

**First Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO**

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 23-0550.01 Nicole Myers x4326

**SENATE BILL 23-207**

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**SENATE SPONSORSHIP**

**Buckner,**

**HOUSE SPONSORSHIP**

**(None),**

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**Senate Committees**

Finance  
Appropriations

**House Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING A REFUND OF THE STATE SALES AND USE TAX PAID ON**  
102              **CERTAIN ITEMS PURCHASED IN CONNECTION WITH AN ELIGIBLE**  
103              **DATA CENTER.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

For the state fiscal year beginning July 1, 2025, and for each state fiscal year thereafter through the state fiscal year beginning July 1, 2034, the bill allows a data center business or a data center operator (taxpayer) to claim a refund of all state sales and use tax that the taxpayer paid for construction materials or data center equipment that is for the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters or bold & italic numbers indicate new material to be added to existing law.  
Dashes through the words or numbers indicate deletions from existing law.*

construction or operation of an eligible data center.

To be eligible to claim a sales and use tax refund, the taxpayer is required to obtain certification from the Colorado office of economic development (office) stating that the data center is an eligible data center and that the taxpayer may claim a refund of state sales and use tax (certification). An "eligible data center" is defined as a data center that creates a specified number of jobs, generates a specified amount of revenue, and requires a specified amount of power. The sales and use tax refund is allowed only for the sale, storage, or use of construction materials or data center equipment that occurs on or after the date that the taxpayer obtains certification from the office.

When a taxpayer believes that the data center that will be identified in a sales and use tax refund application satisfies the criteria to be an eligible data center, the taxpayer may apply to the office for the certification. The taxpayer must demonstrate in the certification application that the data center is an eligible data center and the taxpayer is required to submit any documentation or proof that the office deems necessary to determine whether a data center satisfies the criteria to be an eligible data center.

If, based on the information provided to the office and after consultation with the economic development commission, the office determines that a data center satisfies the criteria to be an eligible data center, the office is required to notify the department of revenue (department) and issue a certification to the taxpayer.

To claim a sales and use tax refund, a taxpayer must submit a refund application and a copy of the certification from the office to the department. A taxpayer is required to submit certain documentation with the application.

The bill allows a taxpayer to assign a certification to specified types of parties after it is awarded.

The bill requires the office and the department to prepare an annual report including information regarding eligible data centers and state sales and use tax refunds allowed. The office is required to submit the report to the finance committees of the house of representatives and senate.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1.** In Colorado Revised Statutes, **add** 24-48.5-133 as  
3 follows:

4           **24-48.5-133. Eligible data centers - refund of state sales and**  
5 **use tax - application process - criteria - awards - report - legislative**

1     **declaration - definitions.** (1) (a) THE GENERAL ASSEMBLY HEREBY FINDS  
2     AND DECLARES THAT:

3             (I) THE DATA CENTER INDUSTRY IS A STABLE AND FAST-GROWING  
4     INDUSTRY THAT IS INCREASINGLY SEEN AS CRITICAL INFRASTRUCTURE TO  
5     A SUCCESSFUL ECONOMY;

6             (II) COLORADO IS BEING OVERLOOKED FOR DATA CENTER  
7     DEVELOPMENT BECAUSE THE STATE DOES NOT HAVE A COORDINATED  
8     STATE-LEVEL PROGRAM TO ATTRACT DATA CENTER OPERATIONS TO THE  
9     STATE;

10            (III) DATA CENTERS CREATE HIGH-SKILLED JOBS WHILE  
11     EXPANDING THE TAX BASE AND ARE PRIME EXAMPLES OF CORPORATE  
12     ENVIRONMENTAL, SOCIAL, AND GOVERNANCE EFFORTS BECAUSE THEY  
13     HAVE A LOW IMPACT ON GOVERNMENT RESOURCES;

14            (IV) THE AVERAGE DATA CENTER ADDS THIRTY-TWO MILLION FIVE  
15     HUNDRED THOUSAND DOLLARS IN ECONOMIC ACTIVITY TO ITS LOCAL  
16     COMMUNITY EACH YEAR ACCORDING TO A RECENT REPORT BY THE UNITED  
17     STATES CHAMBER TECHNOLOGY ENGAGEMENT CENTER;

