27 center that previously qualified under the data center program, the
28 data center may count the existing employment positions dedicated to
29 the data center toward the family wage employment position
30 requirements so long as they meet the definition of a family wage
31 employment position.

32 (c) (i) For purposes of this subsection (~~(7)~~):

33 (A) For exemption certificates issued before the effective date
34 of this section, family wage employment positions are new permanent
35 employment positions requiring forty hours of weekly work, or their
36 equivalent, on a full-time basis at the eligible computer data center
37 and receiving a wage equivalent to or greater than one hundred fifty
38 percent of the per capita personal income of the county in which the
39 qualified project is located.

1 (B) For exemption certificates issued on or after the effective
2 date of this section, family wage employment positions are new
3 permanent employment positions requiring 40 hours of weekly work, or
4 their equivalent, on a full-time basis at the eligible computer data
5 center and receiving a wage equivalent to or greater than 125 percent
6 of the per capita personal income of the county in which the
7 qualified project is located.

8 (C) An employment position may not be counted as a family wage
9 employment position unless the employment position is entitled to
10 health insurance coverage provided by the employer of the employment
11 position. (~~For purposes of this subsection (3)(c), "new"~~)

12 (D) "New permanent employment position" means an employment
13 position that did not exist or that had not previously been filled as
14 of the date that the department issued an exemption certificate to
15 the (~~owner~~) qualifying business or qualifying tenant of an eligible
16 computer data center, as the case may be.

17 (ii) (A) Family wage employment positions include positions filled
18 by employees of the (~~owner of the eligible computer data center~~)
19 qualifying business and by employees of qualifying tenants.

20 (B) Family wage employment positions also include individuals
21 performing work at an eligible computer data center as an independent
22 contractor hired by the owner of the eligible computer data center or
23 as an employee of an independent contractor hired by the owner of the
24 eligible computer data center, if the work is necessary for the
25 operation of the computer data center, such as security and building
26 maintenance, and provided that all of the requirements in (c)(i) of
27 this subsection (3) are met.

28 (d) (~~All~~) For a qualifying business or qualifying tenant that
29 does not meet the requirements of this subsection (3), all previously
30 exempted sales and use taxes are immediately due and payable (~~for a~~
31 qualifying business or qualifying tenant that does not meet the
32 requirements of this subsection) and any exemption certificate
33 issued to that qualifying business or qualifying tenant under this
34 section is canceled.

35 (4) A qualifying business or a qualifying tenant claiming an
36 exemption under this section or RCW 82.12.986 must complete an annual
37 tax performance report with the department as required under RCW
38 82.32.534.

39 (5) (a) (~~The exemption provided in this section does not apply~~
40 ~~to:~~

1 ~~(i) Any person who has received the benefit of the deferral~~
2 ~~program under chapter 82.60 RCW on: (A) The construction, renovation,~~
3 ~~or expansion of a structure or structures used as a computer data~~
4 ~~center; or (B) machinery or equipment used in a computer data center;~~
5 ~~and~~

6 ~~(ii) Any person affiliated with a person within the scope of~~
7 ~~(a)(i) of this subsection (5).~~

8 ~~(b) If a person claims an exemption under this section and~~
9 ~~subsequently receives the benefit of the deferral program under~~
10 ~~chapter 82.60 RCW on either the construction, renovation, or~~
11 ~~expansion of a structure or structures used as a computer data center~~
12 ~~or machinery or equipment used in a computer data center, the person~~
13 ~~must repay the amount of taxes exempted under this section. Interest~~
14 ~~as provided in chapter 82.32 RCW applies to amounts due under this~~
15 ~~section until paid in full.)~~ The certificate holder may not at any
16 time assign or transfer a certificate without the prior written
17 consent of the department. The department must allow certificate
18 transfers if the certificate holder meets the following requirements:

19 (i) The certificate assignee or transferee is qualified to do
20 business in the state;

21 (ii) The assignee or transferee acknowledges the transfer of the
22 certificate in writing;

23 (iii) The assignee or transferee agrees to keep and perform all
24 the terms of the certificates; and

25 (iv) An assignment or transfer of the certificate is to an entity
26 that:

27 (A) Controls, is controlled by, or under common control with, the
28 certificate holder;

29 (B) Acquires all or substantially all of the stock or assets of
30 the certificate holder; or

31 (C) Is the resulting entity of a merger or consolidation with the
32 certificate holder.

33 (b) In the event the assignee or transferee acquires eligible
34 server equipment in a qualifying asset sale under (a)(iv)(B) of this
35 subsection, the purchaser shall be deemed to purchase the eligible
36 server equipment pursuant to the transferred certificate.

