

NAVIGATING DUTY DRAWBACK IN THE U.S.

A Guide to Navigating the U.S. Duty Drawback Program

What is the Duty Drawback Program?

Drawback is a refund or remission of duties, fees or Internal Revenue tax paid upon certain imported merchandise that is either unused and is subsequently exported or destroyed under Customs supervision or is used to produce a different article that is either exported or destroyed under Customs supervision.

What Goods are Eligible for Duty Drawback?

Articles imported for manufacture then subsequently exported, articles that are exported or destroyed because they did not conform with samples or specifications, and imported merchandise that is unused and exported or destroyed. The complete list of items eligible for drawback: <https://www.cbp.gov/trade/programs-administration/entry-summary/drawback>

Ordinary Customs Duties:

- Duty on Assists
- Marking Duties
- Voluntary tenders
- 1592(d) duties

- IRS taxes
- Merchandise Processing Fees
- Harbor Maintenance Fee
- 301 Duties (China Imports)

Duties NOT subject to drawback:

- Antidumping and countervailing duties
- 232 duties (steel and aluminum)

Who can apply for a Duty Drawback?

An importer who is also the exporter.

If the importer, manufacturer and exporter are different parties, they must cooperate in order to complete a drawback claim.

What do I need to file a Duty Drawback Claim?

IMPORT DOCUMENTATION

- Purchase Order
- CF 7501 (Entry Summary)
- Commercial Invoice
- Packing List
- Receipt Records to evidence receipt into inventory
- Proof of payment to the vendor

EXPORT DOCUMENTATION

- Purchase Order
- Withdrawal from inventory
- Bill of Lading
- Commercial Invoice
- Packing Lists
- Proof of Payment from Customer

For manufacture Drawback only Bill of material to evidence where used, quantities and proper calculation
This may also include withdrawal from inventory to evidence goods put into Production

How do I file a Duty Drawback Claim?

There are a few ways that Duty Drawback Claims can be filed, including manually on CBP Form 7551 with supporting documentation, or electronically through Core-ACE filing, or TFTEA Drawback filing. If you want to file a drawback claim, please contact us at csagroup@buckland.com. We will work with your individual situation to determine the best plan of action.