

Explosive AI Spending

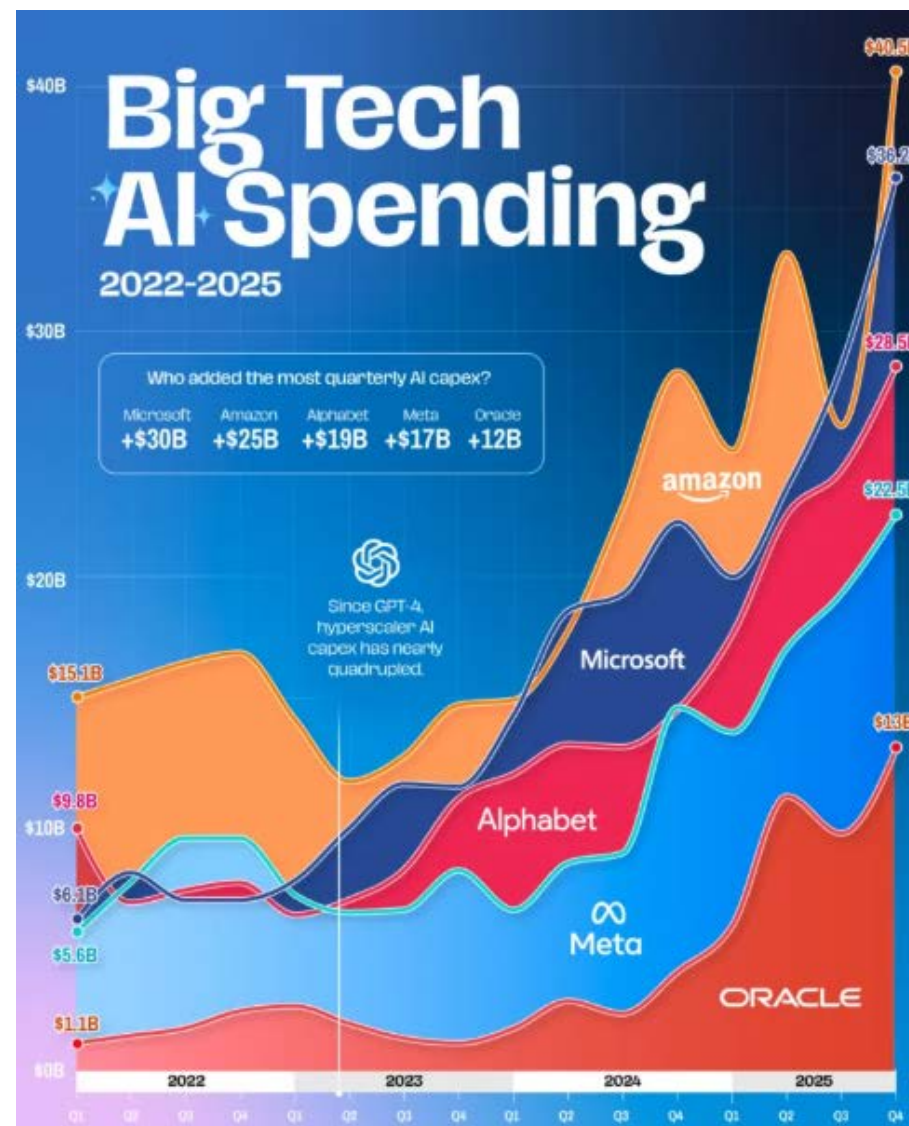
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What's Driving Spending?

Capital Expenditures, or CapEx, is the amount of money companies spend on long-term assets, like a new warehouse, or machinery. It also includes research and development and is typically a large part of the budget for leading edge industries like biotech. Artificial intelligence (AI) companies have proven no different with major AI players spending heavily in hopes to accelerate innovation and reduce costs.

In 2026, global AI-related spending is forecast to reach about \$2.52 trillion, with a significant portion going into data center CapEx. Companies like Google, Amazon, Meta, and Microsoft are some of the companies leading the charge.¹ Those four companies alone accounted for over \$125 billion in research and development in 2025, and are all expected to increase in 2026.²

This boom in spending is the result of a few reasons. The One Big Beautiful Bill Act has allowed companies to subtract research and development costs from their taxable income, meaning the more they spend, the lower tax bill they will have. This also comes at a time when many large tech companies have near-exorbitant amounts of cash, and the ability to spend it on new CapEx.



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¹ [Gartner Says Worldwide AI Spending Will Total \\$2.5 Trillion in 2026](#)

² [Big Tech AI Spending Over Time](#)