18            (V) A TYPICAL DATA CENTER GENERATES AN ADDITIONAL NINE  
19     MILLION NINE HUNDRED THOUSAND DOLLARS IN REVENUE FOR STATE AND  
20     LOCAL GOVERNMENTS DURING CONSTRUCTION ACCORDING TO A REPORT  
21     BY THE UNITED STATES CHAMBER OF COMMERCE;

22            (VI) ANNUALLY, A TYPICAL LARGE DATA CENTER SUPPORTS ONE  
23     HUNDRED FIFTY-SEVEN LOCAL JOBS AND SEVEN MILLION EIGHT HUNDRED  
24     THOUSAND DOLLARS IN WAGES AT THE DATA CENTER AND ALONG THE  
25     SUPPLY CHAIN. IN ADDITION TO PROPERTY AND SALES TAXES PAID  
26     DIRECTLY BY THE DATA CENTER, LOCAL GOVERNMENTS RECEIVE ONE  
27     MILLION ONE HUNDRED THOUSAND DOLLARS PER YEAR IN INDIVIDUAL

1 INCOME AND SALES TAXES.

2 (VII) CREATING A NEW PROGRAM TO ATTRACT DATA CENTER  
3 COMPANIES TO ESTABLISH OPERATIONS AND BRING CLEAN TECHNOLOGY  
4 JOBS TO COLORADO WILL FURTHER THE PUBLIC HEALTH, SAFETY, AND  
5 WELFARE OF THE STATE.

6 (b) (I) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH  
7 REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE  
8 A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY  
9 LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY HEREBY FINDS AND  
10 DECLARES THAT THE PURPOSES OF THE TAX EXPENDITURE CREATED IN  
11 THIS SECTION ARE TO:

12 (A) INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS,  
13 SPECIFICALLY TO ATTRACT DATA CENTER OPERATIONS TO COLORADO AND  
14 TO ENCOURAGE THE CONSTRUCTION AND OPERATION OF ELIGIBLE DATA  
15 CENTERS IN THE STATE; AND

16 (B) PROVIDE TAX RELIEF FOR DATA CENTER BUSINESSES AND DATA  
17 CENTER OPERATORS THAT CONSTRUCT AND OPERATE ELIGIBLE DATA  
18 CENTERS IN COLORADO.

19 (II) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL  
20 MEASURE THE EFFECTIVENESS OF THE SALES AND USE TAX REFUND  
21 ALLOWED IN THIS SECTION IN ACHIEVING THE PURPOSES SPECIFIED IN  
22 SUBSECTION (1)(b)(I) OF THIS SECTION BASED ON THE NUMBER OF DATA  
23 CENTERS FOR WHICH CONSTRUCTION BEGINS EACH YEAR, THE NUMBER OF  
24 EXISTING DATA CENTERS THAT TAKE STEPS TO BECOME ELIGIBLE DATA  
25 CENTERS EACH YEAR, AND THE TOTAL AMOUNT OF SALES AND USE TAX  
26 THAT IS REFUNDED TO TAXPAYERS PURSUANT TO THIS SECTION EACH  
27 YEAR. THE OFFICE AND THE DEPARTMENT SHALL PROVIDE THE STATE

1 AUDITOR WITH AVAILABLE INFORMATION THAT WILL ASSIST THE STATE  
2 AUDITOR'S MEASUREMENT.

3 (2) (a) "BUSINESS" MEANS A PERSON, FIRM, OR ENTITY THAT  
4 IMPROVES RAW LAND OR REDEVELOPS EXISTING SITES.

5 (b) "CONSTRUCTION MATERIALS" MEANS ANY MATERIALS USED IN  
6 THE CONSTRUCTION OF A DATA CENTER IN THE STATE.

