

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

FULL REPORT

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Note: A substantial amount of research effort was invested into the full and summary documents. Research 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]

Status breakdown across the industry

Most projects fall into one of these stages: [\[datacenternews.org\]](https://datacenternews.org)

- Proposed
- Permitting/Zoning
- Approved
- Under construction
- Operational

The overall trend is that projects with secured power and transmission agreements are advancing, while many announced campuses are waiting on utility approvals and electrical infrastructure.

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.

State	Major Project(s)	Status
Alabama	Project Marvel - Bessemer Hyperscale	Under construction [datacenter...ompass.com]
Arizona	Google Mesa Redhawk Campus, Meta Mesa Data Center, Microsoft El Mirage Data Center	Under construction [datacenter...ompass.com]
Arkansas	AVAIO Digital Leo - Little Rock	Under construction [datacenter...ompass.com]
California	Microsoft Alviso Data Center	Under construction [datacenter...ompass.com]
Georgia	Project Camellia Data Center Campus (planned), DC BLOX Atlanta East	Planned / Under construction [blackridge...search.com] , [datacenter...ompass.com]
Idaho	Meta Kuna Data Center	Under construction [datacenter...ompass.com]
Illinois	Meta DeKalb Data Center	Under construction [datacenter...ompass.com]
Indiana	AWS New Carlisle Campus, Meta Lebanon Campus	Under construction [datacenter...ompass.com] , [businessinsider.com]
Louisiana	Meta Hyperion AI Campus, Meta Richland Parish AI Data Center	Under construction [blackridge...search.com] , [datacenter...ompass.com]
Maryland	Quantum Frederick Campus	Development / Construction [datacenter...ompass.com]
Mississippi	xAI MACROHARDRR, AWS Madison County Data Center, Compass Meridian Hyperscale Campus	Development / Under construction [blackridge...search.com] , [datacenter...ompass.com]
Nevada	EdgeCore Reno Campus, Switch Citadel Expansion, Vantage NV1 Reno Campus	Under construction [datacenter...ompass.com]
New Mexico	Lea County Data Center, Project Jupiter (Stargate)	Planned / Under construction [blackridge...search.com] , [datacenter...ompass.com]
Ohio	Multiple hyperscale AI campuses around Columbus/New Albany area	Major expansion activity reported [businessinsider.com] , [datacenter...ompass.com]
Texas	HyperGrid (Project Matador), Matrix Data Center Campus, large AI campuses in Dallas-Fort Worth, San Antonio, Sweetwater, and Amarillo regions	Under construction / Planned [blackridge...search.com] , [datacenter...wledge.com]
Utah	Delta Gigasite Expansion, High Performance Compute Data Center Campus	Planned [cleanview.co]
Virginia	Numerous hyperscale projects in Loudoun and Prince William Counties	Active construction and permitting pipeline [datacenter...wledge.com] , [datacenter...ompass.com]
West Virginia	Monarch Compute Campus - Phase 2	Planned [cleanview.co]
Wyoming	Project Tembo (Google)	Under construction [blackridge...search.com]

States With The Largest Pipelines

Current trackers indicate the most significant development activity is concentrated in:

- Texas [\[datacenter...wledge.com\]](#), [\[blackridge...search.com\]](#)
- Virginia [\[datacenter...wledge.com\]](#), [\[datacenter...ompass.com\]](#)
- Arizona [\[datacenter...ompass.com\]](#)
- Indiana [\[datacenter...ompass.com\]](#), [\[businessinsider.com\]](#)
- Louisiana [\[blackridge...search.com\]](#), [\[datacenter...ompass.com\]](#)
- New Mexico [\[blackridge...search.com\]](#), [\[datacenter...ompass.com\]](#)
- Mississippi [\[blackridge...search.com\]](#), [\[datacenter...ompass.com\]](#)

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

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

1. Electric Infrastructure Risk

This is currently the highest-risk category nationwide. Large AI campuses increasingly require hundreds of megawatts to multiple gigawatts of power, often needing:

- New substations
- Transmission line upgrades
- Grid interconnections
- Backup generation systems

Municipal impacts:

- Utility infrastructure expansion
- Visual impacts from substations
- Increased permitting workload
- Community concerns about electricity reliability

Several states, including Virginia and Oklahoma, have begun examining how large AI facilities affect utility planning and ratepayer exposure. [\[datacenter...wledge.com\]](https://datacenter.wledge.com)

Questions municipalities should ask

- Who pays for transmission upgrades?
- Will residential customers bear any costs?
- What is the utility's contingency plan if demand forecasts are not realized?
- Are there dedicated power contracts?

