

New US Tariffs & “One Big Beautiful Bill” Explained

Impacts and Opportunities for Global Businesses

November 18, 2025

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Agenda

1. OB3 Key Business Provisions
2. Tariff Update and Outlook



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OB3 Key Business Provisions



The Act
The Big “3”

Bonus Depreciation

In general

- Act permanently reinstates 100% bonus deprecation for most tangible personal property acquired after January 19, 2025.
- Does not apply if a binding contract to acquire the property existed prior to January 20, 2025.
- Election to use reduced bonus depreciation percentage in first taxable year ending after January 19, 2025.

Bonus deprecation on new production facilities

- New 100% bonus depreciation for nonresidential real property meeting certain requirements used in the manufacturing, production, or refining of tangible personal property.
- Applies to property if construction started after January 19, 2025, and before January 1, 2029, provided it is placed in service before January 1, 2031.
- Manufacturing defined by reference to “substantial transformation” test of Section 954(d).

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OB3 Key Takeaways
100% Bonus Depreciation and Qualified Production Property (QPP) Deduction

100% Bonus Depreciation

- 100% Bonus Depreciation
- There are three options for bonus in 2025:
  - 100% bonus starting after 1/19/25
  - 40% (or 60%) as applicable
  - Elect out of bonus
- Consider impacts on Section 754 elections (transfer of partnership interest)
- For assets placed in service after 1/19/2025, consider written binding contract rules
- Review self constructed assets

QPP Deduction

- Applies to manufacturing, production and refining facilities could receive 100% deduction if construction starts after 1/19/25 and before 1/1/29 and property placed in service before 1/1/31
- Cost segregation opportunities:
  - Bonus–more assets possibly classified as bonus eligible for nonproduction property
  - QPP– requires you to segregate areas used for non-qualifying activities from qualifying activities
- Consider “substantial transformation” standard
- 10-year recapture possible for QPP – consider M&A implications
- Lessor/lessee rules

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The Act
The Big “3”

Section 163(j)

- Limitation currently based on 30% of tax basis EBIT.
- Act permanently increases the limitation to 30% of tax basis EBITDA.
- Change would be effective for tax years beginning after December 31, 2024.
- Redefines roles of Section 163(j)’s interest limitation provisions with certain interest capitalization provisions to give the Sec. 163(j) limitation priority.
  - For tax years beginning after 2025, provides that Sec. 163(j) limitation is calculated prior to the application of any interest capitalization rules, except for interest capitalized under Section 263(g) or 263A(f).
  - In so doing, certain ordering rules would require that you apply the Section 163(j) limit to amounts of interest which would be required to be capitalized and then any remainder would then be applied to amounts of interest that would be deducted.
  - No portion of business interest carried forwards are to be treated as business interest expense to which an interest capitalization provision applies.



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OB3

The Big “3”

Section 174/174A Summary of Changes

Immediate Expensing for Domestic R&D Costs

The option for immediate expensing of domestic R&D expenses has been permanently restored for taxable years beginning after Dec. 31, 2024.

Capitalization for Foreign R&D Costs

Foreign R&D expenditures continue to be capitalized and amortized over a 15-year period with a mid-year convention.

Section 280C(c)(1)

Restores the pre-TCJA requirement to either reduce the gross R&D credit by 21% or reduce the R&D deduction.

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OB3 Key Takeaways
Research & Experimental Expenditure Guidance

Key Provisions of Rev. Proc. 2025-28

- Options to recover capitalized domestic R&E costs from 2022 – 2024 tax years
  - Keep amortizing over remainder of 60-month period
  - Deduct in 2025
  - Deduct in first two tax years beginning after December 31, 2024
- Options for domestic R&E incurred in 2025 tax year or later
  - Deduct as incurred
  - Capitalize and amortize over a period of not less than 60 months
- Allows for elections to be made on statement in 2025 return in lieu of a formal accounting method change on Form 3115
- Additional options are available for small businesses

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“Top Ten” Planning Points
Compensation & Benefits

Tips

- Payroll reporting and withholding still required (still subject to FICA taxes) for tips and overtime deduction
- Proposed regulations (REG-110032-25) issued listing of qualified occupations and definition of qualified tips
  - Tips must be voluntary and made in cash
  - Consult with legal and payroll to confirm whether the company qualifies
- Tips credit expanded to include additional services—things like spas and salons
- Discuss benefit to employees—not all will qualify (MAGI limit)

Overtime

- Overtime deduction is only eligible for the portion exceeding regular hourly pay rate
- Only eligible for “FLSA overtime”
- Max annual overtime deduction is $12,500 or $25,000 MFJ, with MAGI limits

Trump Accounts

- Trump accounts: Employers can contribute $2,500 per employee and this is excluded from the employee’s gross income. This amount does apply towards the $5,000 annual limit.

