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TWO INHIBITORS TO A THRIVING ECONOMY IN OUTER SPACE: REGULATORY
UNCERTAINTY AND TAXATION ENTANGLEMENT

Abstract

Entrepreneurs and blue-chip corporations alike are seeking to capitalize on outer space's bountifulness, setting industry growth ablaze and establishing an engine for an economic revolution. However, despite this progression, there remains meaningful potential impediments that could stifle the industry's growth. This paper seeks to spotlight two of the most significant inhibitors that, at first glance, seem separate but are in fact intertwined. The first inhibitor evaluated is the growing legal uncertainty of activities in outer space. Significant political and scholarly debate regarding the permissibility of activities in outer space by the current international regulatory framework has led to a proliferation of conflicting State legislations, leaving many private businesses and investors perplexed about the legal status of their operations. The second inhibitor assessed is the complexity in taxing these space ventures. An already intricate international tax regime will likely become further convoluted given the unique attributes of space-based businesses along with the uncertainties of activities' legal status. Unlike the first inhibitor though, this looming threat has garnered little attention despite its capacity to curb private enterprise growth in space.