2. Water Resource Risk

Traditional evaporative cooling systems can require significant water supplies.

Municipal concerns include:

- Aquifer drawdown
- Peak summer demand conflicts
- Wastewater treatment capacity
- Drought management

Risk is particularly elevated in:

- Arizona
- Texas
- Utah
- New Mexico

Many newer facilities are adopting closed-loop or air-cooled systems to reduce consumption, but actual water demand should be independently reviewed.

3. Fiscal Risk

A common misconception is that data centers always produce large local revenues.

Risks include:

- Long-term tax abatements
- Infrastructure costs exceeding tax gains
- Limited permanent employment after construction

Municipalities should evaluate:

- Net present value of incentives
- Long-term tax revenue
- Reimbursement agreements for infrastructure upgrades

Key metrics

- Develop a metric as follows:
- Expected tax revenue - Infrastructure obligations - Municipal service costs

4. Land Use and Community Risk

Data centers are often 100 to 2,000+ acre developments.

Potential impacts:

- Agricultural land conversion
- Open-space loss
- Visual impacts
- Reduced land available for mixed-use development

Common public concerns:

- Lack of job density versus land consumed
- Industrialization of rural areas
- Future expansion uncertainty

5. Public Safety Risk

Major facilities often include:

- Diesel backup generators
- Fuel storage
- High-voltage equipment

Municipal requirements frequently include:

- Fire department training
- Emergency response planning
- Access road improvements
- Coordination with utility operators

6. Economic Development Risk and Opportunity

Benefits

- Large construction employment
- Local contractor utilization
- Increased commercial tax base
- Fiber and utility upgrades

Risks

- Permanent staffing is typically much smaller than manufacturing facilities of similar size.
- Benefits may be concentrated during construction rather than operations.

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.

Recommended Municipal Due Diligence Checklist

Before permitting a hyperscale data center, municipalities should obtain:

1. Independent power impact study.
2. Independent water impact study.
3. Traffic impact analysis.
4. Noise study.

5. Fiscal impact model.
6. Emergency services assessment.
7. Long-term tax agreement review.
8. Decommissioning and site-reuse plan.
9. Expansion phase disclosure.
10. Community benefit agreement.

Planning Board

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

- Infrastructure Risk: High
- Financial Risk: Medium-High
- Environmental Risk: Medium-High
- Community Acceptance Risk: High
- Economic Opportunity: Medium-High

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.

What “apportionment” means for data centers

Apportionment is the **mathematical formula** a state uses to claim its share of a multistate business's taxable income. States do not coordinate, so total percentages can exceed or fall short of 100%.

For data centers, apportionment matters because operators often have:

- Facilities in multiple states
- Customers nationwide
- Cloud and hosting receipts that are difficult to “source”
- Large property footprints (servers, racks, cooling equipment)

The three classic apportionment formulas

States use one of three main formulas to divide income:

- **Three-factor formula** — property, payroll, and sales weighted equally.
- **Double-weighted sales** — sales count more heavily than property/payroll.
- **Single-sales-factor (SSF)** — only sales matter; property and payroll are ignored.

Trend: Since 2010, many states have shifted to single-sales-factor, meaning a data center's massive property footprint (servers, equipment) often does not increase its income-tax apportionment share.

How "sales" are sourced for data centers

The biggest challenge is defining where a cloud or hosting sale "happens."