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“Top Ten” Planning Points
Charitable Contributions “Floor”

Floor applies to both corporations and individuals

- 1% Corporate floor:
  - If the charitable giving could be considered advertising (for example, the sponsorship of a charity golf tournament), explore what portion could accurately be deducted as advertising instead
  - Consider the interplay between NOLs and charitable deductions
- 0.5% Individual floor:
  - May accelerate donations into 2025 to avoid the floor
  - Bunching Contributions: Strategic bunching to a Donor-Advised Fund
  - “Stacking” non-grantor trusts
  - Carryforward Strategy: Use of five-year carryforward for excess contributions
  - Interaction with 35% Cap: Coordinate with overall itemized deduction limitation for high-income taxpayers starting in 2026



The Act
Corporate Charitable Contribution

New 1% floor on charitable contributions

- Corporations generally allowed to deduct charitable contributions up to 10% of corporation's taxable income (contribution base).
- 1% floor for tax years beginning after December 31, 2025.
  - If contributions less than 1% of contribution base, no deduction
  - If contributions are between 1% and 10%, deduction is actual contributions less 1% of contribution base.
  - If contributions exceed 10% of contribution base, current year deduction is 9%
  - 5-year carryforward for:
    - Contributions in excess of 10% contribution base.
    - The 1% floor for years in which the 10% limit was exceeded.

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“Top Ten” Planning Points
State Conformity Considerations

State conformity is still developing but could be one of the most impactful factors in your tax bill.

- States do not have to adopt, or “conform” to federal law
  - Rolling, fixed date, selective
- Each state is considering to what extent it will conform to OB3
- Factors for conformity include:
  - Political pressure
  - State budgets
  - Precedent/current policy
- Monitor state developments
  - Special sessions likely needed in some states
  - Could conform to some OB3 provisions but not others
  - Model scenarios if facing transaction, asset purchase, etc.



“Top Ten” Planning Points
Clean Energy Credits

The takeaway– clean energy credits are still available!

- Credits available for:
  - Developers/investors of the property
  - Purchasers of clean energy credits
- Solar and wind property:
  - Begin construction (based on the new definition) before July 5, 2026,
  - Otherwise schedule to place your property in service by December 31, 2026
- “Bonus” credits still available: prevailing wage and apprenticeship “five times” bonus, domestic content bonus, etc.
- “Foreign entity of concern” rules apply– consider:
  - Where components of your property are sourced
  - Your ownership structure (direct and indirect)
  - Debt structure/payments



“Beginning of Construction” for Clean Electricity Production and Investment Credits

Notice 2025-42

- Released pursuant to executive order 14315
- Generally, requires taxpayers to have begun physical work on qualifying projects
- Maintain a continuous program of construction
- Physical work must be of a significant nature and can include both off-site and on-site work
  - Examples of off-site work: the manufacture of components, mounting equipment, support structures, and power conditioning equipment
  - Examples of on-site work: may include foundation excavation or the pouring of concrete pads
  - For solar facilities, the installation of racks or other structures to affix photovoltaic panels may constitute physical work

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The Act
International Provisions

CFC changes

- **Permanently extends Section 954(c)(6)'s look through rules for CFCs**
  - Look Through Rule – generally treats dividends, interest, rents, and royalties received by a CFC from related CFCs as income other than foreign personal holding company income to the extent the income is attributable to non-subpart F income or income effectively connected with a U.S. trade or business.
- **Restores the "no downward attribution" rules of Section 958(b)(4)'s constructive ownership rules**
  - This section prevented the attribution of stock ownership from foreign persons to U.S. entities.
  - Since its repeal under TCJA, foreign corporations have been able to be deemed as a CFC despite having no U.S. shareholders with direct or indirect ownership in the foreign corporation, which has led to burdensome compliance obligations.
  - New Section 951B – provides a limited exception where a U.S. person would be subject to tax on a foreign corporation's subpart F income if it would directly or indirectly own more then 50 percent of a foreign corporation if downward attribution were applied.
- **Repeals the one-month deferral election under Section 898 for determining tax years of specified foreign corporations.**
  - Requires that all specified foreign corporations (including the ones that have made the one-month deferral election historically) to adopt the majority U.S. shareholder tax year.

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The Act
International Provisions

CFC Inclusion Changes

- **Repeal of Net Deemed Tangible Income Return Requirement**
  - The requirement that net deemed tangible income return be considered in the computation of GILTI, *i.e.*, the 10% return on QBAI. In so doing, the current GILTI regime would be renamed Net CFC Tested Income (NCTI).
- **Modifies the pro-rata share rules for CFC inclusions to consider CFC inclusions for Subpart F and NCTI based on the time-period of CFC ownership rather than ownership on the last day of tax year.**
  - Amends the pro-rata share rules of Section 958 to provide that if a foreign corporation is a CFC at any time during a tax year, U.S. shareholders must include in gross income its pro-rata share of the corporation's Subpart F income and NCTI for the tax year.
    - This is a deviation from the general rule that requires a U.S. shareholder of a foreign corporation that is a CFC at any time during any tax year and who owns stock in that foreign corporation on the last day of the tax year to include its pro-rata share of Subpart F income, NCTI (f/k/a GILTI) and Section 956 income, *i.e.*, the "Last Day Rule."
    - The Last Day Rule as applied for Section 956 inclusions still exists despite modifying the pro-rata share rules as it relates to Subpart F income and NCTI inclusions.

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Section 250 Changes

- **Repeal of Net Deemed Tangible Income Return Requirement**
  - Repeals the requirement that net deemed tangible income return be considered in the computation of FDII (*i.e.*, the 10% return on QBAI).
  - Thus, the current FDII regime would be renamed foreign derived deduction eligible income (FDDEI).
- **Decreases to the Section 250 deduction rates for NCTI (formerly GILTI) and FDDEI (formerly FDII)**
  - The Act reduces the Section 250 deduction rate for NCTI from 50% to 40% and reduce the Section 250 deduction rate for FDDEI from 37.5% to 33.34%.
- **Redefining Deduction Eligible Income for purposes of the FDDEI deduction**
  - Excludes any income or gain from sale or disposition of intangible property (including any Section 367(d) deemed royalty) and sales of depreciable property arising after June 16, 2025.
  - Expense allocation and apportionment rules for deduction eligible income would be modified to only include directly allocable deductions and some apportionable expenses against deduction eligible income.
  - However, certain apportioned expenses (interest and R&D) are not applied against deduction eligible income for purposes of computing the FDDEI deduction.

