

# **Bond Case Briefs**

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## **One Big Act: Tax-Exempt Bonds Avoid Annihilation - Squire Patton Boggs**

On July 4, 2025, the president signed into law the so-called “One Big Beautiful Bill Act” (the “OBBBA”). While technically no longer a bill and its beauty is in the eye of the beholder, the OBBBA certainly is big. Even before the almost-1,000-page OBBBA took shape, the public finance community was on alert about lawmakers entertaining possibly peeling away or even eliminating the tax exemption of interest on municipal bonds in an effort to pay for the extension of the 2017 Tax Cuts and Jobs Act (the “TCJA”). Understandably so, because in 2017, to help offset the costs of the TCJA, lawmakers proposed eliminating tax exemption for qualified private activity bonds entirely and ultimately ended up scrapping tax-exempt advance refundings. Fortunately, tax-advantaged bonds survived the OBBBA intact and, in fact, have expanded in areas[1].

### **Space: The Latest Frontier**

The OBBBA expands the airport category of exempt facility bonds under Section 142 of the Code to include spaceports[2]. A spaceport is defined as “any facility located at or in close proximity to a launch site or reentry site used for (A) manufacturing, assembling, or repairing spacecraft, space cargo, other facilities described in this paragraph, or any component of the foregoing, (B) flight control operations, (C) providing launch services and reentry services, or (D) transferring crew, spaceflight participants, or space cargo to or from spacecraft.” Space cargo includes “satellites, scientific experiments, other property transported into space, and any other type of payload, whether or not such property returns from space.” Spacecraft means “a launch vehicle or reentry vehicle[3].” Other terms take their meaning from existing definitions in Title 51 of the U.S. Code concerning “National and Commercial Space Programs” which was enacted in 2010. Section 142 will generally treat spaceports like airports with a few notable exceptions:

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### **The Public Finance Tax Blog**

**By Robert Radigan on July 14, 2025**

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