Exporting and Importing in the New Tariff Landscape

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Charlottesville, Virginia

Virginia SBDC – George Mason University

International Business Development Program

Dulce A. Zahniser, Sr. International Trade Specialist, IBD

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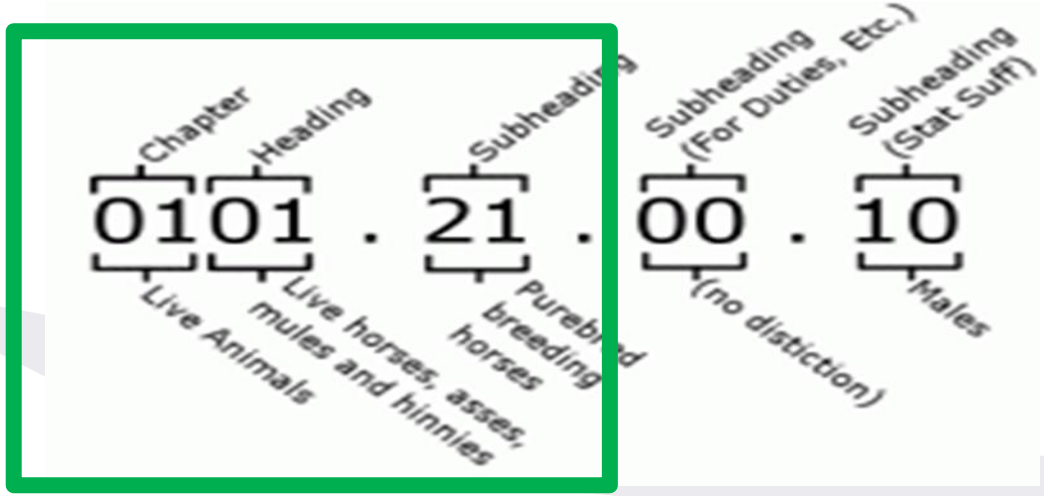
Harmonized System (HS CODES)
US HS Code – HTSUS – A duty road map

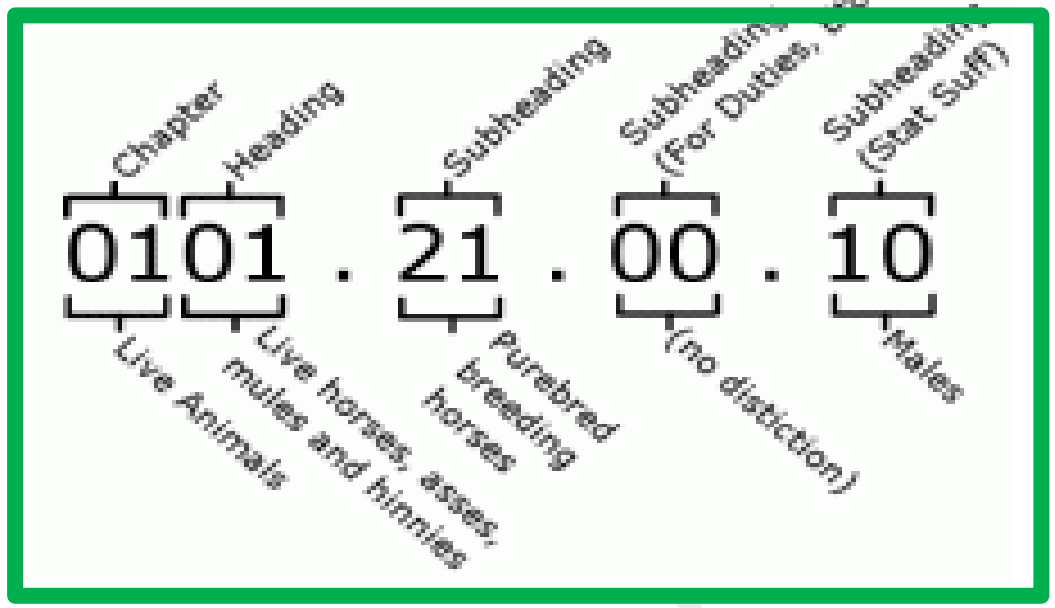
Harmonized Tariff Schedule of the US (HTSUS)

- **Schedule of 19,000 goods**
- **General Descriptions of Goods**
- **Every item imported into the US has a classification**
  - **Classification not always easy – not an exact science**
  - **Assigns duty to all products coming into the US under MFN – if correctly classified, easy to find.**
  - **Assigns certain duties to products under Sections 232, 301 & Anti-Dumping – with knowledge, somewhat easy to find**
  - **Guides importers regarding IEEPA duties – not easy to find with out help.**

Power in a Number: Architecture of An HS code & HTSUS



- First 2 digits identify **chapter**
- First four digits equal **heading**
- 1st Subheading: 5th &6th digits – directly related to product – **completes the basic international HS code**.
- 2nd Subheading: 7th and 8th digits – **where duty is found**
- 3rd Subheading: The final two digits in a 10-digit number: **statistical suffix – this case HTSUS.**



What is a tariff? Is it a duty?

