ELECTRIC, NATURAL GAS, & DATA CENTER ELECTRICITY CONSUMPTION TAXES

Todd Andrews, Director
Public Service Taxation Division

August 19, 2026

Electric & Natural Gas Consumption Tax Summary

- Enacted January 1, 2001
- § 58.1-2900 through § 58.1-2907
- Taxes on the consumers of electricity and natural gas based on kWh or CCF (100 cubic feet of gas) delivered by the utility
- Replaced electric and gas state gross receipts taxes (§ 58.1-2626), the special regulatory revenue tax (§ 58.1-2660), and the local license tax (§ 58.1-3731) which were all based on gross receipts and shifted to a pass through on the customer's bill based on usage
- Remitted by the utility to PST monthly, on or before the last day of the succeeding month of collection

Electric & Natural Gas Consumption Tax Summary

Four parts:

1. State Consumption Tax - remitted to PST and deposited to the general fund
2. Special Regulatory Tax - remitted to PST and deposited to a special fund administered by the SCC to fund Utility Divisions
3. Local Consumption Tax - remitted to the locality where kWh or CCF are delivered to fund the locality
4. (Electric Only) **Data Center Electricity Consumption Tax (DCECT) -** remitted to PST and amounts ≤ $600M deposited to the general fund; amounts over $600M deposited to a special fund administered by the SCC to issue refunds

Electric Consumption Taxes

- Utilities and Cooperatives report monthly for the previous month detailing their total Kilowatt Hours billed to their customers and tax collected based on these rates:

• **State Consumption Tax**	**0 - 2,500 kWh:**	**$0.00102/kWh**
	2,500 - 50,000 kWh:	**$0.00065/kWh**
	In Excess of 50,000 kWh:	**$0.00050/kWh**
• **Data Center Electricity Consumption Tax**	**All kWh:**	**$0.011/kWh**
• Special Regulatory Tax	0 - 2,500 kWh:	$0.000165/kWh
	2,500 - 50,000 kWh:	$0.000165/kWh
	In Excess of 50,000 kWh:	$0.000165/kWh
• Local Consumption Tax	0 - 2,500 kWh:	$0.00038/kWh
	2,500 - 50,000 kWh:	$0.00024/kWh
	In Excess of 50,000 kWh:	$0.00018/kWh

Electric Consumption Taxes – Sample Residential Bill

Electric Meter:	(06/19 - 07/20)
Current Reading	62986
Previous Reading	61377
Billable Usage (kWh) - Residential (Schedule 1)	**1608**

Electric Charges and Credits	
Previous Electric Charges and Credits	
Previous Balance	189.11
Payment Received	189.11CR
Balance Forward	**0.00**
Current Electric Charges and Credits	
Residential (Schedule 1)	***06/19-07/20***
Distribution Service Charges	**70.08**
Electricity Supply Service (ESS)	
Generation	122.78
Transmission	34.56
Fuel	55.74
Electricity Supply Charges	**213.08**
Deferred Fuel Cost Charge	4.66
Sales and Use Surcharge	1.48
State/Local Consumption Tax	2.52
Henrico County Utility Tax	1.00
Taxes, Fees and Charges	**9.66**
Current Electric Charges	**292.82**
Account Balance	**292.82**
Amount Due	**$292.82**

ADDITIONAL MESSAGES ON BACK OF BILL

All current consumption taxes show up on customer bills, usually as one line item.

- The new data center electricity consumption tax will be a separate line item on data center operator bills.

