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# Texas incentives weren't meant for SpaceX

By [American-Statesman Editorial Board](#), *Opinion staff*

May 29, 2026





As the world's wealthiest person, Elon Musk should be last in line for a tax break, but Musk's aerospace company SpaceX just got one step closer to a multimillion-dollar tax refund.



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Texas incentives weren't meant for companies like SpaceX

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A certain corner of the internet can't get enough of breaking down Elon Musk's astronomical wealth in terms the paycheck-to-paycheck crowd can comprehend. Finance bloggers have estimated his earnings from \$90 million to \$698 million a day. Musk himself computes the "marginal value" of his time at \$100 million an hour.

The world's wealthiest person should be last in line for a tax break, but Musk's aerospace company this week got one step closer to a multimillion-dollar tax refund. The Bastrop County Commissioners Court on Tuesday unanimously [nominated SpaceX](#) for the Texas Enterprise Zone Program, which, pending approval and compliance with eligibility requirements, would net the company a \$3.75-million taxpayer-funded payout.

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There are times when business incentives serve a public purpose in landing coveted jobs that might otherwise go elsewhere. This is not that.

The [Texas Enterprise Zone Program](#) is supposed to attract businesses to “economically distressed areas” that might otherwise languish for lack of investment. But SpaceX has been firmly planted since 2022 in Bastrop, where Musk’s empire is flourishing. SpaceX is investing \$855 million to expand the production of its Starlink satellite internet kits, aiming to boost output of the consumer internet hardware to more than 10 million kits by the end of the year.

Construction is well underway at the site northwest of Bastrop, and Starlink already employs more than 1,000 people in the area. With Musk’s tunneling Boring Co. and the headquarters of social media platform X already established nearby, it strains credulity to argue SpaceX needs government assistance to bring more jobs to [the heart of Musklandia](#).

If [approved by the governor's office](#) for the incentive program, SpaceX would have to create and keep 500 jobs over the next five years to get \$3.75 million in refunded sales and use taxes — a payout it clearly

does not need. Those dollars would be better spent supporting public schools or health and human services programs.

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Elon Musk properties are seen last year on FM 1209 in Bastrop. SpaceX, which already has a fast-growing operation at the fast-growing site, recently earned Bastrop County's support for up to \$3.75 million in tax incentives if it creates 500 jobs over the next five years.

Jay Janner/Austin American-Statesman

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If economic development is the goal, such incentives should go to businesses for whom the assistance would provide a meaningful foothold in a truly “economically distressed” area. Having already broken ground on its new facilities, SpaceX isn’t likely to take this production somewhere else. It doesn’t need taxpayers to subsidize the jobs it already planned to create. Nor does SpaceX, which is reportedly [seeking a \\$1.75 trillion valuation](#) through a public offering expected this summer, need government assistance.

If taxpayers are being asked to subsidize Musk’s companies, they should reasonably expect them to uphold their commitments to the communities where they operate.

