

As a leading force in the global economy, the United States employs an open economic system, supported by a relatively straightforward cross-border trade terms.

While the United States continues to make sustained efforts to maintain its favorable trade environment, challenges related to importing documentation and duty charges persist.

That's why we put together this guide to provide you with a comprehensive overview of United States import duties

Types of Duties and Taxes

There are 4 types of duties and taxes imposed on imported goods into the US:

1. Customs Duties
2. Excise Tax
3. Merchandise Processing Fee (MPF)
4. Harbour Maintenance Fee (HMF)

Each of them serves a different purpose and not all apply to your shipment.

Customs Duties

This is a duty implemented by the U.S. Customs and Border on imported goods that are valued above USD 800 (approximately MYR 3,720).

The enforcement of this duty hinges on the nature and value of the imports to determine both the applicable duty on the goods and the type of clearance process they undergo:

Import Values	Duties Imposition
Below USD 800 (MYR 3,720 approx.)	X
Between USD 800 to USD 2,500 (MYR 3,720 to MYR 11,625 approx.)	✓
Above USD 2,500 (MYR 11,625 approx.)	✓

Any imports that are above USD 800 will have to go through a conventional clearance at the customs; whereas eCommerce purchases that value between USD 800 and USD 2,500 (MYR3,720 to MYR 11,625, approximately) could enjoy a simplified clearance which involve minimal intervention from customs.

The import tariffs vary between 0% and 37.5 %, with 5.63% being the average. E-commerce purchases exceeding USD 2,500 will have a flat tariff rate of 3%.

Textiles are the only exception. Duty will be incurred for goods in this category valued above USD 250.

Excise Tax

Excise tax is a Federal duties enforced by Customs and Border Protection (CBP) on excise goods such as liquors and tobacco products. It is collected by the Internal Revenue Service.

Merchandise Processing Fee (MPF)

The Customs and Border Protection (CBP) levies Merchandise Processing Fee (MPF) on imported goods based on the type of entry into the United States.

THERE ARE 2 TYPES OF ENTRY:

Formal Entry

For commercial purpose

Imported goods value above USD 2500

The importer classifies the goods' HTS code and does customs documentation

Samples are declared differently than other imported goods.

If you run your own store or are a re-seller on an e-marketplace like eBay, you can order samples at a low or \$0 value, by declaring the samples at a nominal value of USD 1 and marking them as "samples of no commercial value" on the invoice.

This is due to the fact that there won't be any earnings from this order. Hence, it has no significant commercial value.

Harbour Maintenance Fee (HMF)

HMF is a type of levy imposed by The Customs and Border Protection (CBP) on imported goods transported via sea ship.

It amounts to 0.125% of the imported cargo's commercial value.

Since this is a levy charged on sea freight, HMF is exempted from all imported air freight.

Calculating Customs Duty

You can calculate customs duty easily with 2 pieces of information:

1. HTS code of your goods
2. The import duty rate of the goods

First, identify the [Harmonized Tariff Schedule \(HTS\)](#) code of your goods.

The US uses a 10-digit HTS code, which is an extended form of the international HS (Harmonized System) codes. To determine the HTS code of your goods, you can check it on the [Harmonized Tariff Schedule](#).

After identifying the accurate HTS code, use it to cross-reference the relevant duty rates on the same US official site.

Next, multiply the value of your goods by the duty rates and you will get the customs duty for your shipment.

For example, you are importing 2000 umbrellas, each valued at USD 10, into the US.

HTS Code of Umbrella	6601.10.00.00
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Duty Rate	6.5%
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Total Umbrella Commercial Value

USD 20,000 (USD 10 x 2000 units)

This is how the duty rate calculation goes:

USD 20,000 x 6.5% = USD 1300

The total value of goods and import duty would be:

USD 20,000 + USD 1300 = USD 21,300

USD 21,300 is the approximate amount you will pay for the goods and customs duty.

Duties Threshold and Exemption

The duties threshold for goods imported from Malaysia into the United States is USD 800 (roughly MYR 3,716).

This means that goods above this de minimis value of USD 800 are subject to duties and taxes, while most goods under this value have duties exempt.

However, eCommerce purchases adhere to a different threshold. With MYR 2,500 being the limit, duties and taxes are exempted for eCommerce purchases valued below this amount.

