

International Trade, Corey Norton, Chair

From Jeffrey Snyder (United States):

Tariff Phase-Outs for Technology Products

ITA II - Effective July 1 the United States has joined the EU, Malaysia, Taiwan, and Thailand in the phasing out of tariffs on 201 technology products under the Information Technology Agreement. Other participants, including China, Japan, and South Korea have not yet completed the domestic ratification processes. In the United States, the applied duties for some tariff lines will drop immediately to zero (including on certain copying machines, office machines, digital storage media, radio broadcasting machines, monitors, certain mirrors, prisms, and lenses, stereoscopic microscopes, navigation instruments, surveying equipment, x-ray machines, and various measuring devices). In other cases, there will be incremental reductions in the duty rates. The applied duty rates for certain U.S. tariff lines will drop to zero by July of 2019 (including certain printing inks, photomask blanks, static converters, microphones and speakers, television transmission apparatus, certain circuits and switches, certain mirrors, prisms, and lenses, various measuring devices, oscilloscopes and spectrum analyzers, and light-emitting diode backlights for monitors and laptops). The lower rates will apply to goods entered for consumption on or after July 1, 2016. In most cases, the new duty rates will take effect automatically. However, a number of new, duty-free tariff lines were created specifically to comply with the updated agreement. To receive these benefits, an importer must affirmatively reclassify its goods in these lines. This list includes: solid printing inks in “engineered shapes,” optically clear adhesives used in the manufacture of flat-panel displays; boxes and crates specially shaped or fitted for the conveyance or packing of semiconductor wafers; multi-component integrated circuits (MCOs); fans principally used to cool microprocessors; machines and components of machines used in the manufacture of printed circuits; power supplies for computers, copying machines, and monitors; electromagnets used for Magnetic Resonance Imaging; flight data recorders; digital translators and E-readers; portable interactive electronic education devices designed primarily for children, and telescopes other than those designed to attach to weapons.