## FOREIGN-TRADE ZONE NO. 75

## WHAT IS A FOREIGN-TRADE **ZONE?**

A Foreign-Trade Zone (FTZ) is a designated secure area considered outside the U.S. **Customs Territory.** 

Goods received into an FTZ are generally not subject to duties or tariffs until, and if, they enter U.S. commerce for consumption.

## **ADVANTAGES**

**Duty Deferral** 

Duties are paid only when goods enter U.S. Customs territory.

**Duty Exemption** 

Merchandise may be exported out of the U.S. duty free.

**Duty Reduction** 

Manufacturers may pay the lower duty rate applicable to either component materials or merchandise produced.

**Duty Elimination** 

Duties are eliminated on merchandise that is obselete, damaged, destroyed as defective, scrapped, or wasted.

- Weekly Entry Savings Reduce cost of fees by using weekly
- entries versus entry per shipment. **Direct Delivery**

Minimize delays in Customs clearance

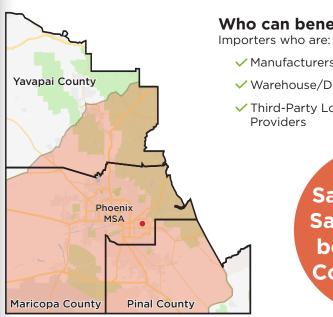
**Property Tax Reduction** 

and increase delivery times.

Arizona offers an approximate 71% reduction in real and personal property taxes for activated FTZs.\*

## **APPLICATION REQUIREMENTS:**

- City Council approval from community where zone site will be located.
- City of Phoenix Council approval (if applicable).
- Application fee and Annual Fee payable to the City of Phoenix per current Zone schedule.
- Concurrence letters from affected tax jurisdictions (if applicable).
- Approval by Port Director for activation.
- Operations Agreement.
- Submission of Annual Report.
- Operations subject to requirements of U.S. FTZ Act, FTZ Board Regulations, and U.S. Customs Regulations.



Who can benefit from an FTZ?

- Manufacturers
- ✓ Warehouse/Distribution Centers
- ✓ Third-Party Logistics Service Providers

Save Money, Save Time, & be Globally Competitive



