26-149 : Proposal Related to Chapter 144, RSMo, (Ketcher) - Repeal of Statutes Allowing Sales and Use Tax Exemptions for Data Storage Centers

Organization: Department of Commerce and Insurance **Submitted At:** 03/24/2026 07:33 AM
Name: DCI Fiscal Notes
Email: budget@dci.mo.gov
Fiscal Impact: No

Organization: Department of Conservation **Submitted At:** 03/23/2026 04:15 PM
Name: Sandy Dorge
Email: sandy.dorge@mdc.mo.gov
Fiscal Impact: No

Organization: Department of Corrections **Submitted At:** 03/18/2026 09:23 AM
Name: Amanda Patton
Email: amanda.s.patton@doc.mo.gov
Fiscal Impact: No

Organization: Department of Higher Education and Workforce Development **Submitted At:** 03/17/2026 12:30 PM
Name: DHEWD Fiscal Notes
Email: dhewd.fiscalnotes@dhewd.mo.gov
Fiscal Impact: No

Organization: Department of National Guard **Submitted At:** 03/17/2026 03:57 PM
Name: Nnamdi Nnedu
Email: nnamdi.nnedu@mong.mo.gov
Fiscal Impact: No

Organization: Department of Public Safety **Submitted At:** 03/17/2026 12:57 PM
Name: Angie Giddings
Email: angie.giddings@dps.mo.gov
Fiscal Impact: No

Organization: Department of Revenue **Submitted At:** 03/18/2026 10:23 AM
Name: Joshua Shewmaker
Email: joshua.shewmaker@dor.mo.gov
Fiscal Impact: Yes
Response Files:

- IP-26-149.docx

Submitter Notes: Attached is the Department's response to this IP. Thanks, Department of Revenue

RE: IP 26-149

Date: March 17, 2026

This IP would need to go to the vote of the people. Should it fail to be adopted, it will not have a fiscal impact. Should it be approved, the impact is unknown.

This proposal would repeal Section 144.810 RSMo. Section 144.810 currently grants a state and local sales tax exemption to qualified data storage centers. The adoption of the repeal could result in increased revenue from future qualified data storage centers, from state and local sales tax revenue that would have been exempt and now will be collected. The impact would be to the state sales tax funds of general revenue, school district trust fund, conservation commission funds and the DNR (park, soil & water) funds as well as to local political subdivision funds.

Currently an approved project is eligible for 100% of the state and local sales and use tax exemption for the following items for a limited number of years:

All electrical energy, gas, water & other utilities including telecommunications & internet services

All machinery, equipment & computers

All sales of tangible personal property & materials used to construct the data storage center.

Section 144.810 requires qualified data storage centers to apply to the Department of Economic Development (DED) to receive the exemption. This program began in 2016 and allows the exemption per business for a limited number of years. Based on information from DED, we note that so far $786,490,250 has been exempt from state and local sales tax and $1,612,506,125 is eligible to be exempt over the upcoming years (20247- 2039).

DOR notes that this repeal of the exemption would only apply to new companies applying for the program after the effective date of the repeal. Those that were approved prior to the effective date of the repeal would still receive their exemption. DOR is unable to calculate the number of new businesses that would have applied for this exemption in the future and therefore is unable to determine if there would be a fiscal impact.

DOR would need to update our computer programs to show the repeal of this program. It is estimated to cost $10,000.

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Organization: Department of Transportation **Submitted At:** 03/19/2026 12:23 PM

Name: Erin Hutcheson

Email: erin.hutcheson@modot.mo.gov

Fiscal Impact: No

Organization: Governor's Office **Submitted At:** 03/18/2026 03:32 PM

Name: Amanda Holtmeyer

Email: amanda.holtmeyer@governor.mo.gov

Fiscal Impact: No

Organization: Missouri Senate **Submitted At:** 03/18/2026 08:13 AM

Name: Christy Falter

Email: christy.falter@senate.mo.gov

Fiscal Impact: No

Organization: Office of Administration **Submitted At:** 03/18/2026 11:36 AM

Name: OA Fiscal Notes

Email: bpmail@oa.mo.gov

Fiscal Impact: Yes

Response Files: None

Submitter Notes: This proposal would repeal the state and local sales tax exemption for data centers. B&P assumes that if voter approved at the November 2026 election, the repeal would become effective January 1, 2027. Currently qualifying companies must apply to DED prior to receiving this sales tax exemption. DED then approves the exemption for a certain number of years. Companies that have received approval from DED and are currently receiving an exemption will continue to be exempt from state and local sales taxes until their approval period is over. Therefore, the repeal of this section will not have a direct impact on state and local revenues. This proposal could prevent forgone future revenues if other data centers would have applied, and received approval for, this sales tax exemption.