Additionally, the same exemption rule applies to the following categories for personal effects that are more than one year old:

1. Clothing
2. Jewelry
3. Cameras
4. Household items, including furniture and trade tools

Besides the duty regulations established by the customs of the country, free trade agreements (FTAs) are another factor that influences the duties imposed on a shipment.

However, as there is no FTA between Malaysia and the United States, all goods imported into the country will follow the basic duty rules of the country, as shared above.

Duties and Taxes Payment Method

If your imported shipment is subject to duty, U.S. Customs will contact you or your designated courier with details about the total duty incurred and the due date for payment.

Alternatively, you can obtain a copy of the shipping invoice from your supplier before the delivery.

There are 3 ways to pay for import duties and taxes in the United States.

1. Mail to Customs and Border Protection (CBP)

You can prepare a check or money order, issued by a US bank, based on the duty amount and mail it directly to CBP.

2. Visit CBP Outlets for Payment

The second option is to visit designated CBP locations and make payment at the outlet.

However, it's important to note that, CBP outlet only accept:

1. Cash (US Dollar)
2. Check or money order from a US bank
3. Credit card (only available at certain locations or ports of entry)

3. Pay via Automated Clearinghouse (ACH) System

This is an electronic payment solution by CBP. To make payment through this, you will need an [ACH account](#).

The system allows you to make payment transaction via ACH debit or credit:

1. ACH Debit: The company authorizes U.S. CBP to electronically withdraw funds from their designated bank account.
2. ACH Credit: The payer transmits statement processing payments directly from its bank to the CBP account.

Customs authorities check whether shipments coming into the country adhere to local law on, for instance, health, safety, and IP laws.

They also enforce customs duties regulations. A customs duty, sometimes called an import duty, is a tax applied to products imported for resale.

Import Duty Tax

Import duties or custom duty tax may be applied to protect local production, to penalize the country of import, to penalize a product that would be sold below fair market value (anti-dumping), or simply as a source of government revenue.

How is Customs Duty & US Import Tax Calculated?

Two variables determine whether customs duties and import tax apply:

- Country of import and product,
- Product (as defined by the HS code).

Please note that, despite hearsay, international freight shipments valued under \$2,500 are not exempt from Customs duty.

A confusion between international [freight customs duties rules](#) and two other rules has probably caused this mistaken impression. Those other rules are that shipments valued below \$2,500 are eligible for "[informal customs entry](#)", and that Customs are less stringent when checking express freight (international courier) shipments.

US Customs Duty Charges with our US Customs Duty Calculator

It is easy to get confused by customs charges because there are several different types of charges. Some are charged directly by the customs authority and some are indirect charges made by other parties involved in the customs process.

The following table brings together these charges, why they are charged, and who charges them so you can understand your custom duty charges in the USA, in China, or wherever else you may be shipping.

Our US customs duty calculator will help you calculate your upfront customs charges – brokerage and any potential penalties or additional fees will be added later

Customs Clearance Fee	Forwarder or Customs Broker	All countries	Service charge to cover filing and clearance.
Penalties	Customs	All countries	Fines applying when customs regulations are violated (including prison sentences) for fraud.
Customs Examination (X-ray, Tailgate or Intensive)	Customs	All countries	Pass-through fee covering Customs use of the facility.
Demurrage and Detention / Warehouse Fees	Air or Ocean Carrier	All countries	Pass-through fee from air or ocean carriers to cover storage (e.g., LCL). Shipments typically return from a customs broker.
ISF Filing Fee	Forwarder or Customs Broker	US only	Service charge applying to ocean imports on a bill of lading, included as part of the Customs Clearance fee.
Merchandise Processing Fee (MPF)	Customs	US only	Small mandatory service charge to cover shipping and handling.
Harbor Maintenance Fee (HMF)	Customs	US only	Small mandatory service charge to cover use of the harbor.
Custom Bonds (Continuous Bond, Single Entry Bond, ISF Bond).	Customs	US only	Mandatory insurance policy for CBP against theft or loss.

When you bring goods into the U.S., of course you expect to pay for transportation. But as you plan an import, remember that it also costs money to clear the cargo through U.S. Customs, even when the product isn't subject to any duties. So you need to understand the elements that make up U.S. Customs import fees, and when they're required.

