

# House Amendment 8043

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1 1 Amend Senate File 2123, as passed by the Senate, as  
1 2 follows:  
1 3 #1. Page 1, by inserting after line 35 the  
1 4 following:  
1 5 <Sec. \_\_\_\_\_. Section 423.3, section 93, if enacted  
1 6 by 2008 Iowa Acts, House File 2233, subsection 1, is  
1 7 amended to read as follows:  
1 8 93. a. (1) The sales price from the sale or  
1 9 rental of computers and equipment that are necessary  
1 10 for the maintenance and operation of a web search  
1 11 portal business or data center and property whether  
1 12 directly or indirectly connected to the computers,  
1 13 including but not limited to cooling systems, cooling  
1 14 towers, and other temperature control infrastructure;  
1 15 power infrastructure for transformation, distribution,  
1 16 or management of electricity used for the maintenance  
1 17 and operation of the web search portal business or  
1 18 data center, including but not limited to exterior  
1 19 dedicated business-owned substations, back-up power  
1 20 generation systems, battery systems, and related  
1 21 infrastructure; and racking systems, cabling, and  
1 22 trays, which are necessary for the maintenance and  
1 23 operation of the web search portal business or data  
1 24 center.  
1 25 (2) The sales price of back-up power generation  
1 26 fuel, that is purchased by a web search portal  
1 27 business or data center for use in the items listed in  
1 28 subparagraph (1).  
1 29 (3) The sales price of electricity purchased for  
1 30 use by a web search portal business or data center.  
1 31 b. For the purpose of claiming this exemption, all  
1 32 of the following requirements shall be met:  
1 33 (1) The purchaser or renter shall be a web search  
1 34 portal business or data center.  
1 35 (2) The web search portal business or data center  
1 36 shall have a physical location in the state that is  
1 37 used for the operations and maintenance of the web  
1 38 search portal business or data center.  
1 39 (3) (a) The web search portal business shall make  
1 40 a minimum investment in an Iowa physical location of  
1 41 two hundred million dollars within the first six years  
1 42 of operation in Iowa beginning with the date the web  
1 43 search portal business initiates site preparation  
1 44 activities. The minimum investment includes the  
1 45 initial investment, including land and subsequent  
1 46 acquisition of additional adjacent land and subsequent  
1 47 investment at the Iowa location.  
1 48 (b) The data center shall make a minimum  
1 49 investment in an Iowa physical location of one million  
1 50 dollars within the first six years of operation in  
2 1 Iowa beginning with the date the data center initiates  
2 2 site preparation activities. The minimum investment  
2 3 includes the initial investment, including land and  
2 4 subsequent acquisition of additional adjacent land and  
2 5 subsequent investment at the Iowa location.  
2 6 (4) The web search portal business or data center  
2 7 shall purchase, option, or lease Iowa land not later  
2 8 than December 31, 2008, for any initial investment.  
2 9 However, the December 31, 2008, date shall not affect  
2 10 the future purchases of adjacent land and additional  
2 11 investment in the initial or adjacent land to qualify  
2 12 as part of the minimum investment for purposes of this  
2 13 exemption.  
2 14 c. This exemption applies from the date of the  
2 15 initial investment in or the initiation of site  
2 16 preparation activities for the web search portal  
2 17 facility or data center as described in paragraph "b".  
2 18 For purposes of claiming this exemption, the  
2 19 requirements may be met by aggregating the various  
2 20 Iowa investments and other requirements of the web  
2 21 search portal business's affiliates or data center's  
2 22 affiliates. This exemption applies to affiliates of  
2 23 the web search portal business or data center.  
2 24 d. Failure to meet eighty percent of the minimum

2 25 investment amount requirement specified in paragraph  
2 26 "b" within the first six years of operation from the  
2 27 date the web search portal business or data center  
2 28 initiates site preparation activities will result in  
2 29 the web search portal business or data center losing  
2 30 the right to claim this ~~web search portal business~~  
2 31 exemption and the web search portal business or data  
2 32 center shall pay all sales or use tax that would have  
2 33 been due on the purchase or rental or use of the items  
2 34 listed in this exemption, plus any applicable penalty  
2 35 and interest imposed by statute.

