



## Legislation Text

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**File #:** 17-2508, **Version:** 1

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Resolution - A Resolution Authorizing the City of Mansfield, Texas to Enter a Payment In Lieu of Taxes Foreign Trade Zone Site Agreement with Mouser Electronics

Approve a Payment in Lieu of Taxes Foreign Trade Zone Site agreement with Mouser Electronics.

Authorize the City Manager to execute a Payment in Lieu of Taxes Foreign Trade Zone Site agreement with Mouser Electronics.

Mouser Electronics has been working with the City to be deemed or designated Foreign Trade Zone. The designation will allow Mouser Electronics to remove or delay tariffs imposed by the Federal Government on merchandise or goods when purchased or manufactured outside the United States and then brought into the United States for trade or commerce in or outside the United States . Mouser Electronics has stated that this will allow them to ship merchandise throughout the world with similar duty laws and regulations as their competitors which will allow them to compete internationally.

With the enactment of the Foreign Trade Zone as authorized by the the Foreign Trade Zones Board under the Foreign Trade Zones Act of 1934, as amended (19 U.S.C. 81a-81u). The Foreign Trade Zones Act is administered through two sets of regulations, the FTZ Regulations (15 CFR Part 400) and CBP Regulations (19 CFR Part 146) which effectively exempts the qualified inventory from taxation including local taxation with certain exceptions. Mouser Electronics recognizes that this will have a significant impact on the the City of Mansfield, Texas and has offered to enter an agreement whereby Mouser Electronics will make annual payments in lieu of the taxes. The annual property tax payment or payment in lieu of taxes will be the property tax payment on Mouser Electronics full inventory value in each tax year. In other words, Mouser Electronics will be making an annual (tax) payment to the City of Mansfield, Texas, as it would normally have paid without the designated Foreign Trade Zone . In effect, Mouser Electronics will pay the City of Mansfield, Texas the annual property tax assessment with this agreement and allow Mouser Electronics to compete internationally by allowing them to manage their duty taxation for shipping merchandise to and from their facility in Mansfield, Texas.

Grants Mouser Electronics an opportunity to compete internationally by supporting their request to become a designated Foreign Trade Zone site within the City of Mansfield, Texas. The designated site will be subject to all US, State, and local laws and regulations. The City of Mansfield, Texas will continue to receive an amount equivalent to the annual property tax assessment each year as established the Tarrant Appraisal District.

N/A

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