

May 5, 2026

Rhode Island General Assembly
House Finance Committee
Attn: Christopher O'Brien, Committee Clerk
82 Smith Street
Providence, RI 02903



Re: HB 7695, “An Act Relating to State Affairs and Government – Rhode Island Commerce Corporation (Establishes property, tangible, sales and use tax exemptions as incentives for the location of qualified data centers in Rhode Island)” (Support)

Chair Abney, Vice Chair Slater, Members of the House Finance Committee:

I am writing on behalf of the Data Center Coalition (DCC) to express our support for HB 7695, “An Act Relating to State Affairs and Government – Rhode Island Commerce Corporation (Establishes property, tangible, sales and use tax exemptions as incentives for the location of qualified data centers in Rhode Island)”. DCC members include leading data center owners and operators, as well as companies that lease large amounts of data center capacity.¹

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 artificial intelligence, financial services, advanced manufacturing, cybersecurity, healthcare, and other key industries. Companies of all sizes with any digital presence need data centers, and the industry is growing rapidly. Businesses are investing hundreds of billions of dollars in capital for new data center facilities across the country to support the unprecedented demand for these digital services.

HB 7695 recognizes the capital-intensive nature of data center investments by providing exemptions for qualified data centers and qualified data center equipment. Given the magnitude of initial capital investment involved and the need for data centers to replace and upgrade expensive computer equipment on a regular cycle, the availability of sales and use tax exemptions on such equipment is a critical factor influencing industry’s decisions regarding where to locate and expand. These exemptions facilitate a competitive cost of ownership and occupancy, aligning Rhode Island favorably with other potential markets.

Data center investments act as powerful catalysts for local economies, fostering robust supply chain and service ecosystems. The construction phase alone generates significant employment opportunities for thousands of skilled tradespeople. Beyond the initial build of data centers, these facilities also provide a foundation for sustained economic growth by creating quality, high-wage jobs to support ongoing data center operations. Every data

¹ Public testimony and written comments submitted by DCC do not necessarily reflect the views of each individual DCC member. A list of current DCC members is accessible at <https://www.datacentercoalition.org/members>.

center cultivates years of reliable support for a diverse range of local businesses, including restaurants, hotels, car rental agencies, fiber and HVAC installers, steel fabricators, and many other businesses.

The data center industry has also been a leader in expanding access to clean energy and remains committed to sustainability and innovation. Half of all commercial contracts for renewable energy in the U.S. are by companies that operate data centers.²

By joining more than 35 states exempting data center equipment from sales tax, Rhode Island can position itself as a competitive market for data center investment, jobs, and other economic and community benefits.

Thank you for your consideration.

Sincerely,

Khara Boender
Director, State Policy
Data Center Coalition
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² S&P Global, "[Data centers account for half of US clean energy procurement but only 20% in Europe: report](#)," October 31, 2024.