



TO: Chairman Macco and Members of the Assembly Ways and Means Committee
FROM: Michael Welsh, V.P. of Legislative Affairs –Wisconsin Economic Development Association
DATE: June 8, 2023
RE: Please Support Assembly Bill 302 – *Data Center Tax Incentive Bill*

On behalf of the Wisconsin Economic Development Association (WEDA), I would like to take this opportunity to request your support for Assembly Bill 302. This important economic development legislation would provide critical tax incentives to encourage hyperscale data center investment in Wisconsin.

In today's technology-driven world, large-scale data centers are critical to the nation's computing infrastructure, supporting everyday business operations across every industry, and keeping Americans connected in all facets of life. Hyperscale data centers are also local economic drivers that attract investment, create jobs, and grow tax base.

Unfortunately, Wisconsin is at a distinct disadvantage in attracting data centers to the state, as we currently do not offer tax incentives that our neighboring states in the Midwest have successfully used to realize the economic benefits of data center projects. Assembly Bill 302 would change that by creating a sales and use tax exemption for equipment or software used by eligible data centers for the processing, storage, retrieval, or communication of data. The bill would expand Wisconsin's economic development toolbox and put us into position to spur data center development.

In addition to the significant economic impact of data center development (a U.S. Chamber of Commerce report found the average data center adds \$32.5 million in economic activity each year), a strong data center market can help attract a high-tech talent pool to the Badger State that could support numerous industries. Without tax incentives, the development of large-scale data centers is unlikely to occur in Wisconsin, especially in rural parts of the state. Fortunately, AB 302 will make Wisconsin an attractive location for large data centers projects.

In closing, WEDA would again request your support AB 302. This proposal would provide the state with the ability to compete for hyperscale data center investment and help drive economic growth in rural Wisconsin and across the state.

Thank you for your consideration.

About WEDA

The Wisconsin Economic Development Association, founded in 1975, is a statewide non-profit organization dedicated to growing Wisconsin's economy. Driven by the needs of our 400-plus members, we represent the economic development interests of both the private and public sectors through advocacy, education, and leadership on statewide initiatives.