

Tariffs and Revenues

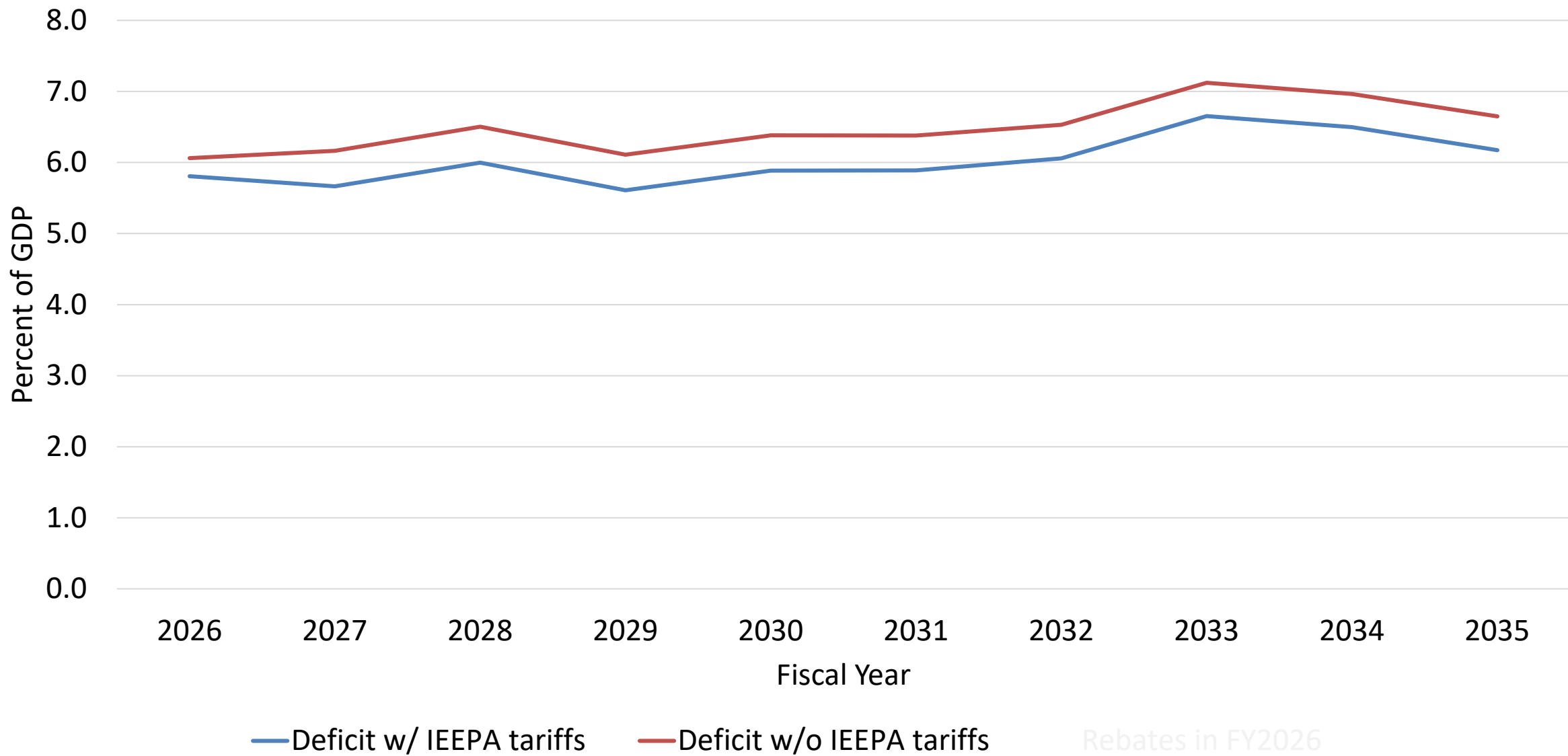
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IEEPA Tariffs

- SCOTUS struck down IEEPA tariffs on 2/20/26
- According to recent (3/5/26) CBO estimates, the FY2026-2036 revenue effects are \$1.6 trillion in revenues and \$400 billion in debt service, not including amounts collected before SCOTUS ruling
- Amounts to just under 0.5 percent of GDP annually