Organization: State Treasurer's Office **Submitted At:** 03/17/2026 05:07 PM

Name: Doug Shull

Email: doug.shull@treasurer.mo.gov

Fiscal Impact: No

Organization: Adair County **Submitted At:** 03/18/2026 08:19 AM

Name: Mark Shahan

Email: mshahan@adaircomo.com

Fiscal Impact: Yes

Response Files: None

Submitter Notes: The legislature 2023 has exempted the Construction of Solar facilities in the state from local use and sales taxes. The most recent project in Adair County was 458 mil. we do not have exact numbers on what the county lost out on but probably millions. we have two more solar projects of similar size, and no revenue will be collected unless exemptions such as this example of Data Centers are reversed. please feel free to contact me personally 660-988-1874. PS please help

Organization: Adair County **Submitted At:** 03/18/2026 08:30 AM

Name: Mark Shahan **Response Version:** 2

Email: mshahan@adaircomo.com

Fiscal Impact: Yes

Response Files: None

Submitter Notes: in 2023 the Legislature exempted the Construction of Solar facilities in the state from local use and sales taxes. The most recent project in Adair County was 458 mil. we do not have exact numbers on what the county lost out on but probably millions. we have two more solar projects of similar size, and no revenue will be collected unless exemptions such as this example of Data Centers are reversed. please feel free to contact me personally 660-988-1874. PS please help

Organization: Clay County **Submitted At:** 03/17/2026 04:12 PM

Name: Stacey Tingle

Email: stingle@claycountymo.gov

Fiscal Impact: Yes

Response Files:

- Data-Centers-Clay-County-3-17-26.xlsx

Submitter Notes: We conservatively estimate this would add about $500,000 a year in additional revenue for Clay County

Clay County Data Center Taxable Sales Category	**Annual Estimate**	**7/8ths Cent Sales Tax**	**Notes**
Utilities	$ 4,500,000.00	$ 39,375.00	Research on how much energy consumption
Construction	$ 50,000,000.00	$ 437,500.00	Reviewed Assesor data on average construction costs
Total	$ 54,500,000.00	**$ 476,875.00**	Estimate ~$500,000 more revenue/year

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Organization: Pike County **Submitted At:** 03/18/2026 12:57 PM
Name: Pike County Fiscal Notes
Email: pike@sos.mo.gov
Fiscal Impact: No

Organization: Polk County **Submitted At:** 03/17/2026 12:40 PM
Name: Polk County Fiscal Notes
Email: polk@sos.mo.gov
Fiscal Impact: No

Organization: Schuyler County **Submitted At:** 03/18/2026 10:07 AM
Name: Schuyler County Fiscal Notes
Email: schuyler@sos.mo.gov
Fiscal Impact: No

Organization: Schuyler County **Submitted At:** 03/18/2026 10:08 AM
Name: Schuyler County Fiscal Notes **Response Version:** 2
Email: schuyler@sos.mo.gov
Fiscal Impact: No

Organization: City of Kansas City **Submitted At:** 03/17/2026 02:12 PM
Name: Jim Brady
Email: jim.brady@kcmo.org
Fiscal Impact: Yes
Response Files: None
Submitter Notes: The proposed legislation may have a positive fiscal impact.

Organization: St. Louis Community College **Submitted At:** 03/17/2026 12:33 PM
Name: Mark Swadener
Email: mswadener@stlcc.edu
Fiscal Impact: No

Organization: Local Government **Submitted At:** 03/18/2026 12:33 PM
Name: Jim Scaggs
Email: jscaggs@ironcountymo.gov
Fiscal Impact: Yes
Response Files: None
Submitter Notes: In Missouri, 107 counties adopted a sales tax rollback law during the late 1980s and early 1990s. This policy, approved by popular vote, required a reduction of the County General Revenue Fund levy by 50% of the sales tax collected. The intention was to lower local taxes as economic growth increased sales tax revenue. However, over time, legislators have enacted more than 250 sales and use tax exemptions, thereby diminishing economic growth for local governments that implemented the rollback. Notably, exemptions for mining, manufacturing, and other facilities significantly reduced local sales tax revenue. This decline triggered automatic increases in levies: when sales tax rises, the levy decreases; conversely, when sales tax falls, the levy increases. As a result, the tax burden has increasingly shifted to local taxpayers. Senate Bill 153/97 alone caused a loss of over $40 million in sales tax revenue for local government. If data centers are exempted from local sales or use tax on a $30 billion investment, it would represent a substantial missed opportunity to lessen the tax burden on residents. Protecting local tax revenues is crucial for funding essential services and infrastructure that support the

well-being of Missouri’s residents.