Definition of a Tariff/Duty: a tax that governments place on goods coming into their country. The **Importer of Record** pays the duty.

Tariff = Duty, Duty = Tariff

Why tariffs? Designed to make imported products more expensive for buyers in the importer country to purchase those goods.

When are tariffs collected? When a shipment arrives at a U.S. port.

How does it work in the US? U.S. Customs and Border Protection (CBP) collects the tariff based on HS Code & a variety of factors.

As the importer, when do I pay? The importer of the goods pays the duty, typically within 10 days of the goods clearing customs.

US Government Closure? Customs is still at work collecting duties.

US Core tariff terminology

- **Most Favored Nation (MFN) duty** – the item's regular duty as found in the importing country's HS Code
- **IEEPA Duties** – International Emergency Economic Powers Act - used to justify duties – a new interpretation of this regulation against countries
  - IEEPA Reciprocal – Per Country duty ad valorem (anywhere from 10% 25%, so far)
  - IEEPA Fentanyl – China, Canada, Mexico
  - IEEPA "Special" – Falls under various names – Example Brazil (40%), India (25%)
- **Section 232 Duties** - imposed on products that are deemed a threat to national security based on HS Code
- **Section 301 Duties** - imposed on countries that violate fair trade - can be imposed on any country's products based on HS Code
- **Anti-Dumping/Countervailing Duties (AD/CVD)**- duties imposed to protect domestic industries based on HS Code.

What HTSUS Looks Like 8207.30.3020 8207.30.6062

Note: The duties are ***specific duties*** based on weight or quantity

Note: Rates of Duty for goods that qualify under FTA notes in Special Column

Harmonized Tariff Schedule (usitc.gov)

Harmonized Tariff Schedule of the United States Revision 25 (2025)

Annotated for Statistical Reporting Purposes

XV
82-10

Heading/ Subheading	Stat. Suf-fix	Article Description	Unit of Quantity	Rates of Duty 1 General	Rates of Duty 1 Special	Rates of Duty 2
8207 (con.)		Interchangeable tools for handtools, whether or not power operated, or for machine-tools (for example, for pressing, stamping, punching, tapping, threading, drilling, boring, broaching, milling, turning or screwdriving), including dies for drawing or extruding metal, and rock drilling or earth boring tools; base metal parts thereof: (con.)				
8207.30		Tools for pressing, stamping or punching, and parts thereof:				
8207.30.30		Suitable for cutting metal, and parts thereof.....	.....	5.7%[1/]	Free (A, AU, BH, CL, CO, D, E, IL, JO, KR, MA, OM, P, PA, PE, S, SG) 2.85% (JP)	60%
	20	Tools.....	No. kg			
	50	Parts.....	No. kg			
8207.30.60		Not suitable for cutting metal, and parts thereof.....	.....	2.9%[1/]	Free (A, AU, BH, CL, CO, D, E, IL, JO, JP, KR, MA, OM, P, PA, PE, S, SG)	35%
	32	Stamping dies not suitable for cutting metal.....	No. kg			
	62	Metal forming dies, including thread-rolling dies...	No. kg			

