

# HOW TO SAVE DUTY

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All goods imported into the United States are subject to duty. The Harmonized Tariff provides that duty is assessed on all imported cargo unless specifically exempt. However, there are numerous proper means by which you may lower your duty bill or eliminate it altogether. Let us examine these possibilities.

Duty is assessed on what is called the entered value of an imported shipment. Entered value, in general, includes the price actually paid or payable for the merchandise when sold for exportation to the United States including packing costs, selling commission, assists, royalties, license fees and other proceeds accruing to the seller. Charges not to be included in the entered value are ocean freight, foreign inland freight (if routed on a through bill of lading); marine insurance and prepaid duty or brokerage fees that the seller will credit to the importer. Charges for constructing, erecting and assembly are not part of the entered value. In order to take advantage of these deductions it is necessary that the charges be separately identifiable on the invoice.

Many imports are duty free or have a reduced rate of duty if imported from certain countries. On other imports, you may save on duty if the imported cargo is to be used in a certain way.

- **American Goods:** You do not have to pay duty on American made goods. Many parts of American origin assembled into foreign made articles may also be entered duty free.
- **GSP:** Many articles normally dutiable upon importation may be duty free if imported directly from countries designated as developing countries.
- **LDDC:** Most imported articles (except textiles) are duty free if imported directly from a country designated as a least developed developing country.
- **CBI:** Similar to the GSP program, however the imported goods must be from the subject nations and territories in the Caribbean.
- **Israel:** Israel Free Trade Act allows for many articles imported directly from Israel receive duty free treatment.
- **Agricultural:** Implements or articles intended for agricultural use may be duty free with proper substantiation.
- **Civil Aircraft:** Parts for Civil aircraft can be brought in duty free providing proper declaration is made before the entry is tendered to Customs.
- **NAFTA:** North American Free Trade Act. Provides duty preference for qualifying articles imported from NAFTA countries.