

FOREIGN TRADE ZONES

UNDERSTANDING AND OVERCOMING RESTRICTIONS

FAST FACTS

Overview

Foreign trade zones (FTZs) were created to provide special customs procedures to U.S. plants engaged in international trade-related activities. Duty-free treatment is accorded to items that are processed in FTZs and then re-exported, and duty payment is deferred on items until they are brought out of the FTZ for sale in the U.S. market. This helps to offset customs advantages available to overseas producers that compete with domestic industry. The [Foreign Trade Zones Board](#) provides oversight, approval and monitoring of all FTZs in the U.S.

How Can Companies Benefit from Using FTZs?

FTZs are considered to be outside of U.S. Customs Territory for the purpose of customs duty payment. Therefore, goods entering FTZs are not subject to customs tariffs until the goods leave the zone and are formally entered into U.S. Customs Territory. Merchandise that

is shipped to foreign countries from FTZs is exempt from duty payments. This provision is especially useful to firms that import components in order to manufacture finished products for export.

There is no time limit on goods stored inside an FTZ, and certain foreign and domestic merchandise held in FTZs may be exempted from state and local inventory taxes. This allows firms to minimize their costs while their products are waiting to be shipped. In addition, quota restrictions are in some cases waived for items entering an FTZ; however, the restrictions would apply if the items were to enter the U.S. market.

A variety of activities can be conducted in an FTZ, including assembling, packaging, destroying, storing, cleaning, exhibiting, re-packing, distributing, sorting, grading, testing, labeling, repairing, combining with foreign or domestic content, or processing.

Resources

Currently in Wisconsin, there are three FTZs.
For more information, please contact:

[FTZ No. 41 Milwaukee](#) Grantee: Port of Milwaukee
2323 S. Lincoln Memorial Dr., Milwaukee, WI 53207
Jazmine Jurkiewicz | 414.286.8133
jazminej@milwaukee.gov

[FTZ No. 167 Brown County](#) Grantee: Brown County, Wisconsin
2561 South Broadway, Green Bay, WI 54304
Dean Haen | 920.492.4950
haen_dr@brown.wi.us

[FTZ No. 266 Dane County](#) Grantee: Dane County, Wisconsin
210 Martin Luther King, Jr. Blvd., City-County Building,
Room 421, Madison, WI 53703
Rodney Knight | 608.246.3387
knight@msnairport.com

For more information, please contact
Chad Hoffman, international market development director,
at chad.hoffman@wedc.org or 608.210.6890.

