

1 resident of this State who remits an order was in this State at the time the
2 order was remitted.

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4 **SECTION 2.** G.S. 105-164.13 is amended by adding a new subdivision to read:

5 "(55a) Sales of electricity for use at a qualifying datacenter and datacenter-support
6 equipment to be located and used at the qualifying datacenter. As used in
7 this subdivision, "datacenter-support equipment" is property that is
8 capitalized for tax purposes under the Code and is used either:

- 9 a. For the provision of a service or function included in the business of
10 an owner, user, or tenant of the datacenter.
11 b. For the generation, transformation, transmission, distribution, or
12 management of electricity, including exterior substations, generators,
13 transformers, unit substations, uninterruptible power supply systems,
14 batteries, power distribution units, remote power panels, and other
15 capital equipment used for these purposes.
16 c. For HVAC and mechanical systems, including chillers, cooling
17 towers, air handlers, pumps, and other capital equipment used for
18 these purposes.
19 d. For hardware and software for distributed and mainframe computers
20 and servers, data storage devices, network connectivity equipment,
21 and peripheral components and equipment.
22 e. To provide related computer engineering or computer science
23 research.

24 If the level of investment required by G.S. 105-164.3(33) is not timely
25 made, the exemption provided under this subdivision is forfeited. If the level
26 of investment required by G.S. 105-164.3(33) is timely made but any
27 specific datacenter-support equipment is not located and used at the
28 qualifying datacenter, the exemption provided for such datacenter-support
29 equipment under this subdivision is forfeited. If the level of investment
30 required by G.S. 105-164.3(33) is timely made but any portion of electricity
31 is not used at the qualifying datacenter, the exemption provided for such
32 electricity under this subdivision is forfeited. A taxpayer that forfeits an
33 exemption under this subdivision is liable for all past taxes avoided as a
34 result of the forfeited exemption, computed from the date the taxes would
35 have been due if the exemption had not been allowed, plus interest at the rate
36 established under G.S. 105-241.21. If the forfeiture is triggered due to the
37 lack of a timely investment required by G.S. 105-164.3(33), interest is
38 computed from the date the taxes would have been due if the exemption had
39 not been allowed. For all other forfeitures, interest is computed from the
40 time as of which the datacenter-support equipment or electricity was put to a
41 disqualifying use. The past taxes and interest are due 30 days after the date
42 the exemption is forfeited. A taxpayer that fails to pay the past taxes and
43 interest by the due date is subject to the provisions of G.S. 105-236."

44 **SECTION 3.** This act becomes effective July 1, 2015, and applies to sales made on
45 or after that date.