



Illinois
Department of Commerce
& Economic Opportunity

JB Pritzker, Governor

Data Center Investment Program
2025 Annual Report

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1. Introduction

The Data Center Investment Program (the “Program”) is administered by the Illinois Department of Commerce and Economic Opportunity (the “Department”). Established by Public Act 101-31, as amended by Public Acts 101-604 and 102-427, the Program is designed to support the construction of large-scale data centers in Illinois through a variety of sales and use tax exemptions. The following report details the guidelines and performance of the Program since inception in mid-2019 through December 31, 2025. This is the sixth annual report for the Program, submitted pursuant to 20 ILCS 605/605-1025.

2. Eligibility Requirements

Data center owners or operators must submit an application to the Department for review. Upon approval of the application, the Department enters into a memorandum of understanding (“MOU”) with the qualified data center. The MOU sets forth the terms and conditions under which the data center may receive sales and use tax exemptions for up to 20 years, and in some cases, tax credits.

To earn designation as a qualifying data center, applicants must meet the following key statutory requirements:

1. The project must be located in Illinois;
2. Make at least a \$250 million capital investment collectively between the data center owner/operator and any tenants;
 1. For existing data centers, the capital investment must have been made within the 60-month period preceding January 1, 2020, or a 60-month period beginning before January 1, 2020; or
 2. For new data centers, the capital investment must be made within a 60-month period to be agreed to between the Department and the data center owner/operator;
3. The project must result in at least 20 new full-time or full-time equivalent jobs associated with the operation or maintenance of the data center;
 1. The jobs must have total compensation equal to or exceeding 120% of the average wage paid to full-time employees in the county where the data center is located;
4. Within two years of the project being placed in service, demonstrate that the data center is carbon neutral or attained one of the following green building standards:
 1. BREEAM for New Construction or BREEAM for In-Use,
 2. ENERGY STAR,
 3. Envision,
 4. ISO 50001 – energy management,
 5. LEED for Building Design and Construction or LEED for Operations and Maintenance,
 6. Green Globes for New Construction or Green Globes for Existing Buildings,
 7. UL 3223, or
 8. an equivalent program approved by the Department;
5. The data center owner or operator must require all contractors and subcontractors comply with Section 30-22 of the Illinois Procurement Code as they apply to responsible bidders and present evidence to the Department of such compliance; and
6. The data center owner or operator must require its contractor to enter into a project labor agreement approved by the Department.

Data center owners and operators with an MOU receive an exemption from the Retailers’ Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, all locally imposed retailers’ occupation taxes administered and collected by the Department of Revenue, and the Chicago non-titled Use Tax. If the data center is in an underserved area, the data center owner or operator may also receive a credit equal to 20% of the wages paid to construction workers on the project.

In order to attain the certificate of exemption and tax credit certificates, the data center owner or operator must enter into an MOU with the Department that contains the following:

1. Details for determining the amount of the capital investment to be made;
2. The number of new jobs to be created;
3. The timeline for achieving the capital investment and job creation targets;
4. The repayment obligations should these targets not be achieved and any conditions under which repayment by the data center or tenant claiming the exemption or credit will be required;
5. The duration of the agreement; and
6. Any other provisions the Department deems necessary.

The Department issues tax exemption certificates to qualifying data center owners and operators upon execution of the governing MOU. While the qualifying data center owners and operators may receive exemptions for up to 20 years, tax exemption certificates are issued in five-year increments and subject to renewal. This five-year renewal process follows the practice employed by the Department for issuance of exemption certificates under the Enterprise Zone and High Impact Business programs.

Ninety days after the earlier of either the placed in-service date or the end of the 60-month period specified in the MOU, the data center must provide an agreed upon procedures (AUP) report from an independent accountant demonstrating the requisite investment has been made and the minimum number of new employees have been hired. Within two years after the earlier of the placed in-service date or the end of the 60-month period specified in the MOU, the data center must provide proof the project is carbon neutral or attained an approved green building standard and continues to hold such designation. Qualifying data centers must also annually report the number of new full-time and full-time equivalent jobs created, the amount of investment made, the value of the tax benefits or exemptions received by the data center in the prior calendar year, and, for projects located in underserved areas, the estimated value of tax credits earned by the data center in the prior calendar year. The results of this annual reporting are found in Section 4 of this report.

