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Supreme Court Strikes Down Trump Tariffs

The ruling invalidates duties imposed under emergency powers, setting up a complex refund process for importers.

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The U.S. Supreme Court has struck down tariffs imposed under the International Emergency Economic Powers Act, a ruling that removes one of the Trump administration’s broadest trade tools and could reshape import costs for businesses that have been paying duties on goods entering the United States.

The decision, issued in Learning Resources, Inc. v. Trump, held that IEEPA does not authorize the president to impose tariffs. The court also said challenges to those tariff measures belong in the Court of International Trade, not federal district court. The ruling affirmed an earlier Federal Circuit decision in V.O.S. Selections and sent the district court case back with instructions to dismiss it for lack of jurisdiction.

For importers, the practical effect is significant but not immediate. The tariffs challenged under IEEPA are invalidated, yet the refund process is still moving through customs and court channels. The Court of International Trade has ordered U.S. Customs and Border Protection to liquidate unliquidated entries without the IEEPA duties and to reliquidate certain liquidated entries, but immediate compliance remains suspended while CBP builds automated refund functions in its ACE and CAPE systems.

That means companies that paid the duties should preserve records now, even if cash refunds are not arriving yet. Importers are being advised to keep entry summaries, invoices and related customs documents tied to affected shipments. They are also being told to track liquidation dates closely, because the available remedies differ

depending on whether an entry is still open or already final.

At the same time, the administration has shifted to other tariff authorities. On Feb. 20, President Trump issued a proclamation under Section 122 of the Trade Act of 1974 imposing a temporary 10% ad valorem surcharge on imports, effective for goods entered on or after Feb. 24. Section 122 allows a surcharge of up to 15% for as long as 150 days. The current rate is set to remain in place through 12:01 a.m. Eastern time on July 24 unless it is suspended, modified or extended by Congress.

The new surcharge does not apply across the board without exceptions. Goods already subject to Section 232 duties are exempt, as are imports that qualify under the United States-Mexico-Canada Agreement and certain duty-free textiles and apparel covered by the Dominican Republic-Central America Free Trade Agreement.

Section 232 tariffs remain in force on products including steel, aluminum, automobiles, copper and lumber. Section 301 duties also remain available as a longer-term trade tool and continue to cover many China-related imports. That leaves businesses facing a tariff landscape that has changed shape but not disappeared.

The refund question is especially important for importers that absorbed IEEPA duties over several months. For entries that have not yet liquidated, a post-summary correction may be the fastest way to adjust customs filings before final duty determination. Customs guidance generally requires such corrections within 300 days of entry and no later than 15 days before scheduled liquidation, whichever comes first.

For liquidated entries, companies may need to file an administrative protest within 180 days or pursue relief in the Court of International Trade, or both. The court has already signaled that it can order reliquidation and refunds where duties were unlawfully collected. Lawyers say protective filings may be appropriate because administrative and judicial remedies are not mutually exclusive.

Who ultimately receives any refund can also depend on contract terms. Customs generally issues refunds to the importer of record, but tariff costs often were passed downstream through pricing agreements or supply contracts. That can create disputes between importers and customers over who should benefit from any recovery.

The issue is drawing attention across industries because more than 2,000 businesses have already filed claims or related actions, according to lawyers following the cases. Smaller importers may decide that litigation costs outweigh near-term recovery, while larger companies with substantial exposure may face more pressure to act quickly because delays can affect margins, pricing commitments and financial reporting.

The legal fight over de minimis shipments is still unresolved as well. Duty collection continues on qualifying shipments while litigation proceeds over whether those low-value imports should remain subject to tariffs or fees. Separate legislation would end de minimis treatment beginning July 1, 2027.

For wine importers and distributors, the ruling matters because tariff costs can move quickly through pricing chains, affecting landed cost, wholesale pricing and shelf prices in restaurants and retail stores. Companies that imported wine under the invalidated IEEPA regime may now have a path to recover some duties, but they will still need to navigate liquidation deadlines, customs procedures and contract claims while new surcharges remain in place on future shipments.