Two competing rules:

- **Cost-of-performance (origin sourcing):** The sale is sourced to the state where the service is performed (i.e., where the servers are).
- **Market-based sourcing:** The sale is sourced to the customer's location.

Most states now use market-based sourcing, meaning a data center located in State A may owe little or no income tax to State A if its customers are in States B, C, and D.

Special apportionment issues unique to data centers

1. Massive property values

Servers and equipment often represent 20%+ of total tax burden in states that tax tangible personal property. But under SSF formulas, this does not increase income-tax apportionment, only property tax.

2. Nexus expansion

After *Wayfair*, states assert **economic nexus** even without physical presence. Many states apply sales-threshold nexus to income tax. Thus, a data-center operator may owe tax in a state **even without a facility there**.

3. Alternative apportionment (UDITPA §18)

If standard formulas distort income, states may invoke **alternative apportionment** to correct perceived unfairness. Courts use **internal and external consistency tests** to judge fairness. Section 18 is increasingly used for **industry-specific rules**, including digital and cloud services.

4. Throwback/Throwout rules

If a sale is not taxable in the customer's state, some states "throw back" the sale to the origin state, increasing that state's apportionment share. This can unexpectedly increase tax for data centers in origin-sourcing states.

Why apportionment matters for municipal finance

Even though apportionment is a **state corporate-income-tax** concept, it affects **local fiscal expectations**:

- **Local property tax** is stable, but **state income-tax revenue sharing** (if applicable) depends on apportionment.
- **Incentive negotiations** (e.g., sales-tax exemptions for equipment) hinge on understanding how much income the state can actually tax.

- **Economic-development projections** often overestimate income-tax revenue because they assume property footprint = taxable income footprint, which is **not true under SSF**.

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.

The proposal for the Smithfield facility included a discussion of a tax stabilization agreement with the Town of Smithfield.

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.

Below is a Rhode Island-specific, structured explainer tailored to your municipal-finance benchmarking work.

Rhode Island Apportionment for Data Centers

1. Rhode Island's Core Formula: Single-Sales-Factor (SSF)

Rhode Island apportionment is governed by **R.I. Gen. Laws §44-11-14** and related regulations.

Rhode Island uses **single-sales-factor apportionment** for most corporations:

$$\text{RI Apportionment Percentage} = \frac{\text{RI Sales}}{\text{Total Sales}}$$

Property and payroll are NOT part of the formula. This is the most important fact for data-center fiscal modeling.

2. Market-Based Sourcing for Services & Cloud Computing

Rhode Island uses **market-based sourcing** for service receipts (R.I. Gen. Laws §44-11-14.1).

For data centers, "sales" include:

- Cloud hosting
- Compute services
- Storage
- AI inference/compute
- Colocation fees
- Managed services

Under market-based sourcing, these receipts are sourced to **where the customer receives the benefit**, not where the servers sit.

Practical effect:

A hyperscale campus in Smithfield serving customers nationwide will have **very little Rhode Island-sourced sales**, unless:

- The customer is located in Rhode Island, or
- The benefit of the service is received in Rhode Island.

Thus, Rhode Island corporate-income-tax revenue from a Smithfield data center is minimal.

3. Special Rules Relevant to Data Centers

A. Economic Nexus (post-Wayfair)

Rhode Island asserts corporate-income-tax nexus if a business has:

- **\$500,000+** of Rhode Island sales, OR
- **25% of total sales** in Rhode Island, OR
- **Significant economic presence.**

A data center with **no Rhode Island customers** may still have nexus, but **apportionment percentage will be near zero**, so tax owed is minimal.

B. Throwback/Throwout Rules

Rhode Island does not use throwback rules for service receipts. This protects data-center operators from having “nowhere sales” thrown back into Rhode Island.

C. Alternative Apportionment (UDITPA §18)

Rhode Island allows alternative apportionment **only if the standard formula is distortive**. This is rare and typically applied to:

- Transportation
- Financial institutions
- Specialized industries

There is **no Rhode Island precedent** for applying §18 to data centers.

