IMMOKALEE FOREIGN TRADE ZONE

A Foreign Trade Zone (FTZ) has been designated for a 60-acre zone in and around the Immokalee Regional Airport. The area includes portions of the Florida Tradeport Industrial park. The Foreign Trade Zone designation offers companies the convenience of deferring any duties or taxes until the business ships the goods outside of the FTZ.

WHAT IS A FOREIGN TRADE ZONE?

A foreign-trade zone (FTZ) is a site within the United States, in or near a U.S. Customs port of entry, where foreign and domestic merchandise is generally considered to be in international commerce. Foreign or domestic merchandise may enter this enclave without a formal Customs entry or the payment of Custom duties or government excise taxes.

In a FTZ, merchandise is still considered to be in international commerce, whereby it can:

- Store, distribute or exhibit
- Inspect, repair, sample, relabel, clean and repackage
- Assemble, manufacture and process merchandise

BENEFITS OF A FOREIGN TRADE ZONE

- Eliminate Duties and Quota Charges: In a FTZ, Customs duties and quota charges are not paid on merchandise exported, and products transferred from Zone to Zone are duty free.
- Defer Customs Duties and Federal Excise Tax: On imports, Customs duties and taxes can be delayed until merchandise is transferred into US Customs territory. Importers can store goods in an FTZ indefinitely without paying duty.
- Reduction of Duties: The final duty rate is paid on the component part or of the finished article, whichever is lower.
- Avoid Customs Fines & Seizures: Merchandise can be admitted into an FTZ without markings, visa or quota documentation, while bringing their products or documentation into compliance with customs regulations.
- No Duty on Waste: Products that arrive damaged can be returned, stored in the FTZ or destroyed without having to pay duty or taxes.
- US Quotas: US Quota restrictions do not apply in an FTZ. When a quota opens the merchandise may subsequently be entered into the US Commerce.
- Eliminate Drawbacks: Drawback laws are complex and expensive to administer
- Improve Cash Flow and Profitability: through special Customs procedures such as Weekly Entry and Weekly Exports, companies can save on Customs transaction fees and expedite shipments out of an FTZ, thus improving their competitiveness.
- Avoid Taxes: No state and local ad valorem taxes apply to foreign merchandise in an FTZ. IRS and government excise taxes are charged only when they are entered into the US Commerce.
- Reduced Bond & Brokerage Costs: In an FTZ the cost of buying an entry bond is eliminated, and brokerage fees are reduced because there is no post entry work.

- Increased Security: Customs review of security procedures and Federal laws governing unauthorized removal of Zone merchandise deter theft.
- Lower Insurance Rates: Due to increased security, discounted cargo insurance rates (up to 40% less) have been negotiated.

FOREIGN TRADE ZONE FACTS

- Approximately ninety percent (90%) of firms using FTZs are U.S. based.
- About eighty percent (80%) of merchandise received in FTZs is of domestic origin.
- Over 2,900 firms use FTZs.
- Over 290,000 people are employed in U.S. FTZs.
- Exports from FTZs exceed $17 billion.
- Forty-nine states plus Puerto Rico have established FTZs.
- There are about 230 Foreign-Trade Zones and over 400 Subzones in the U.S.
- The FTZ Act of 1934 was a "New Deal" law introduced to expedite and encourage U.S. participation in international trade.
- The FTZ program operates with minimal expenditures of tax dollars. U.S. Customs oversight and enforcement are reimbursed through merchandise processing fees.
- FTZs encourage firms to locate final assembly operations in the U.S. rather than abroad and discourage domestic firms from relocating offshore.