

This decision addresses the dutiable status, under item 696.10, Tariff Schedules of the United States, of a yacht imported into the United States to be sold and refundable duty under 19 U.S.C. 1313(j) if exported unsold.

Date: September 16, 1982
File: VES-12-02-CO:R:CD:C
105792 JL

Dear (Name)

This is in reference to your letter of August 18, 1982, in which you ask certain questions concerning a 32 foot yacht you intend to sail to the United States and sell, specifically in either Hawaii or California.

Customs duties on a yacht brought into the United States for sale to a U.S. resident are computed at 4.6% of its value if it is valued over \$15,000, as you indicate yours is. When a yacht is brought into the U.S. it is subject to entry and payment of duty immediately upon being offered for sale. If offered for sale prior to being brought in, entry and payment of duty is required upon its arrival. The fact that the yacht is not subsequently sold would not affect its dutiability. The tariff number that the yacht would be entered under is item 696.10, TSUS (Tariff Schedules of the United States).

Notwithstanding the above, if your yacht is brought into the U.S. but offered for sale only to non-residents (under a restricted listing), then no duty liability will accrue. You should also be aware that a yacht brought into this country for sale (or charter) generally, and subsequently sold to a non-resident would nevertheless be dutiable by virtue of its having been so offered.

If duty is paid and the yacht is not sold, you may be able to recover 99% of the amount paid *provided* the yacht is exported within 3 years of its importation, is exported in the same condition as when imported, and is not used in this country before its exportation. Destruction of the yacht (under U.S. Customs supervision) will satisfy the exportation requirement. This is accomplished under the "same condition drawback law" (19 U.S.C. 1313(j)).

The above addresses the Customs duties that would be applicable to your yacht if brought in for sale. What sales taxes, if any, that would be payable would be levied by the individual states and you should write directly to the sales tax offices in Hawaii and California for that information.

We are enclosing for your information a copy of a pamphlet entitled "Pleasure Boats," which should be of some aid to you.