

# Race for Facebook data center raises tax-break questions

August 29 2016, by Lindsay Whitehurst And Morgan Lee

---

The race between a small town on the Rio Grande in New Mexico and a Salt Lake City suburb to entice a new Facebook data center with millions of dollars in tax breaks and subsidies is raising questions about public investments in a booming cloud-computing economy that typically brings few local jobs.

In Utah, an initial \$240 million tax-break plan fell apart after several leaders said the lure was too rich. Negotiations have since restarted for the project in West Jordan.

The New Mexico town of Los Lunas, meanwhile, agreed to give up all property taxes for 30 years in exchange for annual payments from Facebook that start at \$50,000 and top out at less than \$500,000.

Supporters say it's an opportunity to attract a big-name company, but others question whether the effect will be noticeable on the [local economy](#).

© 2016 The Associated Press. All rights reserved.

Citation: Race for Facebook data center raises tax-break questions (2016, August 29) retrieved 10 May 2024 from <https://phys.org/news/2016-08-facebook-center-tax-break.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--