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The Act
International Provisions

Foreign Tax Credit Changes

- **Modification of Section 960(d) haircut for NCTI Foreign Tax Credits (formerly GILTI FTCs)**
  - The TCJA provided a 20% haircut to all tested income taxes generated through the GILTI computation under Section 960(d), meaning taxpayers are only able to claim an FTC equal to 80% of the foreign income taxes paid associated with tested income.
  - The Act would modify this 20% haircut and effectively allow for 90% of foreign income taxes paid pursuant to the NCTI (former GILTI) regime to be subject to FTCs (*i.e.*, 10% haircut applied).
- **Modification to Foreign Tax Credit with respect to PTEP associated with NCTI under Section 901 or 960(b)**
  - The TCJA did not provide a 20% haircut to foreign tax credits relating to PTEP in the GILTI category.
  - The Act includes a rule that applies the 10% haircut above to any FTCs attributable to PTEP distributions to align with the NCTI FTC regime.

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The Act
International Provisions

Foreign Tax Credit Changes (continued)

- **Modifications to sourcing rules for inventory sold to include a cap to the amount of foreign source income reflected in the FTC limitation computation.**
  - The Act would include a new sourcing rule for FTC limitation purposes that effectively caps the amount of foreign source income from the sale of inventory that is produced in the United States to no more than 50% of the total taxable income from the sale or disposition of inventory property if attributable to a foreign office or branch.
  - Applies only for Section 904 FTC limitation purposes
  - The general rule requiring that inventory sales be sourced based on where the production activities of the inventory occurred is to be respected as noted in Section 863(b) for all other purposes.
- **Modification of the FTC Limitation rules as applied to NCTI.**
  - Modifies the expense allocation and apportionment rules associated with the NCTI limitation category (f/k/a GILTI) by only requiring an allocation of the Section 250 deduction relating to NCTI and an allocation of any directly allocated expenses.
  - Any expenses that would be apportioned because they do not definitely relate to NCTI, would effectively be allocated and apportioned to the US source residual basket for FTC limitation purposes.

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The Act
International Provisions

BEAT Changes

- The 2026 sunset provisions that would have eliminated the ability to claim R&D credits and certain other credits against the BEMTA liability are repealed in their entirety
- The modified tax liability rate would increase from 10% to 10.5% when determining the BEMTA for tax years after 2025



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The Act
International Provisions

163(j) Changes

- Under current law, CFC inclusions are generally not permitted to be included in a U.S. shareholder's Section 163(j) ATI computation unless a CFC Group election is made under Treas. Reg. 1.163(j)-7.
- Repeals all CFC inclusion adjustments and any portion for Sec. 245A DRDs from being considered in a U.S. shareholder's adjusted taxable income (ATI) limitation computation under Section 163(j).

