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ADOPTING A UNIVERSAL TAX REGIME FOR OUTER SPACE EXPLORATION

Abstract

For decades, humans have been drawn to space exploration for scientific, security and commercial purposes. Private companies such as SpaceX and Blue Origin have undertaken daring projects to commercialize outer space, including tourism, mining space resources and establishing installations and even extra-terrestrial habitats. The allocation of the benefits from space is a highly disputed issue. We believe that the issue of taxation, hardly discussed so far, is key in the consideration of the proper distribution of space benefits.

The Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, including the Moon and Other Celestial Bodies (The Outer Space Treaty) regulates activities in space, banning weapons of mass destruction and prevents states from claims to celestial bodies or exclusivity. Article II of the Outer Space Treaty provides that, Outer Space, including the moon and other celestial bodies, may not be subject to national appropriation by claim of sovereignty, by means of use or occupation, or by any other means. Many claim that outer space is global commons or even the common heritage of mankind. Thus, no state should be denied from the resources and benefits of the Outer Space. While such claims are disputed and even suffer from epistemological deficientness, it is widely agreed that the exploration and use of outer space should be carried out for the benefit and in the interests of all countries, irrespective of their degree of economic or scientific development. It is likewise widely agreed that States which conducted efforts towards the exploration and use of space have a special interest in the deriving benefits. These principles raise issues of inclusive economic development, environmental sustainability and peace and security for all nations. A discussion of these issues contributes to similar issues that arise areas that are beyond national jurisdiction - the High Sea, the Atmosphere, and the Antarctica.

These issues are a matter of global affairs and should be addressed with a proper global governance structure. In the absence of such global governance structure, there is the fear of 'the tragedy of commons'-individual actions that go against the collective good of all users.

One way of apportioning the cost of outer space exploration among states is through an establishment of a universal tax regime where countries are charged a percentage of their GDP as cost for potentially benefitting from the Outer Space.