

FREQUENTLY ASKED QUESTIONS FOR SUBMISSION OF ASSESSMENTS

Updated March 18, 2019

How do I know if I owe an assessment?

As a **Domestic Manufacturer**, you are required to pay an assessment if you manufacture 100,000 short tons or more of paper and paper-based packaging in a calendar year in the United States.

As an **Importer**, you are required to pay an assessment if you import 100,000 short tons or more of paper and paper-based packaging from outside the United States for sale in the United States as a principal or as an agent, broker or consignee of any person who manufactures paper and paper-based packaging outside the United States for sale in the United States, and you are listed in the import records as the importer of record for such paper and paper-based packaging.

If an entity is a manufacturer and an importer, such entity's combined quantity of paper and paper-based packaging manufactured and imported during a fiscal year will count towards the 100,000 short ton assessment/exemption.

What is considered “paper and paper-based packaging” for the purpose of paying assessments?

The term paper and paper-based packaging covers four segments of the paper industry: printing and writing paper (except for newsprint); kraft packaging paper (used for products like grocery bags and sacks); containerboard (used to make shipping containers and related products); and paperboard (used for food and beverage packaging, tubes and other miscellaneous products). The term excludes carbonless paper, tissue paper and newsprint.

Paper and paper-based packaging means:

1. Printing, writing and related paper, which is coated or uncoated paper that is subsequently converted into products used for printing, writing and other communication purposes, such as file folders, envelopes, catalogues, magazines and brochures. Printing, writing and related paper includes thermal paper but does not include carbonless paper;
2. Kraft packaging paper, which is coarse unbleached, semi-bleached or fully bleached grades of paper that are subsequently converted into products such as grocery bags, multiwall sacks, waxed paper and other products;
3. Containerboard, which is all forms of linerboard and medium that is used to manufacture corrugated boxes, shipping containers and related products; and
4. Paperboard, which is solid bleached kraft board, recycled board and unbleached kraft board that is subsequently converted into a wide variety of end uses, including folding boxes, food and beverage packaging, tubes, cans, drums and other miscellaneous products. Paperboard does not include construction-related products such as gypsum wallboard facings and panel board.

In addition to the definitions listed above, Table I contains the applicable Harmonized Tariff Schedule of the United States (HTSUS) classification numbers of paper and paper-based packaging to be assessed under the Paper and Paper-Based Packaging Program (Program).

TABLE I. PAPER AND PAPER-BASED PACKAGING ASSESSMENT TABLE

| Paper and Paper-Based Packaging HTS No. Assessment rate (dollars/kg) - \$0.000386 Assessment rate (dollars/short ton) - \$0.35 | | | |
|---|--------------|--------------|--------------|
| 4802 | 4804 | 4810 | 4811 |
| 4802.54.1000 | 4804.11.0000 | 4810.13.11 | 4811.51.2010 |
| 4802.54.3100 | 4804.19.0000 | 4810.13.1900 | 4811.51.2020 |
| 4802.54.5000 | 4804.21.0000 | 4810.13.20 | 4811.51.2030 |
| 4802.54.6100 | 4804.29.0000 | 4810.13.5000 | 4811.59.4020 |
| 4802.55.1000 | 4804.31.40 | 4810.13.6000 | 4811.90.8030 |
| 4802.55.2000 | 4804.31.6000 | 4810.13.70 | |
| 4802.55.4000 | 4804.39.4020 | 4810.14.11 | |
| 4802.55.6000 | 4804.39.4049 | 4810.14.1900 | |
| 4802.55.7020 | 4804.39.60 | 4810.14.20 | |
| 4802.55.7040 | 4804.41.2000 | 4810.14.5000 | |
| 4802.56.1000 | 4804.41.4000 | 4810.14.6000 | |
| 4802.56.2000 | 4804.42.00 | 4810.14.70 | |
| 4802.56.4000 | 4804.49.0000 | 4810.19.1100 | |
| 4802.56.6000 | 4804.51.0000 | 4810.19.1900 | |
| 4802.56.70 | 4804.52.00 | 4810.19.20 | |
| 4802.57.1000 | 4804.59.0000 | 4810.22.1000 | |
| 4802.57.2000 | 4805 | 4810.22.50 | |
| 4802.57.4000 | 4805.11.0000 | 4810.22.6000 | |
| 4802.58.1000 | 4805.12 | 4810.22.70 | |
| 4802.58.20 | 4805.19 | 4810.29.10 | |
| 4802.58.5000 | 4805.24 | 4810.29.5000 | |
| 4802.58.60 | 4805.25.0000 | 4810.29.6000 | |
| 4802.61.1000 | 4805.91.1010 | 4810.29.70 | |
| 4802.61.2000 | 4805.91.9000 | 4810.31.1020 | |
| 4802.61.30 | 4805.92.4010 | 4810.31.1040 | |
| 4802.61.5000 | 4805.92.4030 | 4810.31.3000 | |
| 4802.61.60 | 4805.93.4010 | 4810.31.6500 | |
| 4802.62.1000 | 4805.93.4030 | 4810.32.10 | |
| 4802.62.2000 | 4805.93.4050 | 4810.32.3000 | |
| 4802.62.3000 | 4805.93.4060 | 4810.32.6500 | |
| 4802.62.5000 | 4807 | 4810.39.1200 | |
| 4802.62.60 | 4807.00.9100 | 4810.39.1400 | |
| 4802.69 | 4807.00.9400 | 4810.39.3000 | |
| | | 4810.39.6500 | |
| | | 4810.92.12 | |
| | | 4810.92.65 | |
| | | 4810.99.1050 | |
| | | 4810.99.6500 | |

What is the assessment rate?

