

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

tariffs, but sometimes they aren't. The product being shipped may be tax exempt. Or, the value of the shipment may be under the country ...

Gail Cole • Jun. 26, 2020



Shipments that cross international borders are often subject to customs duties or tariffs, but sometimes they aren't. The product being shipped may be tax exempt. Or, the value of the shipment may be under the country of import's de minimis threshold.

What is a de minimis threshold?

[Merriam-Webster](#) defines “de minimis” as “lacking significance or importance.” For

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

De minimis thresholds vary by country. Some countries have a generous (i.e., high) de minimis threshold, allowing more items to be imported tax free. In countries where the de minimis threshold is low, a greater number of imported goods are likely to be subject to customs duty and import taxes.

At \$800, the de minimis threshold in the United States is high. Unless otherwise exempt, a shipment valued at \$800 or more would be subject to U.S. customs duty upon entering the country, but no customs duty or import tax would be assessed on shipments valued at \$799.99 or less.

Australia's de minimis threshold is also relatively high, at AUD 1,000 (about USD 679). By contrast, Canada's de minimis threshold of CAD 20 (about USD 14-15) is quite low. But it's not the lowest. There's no de minimis threshold in some countries, including Brazil and Iceland. Therefore, all shipments entering those countries are subject to customs duty unless otherwise exempt.

Because de minimis thresholds differ, shipments with the same value may be subject to duty in some countries but not in others. This adds to the complexity of cross-border selling.

De minimis thresholds for transaction taxes

In addition to having a de minimis threshold for customs duty, many countries have a de minimis threshold for value-added tax (VAT) or goods and services tax (GST). It may be the same as the de minimis threshold for customs duty, or it may be different.

For example, the de minimis threshold for customs duty is EUR 150 in France (about USD 167), but it's EUR 22 (about USD 25) for VAT. A cross-border shipment valued at EUR 100 would be exempt from France's duty and import taxes, but it would be subject to France's VAT, unless otherwise exempt.

As there's no nationwide sales tax in the U.S., there's no nationwide de minimis

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

The U.S. last changed its de minimis threshold in 2016, when it jumped significantly from \$200 to \$800. [Norway eliminated its de minimis threshold](#) (previously NOK 350) effective January 1, 2020.

Under the new [Canada-United States-Mexico Agreement](#) (CUSMA), postal shipments from the U.S., Mexico, or any other country will continue to have a customs duty and tax remission threshold value of up to CAD 20. However, Canada is increasing the de minimis threshold for goods shipped by courier from the U.S. or Mexico to at least CAD\$150 for customs duties and CAD 40 for taxes.

Cross-border sellers need to have a system in place to find up-to-date information and track any changes that may affect their business, including de minimis thresholds. [Avalara AvaTax Cross-Border](#) automatically applies customs duty and transaction taxes to international sales, and [takes de minimis thresholds into account](#).

=====

Gail Cole has been researching, writing, and reporting tax news for [Avalara](#) since 2012. She's on a mission to uncover unusual tax facts and make complex laws and legislation more digestible for accounting and business professionals — or anyone interested in learning about tax compliance. [Get more sales tax news from the Avalara blog](#).

Sales Tax • Small Business

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us