



## News Release

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### **Fredericksburg City Council Sets Highly Competitive Tax Rate for Data Centers**

(Fredericksburg, VA) April 24, 2019 - The City of Fredericksburg's pursuit of data centers took a significant step forward Tuesday night when its City Council voted unanimously to set a highly competitive tax rate for that business category.

Fredericksburg City Council on Tuesday took the first of two required votes to approve a tax rate of \$1.25 per \$100 of value for business personal property related to the operation of data centers – down from the current rate of \$3.40 per \$100. The second and final vote is expected May 14, and the rate would take effect July 1. The City will also offer an accelerated depreciation schedule for data centers.

The vote puts the City's tax rate on par with Prince William County's and significantly lower than other Northern Virginia localities. The code of Virginia allows for certain categories of personal property to be taxed or assessed on a different basis from others. Data centers often face high personal property taxes because of their significant volume of up-to-date computer equipment.

"Business personal property taxes are a very significant cost for data centers, and our action to establish a fair yet competitive rate shows we are serious about attracting these businesses," said Fredericksburg City Manager Tim Barody. "We have several attractive sites near Interstate 95 that would make a great home for data centers, and we believe Council just made them even more competitive."

Tuesday's action was the latest step Fredericksburg has taken to attract data center prospects, which provide high-paying jobs and significant tax revenue. Last year the City added data centers as a business classification in its Unified Development Ordinance, and the City has also established a fast-track permitting process for the business category.

Data center operators interested in the City of Fredericksburg should contact the Bill Freehling, Director of Department of Economic Development and Tourism at 540-372-1216 and [www.fredericksburgva.com](http://www.fredericksburgva.com).