Economic Incentives and Tax Credits for Space Resource Development: Analogies and Ideas

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Importance of Economic Incentives

• Nurture and support nascent industries
• Develop leadership in innovative areas
• Motivate decisions or actions by others
• Goal/outcome oriented
## Types of Economic Incentives

### Government
- Grants
- Subsidies
- Low interest loans
- Loan guarantees
- Carbon credits/ offsets
- Other incentives
- Tax holidays
- Reduced tax rates
- Performance-Based Tax Credits
- Transferrable tax credits
- Prizes
- Pre-Purchase Agreements
- Preferential procurement policies
- Guaranteed annual revenues, etc
- Depletion allowances vs Depreciation

### Non-government
- Prizes
- Patronage

### Property Rights and Licenses
KEY ISSUES – Economic Incentives or Access?

Inexpensive, reliable ACCESS to Space IS the Deal Breaker.

Key Long-term Motivators
• Survival of the Species
• Resource Scarcity
  – Energy
  – Minerals
The Space Industry and Incentives

- NASA Changing IPP
  - SBIRS
  - Centennial Challenges
  - COTS
- Oklahoma and Rocketplane
- Senator Nelson 2010 proposals
SBSP and useful analogies

- Production/Investment credits focused on green energy generation
- Carbon Credits/Offsets/RECs
- Rebate programs
- RPS requirements (Renewal Production Standards)
- Loan Guarantees
Best analogy for space resource development = Canadian Oil and Gas Exploration

- Flow-through shares
- CEE = Canadian Exploration Expense
- ITCE = Investment Tax Credit for Exploration
- Packaged for smaller investors
- Achieve multiple policy goals
- Mineral property right structure
THANK YOU!

Questions?

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