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Tariff Update and Outlook

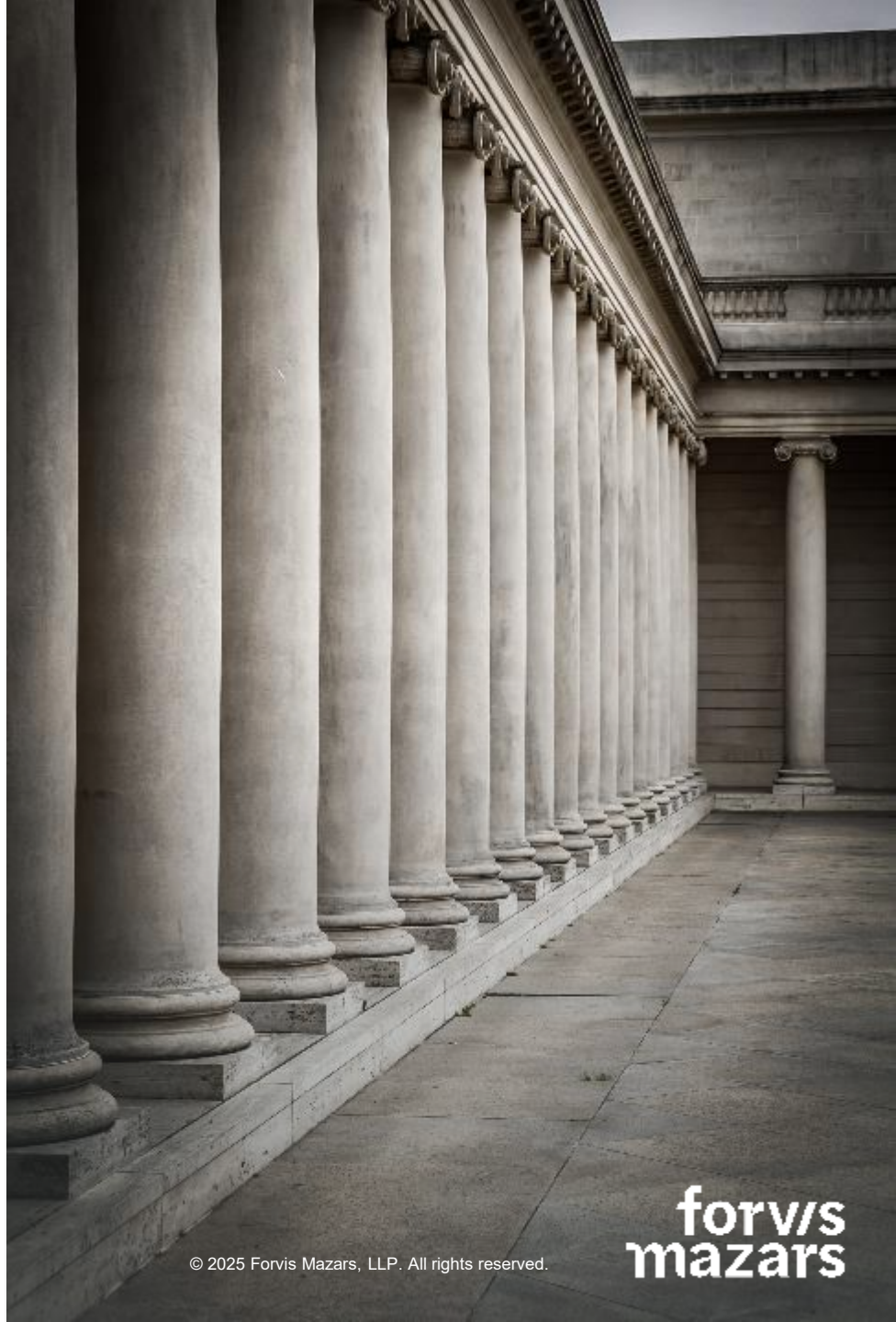


Trade/Tax Policy

President Trump’s Trade/Tax Policy Goals

- Trade Policy
  - Raise revenue
  - Increase investment in U.S. manufacturing
  - Leverage to reduce trade barriers to U.S. business including discriminatory taxes
    - DSTs

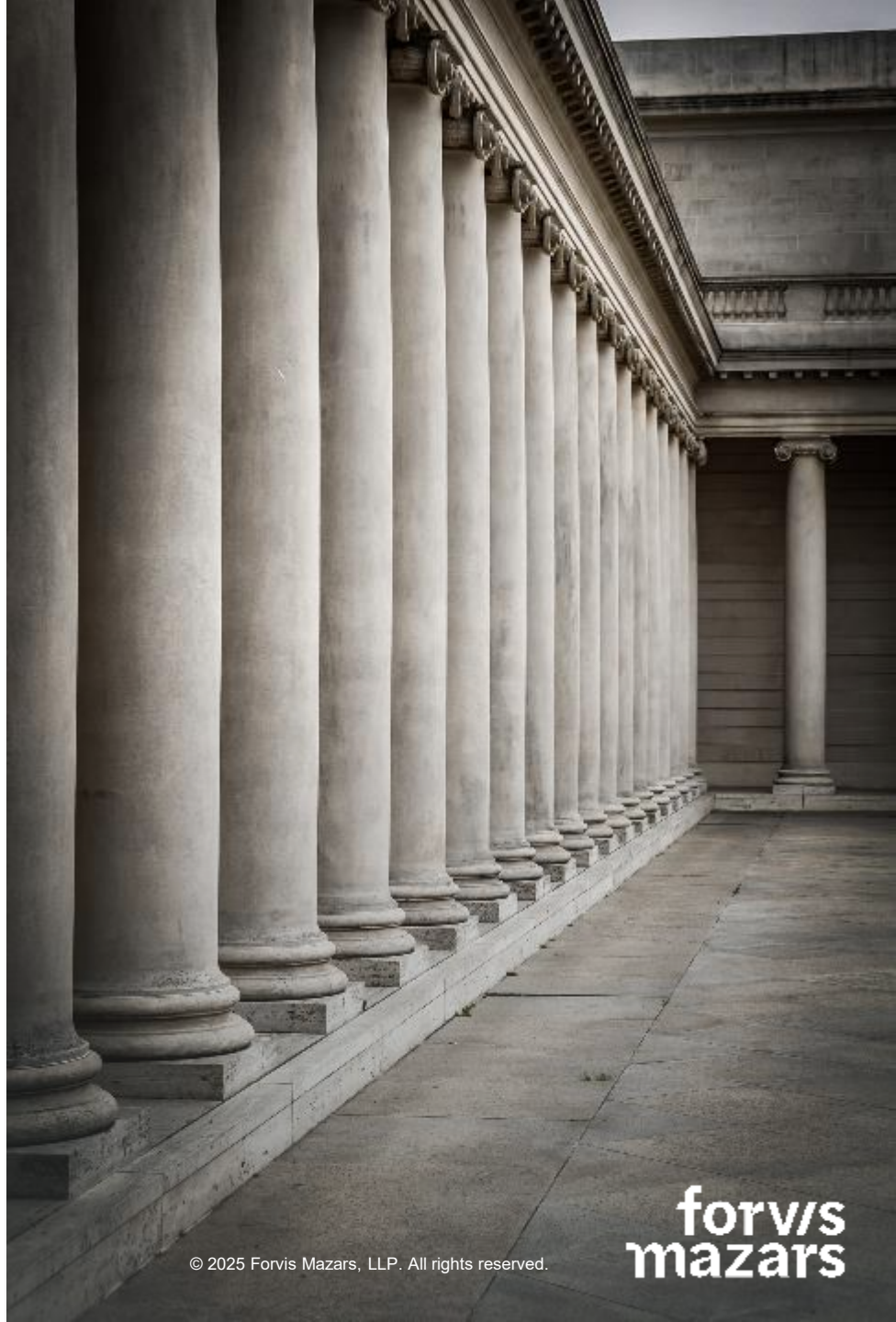
- Tax Policy
  - Increase investment in U.S. manufacturing
  - Provide certainty to businesses
  - Prevent income tax rate increases



