

By: Middleton

S.B. No. 1715

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.