

**DATA CENTERS IN SMITHFIELD RI
DATA, RESEARCH AND THOUGHTS FOR THE
COMMUNITY/TOWN LEADERS**

SUMMARY REPORT

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Note: A substantial amount of research effort was invested into the full and summary documents. Reseach was harvested from several sources. Typographical and editing mistakes can occur. If you find any significant mistakes, please contact the author.

Many sections contain a variety of the author's notes and thoughts. These notations are highlighted differently as:

SPECIAL COMMENTS NOTED

WHAT IS THE CURRENT STATUS OF ALL DATA CENTER PROJECTS IN THE US?

If by “all data center projects in the US” you mean every project nationwide, there are thousands of operating and planned facilities, so there is no single practical list. Current industry trackers report roughly **2,000+ planned projects** and **1,000+ operating facilities** across the U.S. [\[cleanview.co\]](https://cleanview.co)

Current U.S. data center market status (2026):

- The sector is in a historic expansion phase driven primarily by AI workloads and cloud computing. [\[datacenternews.org\]](https://datacenternews.org), [\[businessinsider.com\]](https://businessinsider.com)
- Major challenges are now power availability, grid interconnection, transformers, and transmission infrastructure rather than funding. [\[archdesk.com\]](https://archdesk.com), [\[datacenter...wledge.com\]](https://datacenter.wledge.com)
- Hotspot regions include Northern Virginia, Texas, Arizona, Ohio, Indiana, Louisiana, Mississippi, and New Mexico. [\[datacenter...ompas.com\]](https://datacenter.ompas.com)

Some of the largest U.S. projects and their status

Project	Location	Status
HyperGrid / Project Matador (Fermi America)	Texas	Under construction [blackridge...search.com]
Meta Hyperion AI Campus	Louisiana	Under construction [blackridge...search.com]
Project Jupiter (Stargate)	New Mexico	Under construction [blackridge...search.com] , [datacenter...ompas.com]
Project Tembo (Google)	Wyoming	Under construction [blackridge...search.com]
Lea County Data Center	New Mexico	Planned [blackridge...search.com]
OpenAI Project Camellia	Georgia	Planned [blackridge...search.com]
AWS New Carlisle Campus	Indiana	Under construction [datacenter...ompas.com]
Meta Richland Parish AI Campus	Louisiana	Under construction [datacenter...ompas.com]
Quantum Loophole Frederick Campus	Maryland	Under construction/development [datacenter...ompas.com]

DATA CENTERS – A STATE BY STATE LISTING

A complete state-by-state inventory would contain **thousands of facilities and projects**, but I can provide a concise state-by-state view of the major planned and under-construction developments identified in current industry trackers.

For Rhode Island specifically, there are currently no nationally significant hyperscale AI data center projects highlighted in the major trackers I reviewed. [\[datacenternews.org\]](https://datacenternews.org), [\[datacenter...ompas.com\]](https://datacenter.ompas.com)

A NARRATIVE ON ADDITIONAL DETAILS ASSOCIATED WITH THIS SECTION ARE CONTAINED IN THE FULL RESEARCH DOCUMENT.

WHAT ARE THE IMPACTS ON MUNICIPALITIES?

For municipalities, the biggest concern is often not the data center itself, but the **secondary effects on public infrastructure, utilities, finances, and land use**. Based on current U.S. data center development trends, here's a municipal risk framework.

Municipal Risk Assessment Matrix

Risk Area	Probability	Impact	Municipal Concerns
Electric grid demand	Very High	Very High	New substations, transmission lines, reliability concerns, ratepayer impacts
Water supply	Medium-High	High	Cooling-water consumption, drought resilience, infrastructure expansion
Tax incentives exposure	High	High	Property tax abatements reducing expected revenue
Transportation infrastructure	Medium	Medium	Construction traffic, road wear, intersection improvements
Emergency services	Medium	Medium-High	Fire response, hazmat planning, backup fuel storage
Housing pressure	Medium	Medium	Construction workforce impacts on housing availability
Noise impacts	High	Medium	Generators, cooling equipment, transformer stations
Land-use compatibility	High	High	Conflicts with residential growth and conservation goals
Economic development benefits	High	Positive	Construction jobs, tax base, supplier activity