Billing Calculations:

Billable Usage = 1608 kWh

1608 kWh x 0.00102 (state)	$1.64
1608 kWh x 0.000165 (special regulatory)	$0.27
1608 kWh x 0.00038 (local)	$0.61
Total	**$2.52**

Utilities & Cooperatives Electric Consumption Tax Monthly Reporting

Electric Utility Consumption Tax Monthly Billing

Number of Kilowatt Hours Subject to Consumption Tax		* Total kWh Billed	* State Consumption Tax	* Special Regulatory Tax at $0.000165/kWh
Tier 1	0 - 2,500			
Tier 2	2,500 - 50,000			
Tier 3	50,000+			
	TOTAL	**0**	**$0.00**	**$0.00**
		Adjustment		
		Less: Unpaid Taxes to Service Provider		
		Plus: Net Collections of Delinquent Taxes		
		Plus: Excess Local Consumption Tax Collected		
		TAX DUE	**$0.00**	**$0.00**
		10% Late Payment Penalty (* if applicable)		

Electric Consumption Tax Totals for Fiscal Year 2026

State Consumption Tax:

Total kWh : 138,209,251,617

State Consumption Tax Revenue: **$97,334,532**

Electric Consumption Tax Remitters

- Appalachian Power Company
- Dominion Energy Virginia
- Kentucky Utilities Company

- A & N Electric Cooperative
- B-A-R-C Electric Cooperative
- Central Virginia Electric Coop.
- Community Electric Cooperative
- Craig-Botetourt Electric Coop.
- Mecklenburg Electric Coop., Inc.
- Northern Neck Electric Cooperative
- Northern Virginia Electric Coop.
- Powell Valley Electric Cooperative
- Prince George Electric Cooperative
- Rappahannock Electric Cooperative

- Northern Virginia Electric Coop.
- Powell Valley Electric Cooperative
- Prince George Electric Cooperative
- Rappahannock Electric Cooperative
- Shenandoah Valley Electric Coop., Inc.
- Southside Electric Cooperative

- BVU Authority
- City of Danville
- City of Radford
- City of Salem
- Town of Front Royal
- Virginia Tech Electric Service

- Ten other municipal utilities are remitted by Dominion or Appalachian Power Company

Natural Gas Consumption Taxes

- Monthly tax imposed on the consumers of natural gas delivered in CCF (100 cubic feet) by the gas distribution companies consisting of 3 components (State Consumption Tax, Special Regulatory Tax, and Local Consumption Tax)

- Gas distribution companies report monthly for the previous month detailing their total CCF not in excess of 500 CCF billed to their customers and tax collected based on these rates:

• **State Consumption Tax**	**≤ 500 CCF:**	**$0.0135/CCF**
• Special Regulatory Tax	≤ 500 CCF:	$0.0026/CCF
• Local Consumption Tax	≤ 500 CCF:	$0.0040/CCF

Natural Gas Consumption Tax Totals for Fiscal Year 2026

State Consumption Tax:

Total CCF : 900,462,249

State Consumption Tax Revenue: **$12,156,494**

Natural Gas Consumption Tax Remitters

- Appalachian Natural Gas Distribution Company
- Atmos Energy Corporation
- Columbia Gas of Virginia, Inc.
- Roanoke Gas Company
- Southwestern Virginia Gas Company
- Virginia Natural Gas, Inc.
- Washington Gas Light Company

Data Center Electricity Consumption Tax (DCECT) Summary

- Item 3-5.24 in the 2026 Budget Bill effective July 1, 2026 – July 1, 2028

- A new state consumption tax of $0.011/kWh on data center operators

  “Data center operator" means any person who (i) owns, operates, or occupies a data center in the Commonwealth, **or** (ii) owns or operates a data center in the Commonwealth that utilizes self-supplied electricity generation.

