

Vital Briefing—Tariff Insights

Trump threatens to raise tariffs on European autos

By [Thomas Thompson](#)

In a move that exacerbated already heightened tensions with the EU, Trump wrote in a [Truth Social post](#) on Friday, May 1, that the U.S. would increase tariffs on European automobile and auto part imports to 25 percent from the current 15 percent.

“This latest move demonstrates just how unreliable the U.S. side is,” the EU Parliament’s trade committee chair Bernd Lange [shot back](#).

The EU’s pace adopting into law the deal Trump struck with the EU in July 2025 has drawn the president’s ire. The legislative process is on track to finish in June.

Trump has also been frustrated by EU member countries’ refusal actively to join U.S. military operations against Iran since, along with Israel, the U.S. launched attacks on the country at the end of February.

A statement by Germany’s leader, Chancellor Friedrich Merz, earlier in the week that, “A whole nation is being humiliated by the Iranian leadership,” was widely [reported](#). Higher tariffs would hit Germany’s automakers particularly hard. Germany is the largest automaker in Europe and the EU’s largest auto exporter.

As a concession by Trump to the EU, the 15 percent tariff rate came into effect for all imports from EU nations once the

European Parliament began its legislative process to implement a new trade law in September.

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The July trade agreement, memorialized in a framework agreement in August, made its way through the EU legislative process. Draft legislation was approved by the legislative body’s trade committee on March 17 and approved by the Parliament on March 26. The trade law still must be agreed to by the European Commission and adopted individually by the 27 EU member states.

The current 15 percent general tariff level replaced a prevailing rate of 27.5 percent, which is where tariff rates on EU imports

settled after Trump initiated his global tariff policies on April 2, 2025.

“A deal is a deal, and we have a deal,” [said](#) European Commission President Ursula von der Leyen on Tuesday, regarding the July 2025 agreement with Trump. She also said the Commission would “remain very calm.” On Monday, German Vice Chancellor Lars Klingbeil, [told](#) reporters in Brussels, “Our path is clear: we do not want escalation,” adding that they “want to achieve a joint solution.”

The present legislation emerged from some hard negotiations among the EU parliamentarians, the majority of whom are from center-right parties. The draft the trade committee approved on March 17 contains a “sunrise” clause that says that the elimination of European tariffs on U.S. industrial goods only comes into effect once the U.S. has implemented all commitments under the deal.

Largely in response to Trump’s threats against Denmark and other EU countries regarding Greenland, the committee included a suspension clause immediately stopping implementation of the tariff preferences on U.S. products if the U.S. imposes new tariffs because of EU or member states’ foreign policy decisions.

The suspension and sunrise clauses are elements of what the parliamentary trade committee in March [characterized](#) as a

“clear, multi-tiered safety net addressing key short comings of the Commission proposal.” The proposal to the parliament from the European Commission hewed to the August framework agreement with the U.S.

Tariff refund progress. On April 28, U.S. Customs and Border Patrol [told](#) Judge Richard K. Eaton of the Court of International Trade (CIT) that “Customs anticipates issuing the first refund on or about May 11, 2026,” according to an order issued that day by the judge. The automated system that importers must use to claim refunds launched on April 20, just three weeks earlier.

Despite the projected rapid processing of the first refund claims, Customs still [warns](#) on its website, “Importers and authorized brokers should anticipate that valid IEEPA [International Emergency Economic Powers Act] refunds will generally be issued within 60 – 90 days following acceptance.”

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Refunds to importers were ordered in early March by Judge Eaton after \$166 billion in tariffs collected by the Trump administration under IEEPA were deemed

by the Supreme Court in February to have been illegal.

Customs has developed procedures and software to support paying about two-thirds of potential claims so far but has not told the CIT what its plans are for handling claims on the oldest third of the likely refund claims.

The court’s order in March was prompted by Justice Department lawyers temporizing about the administration’s plans for returning money to importers during a hearing on a related tariff refund case. Eaton’s order was unequivocal in calling for the government to refund all tariffs it collected under IEEPA.

In a blog post titled “Tariff Refunds Could Start Flowing Soon but Protests Still Important,” international trade law firm Sandler, Travis & Rosenberg [reminded](#) readers on May 1, “In the meantime, there are still a number of factors that could impact or delay the refund process.”

“For example, the Department of Justice still has until June 6 to file an appeal of the CIT order directing CBP to refund all IEEPA tariffs,” the blog continued.