

Spokane Foreign-Trade Zone No. 224



EIGHT STRATEGIC BENEFITS

The Spokane Foreign-Trade Zone No. 224 provides specific benefits to global companies that simply are not available through any other legal mechanism. Businesses can elect to locate on any of Spokane Airports' 5,700 acres or seek Subzone status for their facility anywhere in the greater Spokane area or in most parts of Eastern Washington. The following are eight strategic, economic and competitive advantages to zone operations:

Cash Flow • Companies pay U.S. Customs Service duties only when merchandise is shipped from the zone into the U.S. Customs territory. Thus, companies may hold merchandise in inventory in the zone without customs-duty payment.

Exports • No customs duties are paid on merchandise exported from the zone.

Defects/Damage Obsolescence/Waste/Scrap • Zones enable companies to significantly reduce customs duties on such merchandise or eliminate payment of customs duties when such merchandise never enters the U.S. Customs territory.

Inverted Customs Duty Savings • Only within the zone can a company elect to pay the duty rate applicable to either the component material or to the finished product produced from the component materials, depending upon whichever rate is lower. Many articles have different duty rates for component materials and finished merchandise, offering substantial customs duty savings.

Nondutiability of Labor, Overhead and Profit • Companies do not pay customs duties on the value of labor, overhead and profit attributed to production in a zone. If the same production occurred outside the United States, the value of the labor, overhead, and profit would be subject to U.S. Customs duty.

Inventory Taxes • Through a 1984 amendment to the Inventory Taxes Act, tangible personal property imported from outside the United States and held in a zone, and tangible personal property produced in the United States that is held within a zone for exportation, are not subject to state and local ad valorem taxes.

Weekly Customs Entries • Weekly customs entries are now available for warehousing operations. The program requires less overhead and management attention, and offers the ability to consolidate multiple customs entries into one per week. Use of the weekly report can save a company customs brokerage fees and merchandise processing fees.

User Operator Status • The Spokane Airport Board purposely designed Zone No. 224 for "user operator status." This eliminates the fees typically associated with operating in a zone, allows companies to deal directly with customs, and eliminates third-party operators.

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Visit us at www.spokaneairports.net