What HTSUS Looks Like 8207.30.3020 8207.30.6062

Note: The duties are ***specific duties*** based on weight or quantity

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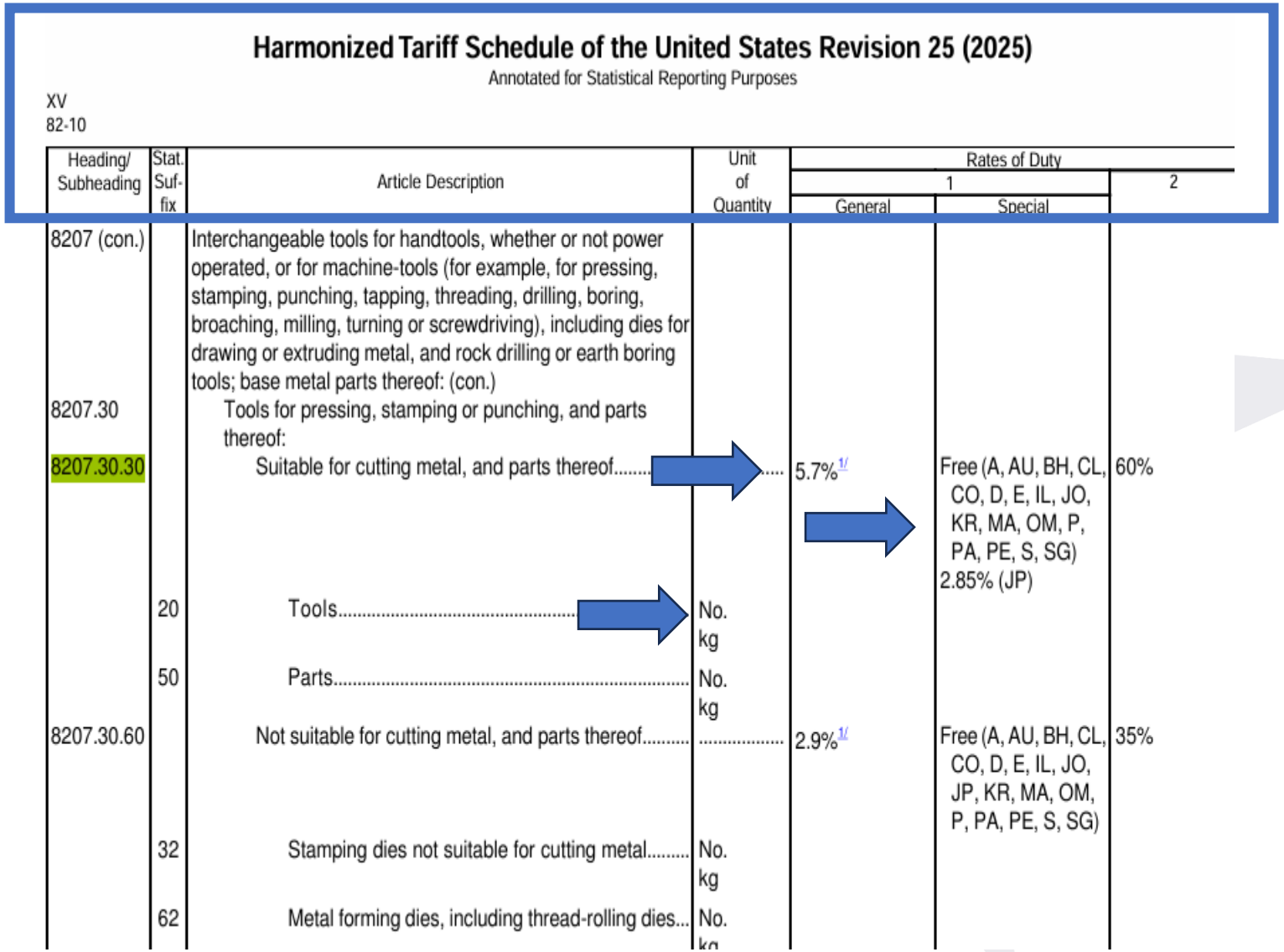
Harmonized Tariff Schedule (usitc.gov)



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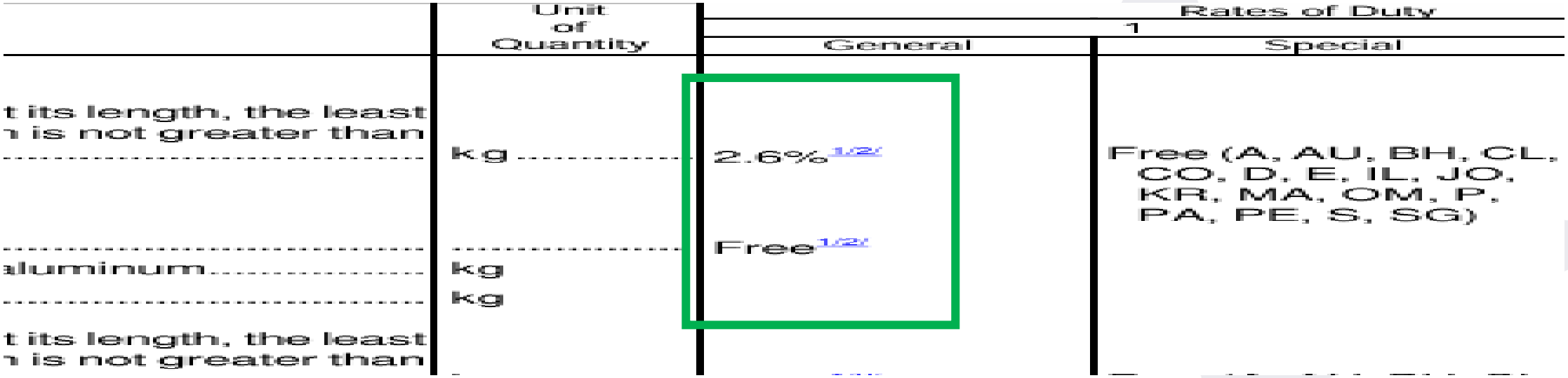
	20	Tools.....	No. kg			
	50	Parts.....	No. kg			
8207.30.60		Not suitable for cutting metal, and parts thereof.....	.....	2.9%[1/]	Free (A, AU, BH, CL, CO, D, E, IL, JO, JP, KR, MA, OM, P, PA, PE, S, SG)	35%
	32	Stamping dies not suitable for cutting metal.....	No. kg			
	62	Metal forming dies, including thread-rolling dies...	No. kg			

