

NIAGARA COUNTY LEGISLATURE

FROM: Legislators Michael A. Hill, Randy R. Bradt, DATE: 08/04/26 RESOLUTION #: IL-130-26
David E. Godfrey, Richard L. Andres, et al.

APPROVED BY
CO. ATTORNEY

REVIEWED BY
CO. MANAGER

COMMITTEE ACTION

LEGISLATIVE ACTION

Approved: Ayes Abs. Noes 0

Rejected: Ayes Abs. Noes

Referred:

RESOLUTION CALLING UPON GOVERNOR KATHY HOCHUL TO IMMEDIATELY DIRECT THE NEW YORK STATE DEPARTMENT OF TAXATION AND FINANCE TO CONDUCT A COMPREHENSIVE AUDIT OF THE INTERNET DATA CENTER SALES TAX EXEMPTION

WHEREAS, Governor Kathy Hochul has publicly acknowledged concerns regarding New York State's decades-old Internet Data Center Sales Tax Exemption and has indicated that legislation concerning the exemption may be considered during the next legislative session, and

WHEREAS, Niagara County has repeatedly raised serious concerns regarding the application of this exemption, particularly as it relates to the Lake Mariner Data Center located in the Town of Somerset, and the substantial financial consequences this tax policy has imposed on local governments and taxpayers, and

WHEREAS, despite the enormous growth of cryptocurrency mining and artificial intelligence data centers throughout New York State, there has been little public transparency regarding the administration of this exemption, who benefits from it, whether recipients are legally eligible, and the true cost to New York taxpayers, and

WHEREAS, the New York State Department of Taxation and Finance has publicly claimed the exemption cost approximately \$12 million in lost state sales tax revenue in the last fiscal year, a figure that appears wholly inconsistent with the scale of investments made by facilities such as Lake Mariner and raises serious questions regarding the accuracy and completeness of the State's reporting, and

WHEREAS, publicly available guidance issued by the Department of Taxation and Finance suggests that certain equipment purchases currently receiving the exemption may not qualify under existing law, creating further concerns that the exemption is being improperly applied and inadequately monitored, now, therefore, be it

RESOLVED, that the Niagara County Legislature strongly urges Governor Kathy Hochul to immediately direct the New York State Department of Taxation and Finance to conduct a comprehensive, independent audit of the Internet Data Center Sales Tax Exemption rather than delaying action until the next legislative session, and be it further

RESOLVED, that such audit should include, at a minimum:

1. Identification of every company currently receiving the Internet Data Center Sales Tax Exemption;
2. A determination of whether cryptocurrency mining operations and artificial intelligence data centers qualify under existing statute and regulation and, if so, identification of the individual or agency responsible for that interpretation;
3. Verification that every recipient is in full compliance with all statutory eligibility requirements;
4. A detailed review of whether all equipment purchases claimed under the exemption qualify under existing law, including an examination of any distinction between purchases made by facility owners and purchases made by tenants operating within those facilities; and

5. A full accounting of the total amount of New York State sales tax revenue forgone as a result of this exemption since its inception, including annual totals and project-specific estimates where available; and be it further

RESOLVED, that the Niagara County Legislature further calls upon Governor Hochul to require the Department of Taxation and Finance to publicly release the complete findings of this audit so that the Legislature, local governments, taxpayers, and members of the New York State Legislature may make informed policy decisions based upon facts rather than speculation, and be it further

RESOLVED, that copies of this resolution be transmitted to Governor Kathy Hochul, the Commissioner of the New York State Department of Taxation and Finance, the Temporary President of the New York State Senate, the Speaker of the New York State Assembly, Senator Rob Ortt, Assemblyman Angelo Morinello, Assemblyman William Conrad, Assemblyman Paul Bologna and all others deemed necessary and proper.



LEGISLATOR MICHAEL A. HILL



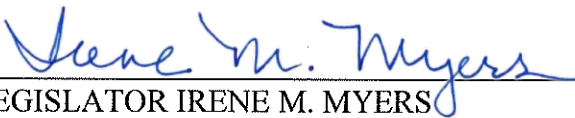
LEGISLATOR RANDY R. BRADT



LEGISLATOR DAVID E. GODFREY



LEGISLATOR RICHARD L. ANDRES



LEGISLATOR IRENE M. MYERS



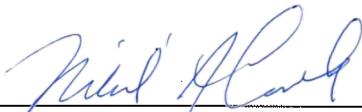
LEGISLATOR JESSE P. GOOCH



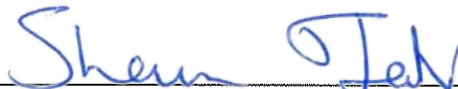
LEGISLATOR ANTHONY J. NEMI



LEGISLATOR RICHARD E. ABBOTT



LEGISLATOR MICHAEL A. CASALE



LEGISLATOR SHAWN A. FOTI



LEGISLATOR CHRISTOPHER J. MCKIMMIE