Special Consideration for Rhode Island Municipalities

If evaluating a potential project in Rhode Island, I would classify the risks as:

Category	RI Risk
Electric infrastructure	Very High
Water supply	Moderate
Traffic construction impact	Moderate
Fiscal incentive exposure	High
Land-use conflict	High
Housing impact	Low-Moderate
Emergency services burden	Moderate

Because Rhode Island has a relatively constrained electric system and limited developable land compared with larger western states, power availability and land-use compatibility would likely be the dominant municipal review issues.

THIS POINT IS IMPORTANT. IT SHOULD BE CAREFULLY ANALYZED AND RESEARCHED WITH DILIGENCE AND OBJECTIVE DATA.

Recommended Municipal Due Diligence Checklist

Before permitting a hyperscale data center, municipalities should obtain twelve studies and analysis.

A NARRATIVE ON ADDITIONAL DETAILS ASSOCIATED WITH THIS SECTION ARE CONTAINED IN THE FULL RESEARCH DOCUMENT.

Planning Board

For a municipal planning board, a profile to determine an overall risk profile associated with a hyperscale AI data center.

FIVE IMPORTANT POINTS SPECIFIC TO THE PLANNING BOARD ARE INCLUDED IN THE FULL

Revenue Apportionment and Corporate Income Tax for Data Centers

The critical determinant is usually whether the developer, utility, or taxpayers bear the cost of the required infrastructure upgrades.

Takeaway: For data centers, the **rule of apportionment** determines **how much of a multistate operator's total income a given state may tax**. The core principle is *fair attribution of income to the state where economic activity occurs*, but the actual rules vary widely and create major consequences for data-center operators. Below is a structured, citation-grounded explanation tailored to your municipal-finance and benchmarking work.

A SIMPLE EXPLANATION. IF YOU PURCHASE A FAST-FOOD MEAL AT A LOCAL FRANCHISE RESTAURANT, THE SALE DIRECTLY INCLUDES PRODUCTS AND SERVICES DELIVERED WITHIN THE BOUNDARIES OF A STATE. THEREFORE, AT THE END OF THE YEAR, THE FRANCHISE MUST REPORT THEIR SALES DELIVERED WITHIN THE STATE. THEY ARE REQUIRED TO PAY STATE INCOME TAXES FOR ALL SALES DELIVERED IN THE STATE. THE REVENUE FROM THESE FRANCHISE STORES DOES NOT TRANSFER THE INCOME TO THE STATE WHERE THE CORPORATE HEADQUARTERS IS LOCATED.

Synthesis for your Smithfield benchmarking

Smithfield's proposed data-center project could generate **property-tax revenue**, but **state corporate-income-tax revenue is likely small** because:

- Rhode Island uses **single-sales-factor** for most corporations.
- Cloud/hosting receipts are **market-sourced**, meaning RI only taxes income from **RI customers**.
- The large physical footprint in Smithfield **does not increase** RI's apportionment share.

Thus, municipal fiscal planning should treat **property tax** as the primary revenue source, not income tax.

THIS SECTION IS COMPLEX WITH TECHNICAL ACCOUNTING DEFINITIONS AND CALCULATIONS. TO UNDERSTAND A FULL NARRATIVE DETAILS ASSOCIATED WITH THIS SECTION, PLEASE REFER TO THE FULL RESEARCH DOCUMENT.

A RHODE ISLAND SPECIFIC APPORTIONMENT EXPLANATION

Takeaway: Rhode Island uses a single-sales-factor (SSF) apportionment system with market-based sourcing for most service and digital-economy businesses. For data centers, this means the physical presence of servers in Rhode Island does NOT significantly increase the operator’s Rhode Island corporate-income-tax liability. Only sales to Rhode Island customers matter.

