



MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 112th Congress

Date approved

I. Background

Bill number:

Sponsor name:

Sponsor state:

Interested entity:

Name

City

State

Other bills on product (112th Congress only):

Nature of bill:

Expiration date:

Current or previous chapter 99 heading:

Retroactive date:

CAS number (if applicable):

Industry analyst:

Telephone:

Tariff Affairs contact:

Telephone:

Note:

1. Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.
2. In regard to the country(ies) of origin listed in section III, this report focuses on dutiable imports and does not take into account any tariff preference programs or special rates of duty.

II. Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Proposed HTS subheading: 8509.80.30 Carpet cleaners described in additional U.S. note 13 to this chapter

Proposed HTS subheading: 8509.90.40 Parts of carpet cleaners of subheading 8509.80.30

New additional U.S. note 13:

Subheading 8509.80.30 covers only domestic appliances (whether or not with internal heating element) that are designed for deep cleaning of carpets in situ by injecting liquid cleaning solutions and extracting such liquids by suction.

(If enacted, the tariff relief provided for in this bill would be available to any entity that imports the product that is covered by the bill.)

Description above compared with bill as introduced:

- Same
- Different (see Technical Comments section)

III. Other product information, including uses/applications and source(s) of imports

The subject carpet cleaners are carpet deep cleaner extraction machines used in residential or non-commercial settings. They are designed for deep cleaning of carpets using a soap solution and extractor technology to lift embedded dirt and allergens from the carpet. The machine injects a warm cleaning mixture deep into the carpet to loosen the dirt and debris as built-in brushes help to dislodge deeply embedded dirt. Powerful suction immediately extracts the dirt and liquid. As domestic appliances, according to rulings of U.S. Customs and Border Protection, such appliances typically weigh 20 kilograms or less and have a solution tank capacity of no more than 4 gallons and recovery tank capacity of no more than 5 gallons. The proposed additional U.S. note set forth above is based on the Explanatory Note language that indicates these products are not considered "vacuum cleaners" of heading 8508 (see technical comments).

Prior to 2007, such goods were classified with vacuum cleaners in former subheading 8509.10.00, which had a general duty rate of free; as of February 3, 2007, the HTS was modified so as to classify "vacuum cleaners" separately in heading 8508, and the duty rate of free was transferred to that heading by Presidential Proclamation 8097 of December 27, 2006. According to the interested entity, Customs officials indicated no intention of changing Customs' classification practice that allows the subject products to receive duty-free entry, but such practice might be changed in future in order to remain harmony with the revised international Harmonized System provisions, pursuant to Explanatory Notes modified in 2009. The subject carpet cleaners and parts are imported from China and Mexico.

The interested entity seeks to preserve duty-free treatment of carpet cleaners currently afforded under HTS subheadings 8508.11.00 (for its domestic carpet cleaners) and 8508.70.00 (for parts of such carpet cleaners) by creating permanent tariff subheadings under HS heading 8509, in order to take into account a 2009 change by the World Customs Organization (WCO) to the HS Explanatory Notes, as referenced above. The applicable Explanatory Note now states, "Excluded from this heading [8508] are appliances for cleaning carpets by injecting a liquid cleaning solution into the carpet, the solution then being extracted by suction, which are not combination dry and wet vacuum cleaners (heading 84.51 or 85.09)." Reportedly, U.S. Customs and Border Protection has not adopted the WCO Explanatory note change that precludes classifying the subject products in heading 8508. It is suggested that the tariff provisions set forth above be considered by Customs prior to their enactment to ascertain that they correspond in scope to current classification decisions.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	8508.11.00 and 8508.70.00				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	0	0	0	0	0
Estimated value of <i>dutiable</i> imports (\$)	0	0	0	0	0
Customs revenue loss (\$)	0	0	0	0	0

Note: Customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ. Regarding the HTS subheading listed in the article description of the bill, the Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only U.S. Customs and Border Protection is authorized to issue a binding ruling on this matter. The Commission believes that Customs should be consulted prior to enactment of the bill.

Dutiable imports were based on (more than one may apply):

- Official statistics of the U.S. Department of Commerce
- Provided by industry sources
- Industry information
- Commission estimates

Duty reduction notes:

- This bill is not a duty reduction
- This bill is a temporary duty reduction. Rates are shown below.

Col.1-general duty rate (%) Temporary rate (%) Percentage point reduction (%)

V. Technical comments

The Commission staff suggests changes to the two new article descriptions and the insertion of a new U.S. note to chapter 85 to clarify that the new subheadings apply certain carpet cleaners, as defined in the new note.

Information available to the Commission does not provide a basis for determining how many products imported by other firms holding rulings like those of the interested entity, and potentially having a range of characteristics that might be covered by the proposed note set forth above, could be affected by this bill. While the interested entity has indicated that all such goods it imports currently enter the United States free of duty, it is not known whether other firms' imports do so under the existing Customs practice.

S. 2357 is identical to H.R 4731.

VI. Continuation

Estimated effect on customs revenue...continued: HTS subheadings 8508.11.00 and 8508.70.00 (which reportedly now apply to the interested entity's imports) have general duty rates of free.

VII. Contacts with domestic firms/organizations

	# Firm/organization and contact name	Telephone number	Claims same or competing product made in the United States	Submission attached	Opposition noted
1	Bissell, Inc. (Interested entity) Cindy Thomas	616-453-4451	No	No	No
2	Rug Doctor Michelle Leyva	800-784-3628	No	No	No
3	Techtronic Industries Co. (TTI) Amy Goodniche	800-944-9200	No	No	No

112TH CONGRESS
2^D SESSION

H. R. 4731

To amend the Harmonized Tariff Schedule of the United States to clarify the tariff rates for carpet cleaners and parts thereof imported into the United States.

IN THE HOUSE OF REPRESENTATIVES

APRIL 25, 2012

Mr. HUIZENGA of Michigan introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Harmonized Tariff Schedule of the United States to clarify the tariff rates for carpet cleaners and parts thereof imported into the United States.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CLARIFICATION OF TARIFF RATES ON CARPET**
4 **CLEANERS AND PARTS THEREOF.**

5 (a) AMENDMENTS.—Chapter 85 of the Harmonized
6 Tariff Schedule of the United States is amended as fol-
7 lows:

8 (1) By inserting in numerical sequence the fol-
9 lowing new subheading, with the article description

1 having the same degree of indentation as the article
 2 description for subheading 8509.80.20:

“ | 8509.80.30 | Carpet cleaners | Free | | 35% | ”.

3 (2) By inserting in numerical sequence the fol-
 4 lowing new subheading, with the article description
 5 having the same degree of indentation as the supe-
 6 rior text to the article description for subheading
 7 8509.90.25:

“ | 8509.90.40 | Parts of carpet cleaners | Free | Free (A,
 AU,
 BH, CA,
 CL, E,
 IL, J,
 JO, KR,
 MA, MX,
 OM, P,
 PE, SG) | 35% | ”.

8 (b) EFFECTIVE DATE.—The amendments made by
 9 subsection (a) apply to goods entered, or withdrawn from
 10 warehouse for consumption, on or after the 15th day after
 11 the date of the enactment of this Act.

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