

Harmonized Tariff Schedule of the United States (2022)

Annotated for Statistical Reporting Purposes

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General Note 3

- (2) when requested by the Customs Service, the importer, manufacturer or exporter submits a declaration setting forth all pertinent information with respect to such articles, including the following:
- (I) A description of such articles, quantities, numbers and marks of packages, invoice numbers and bills of lading;
 - (II) A description of the operations performed in the production of such articles in the West Bank, the Gaza Strip, a qualifying industrial zone or Israel and an identification of the direct costs of processing operations;
 - (III) A description of the materials used in the production of such articles which are wholly the growth, product or manufacture of the West Bank, the Gaza Strip, a qualifying industrial zone, Israel or the United States, and a statement as to the cost or value of such materials;
 - (IV) A description of the operations performed on, and a statement as to the origin and cost or value of, any foreign materials used in such articles which are claimed to have been sufficiently processed in the West Bank, the Gaza Strip, a qualifying industrial zone or Israel so as to be materials produced in the West Bank, the Gaza Strip, a qualifying industrial zone or Israel; and
 - (V) A description of the origin and cost or value of any foreign materials used in the article which have not been substantially transformed in the West Bank, the Gaza Strip or a qualifying industrial zone.
- (G) For the purposes of this paragraph, a "qualifying industrial zone" means any area that--
- (1) encompasses portions of the territory of Israel and Jordan or Israel and Egypt;
 - (2) has been designated by local authorities as an enclave where merchandise may enter without payment of duty or excise taxes; and
 - (3) has been designated by the United States Trade Representative in a notice published in the Federal Register as a qualifying industrial zone.
- (b) **Rate of Duty Column 2.** Notwithstanding any of the foregoing provisions of this note, the rates of duty shown in column 2 shall apply to products, whether imported directly or indirectly, of the following countries and areas pursuant to section 401 of the Tariff Classification Act of 1962, to section 231 or 257(e)(2) of the Trade Expansion Act of 1962, to section 404(a) of the Trade Act of 1974 or to any other applicable section of law, or to action taken by the President thereunder:

Cuba

North Korea

(c) **Products Eligible for Special Tariff Treatment.**

- (i) Programs under which special tariff treatment may be provided, and the corresponding symbols for such programs as they are indicated in the "Special" subcolumn, are as follows:

Generalized System of Preferences.....	A, A* or A+
United States-Australia Free Trade Agreement.....	AU
Automotive Products Trade Act.....	B
United States-Bahrain Free Trade Agreement Implementation Act.....	BH
Agreement on Trade in Civil Aircraft.....	C
North American Free Trade Agreement:	
Goods of Canada, under the terms of general note 12 to this schedule.....	CA
Goods of Mexico, under the terms of general note 12 to this schedule.....	MX
United States-Chile Free Trade Agreement.....	CL
African Growth and Opportunity Act.....	D
Caribbean Basin Economic Recovery Act.....	E or E*
United States-Israel Free Trade Area.....	IL
United States-Jordan Free Trade Area Implementation Act.....	JO
Trade Agreement Between the United States and Japan	JP
Agreement on Trade in Pharmaceutical Products.....	K

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Dominican Republic-Central America-United States Free Trade Agreement Implementation Act.....	P or P+
Uruguay Round Concessions on Intermediate Chemicals for Dyes.....	L
United States-Caribbean Basin Trade Partnership Act.....	R
United States-Morocco Free Trade Agreement Implementation Act.....	MA
United States-Singapore Free Trade Agreement.....	SG
United States-Oman Free Trade Agreement Implementation Act.....	OM
United States-Peru Trade Promotion Agreement Implementation Act.....	PE
United States-Korea Free Trade Agreement Implementation Act.....	KR
United States-Colombia Trade Promotion Agreement Implementation Act.....	CO
United States-Panama Trade Promotion Agreement Implementation Act.....	PA
Nepal Preference Program	NP
United States-Mexico-Canada Agreement.....	S or S+