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2025 Tax Legislative Outlook
President Trump's Executive Orders

- OECD Global Tax Deal
  - "… commitments made by the prior administration on behalf of the United States with respect to the Global Tax Deal have no force of effect within the United States absent an act by the Congress …"
- America First Trade Policy
  - "…shall investigate whether any foreign country subjects United States citizens or corporations to discriminatory or extraterritorial taxes pursuant to section 891 of title 26, United States Code.
- Regulatory Review
  - "Do not propose or issue any rule … immediately withdraw any rules that have been sent to the [Office of the Federal Register] but not published …"
- Defending American Companies and Innovators from Overseas Extortion and Unfair Fines and Penalties.
  - This order seeks to identify tools to secure a permanent moratorium on Digital Services Taxes (DSTs) through a review of taxes, regulations, and policies imposed on U.S. companies by foreign governments.
  - 30 countries have adopted DSTs and the order specifically references France, Austria, Italy, Spain, Turkey, the United Kingdom, and Canada as countries of interest.
  - Invokes the use of Code section 891.
- Fair and Reciprocal Plan on Trade
  - Instructs his advisors to evaluate the costs of doing business with other countries and recommend appropriate tariffs to balance trade deficits.
  - The order calls for an examination of tariffs imposed on U.S. products, discriminatory taxes imposed by U.S. trading partners (including value added taxes or VAT), regulatory requirements on U.S. businesses operating in other countries, and other practices that impose unfair limitations on U.S. businesses.



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Potential Revenue
Tariffs



Background

- Under the Constitution, Congress has the power to impose tariffs and regulate commerce with foreign countries.
- Congress over the years has authorized the President to address tariff and international commerce issues. For example, in 1934, the Reciprocal Tariff Act authorized the President the power to negotiate bilateral and reciprocal trade agreements.
- Through various statutes, Congress has given the President the authority to adjust tariff rates.
- For example, the International Emergency Economic Powers Act enacted in 1977 allows the President to regulate international commerce after declaring a national emergency.
- Section 338 of the Tariff Act of 1930, which has been rarely used, allows the President to impose “new or additional duties” of up to 50% under certain circumstances.
- Section 301 of the Trade Act of 1974 permits the President to request that the Office of the U.S. Trade Representative (USTR) investigate whether a foreign country took unjustifiable, unreasonable, or discriminatory action that “burden[ed] or restrict[ed] U.S. commerce.”

As a result of these measures, it has been over close to 100 years since Congress raised tariffs.

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Tariff Fundamentals

What is a tariff?

- A tariff is a tax imposed by a government on imported goods (usually based on the landed cost of the goods determined based on arms-length pricing or other acceptable methodology).
- Traditionally, tariffs are intended to regulate trade, protect domestic industries, and generate revenue.
- Tariffs also can be used as a political tool to influence international trade policies and negotiations and have been increasingly used in the U.S. for national security purposes, *e.g.*, fentanyl and immigration.

What are key elements to determine a tariff?

- Classification
- Country of Origin
- Valuation

Each of these elements presents significant risk for customs compliance, but also opportunity to minimize or even avoid duty liability (especially origin and valuation determinations with respect to reciprocal and other recent tariff enactments).

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Tariff Fundamentals

Types of Tariff Duties

- General Rate of Duty (“MFN”) Duties
- Section 301 Tariffs – Protect Against Unfair Trade Practices
- Section 232 Tariffs – Protect National Security Interests
- IEEPA - Emergency-Based Tariffs
  - Reciprocal Tariffs
  - Border Security-Related Tariffs
  - Fentanyl-Related Tariffs
  - “Secondary Tariffs”
- Remedial Duties
  - Antidumping Duties
  - Countervailing Duties

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Tariff Cost Assessment

To assess tariff costs, one must do the following:

- Confirm country of origin
- Confirm HTSUS classification
- Identify applicable tariffs
- Identify exceptions, if any
- Determine which tariffs “stack” together
- Calculate total duty rate
- Ensure value declared is lowest permitted

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Country of Origin & Classification

- **Country of Origin ("COO"):** Confirm COO under correct standard.
  - If material and labor come from multiple countries, COO may require close analysis.
  - The "substantial transformation" standard is used for most purposes, but sometimes "rules of origin" under foreign trade agreements apply, *e.g.*, USMCA.
  - Don't confuse COO with country of export or transshipment.
  - Don't rely on supplier's COO representation without addressing potential "red flags."
  - A CBP ruling may be necessary if COO is unclear.

- **Classification:** Confirm correct HTSUS classification of imported merchandise.
  - HTSUS = 10-digit subheading ("code") in Harmonized Tariff Schedule of the United States.
  - May need to correlate to foreign versions of the HTS.
  - HTSUS code determines Sec. 232 tariffs, Sec. 301 tariffs, and exceptions to reciprocal tariffs.
  - A CBP ruling may be necessary if COO is unclear.

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Mitigation of Tariff Costs

- **Tariff Engineering:**
  - Import components or subassemblies that have HTSUS codes with lower rates, then assemble/finish in USA.
  - Substantially transform in country with lower rate to change COO.

