



March 10, 2026

The Honorable Robert Britto, Chairman
Senate Commerce Committee
State House
Providence, RI 02903

Re: S.2346, An Act Relating to State Affairs and Government – Rhode Island Commerce Corporation
S.2776, An Act Relating to Public Utilities and Carriers – Public Utilities Commission

Dear Chairman Britto:

The undersigned members of the Rhode Island Business Coalition write in support of S.2346 and S.2776 and thank Senator DiPalma for introducing these bills. S.2346 would create incentives through the Rhode Island Commerce Corporation for qualified data centers to locate in Rhode Island.

Data centers are facilities that house computer systems and associated components such as telecommunications and storage systems to store, process and manage significant amounts of data generated by an increasingly connected digital world. Data centers allow organizations to collect, store, and process data which is a vital function for the healthcare and education industries as well as emergency response systems.

Thirty-nine states have enacted laws to exempt data centers from various tax obligations including sales, use, property, occupation, service, and/or income taxes, including our neighboring states. In 2024, Connecticut enacted legislation similar to S.2346 with their program operated by the Connecticut Commission of Economic and Community Development. In addition, Massachusetts enacted legislation exempting all sales and use tax on data center equipment, data center software, electricity used by a data center and data center construction costs.

Data and its storage are increasingly becoming central parts of this country's economy. Rhode Island cannot afford to remain uncompetitive for these investments. S.2346 provides incentives to attract large-scale data centers to Rhode Island.

The Rhode Island Business Coalition represents 50 industries and 6,280 businesses that employ 231,200 people throughout Rhode Island.

Senate Bill 2776 looks to address concerns regarding the resource consumption issues raised by the development of data centers. The bill would provide the Public Utilities Commission with the authority to require the reasonable costs attributed to the planning, construction, expansion, operation or maintenance of electric generation, transmission, or distribution facilities necessary to serve a data center to be borne by the data center.

Thank you for your consideration of our position on S.2346 and S.2776.

Sincerely,

David Chenevert, Chairman, Rhode Island Business Coalition

East Greenwich Chamber of Commerce

Greater Newport Chamber of Commerce

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Rhode Island Small Business Economic Summit Regulations Committee

Rhode Island Small Business Economic Summit Tax and Budget Committee

Rhode Island Staffing Association

cc. Senate Commerce Committee