3. Competitor State Tax Incentive Programs

State tax incentive programs for data centers are evolving across the United States. The Department monitors legislative and executive changes from other states for industry incentives and exemptions as outlined in the chart below.

State	Incentives	Duration	Requirements
Illinois Gov. JB Pritzker paused the Data Center Investment Program effective July 1, 2026, while working with the General Assembly on a	Offers exemptions on various taxes including use tax, service use tax, service occupation tax, and state and local retailer’s occupation tax.	20 years, with renewable exemption certificates issued every 5 years.	Requires approval from the Department of Revenue and an MOU. Imposes a high minimum investment requirement of at least \$250 million.

<p>framework linking future incentives to affordability, natural-resource protection, and responsible growth. (Press Release)</p>	<p>Exempts tangible personal property, including electrical, climate control, and monitoring systems, equipment, telecommunications infrastructure, and building materials.</p> <p>Construction Employment Tax Credit (20% of wages for construction workers in underserved areas)</p>		<p>Requires creating 20 jobs with wages at least 120% of the median county wage.</p> <p>Allows collocation and issuance of certificates until July 1, 2029.</p> <p>Must achieve carbon neutrality or a recognized green building/energy certification within 2 years (LEED, ENERGY STAR, ISO 50001, BREEAM, UL 3223)</p>
<p>Minnesota</p> <p>The state legislature regulated data centers including adding green certifications, increasing permitting related to water use and terminating tax exemptions for electricity costs in June 2025. (Minnesota House of Representatives)</p>	<p>Provides sales and use tax incentives.</p> <p>Certification by the Department of Employment and Economic Development is necessary.</p> <p>Terminated tax exemptions for electricity costs</p>	<p>Offers incentives for up to 35 years.</p>	<p>Requires a minimum investment of at least \$30 million for new data centers, at least \$50 million for refurbished data centers, and at least \$250M for large-scale data centers.</p> <p>No specified job requirement mentioned.</p> <p>Minimum facility requirement of 25,000 square feet.</p> <p>Allows collocation and tenants to file for refunds using sales tax refund forms.</p>
<p>North Carolina</p> <p>Gov. Josh Stein criticized sales tax exemptions for data centers during a meeting of his Energy Policy Task Force, citing up to \$57M annual cost, and circulated policy options to</p>	<p>Provides sales and use tax incentives.</p> <p>Exempts computer software for data centers, electricity, and support equipment for qualifying data centers from sales and use tax.</p>	<p>No duration limits noted.</p>	<p>Generally, does not require prequalification but purchases of electricity may require application to the Secretary of Commerce.</p>

<p>regulate or repeal some credits. (Governor Memorandum)</p>	<p>Proposed legislation HB1063 to regulate data centers use of water resources, create grid reliability, require on-site clean energy generation, and limit data center incentives</p>		<p>Investment requirement: For qualifying data centers, at least \$75 million.</p> <p>Job requirement: Not specified.</p> <p>Allows collocation.</p>
<p>Ohio</p> <p>Gov. Mike DeWine directed the Ohio Tax Credit Authority to pause new data center tax exemption requests while lawmakers study sector impacts. (Press Release)</p>	<p>Offers sales and use tax incentives.</p> <p>Tax credit authority may completely or partially exempt taxes.</p> <p>Exempts computer data center equipment used or to be used at an eligible data center from sales and use tax.</p> <p>Gov. Mike DeWine has directed the chair of the Ohio Tax Credit Authority to pause consideration of any new data center tax exemption requests</p>	<p>No duration limits noted.</p>	<p>Investment requirement: Capital investment of \$100 million during at least 3 consecutive calendar years.</p> <p>Job requirement: Annual payroll of at least \$1.5 million or more.</p> <p>Allows collocation.</p>
<p>Texas</p> <p>Gov. Greg Abbott is pursuing regulation that would require data centers to absorb the cost of building and expanding in the state. (Press Release)</p>	<p>Texas offers sales and use tax exemptions for qualified large data centers.</p> <p>Qualified purchases include equipment, software, and electricity used in the operation of the data center.</p> <p>Gov. Abbott is pursuing regulation that would require data centers to absorb cost of building and expanding in the state as well as add power to the state's grid.</p>	<p>The duration of the incentives depends on the investment amount:</p> <p>If the investment is under \$250 million, the incentives last for 10 years.</p> <p>If the investment is \$250 million or more, the incentives last for 15 years.</p>	<p>Data Centers 100K sqft. - 250K sft, receives 6.25% sales and use tax exemption, must make an investment of at least \$200 million, create at least 20 jobs paying at or above 120% of the average wage.</p> <p>Data centers > 250K receive state and local tax sales and use tax exemption. Must create at least 40 qualifying jobs, a capital investment of \$500M, and contract for at least 20MW of transmission capacity.</p>