37 (6) The definitions in this subsection apply throughout this
38 section unless the context clearly requires otherwise.

39 (a) "Affiliated" means that one person has a direct or indirect
40 ownership interest of at least twenty percent in another person.

1 (b) "Building" means a fully enclosed structure with a weather
2 resistant exterior wall envelope or concrete or masonry walls
3 designed in accordance with the requirements for structures under
4 chapter 19.27 RCW. This definition of "building" only applies to
5 computer data centers for which commencement of construction occurs
6 on or after July 1, 2015.

7 (c) "Certificate of occupancy" means:

8 (i) For a newly constructed eligible computer data center, the
9 certificate of occupancy issued by a local governing authority for
10 the structure or structures which comprise the eligible computer data
11 center; or

12 (ii) For renovations of an eligible computer data center, the
13 certificate of occupancy issued by a local governing authority for
14 the renovated structure or structures that comprise the eligible
15 computer data center.

16 (d)(i) "Computer data center" means a facility comprised of one
17 or more buildings, which may be comprised of multiple businesses,
18 constructed or refurbished specifically, and used primarily, to house
19 working servers, where the facility has the following
20 characteristics: (A) Uninterruptible power supplies, generator backup
21 power, or both; (B) sophisticated fire suppression and prevention
22 systems; and (C) enhanced physical security, such as: Restricted
23 access to the facility to selected personnel; permanent security
24 guards; video camera surveillance; an electronic system requiring
25 passcodes, keycards, or biometric scans, such as hand scans and
26 retinal or fingerprint recognition; or similar security features.

27 (ii) For a computer data center comprised of multiple buildings,
28 each separate building constructed or refurbished specifically, and
29 used primarily, to house working servers is considered a computer
30 data center if it has all of the characteristics listed in ((+e))
31 (d)(i) (A) through (C) of this subsection (6).

32 (iii) A facility comprised of one building or more than one
33 building must have a combined square footage of at least one hundred
34 thousand square feet.

35 ((+d)) (e) "Electronic data storage and data management
36 services" include, but are not limited to: Providing data storage and
37 backup services, providing computer processing power, hosting
38 enterprise software applications, and hosting web sites. The term
39 also includes providing services such as email, web browsing and

1 searching, media applications, and other online services, regardless
2 of whether a charge is made for such services.

3 ~~((e))~~ (f)(i) "Eligible computer data center" means a computer
4 data center:

5 (A) Located in a rural county as defined in RCW 82.14.370;

6 (B) Having at least twenty thousand square feet dedicated to
7 housing working servers(~~(, where the server space has not previously~~
8 ~~been dedicated to housing working servers))~~); and

9 (C) For which the commencement of construction occurs:

10 (I) After March 31, 2010, and before July 1, 2011;

11 (II) After March 31, 2012, and before July 1, 2015; or

12 (III) After June 30, 2015, and before July 1, ~~((2025))~~ 2035.

13 (ii) For purposes of this section, "commencement of construction"
14 means the date that a building permit is issued under the building
15 code adopted under RCW 19.27.031 for construction of the computer
16 data center. The construction of a computer data center includes the
17 expansion, renovation, or ~~((other improvements made to))~~
18 refurbishment of existing facilities regardless of whether the
19 existing facility was previously ineligible and regardless of whether
20 commencement of construction of the existing facility occurred
21 outside of the dates listed in (f)(i)(C)(I) through (III) of this
22 subsection, including leased or rented space. "Commencement of
23 construction" does not include soil testing, site clearing and
24 grading, site preparation, or any other related activities that are
25 initiated before the issuance of a building permit for the
26 construction of the foundation of a computer data center. If no
27 building permit is required for renovation or refurbishment, then the
28 date that renovation or refurbishment begins is the "commencement of
29 construction."

30 ~~((iii) With respect to facilities in existence on April 1, 2010,~~
31 ~~that are expanded, renovated, or otherwise improved after March 31,~~
32 ~~2010, or facilities in existence on April 1, 2012, that are expanded,~~
33 ~~renovated, or otherwise improved after March 31, 2012, or facilities~~
34 ~~in existence on July 1, 2015, that are expanded, renovated, or~~
35 ~~otherwise improved after June 30, 2015, an eligible computer data~~
36 ~~center includes only the portion of the computer data center meeting~~
37 ~~the requirements in (e)(i)(B) of this subsection (6).~~

38 ~~(f))~~ (g) "Eligible power infrastructure" means all fixtures and
39 equipment owned by a qualifying business or qualifying tenant and
40 necessary for the transformation, distribution, or management of

1 electricity that is required to operate eligible server equipment
2 within an eligible computer data center. The term includes
3 generators; wiring; cogeneration equipment; and associated fixtures
4 and equipment, such as electrical switches, batteries, and
5 distribution, testing, and monitoring equipment. The term does not
6 include substations.