- This tax will be paid monthly through the utilities and cooperatives as a separate line item on data center operator bills and will be paid directly to the SCC for any data center operators who utilize self-supplied electricity
  - De minimis backup generation for bona fide emergency situations is not currently subject to the DCECT

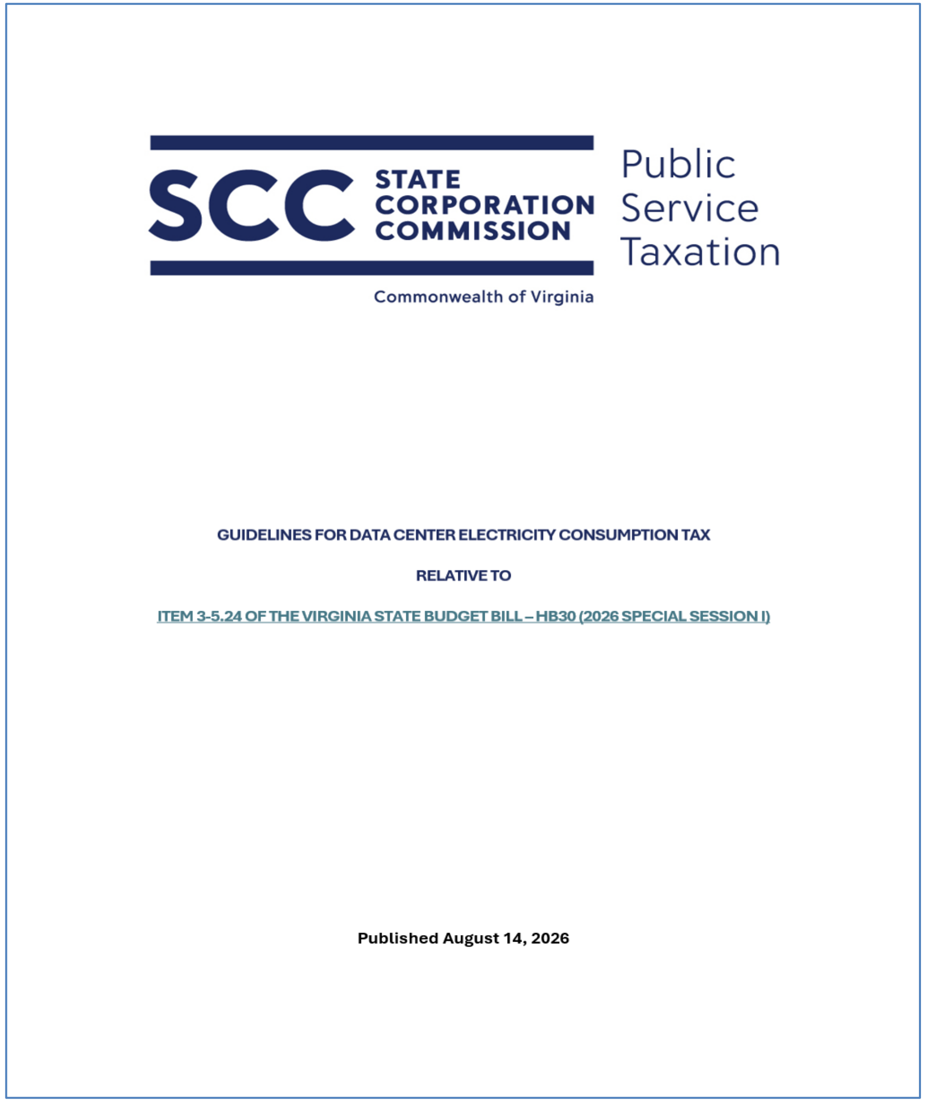
DCECT Summary - Continued

- DCECT follows the provisions of Va. Code § 58.1-2901 and shall constitute a debt of the data center operator to the Commonwealth.

  - The provider of billing services (utilities and cooperatives) shall remit monthly to the Commission the amount of tax paid during the preceding month.

  - The data center operator who utilizes self-supplied electricity at a data center shall report directly to PST and pay monthly on or before the last day of the succeeding month of consumption.

