

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-SIX

—
H.P. 452 - L.D. 713

An Act to Exclude Data Centers from the Business Equipment Tax Exemption and the Dirigo Business Incentives Program and to Require the Department of Economic and Community Development to Study Financial Incentives for Data Centers

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 36 MRSA §691, sub-§1, ¶A, as amended by PL 2023, c. 588, §§3 to 5 and affected by §7, is further amended by amending subparagraph (8) to read:

(8) Personal property that would otherwise be entitled to exemption under this subchapter used primarily to support a telecommunications antenna used by a telecommunications business subject to the tax imposed by section 457; ~~or~~

Sec. 2. 36 MRSA §691, sub-§1, ¶A, as amended by PL 2023, c. 588, §§3 to 5 and affected by §7, is further amended by amending subparagraph (9) to read:

(9) A facility that stores spent nuclear fuel, as defined in Title 22, section 673, subsection 18, or radioactive waste classified by the United States Nuclear Regulatory Commission as greater-than-Class C waste; ~~or~~

Sec. 3. 36 MRSA §691, sub-§1, ¶A, as amended by PL 2023, c. 588, §§3 to 5 and affected by §7, is further amended by enacting a new subparagraph (10) to read:

(10) Any property located in a data center or in the portion of a facility that constitutes a data center that begins operations on or after August 1, 2026, including any property located in a data center or in the portion of a facility that constitutes a data center that is part of an expansion or project after August 1, 2026. For the purposes of this subparagraph, "begins operations" means that the data center has installed operational computer and networking equipment and is performing data processing, data storage, cloud computing or similar computing infrastructure services. "Begins operations" does not include construction, site preparation or equipment installation.

Sec. 4. 36 MRSA §691, sub-§1, ¶A-1 is enacted to read:

A-1. "Data center" means any facility in the State, which may be a freestanding structure or a facility within a larger structure, that primarily contains electronic equipment used for data processing, data storage, cloud computing or similar computing infrastructure services that uses environmental control equipment to maintain the proper conditions for the operation of electronic equipment. "Data center" does not include a facility or portion of a facility containing electronic equipment that is incidental to and used in support of a business whose primary business activity is not the performance of data processing, data storage, cloud computing or similar computing infrastructure services.

Sec. 5. 36 MRSA §5219-AAA, sub-§1, ¶C-1 is enacted to read:

C-1. "Data center" means any facility in the State, which may be a freestanding structure or a facility within a larger structure, that primarily contains electronic equipment used for data processing, data storage, cloud computing or similar computing infrastructure services that uses environmental control equipment to maintain the proper conditions for the operation of electronic equipment. "Data center" does not include a facility or portion of a facility containing electronic equipment that is incidental to and used in support of a business whose primary business activity is not the performance of data processing, data storage, cloud computing or similar computing infrastructure services.

Sec. 6. 36 MRSA §5219-AAA, sub-§1, ¶G, as enacted by PL 2023, c. 412, Pt. J, §13, is amended by amending subparagraph (4) to read:

(4) Software publishing, data processing and computer design services, excluding services performed at a data center; or

Sec. 7. 36 MRSA §5219-AAA, sub-§3, ¶D, as enacted by PL 2023, c. 412, Pt. J, §13, is amended to read:

D. A business with a certificate of approval for one of the tax credits allowed under section 5219-RR or 5219-YY; or

Sec. 8. 36 MRSA §5219-AAA, sub-§3, ¶E, as enacted by PL 2023, c. 412, Pt. J, §13, is amended to read:

E. A business that has undergone a layoff within the past 2 tax years; or

Sec. 9. 36 MRSA §5219-AAA, sub-§3, ¶F is enacted to read:

F. A business that is a data center that begins operations on or after August 1, 2026. For the purposes of this paragraph, "begins operations" means that the data center has installed operational computer and networking equipment and is performing data processing, data storage, cloud computing or similar computing infrastructure services. "Begins operations" does not include construction, site preparation or equipment installation.

Sec. 10. Department of Economic and Community Development to study financial incentives that data centers may benefit from. The Department of Economic and Community Development shall study potential financial incentives that data centers may benefit from based on current state laws. The department shall submit a report based on the study, including suggested legislation, no later than November 4, 2026 to the joint standing committee of the Legislature having jurisdiction over taxation matters. The

committee may report out legislation related to the report to the 133rd Legislature in 2027. For the purposes of this section, "data center" has the same meaning as in the Maine Revised Statutes, Title 36, section 691, subsection 1, paragraph A-1.