

## Tariff Offset for a Portion of Auto Parts Now Available to U.S. Manufacturers

### THOMPSON COBURN TRADE ALERT - IMPORTS

HEADLINE	Tariff Offset for a Portion of Auto Parts Now Available to U.S. Manufacturers
DATE	April 29, 2025
AGENCY	Trump Administration; Department of Commerce; Customs and Border Protection
EFFECTIVE DATES	May 29, 2025 - Deadline to Establish Import Adjustment Offset Process
BACKGROUND	<p>On <a href="#">March 26, 2025</a>, the Trump Administration imposed 25% duties on <a href="#">automobiles and automobile parts</a>, effective April 3 and May 3, respectively.</p> <p>On April 29, the President announced additional action is needed to encourage auto manufacturing in the U.S. The E.O. reduces duties assessed on a portion of automobile parts for those vehicles assembled in the U.S.</p> <p><b>For automobiles that undergo their final assembly in the U.S., manufacturers may receive an offset</b> of the Section 232 auto parts tariffs as follows:</p> <p>A) 3.75% offset of the total value of U.S.-assembled vehicles for one year (April 3, 2025 - April 30, 2026)</p> <ul style="list-style-type: none"><li>• This percentage rate reflects the total duty that would be owed when a 25% duty is applied to parts accounting for 15 percent of an automobile's MSRP value.</li></ul> <p>B) 2.5% offset for the following year (May 1, 2026 - April 30, 2027)</p> <ul style="list-style-type: none"><li>• This percentage rate reflects the total duty that would be owed when a 25% duty is applied to parts accounting for 10 percent of an automobile's MSRP value.</li></ul>
DETAILS	<p>C) The "manufacturer's import adjustment offset amount" may only be used by importers of record authorized by that manufacturer, and relief is capped at the amount of the manufacturer's actual tariff liability under the 25% auto tariffs implemented by <a href="#">Proclamation 10908</a>.</p> <p><b>Eligibility and Application Process:</b></p> <p>A) A process will be established by May 29, 2025, for manufacturers to claim the offset.</p> <p>B) Manufacturers will need to submit detailed documentation including:</p> <ul style="list-style-type: none"><li>• Projected U.S. vehicle assembly volume and plant locations.</li><li>• Expected tariff costs the manufacturer will incur directly and tariff costs the manufacturer will incur from its suppliers.</li><li>• List of approved importers or record eligible to use the offset, as well as the amount of the manufacturer's offset amount allotted to each importer of record.</li><li>• A sworn certification of accuracy from a senior officer of manufacturer.</li></ul> <p>C) The offset will be applied upon approval from CBP. Penalties may be imposed by CBP for misuse or over-claiming of tariff offsets.</p>



<b>HTS/PRODUCT S</b>	Auto parts for automobiles assembled in the U.S.
<b>COUNTRY</b>	All
<b>BASIS</b>	Section 301 of title 3, United States Code; Section 604 of the Trade Act of 1974, as amended; and Section 232 of the Trade Expansion Act of 1962, as amended
<b>CITE</b>	<a href="#">Amendments to Adjusting Imports of Automobiles and Automobile Parts Into the United States - The White House</a>

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