



# DATA CENTERS



Texas is a leading U.S. location for data centers due to affordable and reliable space, power, and bandwidth; a centralized location; predictable weather; skilled workforce availability; and tailored tax incentives. Data centers fall within information technology (IT) service's data processing, hosting, and related services industry area, which statewide employs over 30,500 workers at about 750 firms making about \$86,500 in average annual wages.



2014 Business Facilities  
#2 State for New Data Centers



More than 203,700 professionals  
are directly employed at over  
17,600 IT services firms.



These skilled workers are well  
paid, earning an average annual  
salary over \$96,500.



Major energy firms are using  
data centers to discover new  
areas for oil and gas exploration.



Texas ranks #2 in the U.S.  
in total employment by  
IT services firms.



The Home Depot, Lowe's and  
BP all have major data center  
facilities in Texas.

## Recent Project Announcements

- ★ In July 2014, Patronus Data Centers announced plans to build a four-building data center campus on a 35-acre site for over \$250 million in Frisco, north of Dallas.
- ★ Software giant Microsoft filed plans for a new \$80 million data center in San Antonio in February 2014. The facility should be completed in 2015.
- ★ Austin-based Data Foundry, a global provider of wholesale data center outsourcing and related services, announced plans in April 2014 for a 350,000 sq. ft., \$35 million data center in Houston. The facility should be completed by mid-2015.

## Tax Legislation for Data Centers

**Texas House Bill 1841:** In June 2011, the Texas Legislature passed Texas House Bill 1841, which improved the Texas business climate for hosting and data center companies. The bill states that an individual or business whose only activity in the state is Internet hosting is not “engaged in business” in the state, and, therefore, does not have to collect Texas sales and use taxes from customers. The bill reversed a 2010 rule change made by the Texas Comptroller of Public Accounts, which said that renting a space on a server in Texas effectively established a business presence in the state.

**Texas House Bill 1223:** In June 2013, the Texas Legislature passed Texas House Bill 1223, which provides a sales and use tax exemption on equipment purchases for data centers of at least 100,000 sq. ft. that invest \$200 million over five years and create at least 20 full time permanent jobs paying 120 percent of a county’s average weekly wage. Data centers will no longer have to pay sales tax every time they refresh equipment, which major data centers typically do every three or four years. The incentives went into effect September 1, 2013.

## Texas’ Top Rankings for IT Workers in U.S.

Texas is home to one of the largest clusters of IT professionals in the U.S. Texas’ top national rankings for the number of workers in key IT occupations are shown below.

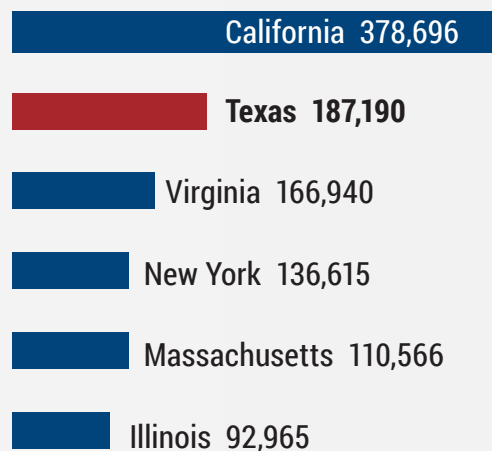
| Occupation                           | Texas Rank | Occupation                    | Texas Rank |
|--------------------------------------|------------|-------------------------------|------------|
| Computer Network Support Specialists | #1         | Web Developers                | #2         |
| Computer User Support Specialists    | #2         | Software Developers           | #3         |
| Computer Systems Analysts            | #2         | Network Architects            | #3         |
| Computer Programmers                 | #2         | Information Security Analysts | #3         |
| Database Administrators              | #2         |                               |            |

Source: U.S. Bureau of Labor Statistics

*Compared to the U.S. as a whole, the Texas workforce is significantly more concentrated in data processing, hosting, and related services than other states, according to the U.S. Bureau of Labor Statistics.*

## Employment by IT Services Firms

Texas Nationally Ranks No. 2 in Total



Sources: 2013 U.S. Bureau of Labor Statistics data

## Select Companies Operating in Texas

amazon.com



verizon  
terremark

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