Louisville Business First Quotes FBT Gibbons' Mark Sommer and Tanner Nichols on Data Center Incentives

Nov 11, 2026

Categories:

Data Centers
In the News

Authors:

Mark F. Sommer
Tanner Nichols

In a recent article by Olivia Estright of *Louisville Business First*, FBT Gibbons attorneys Mark Sommer and Tanner Nichols discuss Kentucky's competitiveness, the potential benefits for local communities, and the role of power availability in future data center development.

The article, "Data centers get incentives in Kentucky — do they need them?" examines whether Kentucky's tax incentives help attract data center projects and whether the state should change them as development expands. Neighboring states offer competing tax policies.

Sommer notes that incentives are common among states seeking to attract investment, calling them "the great equalizer." He also says "Kentucky is just not competitive" compared with nearby states, such as Tennessee and Indiana, and thus incentives for qualified data centers are an effort to mitigate the tax differential.

Sommer explains that data centers can generate local revenue through electricity purchases, even when certain qualifying equipment may receive sales and use tax exemption. In some counties, the electricity tax also benefits local school districts. Sommer describes it as "new revenue without a tax increase," with big benefits to schools as a result.

Power availability also shapes where future data center projects can move forward, Nichols says. "That's where those limitations are going to be," he adds, pointing to the importance of power production and infrastructure across state lines. Both Nichols and Sommer were featured over the summer in *Louisville Business First* 's "Table of Experts: Data Centers and AI" panel.

Read the full article.

© 2026 FBT Gibbons LLP. May be considered attorney advertising in some jurisdictions.

2026 FBT Gibbons LLP. All rights reserved. ADVERTISING MATERIAL.