

Items that Qualify for Exemption

The following items must be purchased for use in a qualifying data center or qualifying large data center project by a qualifying occupant, owner or operator to qualify for the exemption:

- electricity;
- an electrical system;
- a cooling system;
- an emergency generator;
- hardware or a distributed mainframe computer or server;
- a data storage device;
- network connectivity equipment;
- a rack, cabinet and raised floor system;
- a peripheral component or system;
- software;
- a mechanical, electrical or plumbing system that is necessary to operate any tangible personal property, including a fixture; and
- a component part of any tangible personal property described above.

Items that Do Not Qualify for Exemption

The following items do not qualify for the exemption:

- office equipment or supplies;
- maintenance or janitorial supplies or equipment;
- equipment or supplies used primarily in sales activities or transportation activities;
- tangible personal property on which the purchaser has received or has a pending application for a refund under Tax Code Section 151.429;
- tangible personal property not otherwise exempted under Subsection (b) that is incorporated into real estate or into an improvement of real estate;
- tangible personal property that is rented or leased for a term of one year or less; or
- notwithstanding Tax Code Section 151.3111, a taxable service that is performed on tangible personal property exempted by this section.

For more information, please visit our Data Center website at www.comptroller.texas.gov/taxinfo/data_centers.

You may also contact us online at <https://www.comptroller.texas.gov/taxhelp/> or by phone at 1-800-252-5555.

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