



# This Week in State Tax (TWIST)

July 13, 2026



## Virginia: Commonwealth enacts a unique tax on electricity consumed by data centers

Virginia Governor Abigail Spanberger recently signed the state budget for the 2026-2028 biennium following negotiations with the General Assembly. One contentious aspect of the budget concerned the state sales and use tax incentives offered to qualifying data centers. In a compromise, the final budget preserves the current incentives but imposes a first-of-its-kind tax on data center operators.

Beginning on and after July 1, 2026, but before July 1, 2028, the electricity consumption tax is imposed upon every data center operator at the rate of \$0.011/kWh of all electricity consumed at each data center per month. The tax applies in addition to all other taxes and fees now imposed by law, and regardless of whether the electricity is provided through an incumbent electric utility, an incumbent electric cooperative, a competitive service provider, or is self-supplied. Suppliers are required to list the applicable tax as a separate line item on the data center operator's billing invoice. The first collection of the tax will be made in September 2026, covering the period of July 1 through September 1, 2026. Thereafter, the tax must be collected and remitted monthly. The Commonwealth Corporation Commission is responsible for administering the electricity consumption tax.

For questions regarding [House Bill 30](#), please contact [Jeff Cook](#), [Nicole Umpleby](#) or [Scott Jackson](#).

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