- **Shifting/Sharing Tariff Costs:**
  - Renegotiate with suppliers
  - Change of law provisions in supply contracts
  - Share burden by lowering prices temporarily
  - DDP compliance risks
  - Transfer pricing

- **Timing Customs Entries:**
  - Stockpile or delay shipments based on anticipated duty changes
  - Use Customs Bonded Warehouse or Foreign Trade Zone (FTZ) to delay duty payment
  - Temporary Imports (duty drawback, TIB program)

- **Classification**
  - Goods classification
  - Unbundling goods' component inputs

- **Country of Origin**
  - Supply chain strategies
  - Supply diversification

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Valuation – First Sale Rule

- Normally, price declared is the price paid by the U.S. importer.
- However, in multitier transactions, the “first sale rule” allows importers to declare an upstream sale price, such as the price paid by a middleman to a foreign manufacturer of an item.
- This “first sale” price paid by a middleman is typically lower, thus lowering the dutiable amount.

CBP applies a three-part test to determine if a sale transaction qualifies for the first sale rule:

1. The first sale must clearly be a sale for export to the United States.
   - Documentation or circumstances must show the goods were ordered for export to the U.S. and destined to the U.S. when shipped (not subject to diversion to another market).
2. The foreign manufacturer and the middleman must be dealing in an arm’s length transaction.
   - If this first sale is a related party transaction, it often will not qualify for first sale rule.
3. First sale price is not affected by other non-market influences.

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Valuation – Services

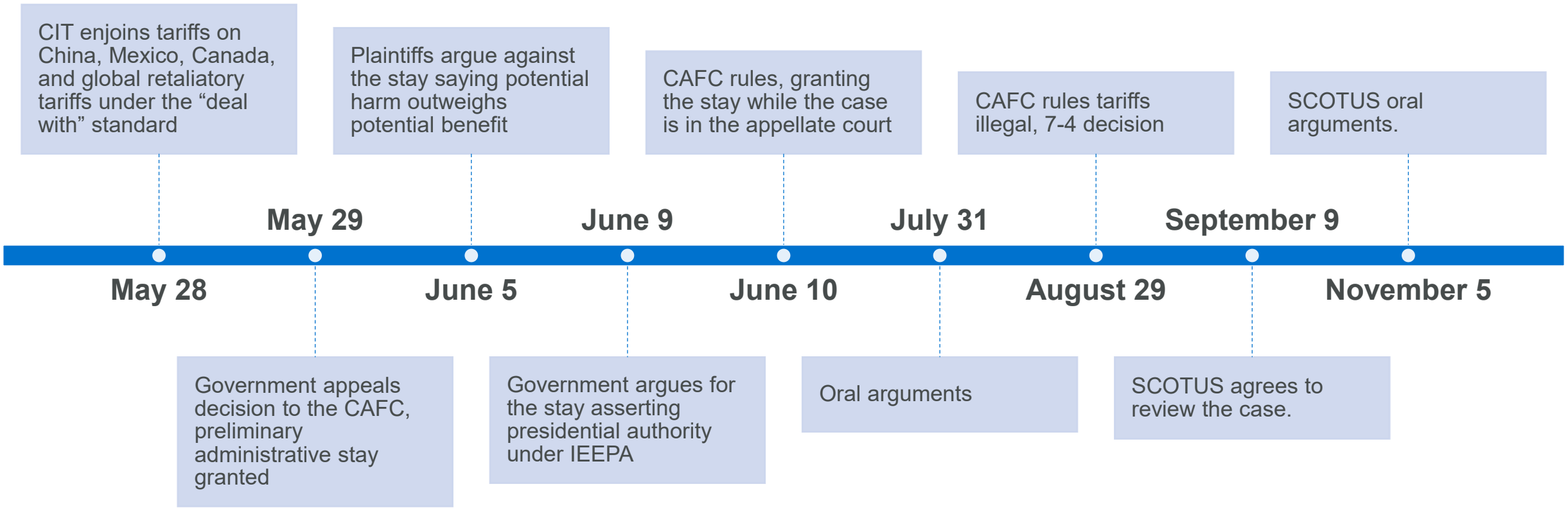
Sometimes the price paid to foreign suppliers includes the cost of services, such as engineering, R&D, design, installation, warranties, licensing, etc. Can these costs be separated from the transaction value declared to CBP, thereby lowering the declared value and duties owed? Sometimes.

- **Post-importation services** (installation, construction, assembly, maintenance, and technical assistance) generally can be excluded.
  - They should be separately invoiced and agreed to in a separate contract or purchase order.
- **Pre-importation services:**
  - Services like R&D, engineering, and design may be part of the transaction value if they relate directly to developing and producing the imported goods. But CBP is more likely to permit such costs to be separate from the transaction value if they relate generally to a larger project, *e.g.*, an industrial facility housing imported items or new technology developed for broader applications than just the imported goods.
  - Inspection, testing, and packing services that related to imported goods are generally considered part of the transaction value.
- **Invoicing:** Any services that are invoiced with imported merchandise or are otherwise payable on a per item or per shipment basis, likely will be considered part of the transaction value, even when such services could have been excluded if treated separately.

