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www.ci.becker.mn.us Becker, MN 55308



March 22, 2024



RE: Support for SF 4983 – Sales tax exemption for large-scale data center developments



Senator Ann Rest, Chair Senate Taxes Committee St. Paul, MN 55155



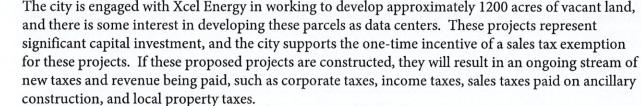
Dear Chair Rest,



The city of Becker supports the passage of SF 4983 to extend sales tax exemption to data center projects. Becker is home to the Sherco Power plant, where the generating units are being retired between 2023 and 2030. The loss of this tax base represents approximately 65% of the city's total tax base. Transition aid was approved during the 2023 legislative session, and it provides declining aid for that loss revenue over a 20-year period. The city, however, would prefer that we develop and attract business to replace that loss tax revenue, and this bill is critical to attracting data centers to our city.



Pebble Creek Golf Club





SF 4983 will put Minnesota on par with incentives offered by competing states, and the city fully supports passage of SF 4983.

Public Works

Regards,

Becker City Administrator



It's Better

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P.O. Box 250



March 22, 2024



RE: Support for HF 4929 - Sales tax exemption for large-scale data center developments



Representative Aisha Gomez, Chair House Taxes Committee St. Paul, MN 55155



Dear Chair Gomez,



The city of Becker supports the passage of SF 4983 to extend sales tax exemption to data center projects. Becker is home to the Sherco Power plant, where the generating units are being retired between 2023 and 2030. The loss of this tax base represents approximately 65% of the city's total tax base. Transition aid was approved during the 2023 legislative session, and it provides declining aid for that loss revenue over a 20-year period. The city, however, would prefer that we develop and attract business to replace that loss tax revenue, and this bill is critical to attracting data centers to our city.



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Police

Department

The city is engaged with Xcel Energy in working to develop approximately 1200 acres of vacant land, and there is some interest in developing these parcels as data centers. These projects represent significant capital investment, and the city supports the one-time incentive of a sales tax exemption for these projects. If these proposed projects are constructed, they will result in an ongoing stream of new taxes and revenue being paid, such as corporate taxes, income taxes, sales taxes paid on ancillary construction, and local property taxes.

Public Works

HF 4929 will put Minnesota on par with incentives offered by competing states, and the city fully supports passage of HF 4929.

Regards,

Becker City Administrator