

SUPREME COURT INVALIDATES IEEPA TARIFFS: IMMEDIATE REFUND AND COMPLIANCE IMPLICATIONS FOR IMPORTERS

Today (Feb. 20, 2026), the U.S. Supreme Court held in *Learning Resources, Inc. v. Trump* that the International Emergency Economic Powers Act (IEEPA) does not authorize the President to impose tariffs. In a 6–3 decision, the Court concluded that the President exceeded statutory authority by using emergency powers to levy what are, constitutionally, taxes. Chief Justice Roberts wrote for the majority, joined in relevant part by Justices Gorsuch and Barrett, while Justices Thomas, Kavanaugh, and Alito dissented. The decision invalidates the broad “drug trafficking” and “reciprocal” tariffs that had been imposed under IEEPA authority, including duties applied across virtually all trading partners.

The Court emphasized that tariffs are a core component of Congress’s Article I power to “lay and collect Taxes, Duties, Imposts and Excises.” Tariff authority is fundamentally legislative in nature, and any delegation of that power must therefore be clearly and expressly stated by Congress. IEEPA authorizes the President to “regulate ... importation,” but it does not mention tariffs or duties. Applying the major questions doctrine, the Court held that sweeping, economy-wide tariffs of unlimited scope and duration require unmistakable congressional authorization, which IEEPA does not provide.

Importantly, the ruling is limited to tariffs imposed under IEEPA. It does not affect duties imposed under other trade statutes, including Section 232 of the Trade Expansion Act (national security) and Section 301 of the Trade Act of 1974 (unfair trade practices), safeguards, or AD/CVD measures. Those authorities remain intact.

In light of the Court’s decision, the Trump administration is likely to shift its focus to other statutory tariff authorities that remain legally viable, including Section 232 and Section 301 of the Trade Act of 1974 (unfair trade practices). Unlike IEEPA, however, those statutes contain defined procedural and substantive guardrails. Section 232 requires a Commerce Department investigation and a formal determination that imports threaten to impair national security before duties may be imposed, while Section 301 requires a United States Trade Representative (USTR) investigation, findings of unfair trade practices, and

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adherence to consultation and notice requirements. Both statutes also operate within established statutory frameworks and are subject to judicial review. As a result, although alternative tariff actions remain available to the administration, they will require additional vetting, investigative findings, and procedural compliance before new duties can be implemented.

From a customs perspective, **refunds are not automatic**. Importers must assess the liquidation status of affected entries. For unliquidated entries, post-summary corrections (PSC) may be appropriate. For entries liquidated within the past 180 days, timely protests under 19 U.S.C. §1514 are critical to preserve refund rights. Entries liquidated beyond the protest window present more complex litigation questions and may require Court of International Trade action depending on procedural posture.

Immediate review of entry data and protest deadlines is therefore essential to preserve potential recovery. The first IEEPA tariffs were implemented on Feb. 1, 2025. Accordingly, entries made on or shortly after that date may begin liquidating approximately 314 days after entry, potentially starting around Dec. 12, 2025, with the first 180-day protest period for those earliest liquidations expiring around June 10, 2026. Importers should not rely solely on this projected timeline, however, as liquidation dates may be extended or suspended by CBP or may have occurred earlier than anticipated. **Each entry should be reviewed individually to confirm its actual liquidation date and to calculate the precise protest deadline.**

PRACTICAL NEXT STEPS FOR IMPORTERS:

1. **Identify affected entries:** Run ACE reports for all entries subject to IEEPA duty HTS during the relevant tariff period. Look for any use of an HTSUS code that begins with **9903.01** (IEEPA “drug trafficking” tariffs – Canada, Mexico, China programs) or **9903.02** (used for the broader “reciprocal” global tariff framework).
2. **Confirm liquidation status:** Determine whether entries are unliquidated, liquidated within 180 days, or beyond the protest window.
3. **Calendar protest deadlines:** For liquidated entries, calculate the 180-day deadline under 19 U.S.C. §1514 from the date of liquidation.
4. **File protective protests where appropriate:** Preserve refund rights even if CBP guidance is pending.
5. **File PSCs for unliquidated entries:** For entries that remain unliquidated, submit a Post-Summary Correction (PSC) in ACE to remove the 9903.01 or 9903.02 duty line before liquidation. The PSC filing window remains open (generally up to 15 days prior to scheduled liquidation).



6. Quantify financial exposure and potential recovery: Calculate duty paid, potential refunds, and applicable statutory interest.

We will continue to monitor developments closely, including forthcoming Federal Register notices and CBP implementation guidance, as the mechanics of liquidation, refund processing, and procedural requirements may materially affect timing and available remedies. We expect additional clarification from CBP regarding entry corrections, protest handling, and refund administration.

If you have questions regarding specific entries, protest strategy, PSC filings, or potential recovery exposure, please reach out to our team to discuss a tailored review and action plan.