7 (c) "DATA CENTER" MEANS A FACILITY OR CAMPUS OF NETWORKED  
8 COMPUTER SERVERS AND SYSTEMS TYPICALLY USED BY ORGANIZATIONS  
9 FOR THE REMOTE STORAGE, PROCESSING, AND DISSEMINATION OF LARGE  
10 AMOUNTS OF DATA.

11 (d) "DATA CENTER EQUIPMENT" MEANS COMPUTER EQUIPMENT OR  
12 SOFTWARE PURCHASED OR LEASED FOR THE PROCESSING, STORAGE,  
13 RETRIEVAL, OR COMMUNICATION OF DATA. "DATA CENTER EQUIPMENT"  
14 INCLUDES THE FOLLOWING:

15 (I) SERVERS, ROUTERS, CONNECTIONS, MONITORING AND SECURITY  
16 SYSTEMS, AND OTHER ENABLING MACHINERY, EQUIPMENT, AND  
17 HARDWARE, REGARDLESS OF WHETHER THE PROPERTY IS AFFIXED TO OR  
18 INCORPORATED INTO REAL PROPERTY;

19 (II) EQUIPMENT THAT IS USED IN THE OPERATION OF COMPUTER  
20 EQUIPMENT OR SOFTWARE THAT IS USED FOR THE BENEFIT OF THE DATA  
21 CENTER, INCLUDING COMPONENT PARTS, INSTALLATION REFRESHMENTS,  
22 REPLACEMENTS, AND UPGRADES, REGARDLESS OF WHETHER THE  
23 PROPERTY IS AFFIXED TO OR INCORPORATED INTO REAL PROPERTY;

24 (III) ALL EQUIPMENT NECESSARY FOR THE TRANSFORMATION,  
25 GENERATION, DISTRIBUTION, OR MANAGEMENT OF ELECTRICITY THAT IS  
26 REQUIRED TO OPERATE COMPUTER SERVER EQUIPMENT, INCLUDING  
27 SUBSTATIONS, GENERATORS, UNINTERRUPTIBLE ENERGY EQUIPMENT,

1 SUPPLIES, CONDUIT, FUEL PIPING AND STORAGE, CABLING, DUCT BANKS,  
2 SWITCHES, SWITCHBOARDS, BATTERIES, TESTING EQUIPMENT, AND BACKUP  
3 GENERATORS;

4 (IV) ALL EQUIPMENT NECESSARY TO COOL AND MAINTAIN A  
5 CONTROLLED ENVIRONMENT FOR THE OPERATION OF COMPUTER SERVERS  
6 AND OTHER COMPONENTS OF THE DATA CENTER, INCLUDING CHILLERS,  
7 MECHANICAL EQUIPMENT, REFRIGERANT PIPING, FUEL PIPING AND  
8 STORAGE, ADIABATIC AND FREE COOLING SYSTEMS, COOLING TOWERS,  
9 WATER SOFTENERS, AIR HANDLING UNITS, INDOOR DIRECT EXCHANGE  
10 UNITS, FANS, DUCTING, AND FILTERS;

11 (V) ALL WATER CONSERVATION SYSTEMS, INCLUDING FACILITIES  
12 OR MECHANISMS, THAT ARE DESIGNED TO COLLECT, CONSERVE, AND  
13 REUSE WATER;

14 (VI) ALL COMPUTER SERVER EQUIPMENT, CHASSIS, NETWORKING  
15 EQUIPMENT, SWITCHES, RACKS, FIBER OPTIC AND COPPER CABLING, TRAYS,  
16 AND CONDUIT;

17 (VII) ALL CONDUIT, DUCTING, AND FIBER OPTIC AND COPPER  
18 CABLING THAT MAY BE LOCATED OUTSIDE THE DATA CENTER, OR THAT IS  
19 DIRECTLY RELATED TO CONNECTING ONE OR MORE DATA CENTERS  
20 TOGETHER;

21 (VIII) ALL MONITORING EQUIPMENT AND SECURITY SYSTEMS;

22 (IX) MODULAR DATA CENTERS AND PREASSEMBLED COMPONENTS  
23 OF ANY ITEM DESCRIBED IN THIS SUBSECTION (2)(d), INCLUDING  
24 COMPONENTS USED IN THE MANUFACTURING OF MODULAR DATA CENTERS;

25 (X) ALL SOFTWARE; AND

26 (XI) OTHER TANGIBLE AND INTANGIBLE PERSONAL PROPERTY  
27 THAT IS ESSENTIAL TO THE OPERATIONS OF A DATA CENTER.

