



FACT SHEET

APPLICATION FOR DATA CENTER TAX REDUCTION

Background

From January 1, 2017 tax on electricity consumption by data centers in Sweden was reduced by 97% from either SEK 295 or SEK 199 per MWh, to SEK 5 per MWh. The purpose of the revised legislation is to strengthen Sweden's international business competitiveness and along with renewable power production and a high level of skilled workers offer a competitive location for data centers.

Application for tax refund

The new tax rate is applicable to both existing data centers and new facilities exceeding 500 kW installed IT capacity, excluding cooling facilities with a yearly consumption over 250 000 KWh. Eligible data centers will pay the standard tax rate to their electricity supplier and will be refunded quarterly or annually by the Swedish Tax Agency for values exceeding SEK 8000. The application is made through the Swedish Tax Agency web portal (see link below).

Application for large industrial consumers - voluntary tax liability

Data centers with an annual electricity consumption exceeding 20 GWh can apply for voluntary tax liability and remits the energy tax directly to the Swedish Tax Agency without having to wait for refunds. This may entail cash-flow advantages, since the purchase of electricity from an electricity supplier is made without energy tax.

The application is sent to the Swedish Tax Agency and the following information should be included:

- * Estimated annual electricity consumption
- * Estimated annual electricity tax
- * Financial statement from previous year
- * Balance sheet and results from current fiscal year
- * Certificate of indebtedness (foreign companies need to provide a certificate that they do not have any unpaid debts).

For more information on data center please contact Business Sweden Data Centers by Sweden or the Swedish Tax Agency.

Online resources:

Application for Tax refund (Swedish only)
<http://bit.ly/TaxLiabilityEnergy>

Application voluntary tax liability (Swedish only)
<http://bit.ly/TaxrefundApplication>



IN BRIEF

- ▶ Energy tax for data centers lowered to SEK 5 (0,5 euro) per MWh
- ▶ Applicable to both existing and new facilities
- ▶ Administrative and cash flow advantages with voluntary tax liability
- ▶ Two-page application and easy to get refunded