

Publications

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U.S. Supreme Court Strikes Down IEEPA Tariffs; Trump Announces Replacement Tariffs: What Importers Should Do Now to Seek Refunds and Secure Supply Chains

Key Takeaways

- The U.S. Supreme Court invalidated tariffs imposed by President Trump under IEEPA, ruling the act does not authorize broad import tariffs. The decision leaves refund eligibility for previously paid duties unresolved.
- The decision does not automatically pause collection at the border. Importers may still pay IEEPA duties in the near term until (1) CIT issues an injunction with nationwide effect and/or (2) U.S. Customs and Border Protection (CBP) terminates tariff collection and updates operational guidance.
- Importers now face uncertainty and must rapidly adapt to new compliance requirements, especially given the Administration's announced pivot to impose replacement tariffs.
- Importers should quickly assess their tariff exposure, prepare protective refund claims to preserve rights and proactively update trade compliance procedures in anticipation of changing tariff obligations.

The U.S. Supreme Court (6-3) held that the International Emergency Economic Powers Act (IEEPA) does not authorize the President to impose the broad import tariffs at issue, invalidating the Administration's IEEPA-based tariff regimes. But the Court did not resolve whether or on what terms importers are entitled to refunds, leaving it to the U.S. Court of International Trade (CIT) to address these issues. President Trump also today announced he will impose within days a worldwide 10% tariff under Section 122 and begin new investigations under Sections 232 and 301 to impose additional tariffs.

For importers and supply chain teams, this means immediate operational adjustments, uncertainty over refunds, and preparation for new tariff actions. Read on for practical next steps.

Background: The Tariffs at Issue

The Court ruled that IEEPA — an emergency powers statute typically used for sanctions-

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like measures — does not delegate to the President the power to impose tariffs, notwithstanding IEEPA language authorizing regulation of “importation.”

The IEEPA tariffs directly challenged were:

- The fentanyl/immigration tariffs imposed on imports from Canada, China and Mexico beginning in February and March 2025 (as subsequently amended); and
- The reciprocal tariffs imposed on most other trading partners beginning in April 2025 (as subsequently amended).

These IEEPA duties were layered on top of ordinary MFN duties and other applicable duty programs.

President Trump also relied upon IEEPA to impose additional tariffs on Brazil and India. Those tariff actions were not before the Supreme Court; however, the Supreme Court’s opinion will similarly impact the validity of those tariffs.

Immediate Implications of the Supreme Court Decision

The decision is a significant separation-of-powers ruling that constrains use of emergency authorities to set broad tariff policy. For importers, this shifts immediate priorities to (1) managing near-term collection and entry mechanics and (2) positioning for potential refunds.

The decision does not automatically pause collection at the border. Importers may still pay IEEPA duties in the near term until (1) CIT issues an injunction with nationwide effect and/or (2) U.S. Customs and Border Protection (CBP) terminates tariff collection and updates operational guidance (ACE/ABI filing, Chapter 99 reporting, transitional instructions). Tariffs imposed under other authorities (e.g., Sections 232 and 301) are not directly affected and remain in force unless modified through separate action.

For importers, this means heightened entry review activity is likely as CBP and brokers align entry practices with new requirements. Importers should assume systems, broker practices and entry validations will lag the legal change.

Refunds Remain an Open Question

The Supreme Court’s decision left unresolved the refund question of previously paid IEEPA duties. This raises several questions around refund mechanics, including:

- Whether refunds will be available broadly or limited to plaintiffs (and/or parties that preserved claims through specified procedures), depending on the remedial posture and any limits on nationwide relief;
- How CBP will operationalize any refund or correction process (including liquidation/reliquidation posture and timing); and
- Whether post summary corrections (PSCs) may be viable for unliquidated entries. Timing matters, as early PSCs may be rejected if ACE/ABI remains configured to require the Chapter 99 secondary classification that triggers IEEPA duty application.

The matter will be remanded to the CIT to consider further action, including the scope of injunctive relief and remedies (including refunds). Those CIT actions may be affected by recent Supreme Court doctrine on the permissible scope of nationwide injunctions.

Administration Plans to Pivot to New Tariff Authorities

President Trump today announced he will impose within days a worldwide 10% tariff

under Section 122 of the Trade Act of 1974, permissible for no more than 150 days, and begin additional Section 232 and Section 301 investigations into unfair trade practices to impose additional tariffs. The Administration may consider other authorities as well, including Section 338 of the Tariff Act, an authority that allows tariffs of up to 50% if a country is engaging in “unreasonable” or “discriminatory” actions that burden U.S. commerce.

What Steps Importers and Multinational Supply Chains Should Take Now

Importers should promptly coordinate with brokers and internal trade teams to:

1. **Reporting:** Stop reporting IEEPA Chapter 99 duty lines once CBP implements the ruling and submit post-entry corrections where administratively available.
2. **Map past exposure:** Identify which products/entries included IEEPA Chapter 99 lines (reciprocal and/or fentanyl/border) and quantify paid duties.
3. **Preserve rights:** Coordinate with brokers and counsel on documentation, legal complaints, protective protests, PSC strategies and liquidation monitoring.
4. **Operational readiness:** Prepare to update ACE/ABI filing procedures quickly once CBP issues guidance, including transitional treatment for shipments in transit or pending entry summary.
5. **Contract and pricing review:** Refresh contracts, pricing and landed-cost models to reflect cessation of IEEPA duties, accounting for other duties that remain and new duties that have been announced.

Importers should also consider filing a protective “me too” claim to preserve refund rights, rather than assuming any eventual relief will automatically extend to non-parties. In light of the Administration’s announcement, importers should also plan for fast shifts in tariff exposure across legal authorities, with changes in scope, timing, procedural prerequisites and litigation posture.

How Polsinelli Can Help

Polsinelli’s International Trade team is advising importers on immediate next steps for entry-filing and revision processes in the wake of this decision and CBP’s implementation of it, as well as protective litigation and claim-preservation options and scenario planning for potential replacement tariffs under other authorities.

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.