



OHIO CHAMBER OF COMMERCE



June 5, 2025

The Honorable Rob McColley
President, Ohio Senate
1 Capitol Square
Columbus, OH 43215

Re: **HB 96 / Restore Data Center Sales Tax Exemption**

Dear President McColley,

As major stakeholders in Ohio's business community, we respectfully urge you to restore the state data center sales tax exemption in HB 96 (Operating Budget). The abrupt end of this exemption creates challenges for Ohio's ability to attract these very large investments in our state and position Ohio as a leader in digital infrastructure—the backbone of the modern economy.

Data centers provide the digital infrastructure that keeps us connected in our daily lives and supports many sectors of the 21st-century innovation economy, including advanced manufacturing, artificial intelligence, financial services, cybersecurity, education, healthcare, and other key industries. Companies of all sizes with any digital presence need data centers, and the industry is investing hundreds of billions of dollars in capital for new data center facilities in Ohio and across the country to support the unprecedented demand for these digital services.

Data centers involve huge financial investments in buildings and equipment, with many individual projects exceeding \$1 billion in capital investment. Over the last year alone, data center companies have announced nearly \$20 billion of investment in the state. These investments are essential to positioning Ohio as a leader in the 21st century economy.

The data center industry is a growth story in Ohio. By prioritizing investments in local Ohio communities, data centers catalyze supply chain and service ecosystems, creating jobs for thousands of construction professionals as facilities are built, and providing quality, high wage jobs to support ongoing operations. Every data center comes with years of reliable support for local economies. For every one job in a data center, six additional jobs are supported in the broader economy.

According to a 2025 report from PwC:

- The data center industry directly employed 15,300 Ohioans in 2023
- Including direct, indirect, and induced effects, the industry's total employment contribution was 84,490 in Ohio in 2023.
- Labor income earned directly in the Ohio data center industry grew by 7% year-over-year, from \$1.68 billion in 2022 to \$1.78 billion in 2023.
- The industry's total annual labor income contribution in Ohio increased 5% from \$5.73 billion in 2022 to \$6.04 billion in 2023.
- Including the direct, indirect, and induced effects, the data center industry contributed \$20.58 billion to Ohio GDP cumulatively during the 2022 to 2023 period.
- In total, Ohio's data center industry directly and indirectly generated \$1.80 billion in state and local tax revenues over the 2022-2023 period.

The language in the proposed Senate amendment to end new agreements for the program creates tremendous uncertainty around many potential data center projects actively undertaking various pre-development activities (e.g., developing energy solutions, securing zoning approvals, negotiating local incentives) across the state, and it may create uncertainty for certain existing multi-tenant data centers. The abrupt cutoff of the program for new agreements could significantly

impair the ability to finance, construct and secure tenants for both single-user and critical multi-tenant data centers throughout Ohio. In some cases, Ohio data center companies, and the local businesses and organizations that depend on them, risk having stranded assets or investments. The language threatens to harm the communities where data center projects are located or might be located, the many businesses across multiple sectors that support these projects, and the tens of thousands of Ohioans employed in the sector across the state. It also may drive projects and job opportunities to the more than 30 other states that maintain similar economic development programs to attract digital infrastructure investment.

Additionally, the proposed cutoff risks jeopardizing the state's business-friendly reputation by injecting uncertainty around the state's long-term commitment to its economic development programs and policies. It sends a signal to the data center industry and the larger business community, where certainty and predictability are essential when making large capital investments, that Ohio may not stand behind its economic development programs. The amendment also runs counter to the recently-enacted House Bill 15— a thoughtful and comprehensive energy policy for the state that will help increase the supply of electricity so data centers and other large loads can maintain access to the cost-effective power needed to run their operations.

We urge you to protect the jobs of hardworking Ohioans, keep Ohio a center for innovation and growth, and encourage future economic investments in the state. Thank you for your consideration.

Sincerely,

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Senior Director of State Policy
Data Center Coalition

Todd House
Senior Director, Global External Affairs
CyrusOne

Rick Carfagna
Senior Vice President, Government Affairs
Ohio Chamber of Commerce

Chris Berry
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