Data Center Electricity Consumption Tax (DCECT) Guidelines



SCC STATE CORPORATION COMMISSION

Commonwealth of Virginia

Public Service Taxation

GUIDELINES FOR DATA CENTER ELECTRICITY CONSUMPTION TAX

RELATIVE TO

ITEM 3-5.24 OF THE VIRGINIA STATE BUDGET BILL – HB30 (2026 SPECIAL SESSION I)

Published August 14, 2026

Sections of the Guidelines:

Introduction (Brief Overview)

A. Data Center Operator Registry

B. Electric Utility/Cooperative Guidance & Requirements

C. Data Center Operator Self-Supplied Electricity Guidance & Requirements

D. Refund Provision for Collections Over $600,000,000

A. Data Center Operator Registry

- SCC is requiring each data center operator (as defined in the language) to submit registration forms listing:
  - Data center operator name
  - Mailing address
  - Contact info (email, phone)
  - Name and address of the data center facility(ies) that the operator is responsible for
  - The utility or cooperative providing service to the data center facility(ies) along with all corresponding utility account number(s)
- SCC is also gathering information from Utilities, Cooperatives, DEQ, localities, and outside sources of data center information to build and continuously update our database of operators and data center facilities.

A. Data Center Operator Registry

Data Center Definition

"**Data center**" means a facility whose primary services are to centralize the storage, management, and processing of digital data and is used to house (i) computer and network systems, including associated components such as servers, network equipment and appliances, telecommunications, and data storage systems; (ii) systems for monitoring and managing infrastructure performance; (iii) equipment used for the transformation, transmission, distribution, or management of **at least one megawatt of capacity of electrical** power and cooling, including substations, uninterruptible power supply systems, all electrical plant equipment, and associated air handlers; (iv) Internet-related equipment and services; (v) data communications connections; (vi) environmental controls; (vii) fire protection systems; and (viii) security systems and services. "Data center" does not include a facility whose primary function is to facilitate the provision of internet access service, a communication service as defined in § 58.1-647, or any combination thereof.

A. Data Center Operator Registry

Data Center Operator Definition

"**Data center operator**" means any person who (i) owns, operates, or occupies a data center in the Commonwealth, **or** (ii) owns or operates a data center in the Commonwealth that utilizes self-supplied electricity generation. Where multiple persons qualify as data center operators with respect to a single data center, the person responsible for payment of the electric utility account for the applicable service point shall be liable for the tax imposed under this Item with respect to electricity delivered through that account, and the person responsible for the self-supplied generation shall be liable for the tax imposed under this Item with respect to self-supplied electricity.

B. Electric Utility/Cooperative Guidance & Requirements

- First remittance of the DCECT is due from utilities and cooperatives in September (due 9/30) for kWh consumption for July 1 – August 31
- Utilities and cooperatives will report the DCECT on PST's updated *Electric Utility Consumption Tax Monthly Report*
- DCECT section of the form will require utilities and cooperatives to list:
    - total number of data center operator accounts subject to the DCECT
    - the consolidated total kWh billed for the month of consumption
    - the consolidated total electricity consumption tax at the rate of $0.011/kWh.

B. Electric Utility/Cooperative Guidance & Requirements

DCECT Monthly Reporting

Data Center Electricity Consumption Tax Monthly Billing		
* Number of Data Center Operator Accounts Subject to Consumption Tax	* Total kWh Billed	* Electricity Consumption Tax at $0.011/kWh
(enter "0" if not applicable)	Adjustment	
	Less: Unpaid Taxes to Service Provider	
	Plus: Net Collections of Delinquent Taxes	
	TAX DUE	**$0.00**
	10% Late Payment Penalty (* if applicable)	
	TOTAL TAX DUE	**$0.00**

B. Electric Utility/Cooperative Guidance & Requirements

Data Center Operator Electric Utility Accounts

- PST staff will coordinate with the utilities and cooperatives before the initial remittance to authorize the DCECT on all data center operator accounts that are subject to the tax after reviewing the data center operator registration forms and other data center information gathered.

- This coordination will continue throughout the period in which the DCECT is in place to address new data centers as they approach initial operation and to authorize the utility or cooperative to impose the DCECT on those data center operator accounts.

