

116TH CONGRESS  
2D SESSION

# S. 3875

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

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IN THE SENATE OF THE UNITED STATES

JUNE 3, 2020

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

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## 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 2020”.

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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