

# CRAFTSMAN CRIBSHEET

## How to read an HTS Code

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With tariffs at the forefront of everyone's mind, it is important to understand how HTS codes work. Careful consideration is required because a simple digit error can be the difference in paying a 170%+ tariff or no tariff. The first six digits are the Harmonized System (HS), the internationally

recognized system for identifying products for trade. In the U.S., the addition of four digits is used for tariff classification and statistical data collection. An entire code is broken up in two-digit segments. The chart below explains an example ten-digit HTS code giving the details of each two-digit section.

| Two Digit Groupings  | Example   |
|--|---|
| <b>Chapter</b> 7318.15.20.10<br>Global specific number identifying the broad chapter category.                               | Chapter 73 Articles of Iron or Steel  |
| <b>Heading</b> 7318.15.20.10<br>Global specific number identifying the heading within the chapter.                           | 7318 Screws, bolts, nuts, coach screws, screw hooks, rivets, cotters, cotter pins, washers (including spring washers) and similar articles, of iron or steel: |
| <b>Subheading</b> 7318.15.20.10<br>Global specific number identifying the subheading within the chapter.                     | 7318.15 Threaded articles: (con.) Other screws and bolts, whether or not with their nuts or washers:  |
| <b>Sub Heading 2</b> 7318.15.20.10<br>Tariff Rate Lines — U.S. specific information that identifies the specific duty rates. | 7318.15.20 Bolts and bolts and their nuts or washers entered or exported in the same shipment   |
| <b>Statistical Suffix</b> 7318.15.20.10<br>US specific that allows CBP to track statistical data on imports and exports.     | 7318.15.20.10 Having shanks or threads with a diameter of less than 6mm.  |

Source: [bit.ly/PM0525a](https://bit.ly/PM0525a)