THE SECURE U.S. LEADERSHIP IN SPACE ACT

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This act would make spaceport bonds tax-exempt, just like most airports and seaports. This change would lower financing costs for spaceport development, unlocking private investment, high-tech job creation, and enhanced national security. If we want to truly build the trade port of tomorrow, America must invest in spaceports like we do all other modes of transportation. Treating spaceports like other transportation infrastructure is essential to keep pace with global competition from adversaries like China and ensure the U.S. maintains leadership in the growing space economy.

TAX-EXEMPT SPACE BONDS—BECAUSE BUILDING AMERICA'S SPACEPORT ECOSYSTEMS IS A NATIONAL PRIORITY.

The Secure U.S. Leadership in Space Act was reintroduced by **Sen. Ashley Moody, Sen. Ben Ray Luján, Rep. Neal Dunn, and Rep. Salud Carbajal**, and would make spaceport bonds tax-exempt just as other modes of transportation have leveraged this tool for decades to unlock investment in America's launch infrastructure and keep America the global leader in space.

The legislation would amend the Internal Revenue Code to include spaceports as eligible facilities for tax-exempt private activity bonds (PABs),which would lower financing costs for spaceport development, unlock private investment, and enhance national security.

Tax-exempt bonds have been used for regularly for years to finance essential transportation infrastructure projects such as airports, seaports and railways, all through private investment. By attracting private investment, tax-exempt treatment has catalyzed infrastructure projects that serve American interests, such as the recent redevelopment of Delta's terminals at LaGuardia Airport through private activity bonds. Like these other transportation modes, spaceports are also critical to American leadership and deserve the same tax-exempt treatment.

This policy change is essential for maintaining American leadership in the global space industry, especially considering significant investments by adversaries like China. By enabling access to tax-exempt financing for spaceports, America can attract increased private investment, create high-tech jobs, and bolster national security in this increasingly competitive landscape.

SCHEDULE A BRIEFING WITH OUR GOVERNMENT AFFAIRS TEAM:

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HOW IT WORKS:

- The legislation would create a tax-exempt category for the IRS for spaceport private activity bonds under 26 USC 142 and 26 USC 146 for facilities relevant to spaceport activities to accelerate the development of spaceport capabilities in the United States with private capital, as has been done with other modes of transportation.
- Definition of facilities and activities to be considered qualified tax-exempt private activity bonds should include manufacturing and industrial activities due to operational efficiencies from being in proximity to a spaceport.
- Other requirements to qualify tax-exempt PABs for other transportation modes should be excluded or explicitly presumed to account for the differences between the space industry and other transportation modes.
    - Manufacturing and industrial activities qualify for tax-exempt PABs
    - Facility with a ground lease where a federal entity is the lessor to the state or local government is deemed owned by the state or local government
    - Exception to federally guaranteed bond prohibition in Section 149(b)
    - Spaceport is deemed to serve or be available for general public use