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(e) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

(f) "ELIGIBLE DATA CENTER" MEANS A DATA CENTER THAT:

(I) CREATES AT LEAST TEN NEW FULL-TIME EQUIVALENT JOBS, AS DEFINED IN SECTION 24-75-112 (1)(d); EXCEPT THAT SUCH JOBS ARE NOT REQUIRED TO BE FILLED BY ELECTED STATE OFFICIALS OR BY STATE EMPLOYEES;

(II) BRINGS AT LEAST ONE HUNDRED MILLION DOLLARS OF NEW INVESTMENT TO THE STATE; AND

(III) WILL REACH A MINIMUM OF THREE MEGAWATTS OF NEW ELECTRIC LOAD FOR THE PROJECT.

(g) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT CREATED IN SECTION 24-48.5-101.

(h) "OPERATOR" MEANS A PERSON, FIRM, TENANT OF A DATA CENTER, OR ENTITY THAT INSTALLS, OPERATES, AND MAINTAINS DATA CENTERS EITHER FOR USE IN A BUSINESS OWNED BY THE SAME PERSON, FIRM, OR ENTITY, OR FOR THE PURPOSE OF SELLING OR LEASING DATA STORAGE AND COMPUTING SERVICES TO OTHER PERSONS, FIRMS, OR ENTITIES.

(i) "TAXPAYER" MEANS A DATA CENTER BUSINESS OR A DATA CENTER OPERATOR THAT CONSTRUCTS OR OPERATES OR THAT PLANS TO CONSTRUCT OR OPERATE A DATA CENTER IN THE STATE THAT WILL SATISFY THE CRITERIA TO BE AN ELIGIBLE DATA CENTER. A "TAXPAYER" IS NOT REQUIRED TO OWN OR LEASE THE LAND ON WHICH A DATA CENTER IS LOCATED AND IS NOT REQUIRED TO BE RESPONSIBLE FOR PAYING REAL OR PERSONAL PROPERTY TAXES IN CONNECTION WITH THE DATA CENTER.

(3) FOR THE STATE FISCAL YEAR BEGINNING JULY 1, 2025, AND

1 FOR EACH STATE FISCAL YEAR THEREAFTER THROUGH THE STATE FISCAL  
2 YEAR BEGINNING JULY 1, 2032, A TAXPAYER IS ALLOWED TO CLAIM A  
3 REFUND OF ALL STATE SALES AND USE TAX THAT THE TAXPAYER PAID  
4 PURSUANT TO PARTS 1 AND 2 OF ARTICLE 26 OF TITLE 39, FOR  
5 CONSTRUCTION MATERIALS OR DATA CENTER EQUIPMENT THAT IS FOR THE  
6 CONSTRUCTION OR OPERATION OF AN ELIGIBLE DATA CENTER SO LONG AS  
7 THE TAXPAYER OBTAINS CERTIFICATION FROM THE OFFICE PURSUANT TO  
8 SUBSECTION (6) OF THIS SECTION STATING THAT THE DATA CENTER IS AN  
9 ELIGIBLE DATA CENTER AND THAT THE TAXPAYER MAY CLAIM A REFUND  
10 OF STATE SALES AND USE TAX PURSUANT TO THIS SECTION. A TAXPAYER  
11 MAY CLAIM A SALES AND USE TAX REFUND PURSUANT TO THIS SECTION  
12 ONLY FOR CONSTRUCTION MATERIALS OR DATA CENTER EQUIPMENT THAT  
13 IS SOLD, STORED, OR USED ON OR AFTER THE DATE THAT THE TAXPAYER  
14 OBTAINS CERTIFICATION FROM THE OFFICE PURSUANT TO SUBSECTION (6)  
15 OF THIS SECTION.

