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County Clerk, Hunt County, Tex.
JL

What is an FTZ?



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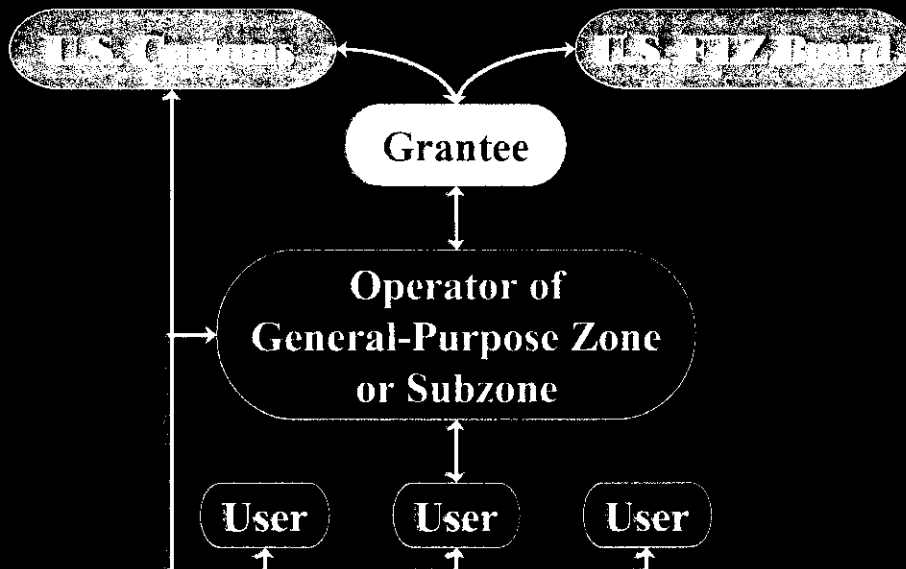
Agenda

- Introduction to the FTZ program.
- How is an FTZ used.
- How does an FTZ impacts taxing entities?
- Questions & Answers.

What is an FTZ?

- An area inside the United States that is designated as being outside Customs Territory.
 - Where items are brought into the Zone duty free.
 - Where Customs duty is determined when the merchandise leaves the Zone.

U.S. FTZ Structure



What is a Zone Site?

- An Industrial Park.
- An Industrial Development inside a port or airport.
- A company's facility.

What Can I Do in an FTZ?

- Distribute
- Store
- Test and Inspect
- Repack
- Assemble
- Repair
- Manufacture

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How Do Companies Save Money in an FTZ?

- Duty Deferral
- Duty Elimination
- Duty Reduction
- Customs Fees

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FTZ Tax Impact

- Zones offer a federal exemption on inventory tax.
 - Imported and domestic goods bound for export
- Tax Policies
- FTZ Success

FTZ Tax Exemption

- In Texas, we pay ad valorem tax on all inventory value as of a company's assessment day.
- FTZ status exempts inventory tax on imported goods, and those held for export.
- FTZ tax exemption is NOT community wide.

FTZ Tax Policies

- Greenfield Projects
 - No current inventory
 - New real property development
- Existing Projects
 - Arrangements for payment of inventory
 - Any new development?

FTZ Success

- New development adds real property.
- PILOT Agreements protect existing revenue.
- FTZ projects build a stronger economy.

IMS Worldwide, Inc

Foreign-Trade Zone Consultants

Over 250 Projects Completed
Nationwide

Rated #1 in Customer Service
for more than 30 years