Looking for country duties – HTSUS V11 – Chapter 76



	Unit of Quantity	Rates of Duty 1 General	Special
t its length, the least 1 is not greater than	kg	2.6% 1/2/	Free (A, AU, BH, CL, CO, D, E, IL, JO, KR, MA, OM, P, PA, PE, S, SG)
		Free 1/2/	
aluminum	kg		
	kg		
t its length, the least 1 is not greater than			

Harmonized Tariff Schedule of the United States Revision 11 (2025)

Annotated for Statistical Reporting Purposes

XV

Endnotes--page 76 - 17

1/ See U.S. note 19 to subchapter III, chapter 99.
2/ See 9903.91.01.
3/ See 9903.90.09.
4/ See 9903.88.03.
5/ See 9903.88.15 and U.S. note 19 to subchapter III, chapter 99.
6/ See additional U.S. note 1 to this chapter.
7/ See 9903.88.15.
8/ See 9903.88.02.
9/ See 9903.88.03 and U.S. note 19 to subchapter III, chapter 99.
10/ See 9903.88.02 and U.S. note 19 to subchapter III, chapter 99.

Accuracy & Tariffs, and the Commercial Invoice

- **Accuracy matters** in the use of HS Codes.
- Customs authorities look to the HS Code to:
  - Guide duty assignments, (MFN)
  - Triggers Special Duties (Sections 232 & 301, AD/CVD)
- **More important than ever:** Incorrect classifications can result in **wrong duty assessed, long wait periods, rejected shipments, possible fines and other challenges** with the foreign and domestic customs authorities.
- Well formatted, truthful **commercial invoice is critical**. Some special duties benefit from split out information. As importer of record – demand a preview.
- Customs Brokers rely on a well formatted, incl exact info within the regulations.
- In this new tariff world – **HS Codes (and the right ones) and Commercial Invoices are more important than ever**.

Case Studies – Same Products Diff Markets into US

8207.30.3020 and 8720.30.6062

- Price: $100 per unit = $1000 Commercial Invoice
- 8207.30.3020 – no steel content
- 8207.30.6062 – has steel tariffs
- Each Duty Examined Per Country (and total duty):
    - MFN
    - IEEPA
    - Section 232
    - Section 301
    - AD/CVD

Case Study – China made goods into US

8207.30.3020 - Tools for pressing, stamping or punching, and parts thereof: Suitable for cutting metal, and parts thereof. (not subject to steel 232 duty)

Duty Name	Duty Rate (%)	Quantity	Price/Unit	Total Inv (for ad valorem)	Total Duty
MFN	5.7%	10	$100	$1000	$57
IEEPA RECIPROCAL	10%	10	$100	$1000	$100
IEEPA SPECIAL (Fentanyl)	10%	10	$100	$1000	$100
Section 232 (steel, alum, copper)	n/a				
Section 301	25%				$250
AD/CVD	n/a				
Total Duty					$507

Case Study – Indian made goods into US

8207.30.3020 - Tools for pressing, stamping or punching, and parts thereof: Suitable for cutting metal, and parts thereof. (no steel)

Duty Name	Duty Rate (%)	Quantity	Price/Unit	Total Inv (for ad valorem)	Total Duty
MFN	5.7%	10	$100	$1000	$57
IEEPA RECIPROCAL	25%	10	$100	$1000	$250
IEEPA SPECIAL (Russia Oil Penalty)	25%	10	$100	$1000	$250
Section 232 (steel, alum, copper)	n/a				
Section 301	n/a				
AD/CVD	n/a				
Total Duty					$557

