



June 24, 2025

The Honorable Mike DeWine
Governor, State of Ohio
77 S. High Street, 30th Floor
Columbus, OH 43215

Re: HB 96 Veto / Elimination of Data Center Sales Tax Exemption

Dear Governor DeWine,

As major stakeholders in Ohio's business community, we respectfully urge you to exercise the line-item veto over the elimination of the Department of Development's discretion to provide a data center sales tax exemption in HB 96 (Operating Budget). The abrupt end of this exemption will harm Ohio's ability to attract these very large investments in our state and

threatens Ohio's position 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, 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 the Ohio Chamber of Commerce Research Foundation:

- The data center industry directly employed 36,857 in 2024
- Including direct, indirect, and induced effects, the industry's total employment contribution was 95,216 in Ohio in 2024.
- Labor income earned directly in the Ohio data center industry grew by 14% year-over-year, from \$2.8 billion in 2023 to \$3.2 billion in 2024.
- The industry's total annual labor income contribution in Ohio increased 15% from \$6.08 billion in 2023 to \$6.99 billion in 2024.
- Including the direct, indirect, and induced effects, the data center industry contributed \$22.08 billion to Ohio GDP cumulatively during the 2023 to 2024 period.
- In total, Ohio's data center industry directly and indirectly generated \$1.87 billion in state and local tax revenues over the 2023-2024 period.

As passed by the legislature, HB 96 will prohibit the Ohio Department of Development from entering into new agreements that provide data centers with a sales tax exemption for certain purchases. This proposed elimination of the industry's sales tax exemption 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 legislature's proposal may 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 could 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 legislature's decision 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 that Ohio may not stand behind its economic development programs. The proposed halt to future agreements for data center sales tax exemptions 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 veto the proposed elimination of the data center sales tax exemption. Your veto will 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,

Dan Diorio
Senior Director of State Policy
Data Center Coalition

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

Todd House
Senior Director, Global External Affairs
CyrusOne

Chris Berry
President and CEO
OhioX

Mike Knisley
Executive Secretary – Treasurer
Ohio State Building and Construction
Trades Council

Matt Szollosi
Executive Director
Affiliated Construction Trades Ohio

Anand Sanghi
President, Americas
Vertiv

Austin W. Keyser
International Vice President
The International Brotherhood of Electrical
Workers

Brian Alperstein
General Counsel
EdgeConneX

Winton Steward
Head of Government Affairs – Great Lakes
Google

Irene Plenefisch
Senior Director, Government Affairs
Microsoft

Nick Blessing
Senior Director, Public Policy and
Economic Development
QTS Data Centers

Dustin Carmack
Director, Public Policy – Southern &
Southeastern U.S.

Merle Madrid
Senior Manager, Public Policy
Amazon Web Services

Drew Johnson
Senior Vice President of Development
Oppidan

Phillip McAuley, Jr.
Senior Manager, Public Policy - East
Vantage Data Centers

Board of Directors
NAIOP

Rick Rosenzweig
Senior Director, Credits and Incentives
Coreweave

Brian Dicken
Vice President, Advocacy and Strategic
Initiatives
Toledo Regional Chamber of Commerce

Pat Tiberi
President & CEO,
Ohio Business Roundtable

Jason Hall
President & CEO
Columbus Partnership