How much does customs clearance cost? How much does customs brokerage cost? How much is customs duty in the U.S.? As with so much in life, it depends.

As a general rule, U.S. Customs and Border Protection (CBP) assesses the type of goods, their declared value, the country of origin and applicable trade agreements or tariff schedules, then levy duties and taxes based on its guidelines.

Costs that importers always pay

Some customs clearance fees are standard when you import cargo. They include:

Merchandise Processing Fee (MPF)

U.S. Customs import fees include this levy on most shipments that enter the country. This customs fee is calculated at 0.3464% of the entered value (the cost of the merchandise, as entered on the commercial invoice you provide to your customs broker), with a minimum of \$31.67 and a maximum of \$614.35 (as of this writing). For example, if the entered value of the shipment is \$100,000, the MPF is \$346.40.

The MPF is assessed for both dutiable and duty-free products.

There are a couple of ways to consolidate multiple entries and reduce MPF fees. If your imports are moving, in bond, to a free trade zone, this FTZ status allows you to file a single entry per week and pay the maximum fee only once, regardless of the number of containers. So an importer bringing in high-value goods in 10 containers a week could pay just \$614.35 per week, versus \$6,143.50 per week for 10 discreet MPF payments. Another strategy is to work with a customs broker to group multiple entries as a single entry – as long as each entry is under one importer of record and arrives on a single conveyance.

Harbor Maintenance Fee (HMF)

This customs fee is collected by CBP on shipments that enter the country via ocean transportation, and is equal to 0.125% of the entered value. On that \$100,000 shipment, the HMF would be \$125.

Bond Premiums

Through your broker, you pay these [customs bond fees](#) to a surety company. That company, in turn, guarantees to U.S. Customs that you will submit the Import Security Filing (ISF), and pay any duties/fees owed on your cargo. If you import on a regular basis, you'll probably buy a continuous bond, which covers all your ISF submissions and customs entries for a year. The premium on a \$50,000 continuous bond is about \$500. If you're a large importer or you bring in high-value cargo, U.S. Customs might require a \$100,000 or \$200,000 bond, which of course costs more.

If you import cargo only now and then, you can buy a single-entry bond. You'll actually need two of them, one to cover the ISF and the other for the actual customs clearance. These cost about \$75 for the ISF bond and about 0.45% - 0.5% of the entered value for the customs bond. The amount of a single-entry customs bond is automatically tripled whenever any Participating Government Agencies are involved, in addition to the standard customs entry.

Customs Broker's Fee

How much do customs brokers cost? Brokers in the U.S. are licensed by CBP and act on your behalf in all transactions with U.S. Customs. Using information that you provide, brokers complete and file the necessary documents and oversee the progress of your shipment through Customs. They also work with surety companies to obtain your bonds, and ensure compliance with import regulations. As with any professional engagement, the broker's fee depends on the range and complexity of services it provides, typically between \$100 and \$150 for a basic entry.

When you ship less-than-container load (LCL) freight – with shipments for multiple importers consolidated in one container – that arrangement doesn't save you money on import and clearance fees. Each shipper with cargo in a consolidated container must complete a separate customs clearance and pay the associated customs clearance costs.

Costs that importers sometimes pay

Some expenses apply only to certain shipments. They include:

Import duties and tariffs

Duty on a product you bring into the U.S. depends on its classification in the [Harmonized Tariff Schedule \(HS code\)](#) and its country of origin. You might owe no duty at all, or you might owe 30% or more of the entered value. If a shipment contains multiple products – for instance, plywood, windows, roof shingles and nylon carpeting – U.S. Customs calculates duty separately for each one.

A few categories of imported products, such as alcoholic beverages, are also subject to additional taxes when they enter the U.S.

Import tariffs are always a hot political topic, and often change from one administration to another. They are used by the government as part of a broader economic strategy aimed at controlling the balance of trade and influencing international relations. Tariffs are also used as a trade policy tool to retaliate against what are perceived as unfair trade practices of other countries – China is a frequent target of the U.S. – or as leverage in negotiations on trade agreements.

Fees to regulatory agencies

Some imported products are regulated by government agencies such as the Environmental Protection Agency (EPA), the Food and Drug Administration (FDA) or the U.S. Department of Agriculture (USDA). To import certain goods, you must register with, or obtain a license from, the relevant Participating Government Agency (PGA). For other regulated goods, you might simply have to cover the customs broker's cost to complete extra paperwork.

