

The Miscellaneous Tariff Bill Act of 2018 (MTB) passed the House and Senate without any significant opposition and was signed into law by President Trump on September 13.

The last MTB expired on December 31, 2012, and Congress has been unable to pass another bill until now (after reforming the process for considering individual product categories in coordination with the International Trade Commission). The chart below outline the products included from the bicycle industry:

| <b>Bill Section</b> | <b>HTS Code</b> | <b>Article</b>                                | <b>Rate Under MTB</b> | <b>Rate w/o MTB</b> |
|---------------------|-----------------|---|-----------------------|---------------------|
| Sec. 1572           | 9902.17.07      | Stand-Up Bicycles                             | 2.7%                  | 11%                 |
| Sec. 1573           | 9902.17.08      | Elliptical Cycles                             | Free                  | 3.7%                |
| Sec. 1574           | 9902.17.09      | Unicycles                                     | Free                  | 3.7%                |
| Sec. 1575           | 9902.17.10      | Bicycle Disc Brakes                           | 7.5%                  | 10%                 |
| Sec. 1576           | 9902.17.11      | Zee Cages                                     | Free                  | 10%                 |
| Sec. 1577           | 9902.17.12      | Bicycle Wide Angle Reflectors                 | Free                  | 10%                 |
| Sec. 1593           | 9902.17.28      | Bicycle Speedometers                          | Free                  | 6%                  |
| Sec. 107            | 9902.11.94      | Plastic Cap for Squeezable Sport Water Bottle | 0.5%                  | 5.3%                |

The bill also includes tariff reductions for several footwear categories under which cycling shoes are sometimes imported:

| <b>Bill Section</b> | <b>HTS Code</b> | <b>Article</b>   | <b>Rate Under MTB</b> | <b>Rate w/o MTB</b> |
|---------------------|-----------------|--|-----------------------|---------------------|
| Sec. 1264           | 9902.13.92      | Sports footwear, with outer soles and uppers of rubber or plastics, valued over \$12/pair, for men.  | 8.7%                  | 9%                  |
| Sec. 1573           | 9902.13.93      | Sports footwear, with outer soles and uppers of rubber or plastics, valued at over \$12/pair, other than for men.  | 8.5%                  | 9%                  |
| Sec. 1303           | 9902.14.32      | Women's sports footwear; tennis shoes, basketball shoes, gym shoes, training shoes and the like, with outer soles of rubber or plastics and uppers textile materials, such upper of which over 50 percent of the external surface area (including any leather accessories or reinforcement such as those mentioned in note 4(a) to chapter 64) is leather. | Free                  | 10.5%               |