The assessment rate is thirty five cents (.35) per short ton of paper and paper-based packaging manufactured; the assessment is on the roll stock at the end of the reel, except the assessment for cut-size printing and writing papers (including folio sheets) imported or made by domestic manufacturers prior to leaving the manufacturer's mill is on the cut-size paper.

When are assessment payments due?

Payments are due no later than 30th calendar day of the month following the end of the quarter. Domestic manufacturers and importers are required to pay assessments and file the *Production/Import Quarterly Report* no later than the 30th calendar day of the month following the end of the quarter in which the paper and paper-based packaging was manufactured or imported (TABLE II). The fiscal year runs from January 1 through December 31. There are four quarters in each fiscal year. The collection of assessments under this Program began on March 1, 2014. The following payment table should be used for years 2015 and forward:

TABLE II. PAPER AND PACKAGING QUARTERLY PAYMENT TABLE

| Quarters | Months Covered | Assessment Due Date |
|-----------------|--------------------------------|----------------------------|
| Quarter 1 | January, February and March | April 30 |
| Quarter 2 | April, May and June | July 30 |
| Quarter 3 | July, August and September | October 30 |
| Quarter 4 | October, November and December | January 30 |

Who collects the assessment and what are my payment options?

The Paper and Packaging Board collects the assessments. The following payment options are available:

1. **Electronic Fund Transfers (EFT)** – To process this request, please contact Jill Seibert at (703) 935-8592 or by email at JSeibert@paperandpackaging.org
2. **Check/Money Order** – Mail or e-mail the Production/Import Quarterly Report, along with your payment, to the address below:

**Paper and Packaging Board
PO Box 771711
Dept 0465
Memphis, TN 38177**

What is the penalty for late payments?

On December 21, 2015, an amendment (§ 1222.520) to the Paper and Paper-based Packaging Promotion, Research and Information Order (7 C.F.R. 1222, et seq.) was passed which charges late payment and interest fees on past due assessments. Amendment § 1222.520 reads:

Effective January 25, 2016, a late payment charge shall be imposed on any manufacturer or importer who fails to make timely remittance to the Board of the total assessment for which such manufacturer or importer is liable. The late payment shall be imposed on any assessments not received within 60 calendar days of the date they are due. This one-time late payment charge shall be 10 percent of the assessments due before interest charges have accrued.

In addition to the late payment, 1 ½ percent per month interest on the outstanding balance, including any late payment charge and accrued interest, will be added to any accounts for which payment has not been received by the Board within 60 calendar days after the assessments are due. Such interest will continue to accrue monthly until the outstanding balance is paid to the Board.

How do I claim an exemption if I produced or imported less than 100,000 short tons of paper and paper-based packaging?

Manufacturers that manufacture less than 100,000 short tons of paper and paper-based packaging in a fiscal year are exempt from paying assessments. Such manufacturers must apply for a certificate of exemption prior to the start of the fiscal year. This is an annual exemption and manufacturers must reapply each year.

Importers that import into the United States less than 100,000 short tons of paper and paper-based packaging in a fiscal year are exempt from paying assessments. This is an annual exemption and importers must qualify each year. Below are two exemption scenarios attributed to importers:

1. **Importers that imported less than 100,000 short tons the prior year** - Importers that imported less than 100,000 short tons of paper and paper-based packaging during the prior year shall automatically be considered exempt during the upcoming year. Customs data will be reviewed to verify applicable importers. These importers do not have to apply for a certificate of exemption, and are exempt from paying assessments.
2. **Importers that imported more than 100,000 short tons the prior year, but will import less than 100,000 short tons in the upcoming fiscal year** - Importers that imported more than 100,000 short tons of paper and paper-based packaging during the prior year, but believe and can document that they will import less than 100,000 short tons of paper and paper-based packaging during the upcoming year, may apply to the Board for a certificate of exemption prior to the start of the fiscal year.

Applying for a Certificate of Exemption

Manufacturers/importers may apply to the Board, on a form provided by the Board, for a certificate of exemption prior to the start of the fiscal year. Manufacturers/importers must certify that they will manufacture/import less than 100,000 short tons of paper and paper-based packaging during the year for which the exemption is claimed. Upon receipt of an application for exemption, the Board will determine whether an exemption may be granted. The Board may request past manufacturing/ import data to support the exemption request. The Board will issue, if deemed appropriate, a certificate of exemption to the eligible manufacturer/importer. It is the responsibility of the manufacturer/importer to retain a copy of the certificate of exemption. The exemption will apply immediately following the issuance of the certificate of exemption.

What if I claimed an exemption, but it was later determined that I produced or imported 100,000 short tons or more of paper and paper-based packaging?

Manufacturers and importers that received an exemption certificate or an automatic exemption from the Board but manufactured or imported 100,000 short tons or more of paper and paper-based packaging during the year must pay the Board the applicable assessments owed on the quantity manufactured or imported within 30 calendar days after the end of the year and submit any necessary reports to the Board.

What if I did not claim an exemption, but it was later determined that I produced less than 100,000 short tons of paper and paper-based packaging? How do I obtain a refund?

Manufacturers that did not apply to the Board for an exemption and that manufactured less than 100,000 short tons of paper and paper-based packaging during the marketing year will automatically receive a refund from the Board for the applicable assessments within 30 calendar days after the end of the year. Board staff will determine the assessments paid and refund the amount due to the manufacturer accordingly.

Importers that did not apply to the Board for an exemption, imported more than 100,000 short tons of paper and paper-based packaging during the prior year, but imported less than 100,000 short tons of paper and paper-based packaging during the year will automatically receive a refund from the Board for the applicable assessments within 30 calendar days after the end of the year.

Who do I contact if I have additional questions?

If you have any questions, please contact Jill Seibert (703) 935-8592 or by email at JSeibert@paperandpackaging.org.