Rhode Island vs. Neighboring States (Apportionment Comparison)

State	Sourcing	Impact on Data Centers
Rhode Island	Market	Minimal income-tax liability; property tax dominates.
Massachusetts	Market	Similar to RI; heavy focus on sales location.
Connecticut	Market	Same pattern; property footprint irrelevant.
New York	Market	Large AI campuses paused; income tax tied to customer location.

SPECIAL NOTE: DISCUSSIONS HAVE INCLUDED THAT THE DEVELOPER MAY WISH FOR A TAX STABILIZATION AGREEMENT WITH THE TOWN OF SMITHFIELD. THESE AGREEMENTS INCLUDE A HIGH PROPERTY TAX “CREDIT” IN THE FIRST YEAR REDUCING OVER THE PERIOD OF THE 20-YEAR AGREEMENT. THEREFORE, FULL PROPERTY TAX PAYMENTS WILL NOT BE REALIZED UNTIL AFTER THE AGREEMENT EXPIRES (21ST YEAR).

Conclusion & Synthesis

Rhode Island’s apportionment rules are **industry-friendly** for data centers, but **municipalities must rely on property taxation** for revenue.

Rhode Island’s apportionment system is designed so that **data-center operators pay corporate-income tax based on customer location, not server location**. For Smithfield, this means:

The physical presence of a hyperscale campus does not create significant state corporate-income-tax revenue. Local property tax is the fiscal engine.

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SO AS A CUSTOMER OF GOOGLE DRIVE, HOW DOES META DETERMINE ITS SALES REVENUE BY STATE FOR THE PURPOSES OF STATE INCOME TAX?

Short answer: Meta does **not** look at where *you* store your files (e.g., Google Drive) or where the servers sit. Meta determines its **state-by-state sales revenue** using **market-based sourcing**, which means it looks at **where *you*, the customer, receive the benefit of Meta's service**. For state income-tax purposes, your Google Drive usage is irrelevant to Meta's apportionment.

Therefore: Meta counts your revenue contribution as Rhode Island sales, even if the servers are in Virginia, Texas, or Oregon. Your Google Drive usage does not change Meta's apportionment.

Why server location doesn't matter

- Under modern state tax rules:
- Server location $\neq$ sales location
- Data-center location $\neq$ income-tax sourcing

Rhode Island-specific impact

Rhode Island uses single-sales-factor apportionment with market-based sourcing. So for Meta:

- **Only Rhode Island customers matter.**
- **Servers in Rhode Island do not increase RI income-tax liability.**
- **A Meta data center in Smithfield would not create significant RI corporate-income-tax revenue.**

This is why municipalities like Smithfield must rely on **property tax**, not income tax, when evaluating data-center proposals.

Synthesis

Your Google Drive usage does **not** affect Meta's state-by-state revenue sourcing. Meta determines its sales revenue by state based on **your location**, not Google's servers, not Meta's servers, and not where your files are stored.

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HOW MUCH IS META'S CORPORATE STATE INCOME TAX PAID TO RI?

Concise answer: Meta's corporate state-income-tax paid to Rhode Island is effectively *near zero*. This is not because Meta avoids tax, but because Rhode Island's apportionment rules mean Meta has almost no Rhode Island-sourced sales, and therefore almost no Rhode Island corporate-income-tax liability.

Therefore: Meta's Rhode Island apportionment percentage is extremely small (likely <0.1%). What Meta actually reports about state taxes.

Synthesis

Because Rhode Island taxes Meta based on **Rhode Island customers**, not server location:

Meta's corporate-income-tax paid to Rhode Island is small—likely in the low single-digit millions per year.

This is why **data-center sitting in Smithfield would not materially increase Rhode Island's corporate-income-tax revenue.**

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STATE BY STATE META TAX EXPOSURE MODEL

Meta state-by-state tax exposure model (conceptual, benchmark-ready)

Meta doesn't publish state-specific tax payments, but we can build a structured exposure model—how much each state *likely* matters—based on apportionment rules, market size, and Meta's business mix.

Synthesis

So, for Smithfield-style benchmarking, Meta is a **tiny contributor** to RI's corporate-income-tax base compared to Tier-1 states (in full document).

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