16 (4) THE OFFICE SHALL CREATE A PROGRAM WHEREBY A TAXPAYER  
17 MAY OBTAIN CERTIFICATION, PURSUANT TO SUBSECTION (6) OF THIS  
18 SECTION, TO CLAIM A REFUND OF STATE SALES AND USE TAX PURSUANT TO  
19 THIS SECTION. THE OFFICE MAY REQUEST INFORMATION AS IT DEEMS  
20 NECESSARY FROM ANY TAXPAYER WHO INTENDS TO OBTAIN  
21 CERTIFICATION FOR A SALES AND USE TAX REFUND PURSUANT TO  
22 SUBSECTION (6) OF THIS SECTION.

23 (5)(a) WHEN A TAXPAYER BELIEVES THAT THE DATA CENTER THAT  
24 WILL BE THE BASIS FOR A SALES AND USE TAX REFUND CLAIM SATISFIES  
25 THE CRITERIA TO BE AN ELIGIBLE DATA CENTER, THE TAXPAYER MAY  
26 APPLY TO THE OFFICE, IN A FORM AND MANNER TO BE DETERMINED BY THE  
27 OFFICE, FOR CERTIFICATION STATING THAT THE DATA CENTER IS AN



1 ELIGIBLE DATA CENTER AND THAT THE TAXPAYER MAY CLAIM A REFUND  
2 OF STATE SALES AND USE TAX PAID ON CONSTRUCTION MATERIALS AND  
3 DATA CENTER EQUIPMENT PURSUANT TO SUBSECTION (3) OF THIS SECTION.

4 (b) THE APPLICATION FOR THE CERTIFICATION MUST REQUIRE THE  
5 TAXPAYER TO DEMONSTRATE TO THE OFFICE THAT THE DATA CENTER  
6 THAT WILL BE THE BASIS OF THE STATE SALES AND USE REFUND CLAIM IS  
7 AN ELIGIBLE DATA CENTER. THE OFFICE MAY REQUIRE THE TAXPAYER TO  
8 SUBMIT ANY DOCUMENTATION OR PROOF THAT IT DEEMS NECESSARY TO  
9 DETERMINE WHETHER A DATA CENTER SATISFIES THE CRITERIA TO BE AN  
10 ELIGIBLE DATA CENTER.

11 (c) PRIOR TO ISSUING A CERTIFICATION PURSUANT TO SUBSECTION  
12 (6) OF THIS SECTION, THE OFFICE SHALL CONSULT WITH THE COLORADO  
13 ECONOMIC DEVELOPMENT COMMISSION CREATED IN SECTION 24-46-102  
14 REGARDING WHETHER THE DATA CENTER SATISFIES THE CRITERIA TO BE  
15 AN ELIGIBLE DATA CENTER. THE COMMISSION MAY APPROVE, DENY, OR  
16 LIMIT A REFUND CERTIFICATION TO A DOLLAR AMOUNT BASED ON THE  
17 FOLLOWING ECONOMIC DEVELOPMENT PRIORITIES:

18 (I) THE CAPITAL INVESTMENT THAT WAS REQUIRED TO BUILD THE  
19 ELIGIBLE OPERATING DATA CENTER;

20 (II) THE SALES AND USE TAXES THAT WERE ABATED IN THE FIRST  
21 TWO YEARS OF CONSTRUCTION;

22 (III) THE AMOUNT OF LOCAL INCENTIVES PROVIDED TO ATTRACT  
23 THE DATA CENTER TO THE LOCAL COMMUNITY;

24 (IV) THE ECONOMIC HEALTH OF THE STATE;

25 (V) A COMPETITIVE ANALYSIS BETWEEN COLORADO AND OTHER  
26 STATES INCLUDING, BUT NOT LIMITED TO, IDENTIFICATION OF THE COST  
27 DIFFERENTIAL IN THE COSTS OF THE PROJECT IN COLORADO COMPARED TO

