

# Publications

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## New National Security Tariffs on Trucks, Truck Parts and Buses Take Effect Nov. 1

### Key Takeaways:

- **New tariffs on trucks, truck parts and buses become effective Nov. 1, 2025:** These new tariffs on imported medium- and heavy-duty trucks (collectively, “trucks”) and truck parts, as well as on buses follow the Secretary of Commerce’s investigation conducted under Section 232 of the Trade Expansion Act (Section 232), which found that imports of these products threaten national security by causing the U.S. to become overly reliant on foreign supply chains.
- **Special rules, offsets and duty rate adjustments apply:** The tariff on trucks qualifying for preferential treatment under the United States-Mexico-Canada Agreement (USMCA), will apply only to the value of their non-U.S. content, not to the full value of the vehicle. An import adjustment offset will be provided to producers that assemble trucks in the U.S. In addition, aluminum or steel imported from Canada and Mexico used in U.S. truck or bus manufacturing, may be subject to reduced tariffs.
- **Tariffs will not be stacked on top of others:** Trucks, truck parts and buses subject to these new tariffs will not be subject to additional or existing sectoral tariffs on steel, aluminum, copper, autos and auto parts, and lumber. They also will not be subject to reciprocal tariffs or additional tariffs imposed on Canada, Mexico, Brazil or India.

On Oct. 17, 2025, President Trump signed a Proclamation imposing new Section 232 tariffs – a 25 percent *ad valorem* duty on imports of trucks and truck parts and a 10 percent *ad valorem* duty on imports of buses – effective Nov. 1, 2025. According to the Proclamation, this Section 232 action “builds on previous actions taken by the Trump Administration to ensure U.S. trade and industrial policies serve the national interest.”

**Businesses involved in the production, import or assembly of trucks, buses or related components should act quickly to evaluate their exposure, determine whether exemptions or offsets apply and prepare for the Nov. 1 effective date.**

### National Security Findings Underpin New Tariffs

The tariffs follow a Section 232 investigation by the Department of Commerce that found these imports pose a threat to national security by increasing reliance on foreign supply

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chains.

As the Secretary found, trucks, truck parts and buses are essential to national security, playing a vital role in military readiness, through transport of personnel, weapons systems, ground defense vehicles and critical supplies. They also support emergency response across medical, law enforcement and disaster relief efforts by enabling mobile coordination, evacuation and field-operations capabilities. But as offshoring has increased, imports have increased their penetration of the U.S. market, weakening domestic supply chains and exposing national security vulnerabilities. The new Section 232 tariffs are intended to curb that reliance, strengthen domestic manufacturing and secure supply chains essential for national and economic security.

### **Special Rules Apply to USMCA-Compliant Trucks and Truck Parts**

Special rules apply to USMCA-compliant trucks and truck parts. Tariffs on trucks that qualify for preferential treatment under the USMCA, will apply only to their non-U.S. content, calculated by subtracting the value of the U.S. content in the truck from the vehicle's total value.

USMCA-compliant truck parts will not be subject to the additional tariff until "such time that the Secretary, in consultation with the Commissioner of U.S. Customs and Border Protection (CBP), establishes a process to apply the tariff exclusively to the value of the non-United States content" and publishes a Federal Register notice.

### **Trucks Assembled Domestically Eligible for Offsets**

To incentivize domestic truck production, trucks that undergo final assembly in the U.S. will qualify for an import adjustment offset. Under this program, manufacturers may apply for an offset equal to 3.75 percent of the aggregate Manufacturer's Suggested Retail Price (MSRP) value of all trucks they assemble in the U.S. annually from April 5, 2025, through April 30, 2030.

Recognizing the shared suppliers and supply chains between U.S. truck and auto producers, the Administration also aligned the Section 232 autos tariff program with the new truck offsets and extended the offset eligibility period for auto manufacturers through April 30, 2030.

### **Lower Rates May Apply to Aluminum and Steel from Canada and Mexico**

To better address national security concerns identified in the Section 232 actions on aluminum and steel, the Administration authorized the Secretary of Commerce to reduce tariffs on certain aluminum and steel imports from 50 percent to 25 percent. The reduced rates apply to aluminum and steel from Canada or Mexico supplied to U.S. truck and auto producers.

These duty reductions are limited in two ways. First, they apply only to "quantities of aluminum or steel equal to newly committed United States production capacity, as determined by the Secretary." Second, the lower rates are available only for "imports of aluminum and steel that qualify for preferential treatment under the USMCA and that were smelted and cast or melted and poured in Canada or Mexico."

### **No Tariff Stacking on Trucks, Truck Parts or Buses**

Products subject to these new tariffs on trucks, truck parts and buses will not be subject to additional or existing tariffs on steel, aluminum, copper, autos and auto parts and

lumber. They also will not be subject to reciprocal tariffs or the tariffs imposed on Canada, Mexico, Brazil or India.

If your business needs strategic legal guidance or anticipates potential impacts resulting from these announcements, contact Deanna Okun, Lydia Pardini, Dominic Bianchi, Polsinelli's Executive Action Working Group or your Polsinelli contact.