

Support HB 784 (Anderson): RS and UT; commercial and industrial exemptions, disclosure of data center operator exemption.

Background: Virginia offers significant tax exemptions to data centers as an economic development incentive. However, the public currently has limited visibility into how much each data center receives in tax exemptions—or whether those incentives are delivering the promised economic benefits.

According to a JLARC study on economic development incentives, **data center tax exemptions totaled \$2.7 billion from 2015 through 2024.** HB 784 improves transparency by requiring public reporting on how these exemptions are used and whether they are meeting their intended goals.

Benefits of HB 784

- **Provides clear, public information by providing:**
 - The name of each data center operator receiving an exemption
 - The amount of the tax exemption claimed
 - Whether required job and investment thresholds were met
 - Employment levels and average wages
- **Increases transparency and accountability.** The bill requires the Department of Taxation to publish an annual report detailing which data center operators receive tax exemptions and the value of those exemptions.
- **Allows communities to assess the return on investment.** The report will show whether data centers are meeting required job creation and investment benchmarks, helping policymakers and the public evaluate whether incentives are working as intended.
- **Supports responsible economic development.** By increasing transparency, the bill helps ensure tax incentives are aligned with community benefits and sound fiscal policy.
- **Does not eliminate incentives or create new burdens.** HB 784 simply improves disclosure and public understanding—it does not change eligibility or repeal existing exemptions.

*Transparency is vital to understanding if tax exemptions are living up to their intended purpose of delivering real benefits to Virginia's communities. **Support HB784.***

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