



Arizona Data Center Sales Tax Refund Program

Program Summary

Effective August 31, 2013 the State of Arizona now provides sales tax relief for qualifying colocation tenants within qualifying data centers within the State (S.B. 2009). Cyxtera’s Phoenix data centers (PHX1 and PHX2) have qualified for this program.

As part of this program, qualifying Cyxtera customers who purchase hardware and software to place in this data center are eligible for a sales tax refund on that purchase, thereby reducing their total cost of ownership (TCO) for that IT infrastructure versus installing it in a non-qualified data center.

To qualify, colocation customer must meet the follow requirements:

- Purchase power of at least 500 kilowatts for IT load
- Purchase minimum 2-year colocation service contract

Cost Savings

Below is a simple example of how this tax refund benefited one enterprise in order to illustrate how the program works:

- Company purchases \$3M in hardware, software to be placed in Cyxtera’s Phoenix data center and pays \$159,000 in sales tax (5.3%) for a total cost of \$3,159,000
- Company signs three-year Cyxtera Colocation service for approximately \$10,000 monthly
- Company assumes 5-year useful life of the new hardware

	CYXTERA PHX1 OR PHX2 DATA CENTER	NON-QUALIFYING DATA CENTER
Hardware & Software	\$3,000,000	\$3,000,000
Sales Tax	\$168,000	\$168,000
Hardware & Software Sub-total	\$3,168,000	\$3,168,000
Colocation Fees (10k monthly)	\$600,000	\$600,000
Less Tax Refund	\$(168,000)	\$0
Total 5 Year Cost	\$3,600,000	\$3,768,000

For more information on the State of Arizona Sales Tax Incentives, contact the Arizona Commerce Authority at their web site:

<http://www.azcommerce.com/incentives/computer-data-center-program>

To learn more about Cyxtera contact your Cyxtera representative, or visit www.cyxtera.com