- (ii) Articles which are eligible for the special tariff treatment provided for in general notes 4 through 14 and which are subject to temporary modification under any provision of subchapters I, II and VII of chapter 99 shall be subject, for the period indicated in the "Effective Period" column in chapter 99, to rates of duty as follows:
- (A) if a rate of duty for which the article may be eligible is set forth in the "Special" subcolumn in chapter 99 followed by one or more symbols described above, such rate shall apply in lieu of the rate followed by the corresponding symbol(s) set forth for such article in the "Special" subcolumn in chapters 1 to 98; or
- (B) if "No change" appears in the "Special" subcolumn in chapter 99 and subdivision (c)(ii)(A) above does not apply, the rate of duty in the "General" subcolumn in chapter 99 or the applicable rate(s) of duty set forth in the "Special" subcolumn in chapters 1 to 98, whichever is lower, shall apply.
- (iii) Unless the context requires otherwise, articles which are eligible for the special tariff treatment provided for in general notes 4 through 14 and which are subject to temporary modification under any provision of subchapters III or IV of chapter 99 shall be subject, for the period indicated in chapter 99, to the rates of duty in the "General" subcolumn in such chapter.
- (iv) Whenever any rate of duty set forth in the "Special" subcolumn in chapters 1 to 98 is equal to or higher than, the corresponding rate of duty provided in the "General" subcolumn in such chapters, such rate of duty in the "Special" subcolumn shall be deleted; except that, if the rate of duty in the "Special" subcolumn is an intermediate stage in a series of staged rate reductions for that provision, such rate shall be treated as a suspended rate and shall be set forth in the "Special" subcolumn, followed by one or more symbols described above, and followed by an "s" in parentheses. If no rate of duty for which the article may be eligible is provided in the "Special" subcolumn for a particular provision in chapters 1 to 98, the rate of duty provided in the "General" subcolumn shall apply.
- (d) Certain Motor Vehicles Manufactured in Foreign Trade Zones.
- (i) Duty imposed. Notwithstanding any other provision of law, the duty imposed on a qualified article shall be the amount determined by multiplying the applicable foreign value content of such article by the applicable rate of duty for such article.
- (ii) Qualified article. For purposes of this subdivision, the term "qualified article" means an article that is--
- (A) classifiable under any of subheadings 8702.10 through 8704.90 of the Harmonized Tariff Schedule of the United States,
- (B) produced or manufactured in a foreign trade zone before January 1, 1996,
- (C) exported therefrom to a NAFTA country (as defined in section 2(4) of the North American Free Trade Agreement Implementation Act (19 U.S.C. 3301(4)), and
- (D) subsequently imported from that NAFTA country into the customs territory of the United States--
- (I) on or after the effective date of this subdivision, or
- (II) on or after January 1, 1994, and before such effective date, if the entry of such article is unliquidated, under protest, or in litigation, or liquidation is otherwise not final on such effective date.

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Israel

- (g) The duty-free treatment provided under the CBERA shall not apply to any agricultural product of chapters 2 through 52, inclusive, that is subject to a tariff-rate quota, if entered in a quantity in excess of the in-quota quantity for such product.
- (h) The duty-free treatment provided under the CBERA shall not apply to any footwear provided for in any of subheadings 6401.10.00, 6401.92.90, 6401.92.90, 6401.99.10, 6401.99.30, 6401.99.60, 6401.99.90, 6402.91.10, 6402.91.20, 6402.91.26, 6402.91.50, 6402.91.80, 6402.91.90, 6402.99.08, 6402.99.16, 6402.99.19, 6402.99.20, 6402.99.33, 6402.99.80, 6402.99.90, 6403.59.60, 6403.91.30, 6403.99.60, 6403.99.90, 6404.11.90 and 6404.19.20 of the tariff schedule that was not designated on December 18, 2004, as eligible articles for purposes of the GSP under general note 4 to the tariff schedule.

8. United States-Israel Free Trade Area Implementation Act of 1985.

- (a) The products of Israel described in Annex 1 of the Agreement on the Establishment of a Free Trade Area between the Government of the United States of America and the Government of Israel, entered into on April 22, 1985, are subject to duty as provided herein. Products of Israel, as defined in subdivision (b) of this note, imported into the customs territory of the United States and entered under a provision for which a rate of duty appears in the "Special" subcolumn followed by the symbol "IL" in parentheses are eligible for the tariff treatment set forth in the "Special" subcolumn, in accordance with section 4(a) of the United States-Israel Free Trade Area Implementation Act of 1985 (99 Stat. 82).
- (b) For purposes of this note, goods imported into the customs territory of the United States are eligible for treatment as "products of Israel" only if--
 - (i) each article is the growth, product or manufacture of Israel or is a new or different article of commerce that has been grown, produced or manufactured in Israel;
 - (ii) each article is imported directly from Israel (or directly from the West Bank, the Gaza Strip or a qualifying industrial zone as defined in general note 3(a)(v)(G) to the tariff schedule) into the customs territory of the United States; and
 - (iii) the sum of--
 - (A) the cost or value of the materials produced in Israel, and including the cost or value of materials produced in the West Bank, the Gaza Strip or a qualifying industrial zone pursuant to general note 3(a)(v) to the tariff schedule, plus
 - (B) the direct costs of processing operations performed in Israel, and including the direct costs of processing operations performed in the West Bank, the Gaza Strip or a qualifying industrial zone pursuant to general note 3(a)(v) to the tariff schedule, is not less than 35 percent of the appraised value of each article at the time it is entered.

If the cost or value of materials produced in the customs territory of the United States is included with respect to an article to which this note applies, an amount not to exceed 15 percent of the appraised value of the article at the time it is entered that is attributable to such United States cost or value may be applied toward determining the percentage referred to in subdivision (b)(iii) of this note.

- (c) No goods may be considered to meet the requirements of subdivision (b)(i) of this note by virtue of having merely undergone--
 - (i) simple combining or packaging operations; or
 - (ii) mere dilution with water or mere dilution with another substance that does not materially alter the characteristics of the goods.
- (d) As used in this note, the phrase "direct costs of processing operations" includes, but is not limited to--
 - (i) all actual labor costs involved in the growth, production, manufacture or assembly of the specific merchandise, including fringe benefits, on-the-job training and the cost of engineering, supervisory, quality control and similar personnel; and
 - (ii) dies, molds, tooling and depreciation on machinery and equipment which are allocable to the specific merchandise.

Such phrase does not include costs which are not directly attributable to the merchandise concerned, or are not costs of manufacturing the product, such as (A) profit, and (B) general expenses of doing business which are either not allocable to the specific merchandise or are not related to the growth, production, manufacture or assembly of the merchandise, such as administrative salaries, casualty and liability insurance, advertising and salesmen's salaries, commissions or expenses.