

117TH CONGRESS
1ST SESSION

S. 1968

To amend the Internal Revenue Code of 1986 to provide bonus depreciation for certain space launch expenditures, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 8, 2021

Mr. RUBIO (for himself, Mr. WICKER, Mr. SCOTT of Florida, Mr. CRUZ, Mrs. FEINSTEIN, and Mr. PADILLA) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide bonus depreciation for certain space launch expenditures, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “American Space Com-
5 merce Act of 2021”.

6 **SEC. 2. SPECIAL ALLOWANCE FOR QUALIFIED DOMESTIC**
7 **SPACE LAUNCH PROPERTY.**

8 (a) ALLOWANCE OF BONUS DEPRECIATION FOR
9 QUALIFIED DOMESTIC SPACE LAUNCH PROPERTY.—Sec-

1 tion 168(k)(2)(A) of the Internal Revenue Code of 1986
2 is amended in clause (i), by striking “or” at the end of
3 subclause (III), by striking “or” at the end of subclause
4 (IV), by adding “or” at the end of subclause (V), and by
5 adding at the end the following new subclause:

6 “(VI) which is qualified domestic
7 space launch property (as defined in
8 paragraph (11)),”.

9 (b) EXTENSION OF TERMINATION OF BONUS DEPRE-
10 CIATION FOR QUALIFIED DOMESTIC SPACE LAUNCH
11 PROPERTY.—

12 (1) IN GENERAL.—Section 168(k)(2)(A)(iii) of
13 the Internal Revenue Code of 1986 is amended by
14 striking “before January 1, 2027.” and inserting
15 “before January 1, 2027 (in the case of qualified do-
16 mestic space launch property, before January 1,
17 2033).”.

18 (2) APPLICATION OF APPLICABLE PERCENT-
19 AGE.—Section 168(k)(6) of such Code is amended
20 by adding at the end the following new subpara-
21 graph:

22 “(D) RULE FOR QUALIFIED DOMESTIC
23 SPACE LAUNCH PROPERTY.—Notwithstanding
24 any other provisions of this paragraph, in the
25 case of any qualified property which is qualified

1 domestic space launch property, the term ‘appli-
2 cable percentage’ means, in the case of property
3 placed in service after December 31, 2023, and
4 before January 1, 2033, 100 percent.”.

5 (c) QUALIFIED DOMESTIC SPACE LAUNCH PROP-
6 erty DEFINED.—Section 168(k) of the Internal Revenue
7 Code of 1986 is amended by adding at the end the fol-
8 lowing new paragraph:

9 “(11) QUALIFIED DOMESTIC SPACE LAUNCH
10 PROPERTY DEFINED.—For purposes of this sub-
11 section—

12 “(A) IN GENERAL.—The term ‘qualified
13 domestic space launch property’ means property
14 placed in service before January 1, 2033, that
15 is—

16 “(i) a space transportation vehicle or
17 payload (as such terms are defined in sec-
18 tion 50101 of title 51, United States Code)
19 that is launched from the United States, or

20 “(ii) other property or equipment
21 placed in service for the purpose of facili-
22 tating a space launch from the United
23 States.

24 “(B) SPECIAL RULE FOR SPACE LAUNCHES
25 FROM AIRCRAFT.—A space transportation vehi-

1 ele or payload that is launched from an aircraft
2 shall be considered to be launched from the
3 United States if, and only if, such space trans-
4 portation vehicle or payload is—

5 “(i) substantially manufactured within
6 the United States, as determined by the
7 Secretary, and

8 “(ii) launched from an aircraft on a
9 flight that originated from United States
10 soil.

11 “(C) UNITED STATES.—The term ‘United
12 States’ includes the possessions of the United
13 States.”.

14 (d) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to property placed in service after
16 December 31, 2023.

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