1 THE PROJECTED COSTS IF THE PROJECT HAD COMMENCED IN A COMPETING  
2 STATE. THE COST DIFFERENTIAL INCLUDES ANY IMPACT OF THE COMPETING  
3 STATE'S INCENTIVE PROGRAMS INCLUDING:

4 (A) SPECIFIC COSTS FOR LABOR, UTILITIES, TAXES, AND ANY OTHER  
5 COSTS OF A COMPETING STATE'S SITE; AND

6 (B) THE COST STRUCTURE OF THE TAXPAYER'S INDUSTRY IN THE  
7 COMPETING STATE;

8 (VI) CERTIFIED DOCUMENTATION FROM THE TAXPAYER TO  
9 DEMONSTRATE THAT THE CREDIT ALLOWED PURSUANT TO THIS SECTION  
10 WAS A SUBSTANTIAL FACTOR IN THE DECISION TO LOCATE THE PROJECT IN  
11 THE STATE. THE DOCUMENTATION MUST INCLUDE INFORMATION  
12 INDICATING THAT:

13 (A) THE TAXPAYER COULD HAVE REASONABLY AND EFFICIENTLY  
14 LOCATED THE PROJECT OUTSIDE OF THE STATE;

15 (B) AT LEAST ONE OTHER STATE WAS CONSIDERED FOR THE  
16 PROJECT;

17 (C) RECEIPT OF THE CREDIT ALLOWED IN THIS SECTION WAS A  
18 MAJOR FACTOR IN THE TAXPAYER'S DECISION; AND

19 (D) WITHOUT THE CREDIT ALLOWED PURSUANT TO THIS SECTION,  
20 THE TAXPAYER WAS NOT LIKELY TO COMMENCE THE PROJECT IN THE  
21 STATE;

22 (VII) THE DATA CENTER'S ENERGY EFFICIENCY AND WATER USAGE;  
23 AND

24 (VIII) THE NUMBER OF FULL-TIME PERMANENT JOBS CREATED TO  
25 OPERATE THE DATA CENTER ON AN ONGOING BASIS AND THE AVERAGE  
26 ANNUAL WAGE OF THOSE JOBS.

27 (d) IN EACH STATE FISCAL YEAR THAT A SALES AND USE TAX

1 REFUND IS ALLOWED PURSUANT TO THIS SECTION, THE COMMISSION MAY  
2 APPROVE CERTIFICATION FOR UP TO THREE DATA CENTERS TO CLAIM A  
3 SALES AND USE TAX REFUND PURSUANT TO THIS SECTION.

4 (6) (a) If, BASED ON THE INFORMATION PROVIDED TO THE OFFICE  
5 PURSUANT TO SUBSECTION (5) OF THIS SECTION, THE OFFICE DETERMINES  
6 THAT A DATA CENTER SATISFIES THE CRITERIA TO BE AN ELIGIBLE DATA  
7 CENTER AND THE COMMISSION HAS APPROVED THE CERTIFICATION, THE  
8 OFFICE SHALL NOTIFY THE DEPARTMENT AND SHALL ISSUE A  
9 CERTIFICATION TO THE TAXPAYER STATING THAT THE DATA CENTER IS AN  
10 ELIGIBLE DATA CENTER AND THAT THE TAXPAYER MAY CLAIM A REFUND  
11 OF THE STATE SALES AND USE TAX PAID ON CONSTRUCTION MATERIALS  
12 AND DATA CENTER EQUIPMENT FOR THE ELIGIBLE DATA CENTER UP TO THE  
13 AMOUNT APPROVED BY THE COMMISSION.

14 (b) If the office determines that a data center is an  
15 eligible data center, the data center retains its status as an  
16 eligible data center for ten years from the date of the  
17 taxpayer's first investment in construction materials or data  
18 center equipment for the eligible data center.

19 (c) If the office determines that a data center is an  
20 eligible data center, the data center retains the status of an  
21 eligible data center regardless of any direct or indirect future  
22 transfer, sale, or disposition of the data center.