7 ~~((g))~~ (h) "Eligible server equipment" means:

8 (i) For a qualifying business whose computer data center
9 qualifies as an eligible computer data center under ~~((e))~~ (f)
10 (i)(C)(I) of this subsection (6), the original server equipment
11 installed in an eligible computer data center on or after April 1,
12 2010, and before January 1, 2026, and replacement server equipment.
13 For purposes of this subsection (6) ~~((g))~~ (h)(i), "replacement
14 server equipment" means server equipment that:

15 (A) Replaces existing server equipment, if the sale or use of the
16 server equipment to be replaced qualified for an exemption under this
17 section or RCW 82.12.986; and

18 (B) Is installed and put into regular use before April 1, 2018.

19 (ii) For a qualifying business whose computer data center
20 qualifies as an eligible computer data center under ~~((e))~~ (f)
21 (i)(C)(II) of this subsection (6), "eligible server equipment" means
22 the original server equipment installed in an eligible computer data
23 center on or after April 1, 2012, and before January 1, 2026, and
24 replacement server equipment. For purposes of this subsection (6)
25 ~~((g))~~ (h)(ii), "replacement server equipment" means server
26 equipment that:

27 (A) Replaces existing server equipment, if the sale or use of the
28 server equipment to be replaced qualified for an exemption under this
29 section or RCW 82.12.986; and

30 (B) Is installed and put into regular use before April 1, 2024.

31 (iii) ~~((A))~~ For a qualifying business whose computer data center
32 qualifies as an eligible computer data center under ~~((e))~~ (f)
33 (i)(C)(III) of this subsection (6), "eligible server equipment" means
34 the original server equipment installed in a building within an
35 eligible computer data center on or after July 1, 2015, and
36 replacement server equipment. Server equipment installed in movable
37 or fixed stand-alone, prefabricated, or modular units, including
38 intermodal shipping containers, is not "directly installed in a
39 building." For purposes of this subsection (6) ~~((g))~~ (h)(iii)

1 (~~(A)~~), "replacement server equipment" means server equipment that
2 (~~replaces~~):

3 (A) (I) Replaces existing server equipment, if the sale or use of
4 the server equipment to be replaced qualified for an exemption under
5 this section or RCW 82.12.986; or

6 (II) Replaces existing server equipment in a computer data center
7 that meets the following requirements: Was ineligible before the
8 effective date of this section for the exemptions provided under this
9 section and RCW 82.12.986; has been refurbished; and to which a valid
10 exemption certificate applies; and

11 (B) Is installed and put into regular use no later than twelve
12 years after the date of the certificate of occupancy or completion of
13 refurbishment of the computer data center.

14 (iv) For a qualifying tenant who leases space within an eligible
15 computer data center, "eligible server equipment" means the original
16 server equipment installed within the space it leases from an
17 eligible computer data center with an exemption certificate on or
18 after April 1, 2010, (~~and before January 1, 2026,~~) and replacement
19 server equipment. For purposes of this subsection (6) (~~(g)~~) (h) (iv),
20 "replacement server equipment" means server equipment that:

21 (A) (I) Replaces existing server equipment, if the sale or use of
22 the server equipment to be replaced qualified for an exemption under
23 this section or RCW 82.12.986; or

24 (II) Replaces existing server equipment in a computer data center
25 that meets the following requirements: Was ineligible before the
26 effective date of this section for the exemptions provided under this
27 section and RCW 82.12.986; has been refurbished; and to which a valid
28 exemption certificate applies; and

29 (B) Is installed and put into regular use (~~before April 1, 2024;~~
30 and

31 ~~(C) For tenants leasing space in an eligible computer data center~~
32 ~~built after July 1, 2015, is installed and put into regular use no~~
33 ~~later than twelve years after the date of the certificate of~~
34 ~~occupancy) no later than 12 years after the date of the certificate~~
35 ~~of occupancy or completion of refurbishment of the computer data~~
36 ~~center.~~

37 (~~(h)~~) (i) "Qualifying business" means a business entity that
38 exists for the primary purpose of engaging in commercial activity for
39 profit and that is the owner of an eligible computer data center. The
40 term does not include the state or federal government or any of their

1 departments, agencies, and institutions; tribal governments;
2 political subdivisions of this state; or any municipal, quasi-
3 municipal, public, or other corporation created by the state or
4 federal government, tribal government, municipality, or political
5 subdivision of the state.

