

110TH CONGRESS  
1ST SESSION

# S. 1355

To amend the Internal Revenue Code of 1986 to treat spaceports like airports under the exempt facility bond rules.

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IN THE SENATE OF THE UNITED STATES

MAY 10, 2007

Mr. MARTINEZ (for himself, Mr. BINGAMAN, Mr. NELSON of Florida, Mrs. HUTCHISON, Mrs. FEINSTEIN, Mrs. DOLE, and Mr. DOMENICI) 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 treat spaceports like airports under the exempt facility bond rules.

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 “Spaceport Equality  
5 Act of 2007”.

1 **SEC. 2. SPACEPORTS TREATED LIKE AIRPORTS UNDER EX-**  
 2 **EMPT FACILITY BOND RULES.**

3 (a) IN GENERAL.—Paragraph (1) of section 142(a)  
 4 of the Internal Revenue Code of 1986 (relating to exempt  
 5 facility bonds) is amended to read as follows:

6 “(1) airports and spaceports,”.

7 (b) TREATMENT OF GROUND LEASES.—Paragraph  
 8 (1) of section 142(b) of the Internal Revenue Code of  
 9 1986 (relating to certain facilities must be governmentally  
 10 owned) is amended by adding at the end the following new  
 11 subparagraph:

12 “(C) SPECIAL RULE FOR SPACEPORT  
 13 GROUND LEASES.—For purposes of subpara-  
 14 graph (A), spaceport property which is located  
 15 on land owned by the United States and which  
 16 is used by a governmental unit pursuant to a  
 17 lease (as defined in section 168(h)(7)) from the  
 18 United States shall be treated as owned by such  
 19 unit if—

20 “(i) the lease term (within the mean-  
 21 ing of section 168(i)(3)) is at least 15  
 22 years, and

23 “(ii) such unit would be treated as  
 24 owning such property if such lease term  
 25 were equal to the useful life of such prop-  
 26 erty.”.

1 (c) DEFINITION OF SPACEPORT.—Section 142 of the  
2 Internal Revenue Code of 1986 is amended by adding at  
3 the end the following new subsection:

4 “(n) SPACEPORT.—

5 “(1) IN GENERAL.—For purposes of subsection  
6 (a)(1), the term ‘spaceport’ means—

7 “(A) any facility directly related and essen-  
8 tial to servicing spacecraft, enabling spacecraft  
9 to launch or reenter, or transferring passengers  
10 or space cargo to or from spacecraft, but only  
11 if such facility is located at, or in close prox-  
12 imity to, the launch site or reentry site, and

13 “(B) any other functionally related and  
14 subordinate facility at or adjacent to the launch  
15 site or reentry site at which launch services or  
16 reentry services are provided, including a  
17 launch control center, repair shop, maintenance  
18 or overhaul facility, and rocket assembly facil-  
19 ity.

20 “(2) ADDITIONAL TERMS.—For purposes of  
21 paragraph (1)—

22 “(A) SPACE CARGO.—The term ‘space  
23 cargo’ includes satellites, scientific experiments,  
24 other property transported into space, and any

1 other type of payload, whether or not such  
2 property returns from space.

3 “(B) SPACECRAFT.—The term ‘spacecraft’  
4 means a launch vehicle or a reentry vehicle.

5 “(C) OTHER TERMS.—The terms ‘launch’,  
6 ‘launch site’, ‘launch services’, ‘launch vehicle’,  
7 ‘payload’, ‘reenter’, ‘reentry services’, ‘reentry  
8 site’, and ‘reentry vehicle’ shall have the respec-  
9 tive meanings given to such terms by section  
10 70102 of title 49, United States Code (as in ef-  
11 fect on the date of enactment of this sub-  
12 section).”.

13 (d) EXCEPTION FROM FEDERALLY GUARANTEED  
14 BOND PROHIBITION.—Paragraph (3) of section 149(b) of  
15 the Internal Revenue Code of 1986 (relating to exceptions)  
16 is amended by adding at the end the following new sub-  
17 paragraph:

18 “(E) EXCEPTION FOR SPACEPORTS.—  
19 Paragraph (1) shall not apply to any exempt fa-  
20 cility bond issued as part of an issue described  
21 in paragraph (1) of section 142(a) to provide a  
22 spaceport in situations where—

23 “(i) the guarantee of the United  
24 States (or an agency or instrumentality  
25 thereof) is the result of payment of rent,

1 user fees, or other charges by the United  
2 States (or any agency or instrumentality  
3 thereof), and

4 “(ii) the payment of the rent, user  
5 fees, or other charges is for, and condi-  
6 tioned upon, the use of the spaceport by  
7 the United States (or any agency or in-  
8 strumentality thereof).”.

9 (e) CONFORMING AMENDMENT.—The heading for  
10 section 142(c) of the Internal Revenue Code of 1986 is  
11 amended by inserting “SPACEPORTS,” after “AIRPORTS,”.

12 (f) EFFECTIVE DATE.—The amendments made by  
13 this section shall apply to obligations issued after the date  
14 of the enactment of this Act.

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