23 (7) (a) To claim the refund allowed by this section, a  
24 taxpayer must submit a refund application and a copy of its  
25 certification from the office to the department in a form and  
26 manner determined by the department. The taxpayer must submit  
27 an application pursuant to this subsection (7) during the state

1 FISCAL YEAR FOLLOWING THE STATE FISCAL YEAR FOR WHICH THE REFUND  
2 IS CLAIMED.

3 (b) THE APPLICATION REQUIRED BY SUBSECTION (7)(a) OF THIS  
4 SECTION MUST REQUIRE THAT THE TAXPAYER SUBMIT THE FOLLOWING TO  
5 THE DEPARTMENT:

6 (I) PROOF OF THE STATE SALES AND USE TAX THAT WAS PAID ON  
7 CONSTRUCTION MATERIALS OR DATA CENTER EQUIPMENT FOR WHICH A  
8 REFUND IS CLAIMED;

9 (II) PROOF THAT THE CONSTRUCTION MATERIALS AND DATA  
10 CENTER EQUIPMENT WERE USED FOR THE ELIGIBLE DATA CENTER; AND

11 (III) ANY ADDITIONAL INFORMATION THAT THE DEPARTMENT  
12 REQUIRES, WHICH MAY INCLUDE, WITHOUT LIMITATION, A DETAILED LIST  
13 OF ALL EXPENDITURES THAT SUPPORT A CLAIM FOR A REFUND, THE NAME  
14 AND ADDRESSES OF AN INDIVIDUAL WHO MAINTAINS RECORDS OF SUCH  
15 EXPENDITURES, AND A STATEMENT THAT THE TAXPAYER AGREES TO  
16 FURNISH RECORDS OF ALL SUCH EXPENDITURES TO THE OFFICE UPON  
17 REQUEST.

18 (c) THE DEPARTMENT SHALL NOT APPROVE A TAXPAYER'S  
19 APPLICATION FOR A REFUND OF STATE SALES AND USE TAX PAID UNLESS  
20 THE TAXPAYER HAS COMPLIED WITH THIS SUBSECTION (7).

21 (d) THE DEPARTMENT SHALL PROMULGATE RULES FOR THE  
22 IMPLEMENTATION OF THIS SUBSECTION (7).

23 (8) ONCE GRANTED, A TAXPAYER MAY ASSIGN A CERTIFICATION  
24 ISSUED BY THE OFFICE PURSUANT TO SUBSECTION (6) OF THIS SECTION TO  
25 A LENDER, EQUITY INVESTOR, OR OTHER PROVIDER OF FINANCING OR TO A  
26 SUCCESSOR OPERATOR.

27 (9) NOTWITHSTANDING THE REQUIREMENT OF SECTION 24-1-136

1 (11)(a), ON OR BEFORE JANUARY 1 OF THE YEAR FOLLOWING THE FIRST  
2 STATE FISCAL YEAR IN WHICH THE OFFICE ISSUES A CERTIFICATION  
3 PURSUANT TO SUBSECTION (6) OF THIS SECTION, AND EVERY JANUARY 1  
4 THEREAFTER, THE OFFICE AND THE DEPARTMENT SHALL PREPARE A  
5 REPORT TO BE SUBMITTED BY THE OFFICE TO THE FINANCE COMMITTEES OF  
6 THE HOUSE OF REPRESENTATIVES AND SENATE. THE REPORT SHALL  
7 PRESENT INFORMATION ON THE DATA CENTERS THAT THE OFFICE  
8 DETERMINED ARE ELIGIBLE DATA CENTERS AND ALL SALES AND USE TAX  
9 REFUNDS ALLOWED PURSUANT TO THIS SECTION IN THE PRIOR STATE  
10 FISCAL YEAR.

11 (10) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2037.

12 **SECTION 2. Act subject to petition - effective date.** This act  
13 takes effect at 12:01 a.m. on the day following the expiration of the  
14 ninety-day period after final adjournment of the general assembly; except  
15 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
16 of the state constitution against this act or an item, section, or part of this  
17 act within such period, then the act, item, section, or part will not take  
18 effect unless approved by the people at the general election to be held in  
19 November 2024 and, in such case, will take effect on the date of the  
20 official declaration of the vote thereon by the governor.