

103D CONGRESS
1ST SESSION

S. 231

To amend the Foreign Trade Zones Act to permit the deferral of payment of duty on certain production equipment.

IN THE SENATE OF THE UNITED STATES

JANUARY 27 (legislative day, JANUARY 5), 1993

Mr. INOUE introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Foreign Trade Zones Act to permit the deferral of payment of duty on certain production equipment.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. DEFERRAL OF DUTY ON CERTAIN PRODUCTION**

4 **EQUIPMENT.**

5 (a) IN GENERAL.—Section 3 of the Act of June 18,
6 1934 (commonly known as the Foreign Trade Zones Act,
7 19 U.S.C. 81c) is amended by adding at the end thereof
8 the following new subsection:

9 “(e) PRODUCTION EQUIPMENT.—

1 “(1) IN GENERAL.—Notwithstanding any other
2 provision of law, if all applicable customs laws are
3 complied with (except as otherwise provided in this
4 subsection), merchandise which may be admitted
5 into a foreign trade zone for use within such zone
6 as production equipment, or parts thereof, shall not
7 be subject to duty until such merchandise is com-
8 pletely assembled, installed, tested, and used in the
9 production for which it was admitted. The duty
10 chargeable shall be at the same rate as would have
11 been imposed (but for the provisions of this sub-
12 section) on such production machinery and related
13 equipment, and parts thereof, (taking into account
14 the zone status of the merchandise) had duty been
15 imposed on such production machinery and related
16 equipment, and parts thereof, at the time of entry
17 into the customs territory of the United States.

18 “(2) FOREIGN TRADE ZONE.—For purposes of
19 this subsection, the term ‘foreign trade zone’ in-
20 cludes a subzone as defined in section 146.1(b)(17)
21 of chapter 19, Code of Federal Regulations.”.

22 (b) EFFECTIVE DATE.—The amendment made by
23 this section shall apply with respect to articles entered,
24 or withdrawn from warehouse for consumption, after the

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1 date that is 15 days after the date of the enactment of
2 this Act.

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