

February 18, 2021



Chair Paul Marquart

House Tax Committee

Re: CONCERNS WITH REDUCTION OF DATA CENTER TAX INCENTIVES (HF 991)

Thank you Chair Marquart and members of the House Tax Committee for allowing me to submit this testimony in regard to our concerns with HF 991.

My name is Andy Snope, I am the Legislative Director for IBEW Local 292. We represent roughly 5000 electrical workers who work throughout the state of Minnesota.

We are specifically concerned about the provisions in Section 3 Subdivision 42 modifying the tax incentives provided to data centers.

Providing this tax incentive is important to attracting the construction of data centers in the state of Minnesota.

Data Centers are heavily weighted in electrical work, thus heavy in electrical jobs. In many cases the electrical contractor is the prime contractor on these projects.

The IBEW has been working really hard to attract companies who build data centers to our State. A lot of behind-the-scenes work has been going on for years; here on the ground in Minnesota as well as at the national level with our International union office. We were supportive and instrumental in helping to secure bonding dollars for infrastructure projects for the Becker industrial park in the hopes to attract a large business, possibly a data center.

We have learned recently that there could be plans to build several large data centers within rural areas of Minnesota where IBEW members are suffering the most from the lack of work.

With the economy on a teeter, corporate infrastructure investments are at an all-time low. Now is not the time to cut back incentives to attract building in the state of Minnesota.

We are hoping this provision will be reconsidered. While we know that during this critical budget time every penny must be lifted from every overturned rock, please consider the increase to the general fund through income and sales tax when jobs are created, and electricians, as well as all blue-collar workers, have historically reinvested their earnings into Minnesota's economy.

Thanks,

Andy

Andy Snope

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