

FTZ Comparison Matrix

	FTZ	Bonded Warehouse	TIB	Drawback
Duty	Duty is paid when merchandise exits the FTZ for US consumption. May elect to pay duty at this rate of the component or that of the finished product	Duty is collected only when merchandise is withdrawn for consumption	Entered duty free. Importer must export or destroy merchandise within one year of import (extensions can be requested)	Duty paid when merchandise enters the US. Must then file for a rebate, and can reclaim 99% of duty paid related to subsequent export or destruction. Refunds can take years to be received.
Time Limits	Unlimited storage time	Five year storage limit	One year time limit	Must apply for drawback within three years of Exportation or Destruction
Inverted Tariff	Inverted tariff benefit possible for manufacturers	No inverted tariff	No inverted tariff	No inverted tariff
Entry into US Commerce	Yes, all zone status goods can be entered from a zone into the US Commerce except Zone Restricted Merchandise	No, must export manufactured products	No, goods must be exported or destroyed	Can be entered, but, must be exported or destroyed within five years of importation to receive duty refund.
Foreign/Domestic Storage	Possible to store domestic & foreign goods in same facility	No domestic goods can be stored	Not applicable	May receive refunds for imported goods purchased from a domestic supplier.
Movement of Merchandise	Merchandise can move within the US Customs territory as well as be exported at potentially reduced duty rates	Certain transfers are permissible between bonded warehouses and FTZ's subject to restriction.	Merchandise can move within the US Customs territory	Not applicable
Arrival in US	Once goods reach a US port they can be shipped directly to the FTZ under transportation bond	Once goods reach a US port they can be shipped directly to the warehouse under transportation bond	Once goods reach a US port, they can move freely within the one year time limit	Not applicable
Bond Requirement	Yes, bond required on dutiable value of goods stored in facility	Yes, bond required for each entry in addition to the property bond.	Yes, bond is twice the entered value of most products or 110% for limited products	Yes, a bond is required to file Drawback
Property Tax Benefits	19 USC 81o (e) preempts states and localities from collecting ad valorem taxes on imported tangible personal property held in a FTZ and all property held in a zone for export	Tangible Personal Property Held for Export is exempt	Not applicable	Not applicable