<p>Washington</p> <p>The state legislature passed a revocation of a policy allowing sales tax avoidance for replacement data center equipment. (SB 6231-2025-26)</p>	<p>Washington provides sales and use tax exemptions for eligible server equipment and infrastructure in both rural and urban data centers.</p> <p>Exemptions are available through an application process to the Department of Revenue (DOR) for an exemption certificate.</p> <p>SB 6231 remove sales exemption for refurbishing or replacing old equipment</p>	<p>The incentives have specific sunset dates depending on the type of data center:</p> <p>Rural data centers: Sunset on July 1, 2048.</p> <p>Urban data centers: Sunset on July 1, 2038.</p>	<p>The data center must meet certain criteria related to job creation and net employment increase.</p> <p>The investment and job creation requirements vary depending on whether it's a rural or urban data center.</p> <p>The Department of Revenue (DOR) issues only six certificates for each type of data center (rural and urban) on a time-filed basis</p>
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4. Data Center Program Summary

The Department received 35 applications for the Data Center Program from June 28, 2019, through December 31, 2025. Below is an overview of those 35 applications:

Program Metric Category	As of 12/31/2025
Applications Received	35
Applications Approved	34
Applications Withdrawn/Denied	1
Applications Pending	0
Signed MOUs in 2025	7
Number of Operator Sales & Use Tax Exemption Certificates Issued	34
Number of Tenant Sales & Use Tax Exemption Certificates Issued	91
Number of Construction Tax Credit Certificates Issued	0

The Department entered into MOUs and issued tax exemption certificates with the following 34 data center owners or operators as of December 31, 2025.

Company Name	Year	Site Location	Investment Commitment¹	Est. Value of Tax Benefits²	No. of New Jobs	Underserved
Digital Realty Trust, LP	2020	Franklin Park	\$404,482,346	\$25,280,147	20	Y
STACK Infrastructure	2020	Elk Grove Village	\$250,000,000	\$15,625,000	20	N
NTT Global Data Centers	2020	Itasca	\$276,000,000	\$17,250,000	20	N
T5@Chicago II, LLC	2020	Elk Grove Village	\$250,000,000	\$15,625,000	20	N
Coresite, L.P.	2020	Chicago	\$250,000,000	\$15,625,000	20	N
Microsoft Corporation	2020	Elk Grove Village	\$252,000,000	\$15,750,000	20	N
Microsoft Corporation	2021	Northlake	\$388,134,927	\$24,258,433	20	N
Microsoft Corporation	2021	Hoffman Estates	\$275,000,000	\$17,187,500	20	N
Quality Technology Service (QTS)	2021	Chicago	\$250,000,000	\$15,625,000	20	N
Goldframe LLC	2021	DeKalb	\$800,000,000	\$50,000,000	50	Y
SDC CHI I, LLC	2021	Elk Grove Village	\$250,000,000	\$15,625,000	20	Y
Aligned Data Centers	2021	Northlake	\$252,500,000	\$15,781,250	20	N
Digital Realty Trust, LP	2021	Elk Grove Village	\$280,608,349	\$17,538,022	29	Y
CyrusOne (C1 Chicago)	2022	Aurora	\$250,000,000	\$15,625,000	20	N
SDC CHI II Busse, LLC	2022	Elk Grove Village	\$250,000,000	\$15,625,000	20	Y
MEDP Mission Critical Facility, LLC dba Metro Edge	2023	Chicago	\$257,123,954	\$16,070,247	20	Y
Elk Grove Village Property LLC (Phase 1)	2023	Elk Grove Village	\$517,200,000	\$32,325,000	20	N
Serverfarm LLC dba SF CH1, LLC	2023	Chicago	\$285,000,000	\$17,812,500	29	Y
EdgeConneX, Inc.	2023	Elk Grove Village	\$250,000,000	\$15,625,000	20	Y
Aligned Data Centers (EGV) PropCo, LLC	2023	Elk Grove Village	\$285,000,000	\$17,812,500	21	N
Chirisa Volo LLC	2023	Volo	\$262,000,000	\$16,375,000	20	N
Equinix LLC	2024	Elk Grove Village	\$250,000,000	\$15,625,000	20	Y