Inspection fees

A Customs agent might decide to inspect your cargo because something about the import raises suspicions. Or an agent might simply choose your shipment for random screening. To keep bad actors from gaming the system, U.S. Customs doesn't explain the logic behind its random inspections. You'll just have to live with the fact that, 3%–5% of the time, CBP will inspect your shipment and charge you for the privilege.

The simplest inspection, an x-ray of your container or other conveyance, costs about \$300. If the agent decides to conduct an "intensive exam," opening a container to look at the contents, your fee could amount to \$1,000 or more.

Disbursement fees

These fees cover the customs broker's expenses for paying duties, taxes, and other fees on behalf of the importer. They can range from \$15 to \$50, and sometimes include special handling charges or interest if the broker advances the funds.

Other customs clearance fees related to inspection

Exams

If an agent chooses your shipment for an intensive exam, you'll pay a trucker to transport the freight to an inspection facility near the port. If the inspection forces you to keep a container at the port longer than expected, and/or return it to the steamship line later than expected, you could incur storage and detention fees.

Fines

If an inspection reveals a problem with your import, that could carry a cost as well. For example, you might pay a penalty for applying the wrong HS code to a product, or for other infractions. If the cargo is denied entry, you would bear all costs associated with the re-exportation. In addition, if you fail to provide the ISF details to your broker on time, and the ISF is not filed at least 24 hours before your cargo is loaded at the port of origin, the fine is \$5,000 if U.S. Customs decides to levy the [ISF late filing fee](#).

How much does customs clearance cost – if you're smart and careful?

Much of the cost of customs clearance is beyond your control. Duties are defined by law and by the value of the product you import. The MPF and HMF apply in most situations. A customs agent might decide to inspect your shipment even when you and your broker do everything by the book.

But there are some things you can do to avoid unnecessary expenses:

- Choose an experienced, reputable customs broker that will attend to all the details and double-check for possible mistakes.
- Work with that broker to make sure you choose the correct HS codes and meet any regulatory requirements that apply to your cargo. HS codes change regularly, and customs brokers will stay abreast of these changes so you don't have to.
- Give the broker all the information about your shipment well in advance of your sailing, so there's no problem completing the ISF filing before the deadline.
- Capitalize on favored country status. The U.S. has free trade agreements in force with [20 countries](#), and these agreements may factor into your duty calculations and even your sourcing strategies.
- If you're shipping multiple containers, consider putting each of them on a separate bill of lading (BOL). While that strategy will increase your standard customs clearance costs, it could also save you money on potential inspections. When you ship five containers on one BOL and U.S. Customs decides to inspect one of those boxes, that holds up entry for the whole shipment. Then you pay potential storage and detention fees for five containers. When you ship five containers on separate BOLs and Customs decides to inspect only one of them, the other four can continue on their way.

The real cost of customs clearance

When you think about customs clearance costs, import fees are just one aspect. Your biggest costs could involve fines for non-compliance and missed opportunity costs linked to ignorance of import and clearance processes. The right customs broker can help you avoid the negative fallout and cost of non-compliance and capitalize on opportunity costs.

Think about why we use tax accountants for our personal tax returns. Sure, they help complete tax forms – an administrative function. But they also do something that most of us just don't have time for: they stay informed on the complex and constantly changing U.S. tax code and advise us accordingly.

Just like accountants, customs brokers perform both an administrative and advisory function. The cost of customs clearance encompasses both. But the most value in your customs broker cost is derived from advisory services that help avoid delays and fines and capitalize on opportunities to minimize tax and duty payments.

For instance, through tariff engineering importers can change the HS code classification they use through small changes in the product or packaging. This achieves a lower duty rate that, over time, could save you substantial amounts of money. Most importers are not well-versed enough in HS classifications to recognize these and similar opportunities.

You can't eliminate customs clearance costs, but you can manage them

Customs clearance costs have an unhappy tendency to snowball, especially for importers who don't understand every step of the clearance process. An [experienced customs clearance agent](#) will guide you through the maze of obligations, helping you avoid costly penalties and delays. You'll get access to a trustworthy customs broker to help navigate the complex tariff system, and provide advice controlling customs clearance costs.