



EU Shrinks Tax on Made in U.S. Jeans

The European Union has rescinded a major duty hike levied last year against imports of premium U.S.-made women's jeans.

MIAMI, FL, USA, March 26, 2014 /EINPresswire.com/ -- A major duty hike levied by the European Union last year against imports of premium U.S.-made women's jeans was rescinded this week, reopening a key market for a resurgent California garment industry. As of May 1 the EU tariff will drop from 38% to 12.35%, all but erasing an extra 26% charge imposed as part of an ongoing trade dispute between Washington and Brussels.

The tariff increase was authorized under a World Trade Organization grant of authority for retaliation against the United States' continued distribution of duties collected on unfairly traded foreign goods to affected U.S. producers. The U.S. law prescribing that system (the Continued Dumping and Subsidy Offset Act, more familiarly known as the Byrd Amendment) was repealed years ago in response to an adverse WTO ruling, but duties collected previously are still being handed out as requisite legal or administrative procedures are concluded. In response, the WTO allows each affected country to raise its tariffs on goods imported from the U.S. in direct relation to the amount of AD and/or CV duties on goods from that country that were distributed during the previous year.

When distributions of duties collected on U.S. imports from the EU spiked in 2012, so did the value of U.S. exports the EU could target, prompting Brussels to add women's jeans to the retaliation list. The distribution amount for 2013, however, fell by about half, and the EU has therefore lowered its additional tariffs on women's jeans and other affected goods.

Customs and international trade law firm [Sandler, Travis & Rosenberg, P.A.](#), has been actively working since the EU imposed the tariff hike to obtain relief for affected U.S. manufacturers. For example, the United Kingdom's customs and tax department accepted a legal argument crafted by ST&R attorney [Elise Shibles](#) that certain jeans do not fall within the legal definition of denim with the Harmonized Tariff Schedule (and are thus not subject to the higher duties) because the dye used to make them is not colorfast. The other 27 EU member states appear to be accepting this ruling and the alternative classification of the subject jeans as women's pants, which is only subject to a 12% tariff. Shibles, along with the Warsaw-based EU office of Sandler & Travis Trade Advisory Services, Inc. has since been helping U.S. jeans makers that had been paying the higher 38% duty to secure refunds.

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