

# THE Economic Advantage ALLIANCE TEXAS

## Triple Freeport Inventory Tax Exemption

At AllianceTexas, all three taxing entities - city, county and school district - have enacted the Triple Freeport Inventory Tax Exemption on all eligible inventory.

If your warehouse is located at AllianceTexas, your company does not pay an inventory tax on goods that move in and out of Texas within a 175 day period. This exemption applies to inventory that is forwarded out of Texas within 175 days of the date acquired or brought into the state.

### SAMPLE INVENTORY SCHEDULE FOR TRIPLE FREEPORT INVENTORY TAX EXEMPTION

Day 1	Inventory arrives in Texas
Days 2-174	Inventory is stored, assembled, manufactured, fabricated, processed, repaired or serviced
Day 175	Inventory leaves Texas
Inventory Tax	NONE



Alliance★Texas®

 AllianceTexas.com

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# ECONOMIC ADVANTAGES OF ALLIANCETEXAS

## Top 10 Reasons To Use FTZ

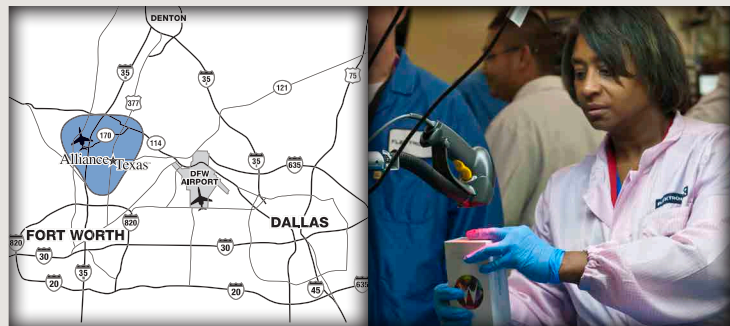
1. **Improve Cash Flow:**  
Hold merchandise in inventory; transfer it to another FTZ; export or destroy it without paying U.S. Customs duties until the imported merchandise is shipped into U.S. Customs territory.
2. **Save on inverted U.S. Customs duty:**  
Elect to pay the duty rate applicable to either component materials or the finished product produced from the component material, whichever is lower. The reduction or elimination of U.S. Customs duties is significant.
3. **Eliminate export duty:**  
Exporting from an FTZ eliminates U.S. Customs duties on exported merchandise.
4. **Reduce costs on defective merchandise:**  
Reduce or eliminate U.S. Customs duties on merchandise classified as waste, scrap, defective, damaged or obsolescent.
5. **Eliminate duty on labor, overhead and profit:**  
Eliminate these costs for production within an FTZ. If the same operations occurred outside the United States, the value of the labor, overhead and profit is subject to U.S. Customs duty.
6. **Reduce paperwork and expenses:**  
For manufacturing and distribution, companies may consolidate multiple customs entries into one per week, reducing customs brokerage and merchandise processing fees.
7. **Reduce inventory tax:**  
Tangible personal property held in FTZ status is exempt from state and local ad valorem taxes.
8. **Security:**  
The top priority of USCBP is security. Activated FTZ's enjoy one of the highest security levels of any importer - superior to C-TPAT.
9. **Reduce supply chain time:**  
Eliminate delays related to U.S. Customs clearances. Special direct delivery procedures expedite the receipt of merchandise in company facilities, reducing inventory cycle time.
10. **Manage U.S. Quota Restrictions:**  
Most merchandise may be held in an FTZ, even if it is subject to U.S. Quota restriction. When the quota opens, the merchandise may be shipped into U.S. Customs territory. (Voluntary restraint and orderly marketing agreements are not impacted by FTZ use.)



## Foreign-Trade Zone #196

Alliance Foreign-Trade Zone #196 ranks among top U.S. general purpose Foreign-Trade Zones.

A Foreign-Trade Zone (FTZ) is a secure site within the United States where merchandise is considered to be outside of U.S. Customs territory. FTZ designation enables several economic benefits. Combine these savings with the multi-modal program at AllianceTexas and corporate residents reduce time and costs in their supply chains.



For more information:

817.224.6000

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AllianceTexas® is an 18,000-acre master-planned community including four distinctive developments — Alliance®, Circle T Ranch®, HeritageSM and Alliance Town Center®. Together, they offer world-class aviation, office, industrial, retail, educational, residential and recreational opportunities. For more information about commercial real estate opportunities, including lease, purchase or property management, please contact us today at 817.224.6000. © Copyright 2016 Hillwood Development Company, LLC.

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