

By: Paul

H.B. No. 3547

A BILL TO BE ENTITLED

1 AN ACT
2 relating to an exemption from the franchise tax for certain
3 qualified space companies.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Subchapter B, Chapter 171, Tax Code, is amended
6 by adding Section 171.089 to read as follows:

7 Sec. 171.089. EXEMPTION: QUALIFIED SPACE COMPANY. (a) In
8 this section:

9 (1) "Qualified space company" means a corporation,
10 partnership, or other business entity primarily engaged in the
11 research, development, manufacturing, testing, or launching of
12 satellites, spacecraft, space vehicles, or related technologies
13 from locations in this state.

14 (2) "Satellite" means an artificial object and its
15 components that is intentionally placed into orbit around Earth or
16 another celestial body, including an object used to facilitate
17 communications, observe weather conditions, or carry scientific
18 instruments or observation platforms used for data collection,
19 broadcasting, or other services.

20 (3) "Spacecraft" means a vehicle or device and its
21 components designed for travel or operation in space, including a
22 crewed or uncrewed vessel used for exploration, transportation,
23 scientific research, communication, or defense purposes.

24 (4) "Space vehicle" means a vehicle or craft and its

1 components that is specifically designed to carry payloads,
2 satellites, equipment, or people into space, including a launch
3 vehicle, rocket, space shuttle, or other system used to transport
4 objects or people beyond the Earth's atmosphere.

5 (b) A qualified space company is exempted from the franchise
6 tax.

7 SECTION 2. Section 171.089, Tax Code, as added by this Act,
8 applies only to a report originally due on or after the effective
9 date of this Act.

10 SECTION 3. This Act takes effect January 1, 2026.