



State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-2219/1
KRP&KP:cdc

2025 BILL

1 **AN ACT** *to renumber and amend* 238.40 (1) (b) 1.; *to amend* 238.40 (1) (b)
2 (intro.); *to create* 238.40 (1) (b) 1. b. and 238.40 (1) (bm) of the statutes;
3 **relating to:** modifying the sales and use tax exemption for qualified data
4 centers.

Analysis by the Legislative Reference Bureau

This bill makes various changes to the sales and use tax exemption for qualified data centers.

Under current law, there is a sales and use tax exemption for certain property and items used to construct, operate, or renovate a qualified data center, as certified by the Wisconsin Economic Development Corporation. Under current law, WEDC may certify a qualified data center if it meets all of the following criteria:

1. The qualified data center is one or more buildings or an array of connected buildings owned, leased, or operated by the same business entity or its affiliate.
2. The buildings are rehabilitated or constructed to house a group of networked server computers in one physical location or multiple locations in order to centralize the processing, storage, management, retrieval, communication, or dissemination of data and information.
3. The buildings create a minimum qualified investment in this state within five years from the certification date in the amount of \$50 million, \$100 million, or

BILL**SECTION 1**

\$150 million, depending on the population of the county in which the buildings are located.

The bill modifies the definition of qualified data center to provide that the buildings may house a group of individual, as well as a group of networked, server computers. In addition, the bill provides that WEDC also may certify a qualified data center if, in addition to the criteria described in items 1 and 3, it meets the following criterion, rather than the criterion described under item 2: the buildings are rehabilitated or constructed to house a group of individual or networked server computers in one physical location or multiple locations in order to provide an owner, operator, or tenant the opportunity to rent or own space, utilities and other vital resources such as cooling capacity, enhanced security features, or the ability to procure infrastructure, platforms, software, and other managed services.

The bill also provides that WEDC may not certify buildings that are used for or to facilitate the creation of cryptocurrencies and the process used to verify and secure cryptocurrency transactions and blockchains as qualified data centers eligible for the sales and use tax exemption.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

For further information see the state and local fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 238.40 (1) (b) (intro.) of the statutes is amended to read:

238.40 (1) (b) (intro.) ~~“Qualified~~ Except as provided in par. (bm), “qualified data center” means one or more buildings or an array of connected buildings owned, leased, or operated by the same business entity, as defined in s. 13.62 (5), or its affiliate and for which all of the following apply:

SECTION 2. 238.40 (1) (b) 1. of the statutes is renumbered 238.40 (1) (b) 1. (intro.) and amended to read:

238.40 (1) (b) 1. (intro.) The buildings are rehabilitated or constructed to house a group of individual or networked server computers in one physical location or multiple locations in order to do any of the following:

BILL

a. Allow an owner, operator, or tenant to centralize the processing, storage, management, retrieval, communication, or dissemination of data and information.

SECTION 3. 238.40 (1) (b) 1. b. of the statutes is created to read:

238.40 (1) (b) 1. b. Provide an owner, operator, or tenant the opportunity to rent or own space, utilities, and other vital resources such as cooling capacity, enhanced security features, or the ability to procure infrastructure, platforms, software, and other managed services.

SECTION 4. 238.40 (1) (bm) of the statutes is created to read:

238.40 (1) (bm) “Qualified data center” does not include buildings used for or to facilitate the creation of cryptocurrencies and the process used to verify and secure cryptocurrency transactions and blockchains.

SECTION 5. Effective date.

(1) This act takes effect on the first day of the 3rd month beginning after publication.

(END)