2 36 e. For purposes of this subsection:

2 37 (1) "Affiliate" means an entity that directly or  
2 38 indirectly controls, is controlled with or by, or is  
2 39 under common control with another entity.

2 40 (2) "Control" means any of the following:

2 41 (a) In the case of a United States corporation,  
2 42 the ownership, directly or indirectly, of fifty  
2 43 percent or more of the voting power to elect  
2 44 directors.

2 45 (b) In the case of a foreign corporation, if the  
2 46 voting power to elect the directors is less than fifty  
2 47 percent, the maximum amount allowed by applicable law.

2 48 (c) In the case of an entity other than a  
2 49 corporation, fifty percent or more ownership interest  
2 50 in the entity, or the power to direct the management  
3 1 of the entity.

3 2 (3) "Data center" means a facility, or portion of  
3 3 a facility, that is predominately used for the housing  
3 4 and operation of computer data processing hardware and  
3 5 associated equipment directly in support thereof.

3 6 ~~(3)~~ (4) "Web search portal business" means an  
3 7 entity whose business among other businesses is to  
3 8 provide a search portal to organize information; to  
3 9 access, search, and navigate the internet, including  
3 10 research and development to support capabilities to  
3 11 organize information; or to provide internet access,  
3 12 navigation, or search functionalities.

3 13 Sec. \_\_\_\_\_. Section 427.1, subsection 36, if enacted  
3 14 by 2008 Iowa Acts, House File 2233, section 2, is  
3 15 amended to read as follows:

3 16 36. WEB SEARCH AND DATA CENTER PROPERTY.

3 17 a. Property, other than land and buildings and  
3 18 other improvements, that is utilized by a web search  
3 19 portal business or data center as defined in and  
3 20 meeting the requirements of section 423.3, subsection  
3 21 93, including computers and equipment that are  
3 22 necessary for the maintenance and operation of a web  
3 23 search portal business or data center and other  
3 24 property whether directly or indirectly connected to  
3 25 the computers, including but not limited to cooling  
3 26 systems, cooling towers, and other temperature control  
3 27 infrastructure; power infrastructure for  
3 28 transformation, distribution, or management of  
3 29 electricity, including but not limited to exterior  
3 30 dedicated business-owned substations, and power  
3 31 distribution systems which are not subject to  
3 32 assessment under chapter 437A; racking systems,  
3 33 cabling, and trays; and back-up power generation  
3 34 systems, battery systems, and related infrastructure  
3 35 all of which are necessary for the maintenance and  
3 36 operation of the web search portal business or data  
3 37 center.

3 38 b. This ~~web search portal business~~ exemption  
3 39 applies beginning with the assessment year the  
3 40 investment in or construction of the facility  
3 41 utilizing the materials, equipment, and systems set  
3 42 forth in paragraph "a" are first assessed. For  
3 43 purposes of claiming this ~~web search portal business~~  
3 44 exemption, the requirements may be met by aggregating  
3 45 the various Iowa investments and other requirements of  
3 46 the web search portal business's affiliates or data  
3 47 center's affiliates as allowed under section 423.3,  
3 48 subsection 93. This exemption applies to affiliates  
3 49 of the web search portal business or data center.

3 50 #2. Page 2, line 2, by striking the word <This>  
4 1 and inserting the following: <Except for the sections  
4 2 amending sections 423.3 and 427.1, this>.

4 3 #3. Title page, line 1, by inserting after the  
4 4 words <Revenue Code> the following: <and providing  
4 5 sales, use, and property tax exemptions for certain

4 6 data centers,>  
4 7 [#4.](#) By renumbering as necessary.  
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4 10 \_\_\_\_\_  
4 11 RANTS of Woodbury  
4 12 SF 2123.502 82  
4 13 mg/rj/10311