D. Tangible Personal Property Tax (Local)

This is not **apportionment**, but it is the real fiscal driver for municipalities.

Smithfield taxes:

- ✓ **Real estate** at 12.72 mills
- ✓ **Tangible property** at 16.72 mills

This is why **local property tax**, not state income tax, dominates revenue projections.

4. What This Means for Smithfield

A. Corporate-income-tax revenue to Rhode Island will be small

Because:

- SSF ignores property and payroll
- Market-based sourcing assigns receipts to customer location
- Most customers are out-of-state

B. Municipal revenue comes almost entirely from property tax

Smithfield's revenue model should focus on:

- Real estate value
- Tangible equipment value
- Depreciation cycles
- Appeals risk

- Potential abatements

C. Incentive negotiations should not assume large state income-tax gains

Developers often argue that Rhode Island will gain corporate-income-tax revenue. Under SSF + market sourcing, this is **not true** unless the operator has many Rhode Island customers.

5. Rhode Island vs. Neighboring States (Apportionment Comparison)

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

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.

Below is a clear, Rhode-Island-aligned explanation of how Meta (or any cloud/data-center operator) determines sales by state.

How Meta Determines Sales Revenue by State

- Meta uses “market-based sourcing” for apportionment.
- This is the rule in almost every state where Meta files corporate income tax returns.
- Under market-based sourcing:
 - A sale is assigned to the state where the customer receives the benefit of the service.
 - For Meta's cloud, hosting, AI compute, or advertising services, this means:
 - ✓ Your billing address
 - ✓ Your primary business location
 - ✓ Where your employees use the service
 - ✓ Where Meta's service is delivered to you

These are the factors that determine **state sales**, not the physical location of servers. **Example: You are a Google Drive customer in Rhode Island.** Even though you use Google Drive (Google's service), Meta determines its own sales revenue by state using **your Rhode Island location**, because:

- You receive Meta's services (ads, business tools, cloud integrations) **in Rhode Island**.
- Your business or residence is **in Rhode Island**.
- Your benefit from Meta's services occurs **in Rhode Island**.

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

States abandoned “cost-of-performance” sourcing years ago. Now:

- Meta's servers could be in Iowa.
- Google's servers could be in Oregon.
- You could be in Rhode Island.

Your location wins. The sale is sourced to Rhode Island.

What Meta actually does in practice

Meta's tax department uses a standard workflow:

1. Identify the customer's state

Billing address, contract address, or primary business location.

2. Determine where the benefit is received

Where the customer uses the service (employees, devices, operations).

3. Assign receipts to that state

This becomes Meta's **state sales factor** for apportionment.

4. Ignore server location

Server location affects **property tax**, not **income tax**.

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.

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.

Below is a structured, Rhode-Island-specific explanation grounded in Meta's SEC filings and Rhode Island tax law. Why Meta's RI corporate-income-tax liability is near zero? Rhode Island uses single-sales-factor apportionment with market-based sourcing (R.I. Gen. Laws §44-11-14.1). This means:

$$\text{RI taxable income} = \text{Meta's total income} \times \frac{\text{RI sales}}{\text{total sales}}$$

And critically:

- **RI sales = sales to RI customers**, not server location.
- Meta's customers are overwhelmingly not in Rhode Island.
- Meta has no major business lines concentrated in Rhode Island.
- Meta's data-center footprint is not in Rhode Island.
- Meta's advertising, cloud, and AI services are consumed nationwide, with RI representing a tiny fraction of users.

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

Meta's SEC filings show **total U.S. state tax expense**, not state-by-state amounts. From Meta's FY2025 Form 10-K (filed Jan 29, 2026):

- State current tax expense: \$745 million
- State deferred tax expense: \$395 million

But this is **all states** combined. Meta does **not** disclose state-specific payments (e.g., "Meta paid X to Rhode Island"). This is normal—no major corporation publishes state-by-state tax payments publicly.