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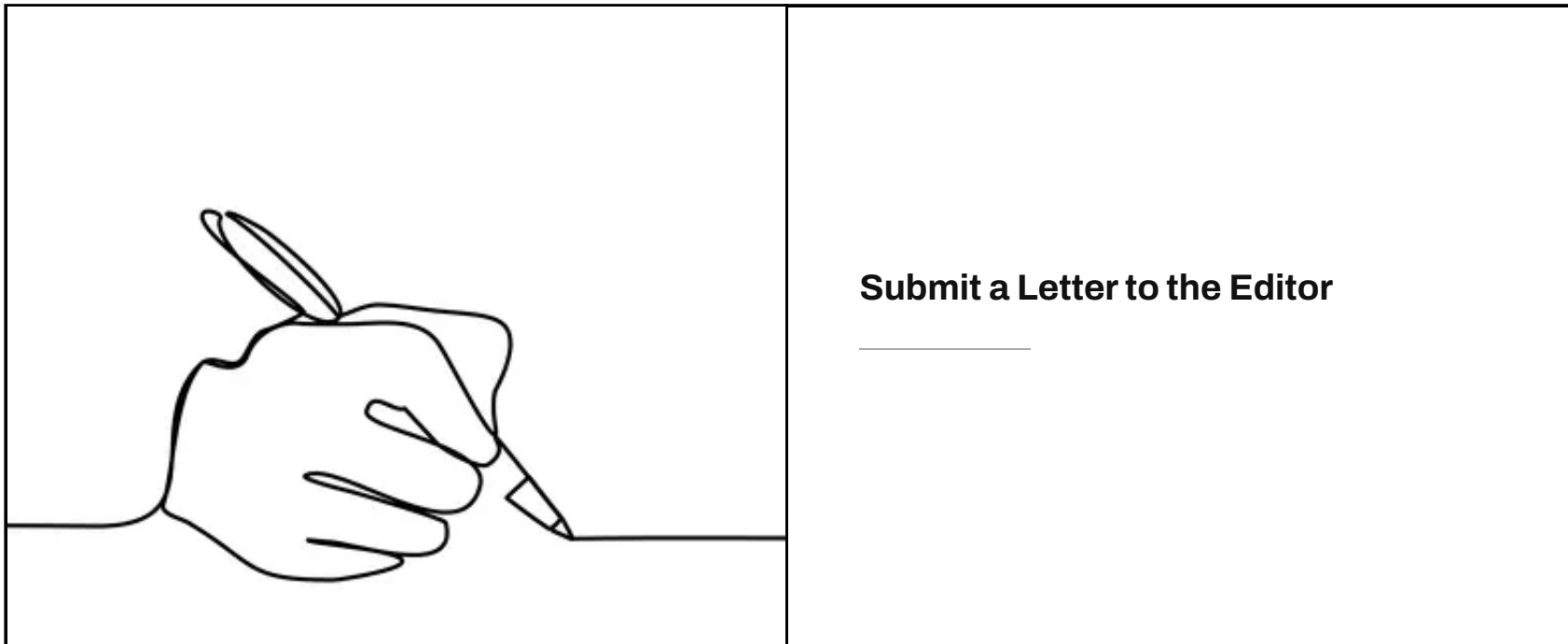
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Instead, here in Travis County, Musk’s [Tesla recently lost some of its property tax breaks](#) — potentially worth \$4 million — for failing to provide full documentation showing it is complying with its 2020 incentives package, which includes requirements on minimum hourly wages, contractor compensation and green building standards.

In addition, as the Wall Street Journal reported in 2024, former employees at Tesla's Gigafactory have filed [serious complaints of environmental violations](#) to federal regulators, including allegations that industrial wastewater was dumped into Austin's sewer system without proper pretreatment and that a massive furnace that did not close properly emitted excessive air pollution.



Texas should save its incentives for companies that [treat their neighbors better than that](#).

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The most glaring problem is that, as state laws are written, a company like SpaceX can qualify for the Texas Enterprise Zone program — even when the jobs are already coming to a well-established business hub directed by the wealthiest person on the planet. That’s not economic development. That’s corporate welfare. Texas lawmakers should recalibrate the program next session to ensure taxpayer-funded incentives actually draw investment to the communities that need it most.

Gov. Greg Abbott and the Legislature were so inspired by the so-called Department of Government Efficiency, Musk’s 2025 federal cost-cutting initiative, that they [passed their own Texas version](#) last year. If they’re serious about cutting “waste, fraud and abuse,” redirecting these taxpayer incentives would be a good place to start.

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May 29, 2026

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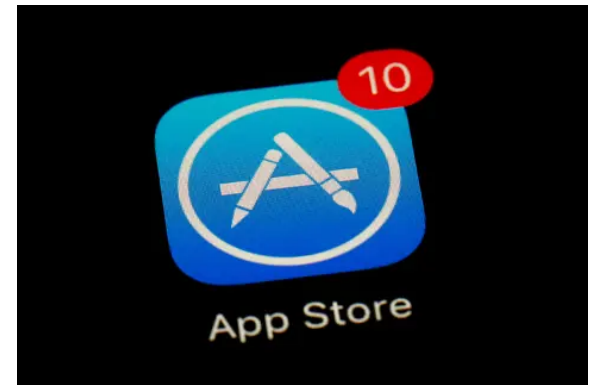
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