- All metered accounts associated with the data center facility will be included if those meter(s) combined are at least 1MW as the "data center" definition requires.

B. Electric Utility/Cooperative Guidance & Requirements

Tracking Requirements for Refund Provision

- The utility or cooperative will keep track of all data center operator kWh consumption and DCECT revenues paid each month throughout the fiscal year in a spreadsheet.

- Establishing each data center operator's pro rata share of any DCECT revenues that may be refunded to the utility or cooperative by the SCC if collections exceed $600M.

- If collections exceed $600M and the refund provision is needed, each utility or cooperative will be required to credit each data center operator's account based on their individual pro rata share (audited by PST staff) of the total tax collections in the FY.

C. Data Center Operator Self-Supplied Electricity Guidelines & Requirements

- All data center operators who utilize self-supplied electricity at an operational facility will report monthly and pay the DCECT directly to PST.
- First remittance of the DCECT is due from operators who utilize self-supplied electricity in September (due 9/30) for kWh generated and consumed from July 1 – August 31.
- Reporting and remittance of the DCECT in subsequent months shall follow the provisions in Va. Code § 58.1-2901 where the previous month's reporting and remittance is due by the last day of the following month.
- PST's new *Data Center Electricity Consumption Tax Monthly Report* requires the data center operator to list:
  - Data center facility name
  - Mailing address
  - Self-supplied kWh for the month
  - Tax at $0.011/kWh

C. Data Center Operator Self-Supplied Electricity Guidelines & Requirements – Continued

- Requiring supporting documentation that validates all self-supplied kWh generation and consumption for the reporting period each month with the report

- Operators that utilize self-supplied electricity will report that electricity usage in kWh to the Department of Environmental Quality quarterly

  - DEQ will verify those quarterly filings against the *Data Center Electricity Consumption Tax Monthly Reports* filed with PST.

  - Questions for DEQ about filing requirements should be directed to Megan Joyce, DEQ Air Compliance Manager, at megan.joyce@deq.virginia.gov.

D. Refund Provision for Collections Over $600,000,000

- If total collections of the DCECT exceed $600,000,000 in a FY, **the excess, minus SCC expenses, will be refunded to data center operators based on their pro rata share of the total DCECT amount collected and remitted to the SCC during the FY.**

- Refund will be administered in two parts:
  - Refund checks will be sent by the SCC to the Utilities and Cooperatives to credit data center operator accounts for their share of the DCECT refund pool.
  - Refund checks will be sent from the SCC directly to operators who utilize self-supplied generation for their share of the DCECT refund pool.

D. Refund Provision for Collections Over $600,000,000 – Cont.

- Utilities and cooperatives will track all DCECT collections from each data center operator account during each FY in a spreadsheet to calculate the pro rata share of tax received from each operator account.
  - PST staff will conduct September audits (for each FY) of the utilities and cooperatives who have remitted DCECT to PST during the previous FY.
  - Review billing records for all metered accounts tied to a data center facility to ensure the tax at $0.011/kWh is calculated accurately.
  - Audit will include review and verification of the total DCECT collections for each operator account to validate the utility's FY spreadsheet and pro rata share for each operator for bill credits.

- PST will track all operator self-supplied DCECT collections directly remitted to calculate each operator's pro rata share of the total tax collections in the FY.

D. Refund Provision for Collections Over $600,000,000 – Cont.

- Audits of the utilities and cooperatives DCECT collections and allocation will be complete by September 30th each FY.

- SCC will issue pro rata refunds (from the refund pool) to the utilities and cooperatives based on the percentage of DCECT received from each utility and cooperative who will then issue bill credits based on the audited pro rata share for each data center operator account by November 30th each FY.

- SCC will issue refunds by check to data center operators for self-supplied DCECT no later than September 30th each FY.

Todd Andrews, Director
Public Service Taxation Division