OHIO CHAMBER OF COMMERCE
RESEARCH FOUNDATION



EVIDENCE OVER ASSUMPTIONS: UNDERSTANDING DATA CENTERS IN OHIO

An Evidence-Based Briefing to overcome common misguided assumptions.

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Prepared by the Ohio Chamber of Commerce Research Foundation

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Executive Overview

This briefing provides a concise, evidence-based framework for evaluating common claims about data centers in Ohio. It distinguishes verified research findings from conclusions that require broader context, drawing directly on economic impact modeling and hydrologic analysis conducted for the Ohio Chamber of Commerce Research Foundation.

Policy Metric	Ohio Data Center Evidence
Gross Domestic Product Contribution	**$11.8 billion** total contribution to Ohio GDP in 2024[1]
Statewide Employment Supported	**95,217 total jobs** supported across Ohio in 2024[1]
Committed Private Capital	**More than $40 billion** in committed private investment[1]
Historical Net Fiscal Impact	**$2.7 billion net fiscal gain** to state and local treasuries (2017–2024)[1]
Statewide Water Readiness	**Favorable resource position**; local utility infrastructure remains the primary constraint[2]
Columbus Corridor 2030 Water Demand	Modeled direct use of **5.1 to 43.7 MGD** (Base case: **28.8 MGD**)[2]

Section 1: Fiscal Return, Taxes & Incentives

Claim: "Ohio is giving data centers a $2 billion handout, and facilities pay no taxes."

- **The Evidence:** Ohio forwent approximately $1.57 billion in state sales tax in 2025, with an additional ~$0.5 billion in estimated local sales tax. While real, a tax expenditure is foregone tax collection on qualifying equipment purchases—not a direct state check or appropriation.[3]
- **The Evidence:** Data centers are not tax-exempt overall; real estate taxes on land can **never** be abated under Ohio law, and facilities generate recurring income, commercial activity, and property taxes. Historical data shows a **$2.7 billion net fiscal gain** for state and local governments from 2017 through 2024, returning **$2.10 in tax revenue for every $1** of public incentive.[1]

Claim: "Repealing the sales tax exemption will automatically recover $2 billion for Ohio."

- **The Evidence:** Assuming full tax recovery relies on the assumption that investment would remain in Ohio after a major policy change. Hardware and facility capital are highly mobile, and hardware refreshes occur every 3 to 5 years.[1]
- **The Evidence:** Counterfactual modeling demonstrates that repeal becomes fiscally negative if the exemption is decisive for more than **53% of investment decisions**. Under a 35% attribution scenario (where 35% of investment moves out of state), Ohio forfeits **29,211 construction job-years** and **3,015 permanent ongoing jobs**.[4]
- **The Evidence:** Over a conservative 15-year horizon, state and local taxes generated by data center activity equal **0.8x to 1.3x** the cost of the initial exemption, with the central estimate moving above break-even over a 20-year campus lifespan.[3]

Section 2: Economic Activity & Employment

Claim: "Data centers do not create many jobs and are essentially empty warehouses."

- **The Evidence:** On-site staffing at automated server facilities is low compared to physical building square footage, but on-site headcount is not equivalent to total economic impact.[1]
- **The Evidence:** Measuring direct operations, construction, supply chain procurement, and household spending, the data center ecosystem supported **95,217 total jobs** in Ohio in 2024.[1]
- **The Evidence:** Physical size does not imply economic vacancy; the sector generated **$11.8 billion** in state GDP contribution in 2024 and represents over **$40 billion** in committed private capital.[1]

Section 3: Energy Infrastructure & Electricity Rates

Claim: "Data centers will make household electric bills spike and harm grid reliability."

- **The Evidence:** Rapid load growth creates major regional planning challenges, but large electricity loads are not inherently incompatible with a reliable electric system.
- **The Evidence:** Retail electricity prices reflect multiple variables, including wholesale generation costs, fuel prices, grid modernization outlays, and cost-allocation mechanisms.
- **The Evidence:** Infrastructure planning, flexible demand response, co-located generation, and tariff structures designed to assign capacity costs directly to large users serve to protect residential ratepayers while expanding system capacity.

Section 4: Water Readiness & Environmental Stewardship

Claim: "Ohio does not have enough water for data centers, and facilities will drain local supplies."

- **The Evidence:** Ohio possesses ample statewide surface- and groundwater resources to accommodate near-term data center development alongside residential, commercial, and agricultural needs.[2]
- **The Evidence:** In the Columbus corridor (Upper Scioto watershed), total human water consumption accounts for less than 5% of available capacity. Modeled direct 2030 data center water use spans **5.1 to 43.7 MGD** (base case **28.8 MGD**). In the Cincinnati-Dayton corridor, base case direct water demand is projected at **2.2 MGD**, representing less than 0.1% of local aquifer capacity.[2]
- **The Evidence:** Near-term constraints are not statewide water scarcity, but local utility treatment capacity, source-water sensitivity, wastewater infrastructure, and stormwater management.[2]
- **The Evidence:** Environmental impacts vary significantly by facility design. Modern low-water cooling systems cut direct withdrawals, while stormwater runoff from large impervious surfaces represents the primary local physical impact—manageable through site design and Low-Impact Development (LID) practices.[2]

Section 5: Local Community Impact & Infrastructure Planning

Claim: "Ohio can keep approving data centers without expanding infrastructure planning."

- **The Evidence:** Continued economic growth requires active, integrated infrastructure planning across water, wastewater, energy, and stormwater systems.
- **The Evidence:** Local impacts vary project by project. Data centers generate construction outlays, supplier demand, utility investment, and local tax revenues, while communities manage transportation, utility connection, and land-use considerations.
- **The Evidence:** The strongest economic development posture is not unrestricted approval, but proactive planning, transparent performance metrics, responsible cost allocation, and site-level environmental safeguards.

For additional commentary from executive leadership on the $2.10 fiscal return on investment, you can view the Ohio Chamber Foundation Study Overview, which provides a concise breakdown of the study's economic findings.

Works Cited

1. Ohio Chamber of Commerce Research Foundation. *The Economic Impact Study of Data Centers in Ohio*. SRC EvalMetrics LLC, 2025. The study uses IMPLAN input-output modeling and evaluates 2017–2024 historical impacts with projections through 2030. https://ohiochamberfoundation.com/projects/the-economic-impact-study-of-data-centers-in-ohio/
2. Ohio Chamber of Commerce Research Foundation. *Water Readiness and Data Centers: A Near Term Study for Ohio*. 2026. https://ohiochamberfoundation.com/wp-content/uploads/Ohio-Water-Readiness_6-8-26.pdf
3. SRC EvalMetrics LLC. *Ohio Data Centers and the Sales-and-Use Tax Exemption: Executive Summary for Policymakers*. Prepared for the Ohio Chamber of Commerce Research Foundation, 2026.
4. SRC EvalMetrics LLC. *Ohio's Data Centers: Where the Dollars Flow*. Prepared for the Ohio Chamber of Commerce Research Foundation, 2026.

Methodological note. This draft is intended as a working publication framework, not a final legal or methodological review. Economic-impact figures from the Ohio Chamber Foundation report are model-based estimates and should be presented with their stated assumptions. Forecasts are planning ranges rather than guarantees. Water and electricity impacts are highly site-specific and should be evaluated using project-level data where available.

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