

118TH CONGRESS
1ST SESSION

H. R. 1363

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

IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 2023

Mr. POSEY (for himself and Mr. SOTO) introduced the following bill; which was referred to the Committee on Ways and Means

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 2023”.

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)(i) of the Internal Revenue Code of 1986
2 is amended—

3 (1) by striking “or” at the end of subclause
4 (III),

5 (2) by striking “or” at the end of subclause
6 (IV),

7 (3) by adding “or” at the end of subclause (V),
8 and

9 (4) by adding at the end the following new sub-
10 clause:

11 “(VI) which is qualified domestic
12 space launch property (as defined in
13 paragraph (11)),”.

14 (b) EXTENSION OF TERMINATION OF BONUS DEPRE-
15 CIATION FOR QUALIFIED DOMESTIC SPACE LAUNCH
16 PROPERTY.—

17 (1) IN GENERAL.—Section 168(k)(2)(A)(iii) of
18 the Internal Revenue Code of 1986 is amended by
19 inserting “(in the case of qualified domestic space
20 launch property, before January 1, 2033)” after
21 “before January 1, 2027”.

22 (2) APPLICATION OF APPLICABLE PERCENT-
23 AGE.—Section 168(k)(6) of such Code is amended
24 by adding at the end the following new subpara-
25 graph:

1 “(D) RULE FOR QUALIFIED DOMESTIC
2 SPACE LAUNCH PROPERTY.—Notwithstanding
3 any other provisions of this paragraph, in the
4 case of any qualified property which is qualified
5 domestic space launch property, the term ‘appli-
6 cable percentage’ means, in the case of property
7 placed in service after December 31, 2023, and
8 before January 1, 2033, 100 percent.”.

9 (c) QUALIFIED DOMESTIC SPACE LAUNCH PROP-
10 ERTY DEFINED.—Section 168(k) of the Internal Revenue
11 Code of 1986 is amended by adding at the end the fol-
12 lowing new paragraph:

13 “(11) QUALIFIED DOMESTIC SPACE LAUNCH
14 PROPERTY DEFINED.—For purposes of this sub-
15 section—

16 “(A) IN GENERAL.—The term ‘qualified
17 domestic space launch property’ means property
18 placed in service before January 1, 2033, that
19 is—

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

24 “(ii) other property or equipment
25 placed in service for the purpose of facili-

1 tating a space launch from the United
2 States.

3 “(B) SPECIAL RULE FOR SPACE LAUNCHES
4 FROM AIRCRAFT.—A space transportation vehi-
5 cle or payload that is launched from an aircraft
6 shall be considered to be launched from the
7 United States if, and only if, such space trans-
8 portation vehicle or payload is—

9 “(i) substantially manufactured within
10 the United States, as determined by the
11 Secretary, and

12 “(ii) launched from an aircraft on a
13 flight that originated from United States
14 soil.

15 “(C) UNITED STATES.—The term ‘United
16 States’ includes the possessions of the United
17 States.”.

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

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