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Timeline of Court Proceedings on IEEPA Based Tariffs

Court of International Trade (CIT)
Court of Appeals for the Federal Circuit (CAFC)



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Tariff Court Case
Background

Progress of the Case

- Court of International Trade (CIT)
  - The CIT granted summary judgment to respondents, vacated the tariff orders, and entered a universal permanent injunction against the tariffs' imposition, ordering the government to restore the pre-emergency rates within 10 days.
  - May 28, 2025: Unanimous decision– three judge panel
    - Judges nominated by Obama, Reagan, and Trump respectively
  - The CIT held that IEEPA does not authorize the reciprocal tariffs. App., infra, 169a-181a.
  - The CIT further held that IEEPA does not authorize the contraband-drug tariffs.
- Federal Circuit
  - August 29, 2025: 7-4 decision by Federal Circuit that the IEEPA tariffs are unlawful
  - Included in the majority were two judges appointed by Republicans (appointed by George W. Bush and Reagan respectively)
  - Obama appointee also included in the dissent
  - Two opinions in the majority– opinion limits *these* tariffs, concurring opinion stated that IEEPA didn't authorize tariffs at all
    - "We are not addressing whether the President's actions should have been taken as a matter of policy. Nor are we deciding whether IEEPA authorizes any tariffs at all. Rather, the only issue we resolve on appeal is whether the Trafficking Tariffs and Reciprocal Tariffs imposed by the Challenged Executive Orders are authorized by IEEPA. We conclude they are not. "

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Tariffs
IEEPA Tariffs & the Supreme Court

- The CAFC stated, “IEEPA provides that, after declaring a national emergency … the President may ‘investigate, block during the pendency of an investigation, regulate, direct and compel, nullify, void, prevent or prohibit, any … importation or exportation of … any property in which any foreign country or a national thereof has any interest.’ 50 U.S.C. § 1702(a)(1)(B). Notably, IEEPA does not use the words ‘tariffs’ or ‘duties,’ nor any similar terms like ‘customs,’ ‘taxes,’ or ‘imposts.’ IEEPA also does not have a residual clause granting the President powers beyond those which are explicitly listed.”

- The dissenting opinion stated, “IEEPA’s authorization of presidential action in this realm is not an unconstitutional delegation of legislative authority under the Supreme Court’s decisions, which have upheld broad grants of authority, including tariffing authority, in this foreign-affairs-related area.”

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Tariff Court Case
Background

The Crux of the Matter

- Core issues:
  - Does IEEPA authorize the President to impose broad tariffs (like the “reciprocal” and “trafficking” tariffs)
  - If so, is IEEPA unconstitutional in delegating legislative authority to the President (question taken up by CIT, not Federal Circuit)
- Broader questions:
  - Nondelegation doctrine– restricts Congress’ delegation of its legislative power to other entities[1]
    - 1935 was the last time the courts struck down a federal law based on the nondelegation doctrine
    - “Intelligible principle”– Congress must provide a legal framework to constrain the authority of an entity that it delegates its power to[2]
      - *J. W. Hampton, Jr. & Co. v. United States*– Creation of principle, “Supreme Court upheld Congress’s delegation of authority to the President to set tariff rates that would equalize production costs in the United States and competing countries” [2]
        - “Congress could delegate discretion to other entities to “secure the exact effect” of legislation if it provides an “intelligible principle” to which the President or other entity must conform”.[2]
        - President acted only as “the mere agent of the law-making department” [2]
  - Major questions doctrine: “agency seeks to decide an issue of major national significance its action must be supported by *clear* congressional authorization”[3]
    - The Supreme Court has rejected agency claims of regulatory authority when
      - (1) the underlying claim of authority concerns an issue of "vast 'economic and political significance,'" and
      - (2) Congress has not clearly empowered the agency with authority over the issue. *Util. Air Regul. Grp. (UARG) v. EPA*, 573 U.S. 302, 324 (2014). [3]

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U.S. Tariffs

Objective	Date Announced	Tariff or Action	Form of Announcement	Implementation Date	Authority	Reasoning
Canada and Mexico	February 1, 2025	• 25% on most products, 10% on Canadian energy and potash. • For Canada, 25% tariff raised to 35% and 40% for transshipment.	Executive Orders	• Originally February 4, delayed to March 4 • Exception announced March 6 for goods imported under the USMCA • New rates for Canada effective August 1	Section 1702(a)(1)(B) of IEEPA	Drug smuggling and immigration
China	May 12, 2025	• 10% on all products • May revert back to previous 145% tariff	Executive Order	• May 12 announced trade deal with China • Extension announced Aug 11 • Nov 4 announced extension through Nov 10, 2026, and reduction to 10%	Section 1702(a)(1)(B) of IEEPA	Synthetic opioid supply chain in China
Steel and Aluminum Products and Derivatives	June 3, 2025	• 50% on HTS Chapter(s) 73 (steel), 76 (Aluminum)	Executive Order	• June 4, 2025	Section 232	Impairment of national security due to large quantities being imported

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U.S. Tariffs (Cont'd)

