



Application for Sales Tax Exemption for Purchases by Data Centers

Unified Business Identifier (UBI)/Tax Registration Number (TRN) _____

Business Name _____

Business Mailing Address _____

City _____ State _____ Zip Code _____

Data Center Address _____

City _____ State _____ Zip Code _____

Phone Number () _____ E-mail Address _____

Check this box if you are leasing within space of an existing data center. Please enter the exemption certificate number of the lessor: _____ (then skip to question 6)

Please answer the following questions:

1. What date was the building permit issued for the computer data center? _____
2. What is the building permit number? _____
3. What county is the data center located in that will house the new servers? _____
4. How many square feet of the building is newly dedicated to housing servers? _____
5. How many total square feet is the facility where the servers are housed? _____
6. How many total square feet in the facility is your company leasing? (For lessees only) _____
7. Does the facility have an uninterruptible power source and/or generator back-up power? _____
8. Does the facility have a fire prevention/suppression system? _____
9. Does the facility have a physical security (ie. Keycards, security guards, biometric/eye/hand scans or fingerprint recognition)? _____

Important

You must submit a copy of your building permit along with your application.

You must also submit a copy of your certificate of occupancy when you receive it from the county or city.

I understand the following in applying for this certificate:

- The building permit for the facility must be issued between July 1, 2015 and June 30, 2025.
- The facility must be located in a rural county as defined in 82.14.370.
- There must be 20,000 square feet newly dedicated to housing working servers and the entire facility (including any other buildings) must be a computer data center of not less than 100,000 square feet. Lessees must be leasing square footage within space newly dedicated to housing servers in existing data center to qualify for the exemption certificate.

Dated at _____, Washington, this ___ day of _____.

(Printed name of person submitting application)

(title)

(Signature of person submitting application)

Send the completed application and certificate of occupancy to:

Department of Revenue
Taxpayer Account Administration
Attn: Data Centers
PO Box 47476
Olympia, WA 98504-7476

**Keep a copy of this application and all attachments for
your records**

Important

- The Department will issue two separate exemption certificates. The first exemption certificate expires two years after issuance. Before the expiration date of the exemption certificate, the Department will contact the data center or tenant and the city or county to confirm that construction has commenced. If construction has commenced the Department will issue another exemption certificate.
- An annual report and an annual survey are due April 30 of each year following the calendar year the exemption is taken.
- Buyers both owners and lessees, are also required to complete the Buyer's Sales and Use Tax Preference Addendum in E-file when filing their excise tax returns.

What is the exemption?

An exemption from the tax imposed by RCW 82.08.020 is provided for sales to qualifying businesses and qualifying tenants for eligible server equipment to be installed, without intervening use, in an eligible computer data center, and to charges made for labor and services rendered in respect to installing eligible server equipment. The exemption also applies to sales to qualifying businesses and qualifying tenants of eligible power infrastructure, including labor and services rendered in respect to constructing, installing, repairing, altering, or improving eligible power infrastructure. In order to claim the exemption a business must submit an application to the Department of Revenue. The Department must issue an exemption certificate to the qualifying businesses. The qualifying business may then present this exemption certificate to the seller who must maintain a copy of the certificate for their files.

A business must establish within six years of the date the department issued an exemption certificate under this chapter to a qualifying business that it has increased employment by a minimum of thirty-five family wage employment positions or three family wage employment positions for each 20,000 square feet of space that is dedicated to servers. For qualifying businesses that lease space the number of family wage employment positions is based only on the space occupied by the lessee. ***Please see RCW 82.08.986 or the Special Notice for a definition of family wage jobs.***

What is a qualifying business/tenant?

A qualifying business means a business entity that exists for the primary purpose of engaging in commercial activity for profit that is the owner of an eligible computer data center or the lessee within an eligible computer data center dedicated to housing working servers, where the space has not previously been dedicated to housing servers.

What is a building?

A fully enclosed structure with a weather resistant exterior wall envelope or concrete or masonry walls designed in accordance with the requirements for structures under chapter 19.27 RCW. This definition of "building" only applies to computer data centers which began construction on or after July 1, 2015.

What is a data center?

A data center is defined in RCW 82.08.986 as a facility that is comprised of one or more buildings, which may be comprised of multiple businesses, constructed or refurbished specifically, and used primarily, to house working servers.

Note: For a computer data center comprised of multiple buildings each separate building constructed or refurbished specifically, and used primarily, to house working servers is a computer data center if it each building meets requirements under RCW 82.08.986(6).

Are there limits on how many data centers can receive the exemptions?

Yes, only twelve data centers that begin construction from July 1, 2015, but before July 1, 2025, can be approved for the exemption. Of the twelve, only eight centers can be approved that begin construction from July 1, 2015, but before July 1, 2019.

Tenants of qualified data centers do not count towards the data center limit.

The exemption is available on a first-in-time basis on the date the application for the sales tax exemption is received by the Department. Exemption certificates expire two years after the date of issuance. A new exemption certificate will be issued when the Department confirms that construction has commenced.

What is Commencement of Construction?

The date the building permit is issued under the building code adopted under RCW 19.27.031.

It includes expansion, renovation, or other improvements made to existing facilities, including leased or rented space.

What is eligible power infrastructure?

Eligible power infrastructure means all fixtures and equipment necessary for the transformation, distribution, or management of electricity that is required to operate eligible server equipment within an eligible computer data center.

The term includes generators, wiring, and cogeneration equipment and associated fixtures and equipment, such as electrical switches, batteries, and distribution, testing, and monitoring equipment. The term does not include substations.