Case Study – EU made goods into US

8207.30.3020 - Tools for pressing, stamping or punching, and parts thereof: Suitable for cutting metal, and parts thereof. (no steel)

Duty Name	Duty Rate (%)	Quantity	Price/Unit	Total Inv (for ad valorem)	Total Duty
MFN	5.7%	10	$100	$1000	$57
IEEPA RECIPROCAL	15%	10	$100	$1000	$150
IEEPA SPECIAL	0%				
Section 232 (steel, alum, copper)	n/a				
Section 301	n/a				
AD/CVD	n/a				
Total Duty					$207

Case Study – China made goods into US

8207.30.6062 - Tools for pressing, stamping or punching, and parts thereof: Not suitable for cutting metal, and parts thereof. Metal forming dies, including thread-rolling dies. (Subject to steel tariffs) . $50 is steel content, $50 is non-content value added

Duty Name	Duty Rate (%)	Quantity	Price/Unit	Total Inv (for ad valorem)	Total Duty
MFN	2.9%	10	$100	$1000	$29
IEEPA RECIPROCAL	10%	10	$50	$500	$50
IEEPA SPECIAL (Fentanyl)	10%	10	$100	$1000	$100
Section 232 (steel, alum, copper)	50%	10	$50	$500	$250
Section 301	25%	10	$100	$1000	$250
AD/CVD	n/a				
Total Duty					$679

Case Study – Indian made goods into US

8207.30.6062 - Tools for pressing, stamping or punching, and parts thereof: Not suitable for cutting metal, and parts thereof. Metal forming dies, including thread-rolling dies. (Subject to steel tariffs) . $50 is steel content, $50 is non-content value added

Duty Name	Duty Rate (%)	Quantity	Price/Unit	Total Inv (for ad valorem)	Total Duty
MFN	2.9%	10	$100	$1000	$29
IEEPA RECIPROCAL	25%	10	$50	$500	$125
IEEPA SPECIAL (Russia Oil Penalty)	25%	10	$100	$1000	$250
Section 232 (steel, alum, copper)	50%	10	$50	$500	$250
Section 301	n/a				
AD/CVD	n/a				
Total Duty					$654

Case Study – EU made goods into US

8207.30.6062 - Tools for pressing, stamping or punching, and parts thereof: Not suitable for cutting metal, and parts thereof. Metal forming dies, including thread-rolling dies. (Subject to steel tariffs) . $50 is steel content, $50 is non-content value added

Duty Name	Duty Rate (%)	Quantity	Price/Unit	Total Inv (for ad valorem)	Total Duty
MFN	2.9%	10	$100	$1000	$29
IEEPA RECIPROCAL	15%	10	$50	$500	$75
IEEPA SPECIAL	n/a				
Section 232 (steel, alum, copper)	50%	10	$50	$500	$250
Section 301	n/a				
AD/CVD	n/a				
Total Duty					$354

Mitigating Factors - Methods to Reduce Certain Duties

- Accurate HS Codes
- Suppliers provide well informed, well described products on Comm Invoicde in English
- Potentially examine product to see if your supplier can "split the invoice between "non-content" and "content" for articles such as metal derivatives.
- Work on an Incoterm that works for you - this can help manage when you pay the duty.
- Use a well-established Freight Forwarder and Customs Broker
  - Customer service from FF/CB is essential these days
- Make sure Customs Broker has the right information
  - Give them appropriate, accurate and truthful information from the supplier, in an easy, readable format on the Commercial Invoice will result in a better informed Entry Summary
- If there is something wrong, you have the ability to protest talk to Customs Broker about protests
- Both your supplier and you must keep excellent records regarding the import for 5 yrs.

Conclusions - Generally speaking:

- Knowing what the HS Code system is and its impact on trade is particularly critical right now
- Understanding the HS Code for each good exported and imported and the associated duties in each country is important
- Calculating duties before you place the order is critical
- Can you split content of 232 metals vs. non-content/value add?
- Remember – the importer of record is responsible for paying the duties.
- Negotiate when you pay – do you pay directly to customs or reimburse the distributor or supplier for duties?
- You will be on the duty hook for imported goods and your buyer will be on the duty hook if you export goods.
- Virginia SBDC IBD team is here to help

Questions?

Contact info

Virginia SBDC – George Mason University
International Business Development Program

Aaron Miller
Director
amille2@gmu.edu

Chris Van Orden
Assistant Director
cvanord@gmu.edu

Dulce A. Zahniser
Sr. International Trade Specialist
dzahnise@gmu.edu