Estimating Meta's Rhode Island tax liability

We can estimate Meta's Rhode Island corporate-income-tax payment using:

1. Meta's U.S. domestic income (2025):

- \$79.644 billion (domestic income)

2. Rhode Island's apportionment formula:

- $\text{RI share} = \frac{\text{RI sales}}{\text{total U.S. sales}}$

Meta's RI sales are not disclosed, but RI represents **~0.3% of U.S. population** and **~0.2–0.4% of Meta's U.S. ad market**, based on industry demographic distribution.

3. Rhode Island's corporate tax rate:

- 7%

Putting it together (illustrative):

If RI represents 0.3% of Meta's U.S. sales:

- RI taxable income = $79.644B \times 0.003 = 238.9M$
- RI tax = $238.9M \times 0.07 = 16.7M$

But this is an upper-bound estimate, because:

- Meta's RI customer base is likely **smaller** than population share.
- Meta's business customers (the largest revenue drivers) are concentrated in **NY, CA, TX, IL, WA**, not RI.
- Meta's cloud/AI enterprise sales are **not** concentrated in RI.
- Meta's RI sales may be **closer to 0.1%** of U.S. sales.

More realistic estimate (0.1% sales share):

- $79.644B \times 0.001 = 79.6M$
- $79.6M \times 0.07 = 5.6M$

Likely range:

- Meta's annual corporate-income-tax paid to Rhode Island is probably between \$3M and \$7M.

This is consistent with:

- Meta's national state-tax burden
- Rhode Island's small market size
- Market-based sourcing rules
- The absence of any RI data-center footprint
- The absence of RI-specific disclosures in Meta's filings

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 siting in Smithfield would not materially increase Rhode Island's corporate-income-tax revenue.**

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.

1. Core drivers of Meta's state tax exposure

- **Sales factor:** Primary driver. States use single-sales-factor with market-based sourcing—Meta's exposure is tied to where customers are, not where servers are.
- **State corporate tax rate:** Higher rates (e.g., CA, NY, NJ, MN) increase exposure for the same sales share.
- **Market size & business mix:** States with more advertisers, enterprises, and users (CA, NY, TX, FL, IL) carry more weight.
- **Special regimes / credits:** Some states offer credits, NOLs, or special rules that reduce effective exposure.

2. Exposure tiers by state (conceptual)

Tier	States (examples)	Why exposure is high/medium/low
Tier 1 – Very high	CA, NY, TX, FL, IL	Large ad markets, many enterprise customers, high user density, relatively high tax rates.
Tier 2 – High	PA, OH, GA, NC, NJ, WA, MA	Significant business bases, strong metro markets, sizable user populations.
Tier 3 – Medium	MI, MN, CO, AZ, VA, MD, IN, WI, TN	Mid-sized markets; meaningful but not dominant share of Meta's U.S. revenue.
Tier 4 – Low	OR, CT, MO, AL, SC, KY, OK, LA, NV, UT, IA, KS	Smaller ad/enterprise markets; exposure mostly via broad national user base.
Tier 5 – Very low	RI, NH, ME, ID, NM, NE, AR, MS, WV, MT, WY, ND, SD, VT, AK, HI	Small populations and business bases; Meta's sales share is tiny, so tax exposure is minimal.

Rhode Island sits firmly in **Tier 5**—Meta's RI corporate-income-tax exposure is **small relative to national state tax expense**.

3. How to think about “exposure” numerically.

- For a rough benchmark, you can treat Meta's **U.S. state tax expense** as allocated by:
- **Population share** (baseline)
- Adjusted by **business intensity** (ad spend, enterprise presence)
- Multiplied by **state tax rate**

So, for each state:

$$\text{State exposure} \approx \text{Meta U.S. income} \times \text{state sales share} \times \text{state tax rate}$$

Where **state sales share** is driven by:

- Number and size of advertisers
- Enterprise customers using Meta's business tools / AI / cloud
- User base intensity

4. Rhode Island in that model

- **Sales share:** likely **0.1–0.3%** of Meta's U.S. sales
- **Tax rate:** 7%
- **Result:** low single-digit millions of annual RI corporate-income-tax, at most.

Synthesis

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