



# 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 at least 20k square feet from the lessor and enter their certificate number below:  
\_\_\_\_\_ (then skip to next section)

**A sales tax exemption is provided to qualifying businesses on purchases of eligible server equipment to be installed, without intervening use, in an eligible computer data center. The exemption also applies to labor and service charges to install the eligible server equipment. In addition, qualifying businesses may purchase exempt from sales tax eligible power infrastructure, including charges for labor and services to construct, install, repair, alter, or improve the power infrastructure. Please answer the following questions to see if you qualify for the exemption:**

1. What date was the building permit for the computer data center issued? \_\_\_\_\_
2. What county is the data center that will house the new servers located in? \_\_\_\_\_
3. How many square feet of the building is newly dedicated to housing servers? \_\_\_\_\_
4. How many total square feet is the facility where the servers are housed? \_\_\_\_\_
5. How many total square feet in the facility is your company leasing? (For lessees only) \_\_\_\_\_

I understand the following in applying for this certificate:

- The building permit for the facility must be issued between April 1, 2010 and June 30, 2011.
- In order to qualify for this exemption, 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 no less than 20,000 square feet to qualify for the exemption certificate.
- This exemption is due to expire on April 1, 2018.
- An annual report is due April 30 of each year following the calendar year the exemption is taken.

Dated at \_\_\_\_\_, Washington, this \_\_\_ day of \_\_\_\_\_,

\_\_\_\_\_  
(Printed name of person submitting application)

\_\_\_\_\_  
(title)

\_\_\_\_\_  
(Signature of person submitting application)

**Send the completed application to:**

Department of Revenue  
Taxpayer Account Administration  
PO Box 47476  
Olympia, WA 98504-7476

REV 40 2428 (4/30/10)

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

### ***What is the exemption?***

An exemption from the tax imposed by RCW 82.08.020 is provided for sales to qualifying businesses 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 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 ESSB 6789 or the Special Notice for a definition of family wage jobs.***

### ***What is a qualifying business?***

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 of at least 20,000 square feet 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 data center?***

A data center is defined in ESSB 6789 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, where the server space has not previously been dedicated to housing working servers. The facility has the following characteristics:

- Uninterrupted power supplies, generator backup power, or both;
- Sophisticated fire suppression and prevention systems; and
- Enhanced physical security such as restricted access to the facility to selected personnel; permanent security guards; video camera surveillance; an electronic system requiring pass codes, keycards, or biometric scans, such as hand scans and retinal or fingerprint recognition or similar security features.

**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 considered a computer data center if it has met all the characteristics above.

### ***What is server equipment?***

Server equipment means the server chassis and all computer hardware contained within the server chassis. "Server equipment" also includes computer software necessary to operate the server.

Server equipment does not include the racks upon which the server chassis is installed, and computer peripherals such as keyboards, monitors, printers, mice, and other devices that work outside of the computer.

### ***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 electrical substations, generators, wiring, and cogeneration equipment.

### ***What are the reporting requirements?***

A business claiming an exemption under this section or section 3 of this act must complete an annual report with the department following the guidelines of Chapter 114, Laws of 2010. This law states that the company claiming the exemption must file an annual report by April 30<sup>th</sup> of the year following the calendar year in which the company becomes eligible to claim the tax preference.

The report must include the following:

- Detailing employment
- Wages
- Health and retirement benefits for positions in Washington for the year the tax preference was claimed.

If the report is not filed the Department will consider the tax due for the preceding calendar year to be immediately due and payable.

### ***Who does not qualify for this exemption?***

You are not eligible for this exemption if you have received the benefits from the deferral program under chapter 82.60.

For tax assistance visit [dor.wa.gov](http://dor.wa.gov) or call 1-800-647-7706. To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users may call 1-800-451-7985.

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