



**House Bill 905 -- *Sales and Use Tax Exemption - Qualified Data Center Personal Property - Eligibility*  
House Ways and Means Committee and House Economic Matters Committee  
February 29, 2024  
Oppose**

The Montgomery County Chamber of Commerce (MCCC), the voice of business in Metro Maryland, opposes House Bill 905 -- *Sales and Use Tax Exemption - Qualified Data Center Personal Property - Eligibility*.

House Bill 905 places new and onerous requirements on entities that seek to utilize Maryland's sales and use tax exemption for the sale of data center personal property for use at a qualified data center. Currently, an individual or a corporation that owns a qualified data center is eligible for the exemption if they have invested at least \$5M in qualified data center personal property and filled at least five qualified positions, within three years after submitting an application for a sales and use tax exemption.

MCCC opposes efforts that reduce the ability to access incentives that target growth in Maryland's innovation economy. The Maryland General Assembly in 2020 acknowledged the importance of the segment of the economy and passed an incentive to make Maryland more competitive for data center businesses. This industry has tremendous potential to create jobs and high wages while providing a significant source of tax revenue.

Attracting the data center industry is also an important part of the State's efforts to become a global leader in fields such as artificial intelligence, cybersecurity, and quantum computing. Maryland has many built in advantages to attract high-tech jobs, including a data center incentive that is soon expected to pay dividends for the State. Now is not the time to alter the requirements of this incentive and reduce its competitiveness as an attraction tool for the data center industry.

**For these reasons, the Montgomery County Chamber of Commerce supports House Bill 905 and respectfully requests an unfavorable report.**

*The Montgomery County Chamber of Commerce, on behalf of our nearly 500 members, advocates for growth in business opportunities, strategic investment in infrastructure, and balanced tax reform to advance Metro Maryland as a regional, national, and global location for business success.*

*Established in 1959, MCCC is an independent non-profit membership organization and a proud Montgomery County Green Certified Business.*

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