

generates, on average, six ancillary jobs throughout the national economy. As a result, the total annual impact of the data center industry on national employment—combining direct, indirect, and induced effects from both construction and operations—grew from 2.9 million jobs in 2017 to 3.5 million jobs in 2021, representing a 20 percent increase.

Furthermore, the PwC study does not include jobs created by the cloud access and processing power that data centers enable. Data centers also facilitate zero-commute remote work across the country, further reducing fossil fuel consumption and contributing to a more sustainable economic model.

Tax revenue

Data centers provide municipalities with substantial economic and fiscal benefits through various forms of tax revenue (if unabated) that far exceed ones associated with other property types.

Hyperscale data centers are capital-intensive developments that can cost billions to construct—and are filled with high-value equipment and infrastructure. Taxes levied against them can be a windfall for AHJs.

A case in point: the data center tax base in Loudoun County, the central hub of North Virginia's Data Center Alley, increased from \$15.996 billion in 2023 to \$25.627 billion in 2024, constituting 58.5 percent of the municipality's total tax revenue.⁵

Data center owners pay two primary forms of property taxes. The first is real property tax, which applies to the land campuses are built on and the permanent structures that sit upon it, such as buildings. The second is personal property tax, which is levied on movable assets such as the servers and equipment inside data centers.

These revenues become significant boons to surrounding municipalities. In Loudoun, personal property tax revenue from computer equipment purchases for data centers surged by 170 percent in 2023, accounting for two and a half times the tax revenue.

The presence of data centers can also lower the overall tax burden for residents. In Loudoun, the general property tax rate

is set at \$0.87 per \$100 of assessed value; it would be \$1.33 (an additional 52 percent) but for the influx of data center developments, according to the county's executive director of economic development.⁶ Revenue from data centers accounts for \$0.47 of the tax rate, thereby alleviating the burden on other taxpayers.

Data center revenue can be channeled into net-zero programs and those related to health care, education, and other critical public services.

Data center revenue can be channeled into net zero programs and ones related to health care, education, and other critical public services. Revenue from data centers in Quincy, Washington, for example, has been used to fund local schools, public safety, and infrastructure improvements.⁷

By 2026, Loudoun County projects it will receive roughly \$1.4 billion in tax revenue from the personal property tax it levies on computer equipment alone.⁸ This amount constitutes nearly half of Loudoun County's entire fiscal 2021 budget of \$3 billion.

Community incentive packages

Data center operators also provide significant benefits through incentive packages negotiated with municipalities that can include funding for schools or public infrastructure projects. In multiple cases, hyperscalers have funded renewable energy plants and created workforce development programs in areas where they operate.

As part of AWS' \$10 billion data center campus investment in Mississippi, the company developed STEM-focused workforce training and career awareness programs for K-12 school systems and funded the state's first utility-scale wind farm.⁹ You can learn more about the community benefits the hyperscaler provided in [the appendix](#).

5 Emily Leayman, "Loudoun's Data Center Tax Base Jumps, Residential Increases Continue," Patch, February 8, 2024, <https://patch.com/virginia/ashburn/loudouns-data-center-tax-base-jumps-residential-increases-continue>.

6 Hanna Pampaloni, "Rizer: Land Value Increases Bring Benefits and Challenges," Loudoun Now, June 28, 2024, https://www.loudounnow.com/business/rizer-land-value-increases-bring-benefits-and-challenges/article_5b417aa8-3592-11ef-b587-f7ca7fd349c0.html.

7 Nick Parker, "Quincy Data Centers: The Data Center Conversation" (Presentation, Port of Quincy), <https://wedaonline.org/wp-content/uploads/2020/10/Port-of-Quincy-Presentation.pdf>.

8 "Loudoun Data Center Revenue Growth," Washington Business Journal, October 19, 2020, <https://www.bizjournals.com/washington/news/2020/10/19/loudoun-data-center-revenue-growth.html>.

9 Amazon Staff, "AWS plans to invest \$10 billion in Mississippi, the largest capital investment in the state's history," About Amazon, January 25, 2024, <https://www.aboutamazon.com/news/aws/aws-10-billion-investment-mississippi>.