

113TH CONGRESS
2D SESSION

H. R. 5291

To amend the Harmonized Tariff Schedule of the United States with respect to goods exported for processing abroad and reimported, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 30, 2014

Mr. OWENS introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Harmonized Tariff Schedule of the United States with respect to goods exported for processing abroad and reimported, and for other purposes.

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. TREATMENT OF GOODS EXPORTED FOR MODI-**
4 **FICATION AND REIMPORTED.**

5 (a) TEXTILE AND APPAREL GOODS.—

6 (1) IN GENERAL.—Subchapter II of chapter 98
7 of the Harmonized Tariff Schedule of the United
8 States is amended by inserting in numerical se-
9 quence the following subheading, with the article de-

1 scription having the same degree of indentation as
 2 the article description for subheading 9802.00.60:

“	9802.00.70	Textile and apparel goods classifiable under chapter 61, except goods of heading 9802.00.90 and goods imported under provisions of subchapter XIX or XX of this chapter, if exported for further processing ...	A duty upon the full value of the imported article, less the cost or value of materials, including thread, yarn, fabric, or components the product of the United States and provided for under any of headings 5106 through 5110, 5204 through 5207, 5306 through 5308, 5401 through 5406, or 5508 through 5511, or chapter 60 or 61 (see U.S. note 4 of this subchapter)	Free (CL, CO, IL, JO, KR, P, PA, PE, SG) A duty upon the full value of the imported article, less the cost or value of materials, including thread, yarn, fabric, or components the product of the United States and provided for under any of headings 5106 through 5110, 5204 through 5207, 5306 through 5308, 5401 through 5406, or 5508 through 5511, or chapter 60 or 61 (see U.S. note 4 of this subchapter) (AU, B, BH, C, CA, E, MA, MX, OM) Free, for products described in U.S. note 7 to this subchapter Free, for qualifying articles from sub-Saharan African countries enumerated in U.S. note 7 to this subchapter	A duty upon the full value of the imported article, less the cost or value of materials, including thread, yarn, fabric, or components the product of the United States and provided for under any of headings 5106 through 5110, 5204 through 5207, 5306 through 5308, 5401 through 5406, or 5508 through 5511, or chapter 60 or 61 (see U.S. note 4 of this subchapter)	”.
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3 (2) CONFORMING AMENDMENT.—U.S. note 4 to
 4 subchapter II of chapter 98 of the Harmonized Tar-
 5 iff Schedule of the United States is amended, in the
 6 matter preceding paragraph (a), by inserting “and
 7 subheading 9802.00.70” after “9802.00.90”.

1 (b) COMMINGLING OF FUNGIBLE GOODS EXPORTED
2 FOR REPAIRS OR ALTERATIONS.—U.S. note 3 to sub-
3 chapter II of chapter 98 of the Harmonized Tariff Sched-
4 ule of the United States is amended by adding at the end
5 the following:

6 “(e) For purposes of subheadings 9802.00.40 and
7 9802.00.50, if an article is exported from the United
8 States for the purpose of repairing or altering the article
9 and the article is subsequently imported into the United
10 States—

11 “(1) the article shall be considered to be the
12 same article that was exported without regard to
13 whether the article contains 1 or more components
14 recovered from an identical or similar article that
15 was also exported from the United States; and

16 “(2) the cost or value of any such components
17 shall not be included in the value of the article when
18 the article enters the United States.”.

19 (c) ARTICLES PREVIOUSLY IMPORTED.—

20 (1) DUTY TREATMENT.—The article description
21 for heading 9801.00.20 of the Harmonized Tariff
22 Schedule of the United States is amended to read as
23 follows: “Articles, previously imported, with respect
24 to which the duty was paid upon such previous im-
25 portation or which were imported previously free of

1 duty, if (1) reimported, without having been ad-
2 vanced in value or improved in condition by any
3 process of manufacture or other means while abroad,
4 after having been exported under lease or similar
5 use agreements, bailment agreements, or for
6 warehousing, repackaging, or both, and (2) re-
7 imported by or for the account of the person who
8 imported it into, and exported it from, the United
9 States.”.

10 (2) COMMINGLING OF FUNGIBLE GOODS.—The
11 U.S. notes to subchapter I of chapter 98 of the Har-
12 monized Tariff Schedule of the United States are
13 amended by adding at the end the following new
14 note:

15 “3.(a) For purposes of heading 9801.00.20—

16 “(i) fungible goods exported from the United
17 States may be commingled, and

18 “(ii) the origin, value, and classification of such
19 goods may be accounted for using an inventory man-
20 agement method.

21 “(b) If a person chooses to use an inventory manage-
22 ment method under paragraph (a) with respect to fungible
23 goods, the person shall use the same inventory manage-
24 ment method for any goods with respect to which the per-
25 son claims fungibility.

1 “(c) For purposes of this note—

2 “(i) the term ‘fungible good’ means any good
3 that is commercially interchangeable with another
4 good and that has properties that are essentially
5 identical to the properties of another good; and

6 “(ii) the term ‘inventory management method’
7 means any method for managing inventory that is
8 based on generally accepted accounting principles.”.

9 (d) USE OF MANUFACTURER’S IDENTIFICATION
10 CODE FOR TEXTILE AND APPAREL PRODUCTS.—The
11 U.S. notes to chapter 98 of the Harmonized Tariff Sched-
12 ule of the United States are amended by adding at the
13 end the following new note:

14 “4. For textile and apparel products classified in sub-
15 chapter I or II of this chapter, the manufacturer’s identi-
16 fication code (MID) of the facility that repairs, alters, as-
17 sembles, processes, stores, or otherwise handles the prod-
18 ucts may be used on any customs entry documentation
19 or electronic data transmission that requires identification
20 of the manufacturer.”.

21 **SEC. 2. EFFECTIVE DATE.**

22 (a) IN GENERAL.—Subject to subsection (b), the
23 amendments made by this Act shall apply to goods en-
24 tered, or withdrawn from warehouse for consumption, on

1 or after the 15th day after the date of the enactment of
2 this Act.

3 (b) RETROACTIVE APPLICATION.—

4 (1) IN GENERAL.—Notwithstanding section 514
5 of the Tariff Act of 1930 (19 U.S.C. 1514) or any
6 other provision of law, and subject to paragraph (2),
7 the entry of any good—

8 (A) that was liquidated or made on or
9 after January 9, 2008, and before the 15th day
10 after the date of the enactment of this Act, and

11 (B) with respect to which there would have
12 been no duty if the amendment made by section
13 1(c)(1) applied to such entry,
14 shall be liquidated or reliquidated as if such amend-
15 ment applied to such entry.

16 (2) REQUESTS.—A liquidation or reliquidation
17 may be made under paragraph (1) with respect to
18 an entry only if a request therefor is filed with U.S.
19 Customs and Border Protection before the later of
20 the 180th day after the date of the enactment of
21 this Act or the 180th day after the date of liquida-
22 tion of the entry, that contains sufficient informa-
23 tion to enable U.S. Customs and Border Protec-
24 tion—

25 (A) to locate the entry; or

1 (B) to reconstruct the entry if it cannot be
2 located.

3 (3) PAYMENT OF AMOUNTS OWED.—Any
4 amount owed by the United States pursuant to the
5 liquidation or reliquidation of an entry of an article
6 under paragraph (1) shall be paid, without interest,
7 not later than 90 days after the date of the liquida-
8 tion or reliquidation (as the case may be).

9 (4) DEFINITION.—In this subsection, the term
10 “entry” includes a withdrawal from warehouse for
11 consumption.

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