

Considerations Moving Forward

Legal Challenges

After the Supreme Court ruled that broad tariffs under the IEEPA were unlawful, President Trump issued an order for a 15 percent tariff on nearly all imports under Section 122, an authority that allows the president to impose tariffs for up to 150 days without direct congressional approval.

Tariff Revenue and Refund Battles

The Supreme Court's ruling on the invalidation of IEEPA tariffs has led importers and business groups to advocate for refunds of an estimated \$150+ billion in tariffs that were collected. While the Court did not explicitly mandate refunds, it addressed the legality of the tariffs, leaving it to lower courts to handle the refund claims. This process is expected to take several years before it is resolved.

Immediate Impact

The administration has changed tack and is substituting one tariff regime for another (Section 122), meaning tariffs may stay elevated in the near term.

Moving Forward

The Supreme Court ruling does not indicate an immediate decrease in tariffs; however, it marks an important shift in the authority over trade policymaking. While some uncertainty persists in the short term, this decision may lead to a more organized trade environment in the U.S., providing organizations with a clearer perspective for future business planning.



U.S. TARIFF STATUS UPDATE

LATEST RULING & IMPLICATIONS

Moving into 2026, broadly applied duties, with increases on goods from several countries, including specific tariffs on products like wood, steel, and aluminum, were in place. On February 20, the Supreme Court struck down IEEPA (International Emergency Economic Powers Act) tariff authority, removing the legal basis for many tariffs, upending revenue. Many IEEPA-based tariffs collected in 2025 into early 2026 will likely be challenged for refunds. If courts require repayment, federal revenues could be materially reduced, and importers may seek substantial reimbursement.

The recent ruling limits the president's broad, unilateral power to impose tariffs but does not eliminate the president's ability to issue them. Instead, it requires the administration to utilize more structured approaches, such as Section 122 of the Trade Act of 1974. This section allows for import surcharges of up to 15 percent for a duration of up to 150 days. As a result, there will likely be increased congressional oversight over the imposition of tariffs. Market participants will closely monitor how treaty ratifications interact with the broader U.S. tariff framework and whether negotiation exemptions extend beyond temporary global duties.

TARIFF TIMELINE

2025 - 2026

2025

- Feb. 1: Tariffs announced: China (10%); Canada/Mexico (25%)
- Mar. 4-6: Tariffs go into effect; USMCA exemptions
- Mar. 12: Steel & aluminum tariffs: 25%
- Mar. 24: 25% tariffs on importers of Venezuelan oil
- Apr. 2-5: Reciprocal tariffs begin; 10% baseline + country-specific rates
- Apr. 3: 25% auto tariffs begin
- Apr. 9: Pause on country-specific tariff increases
- Apr. 29: Tariff stacking order; auto relief provisions
- May 3: Auto parts tariffs effective; USMCA exemptions
- May 12: China tariffs reduced; postal tariffs adjusted
- May 28: Court blocks IEEPA tariffs; appeal filed
- Jun. 4: Steel & aluminum tariffs raised to 50%
- Jul. 7: Court blocks IEEPA tariffs; appeal filed
- Late Jul.: EU deal reached; 15% on EU goods announced
- Aug. 1: 50% copper tariffs begin
- Aug. 7: Country-specific reciprocal tariffs implemented
- Mid-Aug.: India hit with total 50% tariff
- Sep. 5: Annex II modifications; PTAAP framework established
- Sep. 9: Supreme Court agrees to hear appeal of IEEPA tariffs
- Late-Sep.: 100% tariff announced on branded pharmaceuticals; 50% tariffs on kitchen cabinets; 30% on furniture
- Mid-Oct.: Tariffs extended to lumber; truck tariffs forthcoming
- Nov. 5: Supreme Court oral arguments held; decision expected by early- to mid-2026
- Nov. 26: Extension of tariff exclusions for certain Chinese goods; meant to soften trade tensions

2026

- Feb. 13: U.S. cuts tariffs on Indonesian imports to about 19%
- Mid-Feb.: Taiwan imports set at 15%; semiconductors exempt under certain conditions
- Feb. 20: Supreme Court strikes down IEEPA tariff authority; removes legal basis for many tariffs and upends revenue

MONITORING IMPACT

As this policy environment continues to evolve, Cresa is actively monitoring the latest tariff and trade developments and assessing their downstream impact on occupiers and their businesses. From supply chain costs and capital planning to site selection and lease strategy, we are focused on helping occupiers anticipate risk, protect margins, and make informed real estate decisions in a shifting regulatory landscape.

