

Trump Imposes 25% Tariffs on Automobiles & Parts

THOMPSON COBURN TRADE ALERT - IMPORTS

HEADLINE	Trump Imposes 25% Tariffs on Automobiles & Parts
DATE	March 26, 2025
AGENCY	Trump Administration; Department of Commerce; United States Trade Representative; Customs and Border Protection
EFFECTIVE DATE	12:01 am ET on April 3 2025 for Automobiles <i>To be determined, prior to May 3 2025 for Automobile parts</i>
BACKGROUND	<p>In 2019, Commerce conducted Section 232 investigations into imports of vehicles and Trump directed the USTR to pursue negotiations regarding vehicles and vehicle parts from Europe, Japan, and other countries as deemed appropriate. The negotiations did not result in agreements.</p> <p>In light of the investigations in his first term, Trump has announced 25% tariffs on:</p> <ul style="list-style-type: none">• Automobiles entered on or after April 3, 2025, and• Automobile parts, as listed in a yet-to-be-published Annex (at a date to be specified, no later than May 3, 2025) <p>Although the order does not enumerate specific tariff provisions affected by the action, the preamble suggests the order will affect passenger vehicles (sedans, sport utility vehicles, crossover utility vehicles, minivans, and cargo vans) and light trucks (collectively, automobiles) and certain automobile parts (engines and engine parts, transmissions and powertrain parts, and electrical components) (collectively, automobile parts).</p>
DETAILS	<p>Several additional points:</p> <ul style="list-style-type: none">• The 25% tariff will apply only to the non-U.S. content of automobiles that qualify for USMCA treatment.• If CBP determines that the declared value of U.S. and non-U.S. content of an automobile is inaccurate due to an overstatement of U.S. content, the 25% tariff will apply to the entire vehicle and will apply retroactively and prospectively to the full value of all automobiles of the same model.• The action on automobile parts applies only to individual automobile parts as defined by Annex I (not yet published), but does not apply to “automobile knock-down kits or parts compilations.”• Automobile parts remain eligible for USMCA treatment temporarily, until such time that the Secretary of Commerce & CBP establish a process to apply the 25% to non-U.S. content, similar to whole automobiles.• No duty drawback is available for the 25% imposed on automobiles and specified parts.• The tariff is in addition to any other duties, fees, and charges applicable to such imported automobiles and automobile parts.
BASIS	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.

HTS/PRODUCT S Automobiles and auto parts (to be defined later)

COUNTRY All

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