Iron Mountain Data Centers, LLC	2024	Des Plaines	\$320,000,000	\$20,000,000	22	Y
T5@Chicago III, LP	2024	Northlake	\$252,000,000	\$15,750,000	20	N
C1 Chicago Aurora III LLC	2024	Aurora	\$250,000,000	\$15,625,000	20	Y
C1 Chicago 1 LLC - C1 Chicago 2 LLC	2024	Wood Dale	\$250,000,000	\$15,625,000	20	N
C1 Yorkville LLC	2024	Yorkville	\$250,000,000	\$15,625,000	20	N
T5@Chicago IV, LP	2025	Grayslake	\$250,000,000	\$15,625,000	20	N
2425 Busse Road LLC (CenterSquare ORD2)	2025	Elk Grove Village	\$274,152,813	\$17,134,551	20	Y
4513 Western Avenue LLC (CenterSquare ORD4)	2025	Lisle	\$258,374,703	\$16,148,419	20	Y
Oracle America, Inc.	2025	Elk Grove Village	\$555,000,000	\$34,687,500	20	N
HydraVault LLC	2025	Chicago	\$270,000,000	\$16,875,000	20	Y
EdgeConnex, Inc.	2025	Elk Grove Village	\$501,238,000	\$31,327,375	20	Y
SDC CHI III, LLC	2025	Elk Grove Village	\$450,000,000	\$28,125,000	20	Y
		34	\$10,665,815,092	\$666,613,443	731	16

¹The Capital Investment must be made within a 60-month period to be agreed to between the Department and the data center owner/operator.

²The Estimated Value of Credit is calculated at 6.25% of the investment commitment.

5. Data Center Amendments Approved During Calendar Year 2025

The Department approved the following five amendments to existing Data Center MOUs in 2025.

1. 2425 Busse Road LLC, Phoenix MSA Holdings LLC, and Phoenix Infrastructure LLC (Centersquare ORD2): The MOU was amended to add Centersquare MSA Holdings LLC as party to the agreement.
2. 4513 Western Avenue LLC, Phoenix MSA Holdings LLC, and Phoenix Infrastructure LLC (Centersquare ORD4): The MOU was amended to add Centersquare MSA Holdings LLC as party to the agreement.
3. Digital Realty Trust, LP, Tarantula Ventures, LLC (CH1), Cosmic Ventures LLC (CH2), Dipper Ventures LLC (CH3): The MOU was amended to add Digital Elk Grove 1, LLC Digital Elk Grove 2, LLC and Digital Elk Grove 3, LLC as party to the agreement and amended to include the additional address, 1420 East Devon Avenue, Elk Grove Village 6077, as part of its planned campus expansion at its data center campus.

4. Digital Realty Trust, L.P.: The MOU was amended to include an additional parcel located at 9311 West Grand Avenue, Franklin Park, Illinois 60131, within the boundaries of the existing data center campus that includes 9333, 9355, 9377, and 9401 West Grand Avenue and 2550 South Martens Street.
5. Elk Grove Village Property LLC: The MOU was amended to correct the address for the Project located in Elk Grove Village. The official address for the facility has been revised from 1701 Midway Court, Elk Grove Village, Illinois 60007 to 1650 Higgins Road, Elk Grove Village, Illinois 60007.