

LEGAL ALERT

FEBRUARY 24, 2026



SUPREME COURT STRIKES DOWN GLOBAL TARIFFS: KEY IMPLICATIONS FOR BUSINESSES

BY ELISHA A. HARP AND C. DANIEL MILLER

HAHN LOESER & PARKS LLP

On February 20, 2026, the U.S. Supreme Court struck down the Trump administration’s “reciprocal” global tariffs imposed under the International Emergency Economic Powers Act (“IEEPA”), concluding that the President exceeded his authority in invoking emergency powers to apply broad, across-the-board import levies.¹ The decision affects the wide-ranging global tariffs implemented under the IEEPA framework. Importantly, the ruling does not disturb tariffs imposed under other statutory authorities, including Section 301 (China-related measures), Section 232 (national security-based steel and aluminum tariffs), or traditional antidumping and countervailing duty regimes.

REFUNDS: POTENTIALLY SIGNIFICANT, PROCEDURALLY UNCERTAIN

The Court did not determine the extent to which importers are entitled to refunds, leaving that issue to a lower court. If fully allowed, refunds could total up to \$170 billion according to estimates. However, the refund process is expected to be administratively complex and potentially contested.

A Senate bill proposed February 23 to address the Supreme Court’s ruling may streamline refund processing if passed, but importers should not assume refunds will be automatic and should begin preparing for refund requests. Companies should begin identifying affected import entries, quantifying tariff payments made under the invalidated measures, and preserving supporting documentation. Hahn Loeser & Parks LLP will continue monitoring court guidance, legislative changes and administrative claim procedures and deadlines, as timing may be critical to preserve rights.

¹ Learning Res., Inc. v. Trump, No. 24–1287, 2026 WL 477534 (U.S. Feb. 20, 2026).

REPLACEMENT TRADE MEASURES LIKELY

The administration has publicly indicated it intends to replace the invalidated tariffs using alternative legal authorities. In recent remarks, the administration announced a proposed 150-day baseline 10% or 15% tariff framework on certain imports, premised on alternate statutory authority.² While details remain limited, these statements signal the administration's continued focus on tariffs on a forward basis, possibly implemented under Sections 122, 232 or 301, or alternate trade specific legislative authority.

Procedural compliance with tariffs or refunds continue to strain businesses. Country or product specific tariffs will continue to materially affect profits and supply chain logistics. Companies should anticipate that the landscape and procedural steps will continue to evolve in response to the ruling, but should prepare to seek refunds for applicable periods, amounts or products.

TAX AND FINANCIAL REPORTING CONSIDERATIONS

If refunds are ultimately authorized for tariffs previously paid, companies will need to consider accounting treatment, potential income recognition issues, and any impact on prior cost calculations. Coordination among legal, tax, and finance teams will be important to assess both immediate and longer-term implications.

NEXT STEPS FOR BUSINESSES TO CONSIDER

1. Conduct a tariff exposure assessment.
2. Quantify potential refund amounts.
3. Monitor ongoing litigation and regulatory responses.
4. Evaluate contingency planning for replacement trade measures.

While this existing tariff regime has been struck down, businesses now face a transitional period of regulatory uncertainty. Hahn Loeser & Parks LLP will continue to monitor developments and provide updates as guidance emerges regarding refunds and future trade policy actions.

AUTHORS



ELISHA A. HARP, OF COUNSEL
eharp@hahnlaw.com
619.810.4322



C. DANIEL MILLER, ASSOCIATE
dmiller@hahnlaw.com
216.274.2458

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² “The White House, Fact Sheet: President Donald J. Trump Imposes a Temporary Import Duty to Address Fundamental International Payment Problems” (Feb. 20, 2026) <https://www.whitehouse.gov/fact-sheets/2026/02/fact-sheet-president-donald-j-trump-imposes-a-temporary-import-duty-to-address-fundamental-international-payment-problems/>.