

Elon Musk: Crony Capitalist Hall of Shame Inductee—\$4.9 BILLION of Your Tax \$

By Stephen Frank [11 Comments](#)

Want to be a billionaire? Just figure out how to get the government to give you the money for your ideas. No need to go to Well Fargo for a loan, who needs to sell bonds or stock for capital when you have government willing to give you billions.

“Tesla CEO [Elon Musk](#) has one very important supporter in his quest to build the future: the U.S. government, which has subsidized Musk’s companies with an estimated \$4.9 billion.

Space X, Tesla Motors and SolarCity maintain a public-private financing model that relies on public funding for growth, according to a report out from the [Los Angeles Times on Saturday](#). The paper based its estimates off a variety of government incentives, including grants, tax breaks, factory construction, discounted loans and environmental credits, in addition to tax credits and rebates to buyers of solar panels and electric cars.”

Crony capitalists take money from the poor and middle class, so they can become rich. The Left and the Right unite on this point—end the crony capitalists ownership—with unions—of government.



Elon Musk's companies receive \$4.9 billion in subsidies

Gina Hall, San Francisco Business Journal,

Tesla CEO **Elon Musk** has one very important supporter in his quest to build the future: the U.S. government, which has subsidized Musk's companies with an estimated \$4.9 billion.

Space X, Tesla Motors and SolarCity maintain a public-private financing model that relies on public funding for growth, according to a report out from the **Los Angeles Times on Saturday**. The paper based its estimates off a variety of government incentives, including grants, tax breaks, factory construction, discounted loans and environmental credits, in addition to tax credits and rebates to buyers of solar panels and electric cars.

So how much is the government paying for Musk's business? Here's a breakdown of some of the largest subsidies each company receives.

Tesla

Nevada doled out \$1.3 billion in incentives to **woo Tesla's Gigafactory**, which will build lithium-ion batteries outside of Reno. At first, Nevada was only willing to offer its usual package, up to \$700 million in incentives, but it eventually upped the amount because of the 6,000 jobs the factory will create in the state.

The federal government gives Tesla buyers a \$7,500 federal income tax credit, while California grants a \$2,500 rebate. However, don't expect the subsidies to last for long. The federal government capped the \$7,500 credit at a total of 200,000 vehicles per manufacturer. The Palo Alto-based automaker has used 25 percent of that total.

California has pending legislation that could limit who receives its rebate, essentially cutting off the wealthy from taking advantage of the subsidy. The average Tesla buyer makes over \$300,000 annually, per the report. So far Tesla buyers have received an estimated \$284 million in federal tax incentives and collected more than \$38 million in California rebates. The electric car company has also collected more than \$517 million from competing automakers by selling environmental credits.

And as the company moves into **energy storage with Tesla-branded batteries**, expect Musk to look for more incentives. Tesla already solidified a \$126 million commitment from California, which subsidizes companies developing energy storage technology.

SolarCity

New York state is building a \$750 million solar panel factory in Buffalo for SolarCity, which the company will lease for \$1 a year, per the Times. The San Mateo-based solar panel provider will not pay property taxes for a decade, which equals \$260 million in savings. The 1.2-million-square-foot facility, which will be completed in 2017, will be the largest solar panel factory in the Western Hemisphere and should create 3,000 jobs.

For SolarCity customers, the federal government is providing grants or tax credits that will cover 30 percent of the cost of solar installations. SolarCity has already received \$497.5 million in direct grants from the Treasury Department.

SpaceX

SpaceX received \$20 million in economic development subsidies from Texas to build a launch facility in the state. Local governments contributed an additional \$5 million to woo the company. Included in

the local subsidies is a 15-year property tax break from a local school district worth \$3.1 million, according to the report.

Musk's stake in the firms is now worth \$10 billion. Musk is the chief executive of both Tesla and SpaceX and the chairman of SolarCity. He holds a 27 percent stake in Tesla and a 23 percent stake in SolarCity. SpaceX is not a publicly traded company.