6 ~~((i))~~ (j) "Qualifying tenant" means a business entity that
7 exists for the primary purpose of engaging in commercial activity for
8 profit and that leases space from a qualifying business within an
9 eligible computer data center. The term does not include the state or
10 federal government or any of their departments, agencies, and
11 institutions; tribal governments; political subdivisions of this
12 state; or any municipal, quasi-municipal, public, or other
13 corporation created by the state or federal government, tribal
14 government, municipality, or political subdivision of the state. The
15 term also does not include a lessee of space in an eligible computer
16 data center under ~~((e))~~ (f)(i)(C)(I) of this subsection (6), if the
17 lessee and lessor are affiliated and:

18 (i) That space will be used by the lessee to house server
19 equipment that replaces server equipment previously installed and
20 operated in that eligible computer data center by the lessor or
21 another person affiliated with the lessee; or

22 (ii) Prior to May 2, 2012, the primary use of the server
23 equipment installed in that eligible computer data center was to
24 provide electronic data storage and data management services for the
25 business purposes of either the lessor, persons affiliated with the
26 lessor, or both.

27 ~~((j))~~ (k)(i) "Refurbished" or "refurbishment" means a
28 substantial improvement to an eligible computer data center to update
29 or modernize servers, server space, ventilation, or power
30 infrastructure in an eligible computer data center.

31 (ii) For a qualifying computer data center to be considered
32 refurbished, the qualifying business must certify, in a form and
33 manner prescribed by the department, that the refurbishment of an
34 eligible computer data center is complete. The refurbishment is
35 considered complete on the date that the improved portion of the
36 computer data center is operationally complete and able to be used
37 for its intended purpose.

38 (l) "Server equipment" means the computer hardware located in an
39 eligible computer data center and used exclusively to provide
40 electronic data storage and data management services, including cloud

1 services, for internal use by the owner or lessee of the computer
2 data center, for clients of the owner or lessee of the computer data
3 center, or both. "Server equipment" also includes computer software
4 necessary to operate the computer hardware. "Server equipment" does
5 not include personal computers, the racks upon which the server
6 equipment is installed, and computer peripherals such as keyboards,
7 monitors, printers, and mice.

8 (7) This section expires July 1, 2047.

9 **Sec. 4.** RCW 82.12.986 and 2015 3rd sp.s. c 6 s 303 are each
10 amended to read as follows:

11 (1) (a) An exemption from the tax imposed by RCW 82.12.020 is
12 provided for the use by qualifying businesses or qualifying tenants
13 of eligible server equipment to be installed, without intervening
14 use, in an eligible computer data center for which an exemption
15 certificate under RCW 82.08.986 has been issued, and to the use of
16 labor and services rendered in respect to installing such server
17 equipment.

18 ((The)) (b) Until July 1, 2047, this exemption also applies to
19 the use by a qualifying business or qualifying tenant of eligible
20 power infrastructure, including labor and services rendered in
21 respect to installing, repairing, altering, or improving such
22 infrastructure at an eligible computer data center for which an
23 exemption certificate under RCW 82.08.986 has been issued.

24 (c) The exemptions provided in this section expire July 1, 2047.

25 (2) A qualifying business or a qualifying tenant is not eligible
26 for the exemption under this section unless the department issued an
27 exemption certificate to the qualifying business or a qualifying
28 tenant for the exemption provided in RCW 82.08.986.

29 (3) ~~((a) The exemption provided in this section does not apply~~
30 ~~to:~~

31 ~~(i) Any person who has received the benefit of the deferral~~
32 ~~program under chapter 82.60 RCW on: (A) The construction, renovation,~~
33 ~~or expansion of a structure or structures used as a computer data~~
34 ~~center; or (B) machinery or equipment used in a computer data center;~~
35 ~~and~~

36 ~~(ii) Any person affiliated with a person within the scope of~~
37 ~~(a)(i) of this subsection (3).~~

38 ~~(b) If a person has received the benefit of the exemption under~~
39 ~~this section and subsequently receives the benefit of the deferral~~

1 ~~program under chapter 82.60 RCW on either the construction,~~
2 ~~renovation, or expansion of a structure or structures used as a~~
3 ~~computer data center or machinery or equipment used in a computer~~
4 ~~data center, the person must repay the amount of taxes exempted under~~
5 ~~this section. Interest as provided in chapter 82.32 RCW applies to~~
6 ~~amounts due under this subsection (3)(b) until paid in full. A person~~
7 ~~is not required to repay taxes under this subsection with respect to~~
8 ~~property and services for which the person is required to repay taxes~~
9 ~~under RCW 82.08.986(5).~~

10 ~~(4))~~ The definitions and requirements in RCW 82.08.986 apply to
11 this section.

12 (4) This section expires July 1, 2047.

--- END ---