Objective	Date Announced	Tariff or Action	Form of Announcement	Implementation Date	Authority	Reasoning
Automobiles and certain Automobile Parts	March 26, 2025	• 25% tariff, under USMCA only value of non-U.S. content • Amended for non-stacking and an offset on MSRP of 3.75% until 4/30/26 and 2.5% until 4/30/27	Proclamation	• April 3, 2025 • No later than May 3 for auto parts	Section 232	Protect America's automobile industry and threats to industrial base and supply chains
Reciprocal Tariffs	April 2, 2025	• April 9 announced 10% baseline tariff for 90 days, individualized tariffs in effect after, exceptions apply on various goods and Canada and Mexico • August 7 rates went into effect ranging from 10% to 41%	Executive Order	• August 7, 2025	Section 1702(a)(1)(B) of IEEPA	National emergency to strengthen international economic position and protect workers
China de minimis	April 2, 2025	• End duty-free de minimis ($800) treatment for China, duty of 120% of value or $100 per item increasing to $200 per item after June 1 • May 14 120% reduced to 54%, retained $100 per item, removed $200 increase June 1, 2025	Executive Order	• May 2, 2025 • Update effective April 10, 2025	Section 1702(a)(1)(B) of IEEPA	Health emergency by the illicit flow of synthetic opioids

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U.S. Tariffs (Cont'd)

Objective	Date Announced	Tariff or Action	Form of Announcement	Implementation Date	Authority	Reasoning

De Minimis for All Countries	July 30, 2025	• Suspend duty-free de minimis
		• Goods shipped through international postal network:
		  • Duty equal to countries tariff rate or
		  • <16% tariff = $80 per item
		  • 16% to 25% tariff = $160 per item
		  • >25% tariff = $200 per item
			Executive Order	• August 29, 2025	Section 1702(a)(1)(B) of IEEPA	Unusual and extraordinary threats to national security, foreign policy, and economy

Copper	July 30, 2025	• 50% tariff on semi-finished copper products and intensive copper derivative products	Proclamation	• August 1, 2025	Section 232	Impairment of national security due to large quantities being imported
Timber, Lumber, and Derivative Products	Sept. 29, 2025	• 10% tariff on softwood timber and lumber, increasing to 30% Jan 1 • 25% tariff on upholstered wooden products, kitchen cabinets, and vanities, increasing to 50% Jan 1 • EU and Japan not to exceed 15%, UK not to exceed 10%	Proclamation	• October 14, 2025	Section 232	Impairment of national security due to imports of wood products

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U.S. Tariffs (Cont'd)

Objective	Date Announced	Tariff or Action	Form of Announcement	Implementation Date	Authority	Reasoning
Medium and Heavy-Duty Vehicles and Parts	Oct 17, 2025	• 25% tariff • 10% tariff buses and certain other vehicles • Non-US content only under USMCA • If assembled in US, import offset of 3.75% of aggregate value of all vehicles assembled by manufacturer from Nov 1 – Oct 31, 2030	Proclamation	• Nov 1, 2025	Section 232	Impairment of national security

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U.S. Tariffs (Cont'd)

Objective	Date Announced	Tariff or Action	Form of Announcement	Implementation Date	Authority	Reasoning
United Kingdom	May 8, 2025	Intention to reduce tariff rates; first 100k vehicles subject to 10%, additional subject to 25%, accompanying arrangement for auto parts; alternative arrangement for UK steel and aluminum; preferential treatment on aerospace and pharmaceuticals	U.S.-UK Economic Prosperity Deal (framework)	May 8, 2025 Executive order signed June 16, 2025 (on autos/parts/aerospace)	N/A	Shared prosperity for American and British citizens alike
Indonesia	July 22, 2025	19% on all goods	Proclamation	July 22, 2025	Section 1702(a)(1)(B) of IEEPA	National emergency to strengthen international economic position and protect workers
Vietnam	July 2, 2025	20% on all goods; 40% on all "transhipping" goods routed through Vietnam from China	Proclamation	July 2, 2025	Section 1702(a)(1)(B) of IEEPA	National emergency to strengthen international economic position and protect workers

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U.S. Tariffs (Cont'd)

Objective	Date Announced	Tariff or Action	Form of Announcement	Implementation Date	Authority	Reasoning
Philippines	July 22, 2025	19% on all goods	Proclamation	July 22, 2025	Section 1702(a)(1)(B) of IEEPA	National emergency to strengthen international economic position and protect workers
European Union	July 27, 2025	15% on most sectors; 50% tariff on aluminum still in place; zero for zero tariffs on aircrafts and component parts, certain chemicals, certain generics, semiconductors, certain agricultural products, certain natural resources and raw materials	Proclamation	July 27, 2025	Section 1702(a)(1)(B) of IEEPA	National emergency to strengthen international economic position and protect workers
Japan	July 23, 2025	15% on all goods	Proclamation	July 23, 2025	Section 1702(a)(1)(B) of IEEPA	National emergency to strengthen international economic position and protect workers
Thailand	Oct 26, 2025	Maintain 19% excepting certain products	Statement	April 2, 2025 (reciprocal tariff EO)	Section 1702(a)(1)(B) of IEEPA	National emergency to strengthen international economic position and protect workers

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U.S. Tariffs (Cont'd)

Objective	Date Announced	Tariff or Action	Form of Announcement	Implementation Date	Authority	Reasoning
Cambodia	Oct 26, 2025	Maintain 19% excepting certain products	Statement	April 2, 2025 (reciprocal tariff EO)	Section 1702(a)(1)(B) of IEEPA	National emergency to strengthen international economic position and protect workers
Malaysia	Oct 26, 2025	Maintain 19% excepting certain products	Statement	April 2, 2025 (reciprocal tariff EO)	Section 1702(a)(1)(B) of IEEPA	National emergency to strengthen international economic position and protect workers
Vietnam	Oct 26, 2025	Maintain 20% excepting certain products	Statement	April 2, 2025 (reciprocal tariff EO)	Section 1702(a)(1)(B) of IEEPA	National emergency to strengthen international economic position and protect workers

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