

## **Foreign Trade Zone 126 (Northern Nevada)**

**Coverage: Carson City, Douglas, Storey County, portions of Churchill, Lyon & Washoe County**

### **What is a Foreign Trade Zone (FTZ)?**

A designated site licensed by the (FTZ) Board at which special customs procedures may be used. Program designed to provide incentive to US Companies to perform some economic activity within the USA. Procedures allow domestic activity involving foreign items to take place prior to formal customs entry into US commerce. FTZs are governed by the FTZ Board and once activated by users, they are restricted access sites under Customs & Border Protection supervision.

FTZ Advantages include: Improving Cash Flow, Lower inventory costs, Defer, reduce and/or eliminate U.S. Customs duties, Distribution savings, Elect preferential duty rates

### **10 ways a company may benefit from using a FTZ:**

1. Imports may be admitted and held in a foreign-trade zone without paying U.S. Customs duties.
2. FTZ users may pay the duty rate on component material or merchandise produced from component material, whichever is lower.
3. Customs duties are never paid on merchandise exported from a zone.
4. Duties are eliminated on materials subject to defect, damage, obsolescence, waste or scrap.
5. Merchandise may be exported and returned to an FTZ without duty payment.
6. Spare parts may be stored, returned, or destroyed without duty payment.
7. Delays in Customs duty drawback are eliminated.
8. Duties are not owed on labor, overhead, or profit attributed to FTZ production operations.
9. Quality control inspections can identify sub-standard goods to be destroyed or returned without duty payment.
10. No duty is owed on in-bond, zone-to-zone transfer of FTZ merchandise.

### **Who manages the FTZ?**

The FTZ is governed by the FTZ Board (Washington DC). Locally, the Economic Development Authority of Western Nevada (EDAWN) has the Grant of Authority for FTZ 126. Once a site has been approved and activated by users, access is restricted and supervision is provided by Customs & Border Protection (CBP).

**Where is the FTZ?**

– see map

**How do I know if the FTZ is right for my business?**

EDAWN can help potential users with a complimentary FTZ feasibility Analysis. The analysis will determine potential savings if the company activated an FTZ operation.

**How to apply for FTZ operating authority?**

An FTZ application for General Purpose operations (Distribution) or Manufacturing operations must be submitted to the FTZ Board, with Grantee/EDAWN concurrence. Once the application is approved, the company must work with CBP for local activation of the site. Application processing can range from 30 days to 5 months, depending on application type. Activation timelines are estimated at 3-6 months, depending on company and complexity of the zone activity.

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