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Spaceport Projects Can Now Be Financed With Tax-Exempt Bonds: Nixon Peabody

Discover how new tax-exempt bonds for spaceport projects under the OBBB open financing opportunities, treating spaceports like airports.

Since the 2024 elections, the tax-exempt bond market feared that Congress would cut back on tax-exempt bonds to pay for the extensions of the tax benefits in the 2017 Tax Cuts and Jobs Act. Now that Congress has enacted [Public Law 119-21](#), referred to in the press as the One Big Beautiful Bill (OBBB), the industry has actually gained ground.

One interesting provision in the OBBB allows tax-exempt private activity bonds (PABs) for “spaceports.” How does the new statute work? And will people actually do these deals?

Expansion of tax-exempt bonds to spaceports

The OBBB authorizes tax-exempt PABs for [“spaceport” projects](#). A spaceport is any facility (including buildings, structures, equipment, etc.) located near a “launch site or a reentry site” if the facility serves the following specific functions:

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