HB 559: revise sunset date for data centers

Legislative Rubric from Science for Georgia

HB 559 Revise the sunset date for data centers – moving it back from 2031 to 2026.

<table>
<tr><th>Criteria</th><th colspan="4">Variables</th></tr>
<tr><td rowspan="2">Impact
Who is going to be impacted? Is it equitable? List stakeholders & opinions.</td><td colspan="2">Negative</td><td colspan="2">Positive</td></tr>
<tr><td colspan="4">This bill will reduce the length of the sales tax exemption for data center equipment, ending it in 2026 instead of 2031. This is meant to discourage data centers from coming to Georgia. This change primarily impacts large tech companies that benefit from the exemption. It may redirect future tax revenue back to the state sooner, potentially benefiting broader public interests.</td></tr>
<tr><td rowspan="2">Reach
Does it reach its target audience?</td><td>0 - No impact on target audience.</td><td>1 - Impacts narrow segment.</td><td>2 - Impacts majority; exceptions.</td><td>3 - Impacts entire target audience</td></tr>
<tr><td colspan="4">While the direct impact is limited to a narrow business segment, the shortened exemption may promote greater equity in tax policy. Specifically for companies investing in or operating data centers. It does not directly reach the general population or small businesses.</td></tr>
<tr><td rowspan="2">Scientific Merit
Does it utilize scientific research accurately?</td><td colspan="2">YES - this does follow scientific research accurately. Here's why....</td><td colspan="2">NO - this does not present scientific research accurately.</td></tr>
<tr><td colspan="4">Research has shown that businesses follow the money. If the state wants to incentivize more data center development – they should provide tax breaks. If they want to slow development – they should take them away.</td></tr>
<tr><td rowspan="2">Financial Feasibility
Is it financially feasible? or does this have burdensome finances (higher taxes, future costs, etc)?</td><td>0 - Extremely high costs</td><td>1 - Expensive but can be done</td><td>2 - Slight</td><td>3 - No financial burden</td></tr>
<tr><td colspan="4">The bill is financially feasible and may improve the state's revenue outlook by ending the exemption earlier than planned. While it could discourage some investment from tech firms, it reduces a fiscal burden on the state.</td></tr>
<tr><td rowspan="2">Political Feasibility
Level of opposition and partisan disagreement.</td><td>0 - Majority disagreed, regardless of party.</td><td>1 – Split along party lines</td><td>2 - Minimal Opposition</td><td>3 - Complete consensus (zero to five 'Nays').</td></tr>
<tr><td colspan="4">This bill has not been voted on. However, a similar bill passed both chambers in 2024 and was vetoed by Gov. Kemp.</td></tr>
<tr><td rowspan="2">Measurable Metrics?
We recommend looking at these 3 metrics. Is the data available or being measured?</td><td>0 - no data</td><td>1 - some data / not accessible</td><td>2 - most data / somewhat accessible</td><td>3 - complete transparency</td></tr>
<tr><td colspan="4">The state can track how many companies apply for or are approved for the exemption before 2026, as well as future tax revenues gained once the exemption ends. However, this data is often not readily accessible to the public.</td></tr>
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