

Vital Briefing—Tariff Insights

Tariff levels look to tick upwards

By Thomas Thompson

Volatility in tariff levels receded this year once the U.S. Supreme Court struck down Trump's favored law for imposing them.

President Trump's tariffs have varied widely across countries and imported products and from time to time. Across-the-board 10 percent tariffs replaced most of them after the court's finding that the International Emergency Economic Powers Act (IEEPA) does not provide the sweeping tariff authority that Trump invoked.

According to the Washington, D.C., Tax Policy Center (TPC), the average statutory tariff rate (ASTR) for all imports reached 18 percent early in Trump's second term before drifting to about 13.5 percent for much of the year. The average peaked when the tariff war with China flared and fell as tariff war truces were declared. Trump's numerous tariff deals also helped dampen the average as they came into effect.

After the Supreme Court decision, the ASTR fell to 9.3 percent.

Rising tariff rates. Updating its tariff tracker on July 8, the TPC now forecasts average rates will begin to rise again later this month, eventually reaching 10.1 percent.

ASTR is calculated by averaging the officially assessed tariff rate weighted by the total value of imported goods subject to that tariff rate. It differs from the

"effective tariff rate" which results from dividing tariff revenues actually collected by the total value of imports.

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The ASTR was about 2.8 percent prior to Trump's second term.

The current ASTR includes existing Section 232 and Section 301 tariffs as well as temporary 10 percent Section 122 tariffs, which expire on July 24. Trump imposed Section 122 tariffs on all imports from U.S.

trading partners immediately after losing IEEPA as a tool.

Section 122 of the Trade Act of 1974 allows the president to impose a tariff for 150 days to fix an international payments problem.

Tariffs imposed under Section 232 of the Trade Expansion Act of 1962 require a presidential finding that the importation of the subject goods may constitute a threat to national security. Section 232 tariffs are specific to the imported item regardless of origin.

Trade Act of 1974 Section 301 tariffs are assessed generally on all products from a country. Recent Section 301 investigations found that the 60 countries that account for 99 percent of U.S. imports do not sufficiently address the trade in goods produced by forced labor.

The administration has indicated that it is considering separate unfair practices investigations for 16 countries under Section 301.

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Administration resists full refunds. In a June 9 hearing at the Court of International Trade (CIT) regarding the refunding process, Customs and Border Patrol (CBP) Executive Assistant Commissioner for Trade Susan Thomas [told](#) the court that her agency can only issue refunds on a fully liquidated tariff entry when ordered by the court after an importer has sued the CBP for the refund.

“Liquidation” refers to the government’s process for finally ascertaining the duties owed on a shipment. The usual process takes 314 days. It is followed by a 180-day dispute period after which the tariff liability has been fully liquidated.

Up to \$40 billion in refunds are at stake, according to early estimates.

Judge Robert K. Easton, who conducted the status hearing, previously ordered the agency to make full and timely repayments for all refunds. The Department of Justice has appealed the order as it pertains to fully liquidated tariff entries.

At the hearing, CBP said it would roll out the second and third phases of the Consolidated Administration and Processing of Entries (CAPE), its IEEPA tariff refund process, this summer.

Refund payments began flowing to U.S. importers in May. The May and June refunds totaled about \$71 billion, 42 percent of the \$166 billion in IEEPA-based tariffs collected by CBP from February 2025 through February 2026.

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Duty-free airplanes. Walking away from an opportunity to impose tariffs on commercial aeronautic imports, Trump instead called for continued discussions with trading partners to reduce imports.

The Commerce Department concluded a formal Section 232 investigation of aeronautic imports earlier this year, finding current import levels posed a threat to national security.

In a proclamation issued on June 9, Trump [directed](#) the Commerce Department and the Office of the U.S. Trade Representative to “jointly pursue negotiation of agreements or continue any current negotiations of agreements to address the threatened impairment of the national security with respect to imported commercial aircraft, jet engines, and their associated parts, with any foreign trading partner the Secretary and the Trade Representative deem appropriate.”

The White House’s proclamation indicates that tariffs are not off the table, saying, “That initial plan of action may include negotiations of agreements along with other actions to adjust imports to address the national security threat, including tariffs.”

The U.S. has allowed [duty-free](#) imports of commercial aircraft and parts since 1980 when it signed an agreement with 31 countries, including Canada, Japan and the members of the EU, to eliminate tariffs on aeronautical imports from each other.

According to a recent [article in Reuters](#) the free-trade treaty has led to a U.S. \$75 billion annual trade surplus in civil aircraft and components. Trump often touts his success in securing foreign government commitments to purchase Boeing aircraft when he announces trade deals.