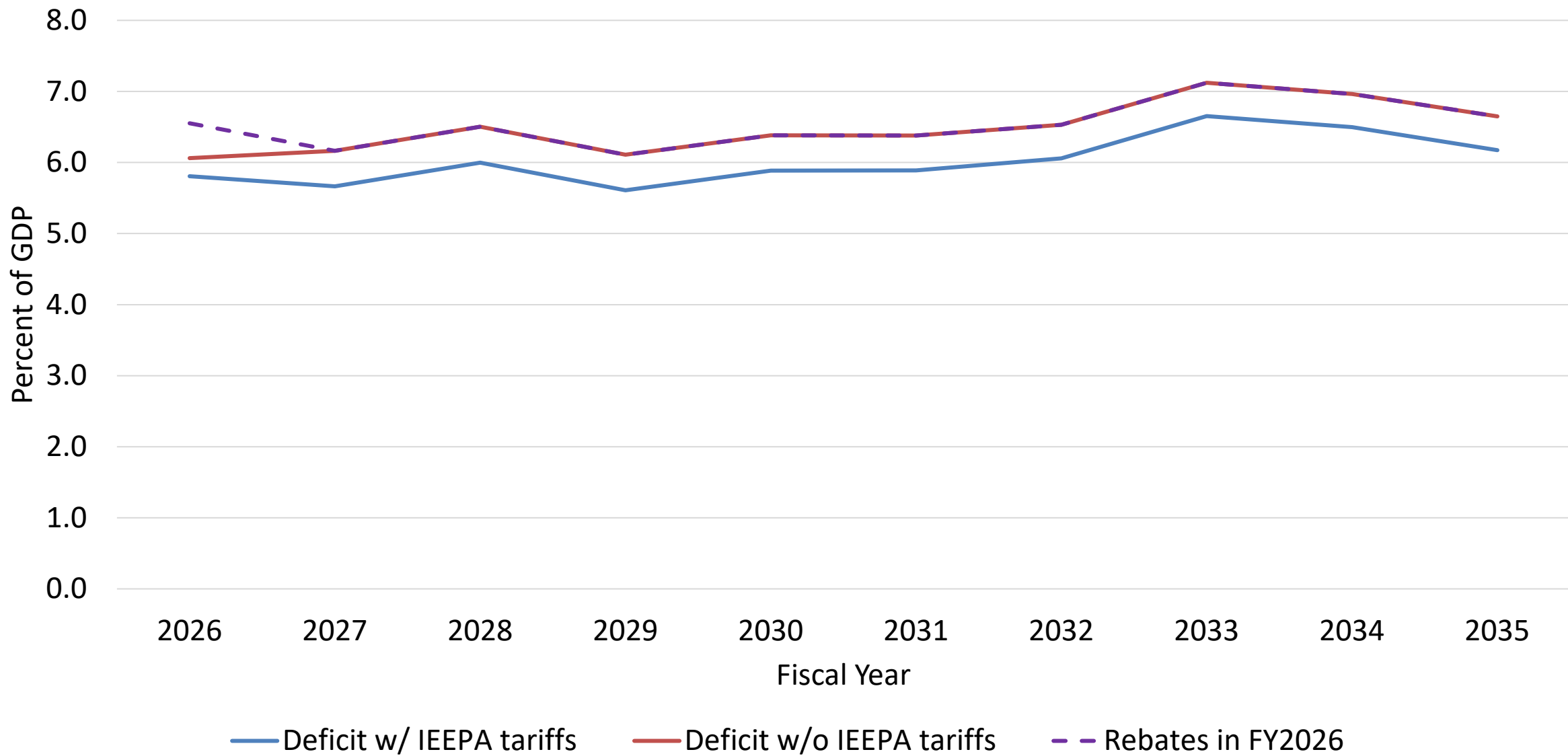
Elimination of IEEPA Tariffs



Questions

- How much will actually be refunded to importers?
 - CBO estimates roughly \$150 billion collected from January 2025 – February 20, 2026
 - These refunds are not automatic, requiring filing
- When will the refunds occur?
 - Could be several months
 - Could have a large effect on FY2026 deficit

Elimination of IEEPA Tariffs



Recent Developments

- After SCOTUS decision, many tariffs re-introduced under Sec. 122 of Trade Act of 1974
- Brought tariff rates and revenue partially back, temporarily
 - Effective tariff rate went from 14.3% to 7.3% to 10.5% (Budget Lab at Yale, 3/9/26)
- But Sec. 122 tariffs have 150-day statutory limit
- Sec. 122 tariffs also stand a good chance of being struck down by SCOTUS, having already lost in Court of International Trade
 - A balance of payments crisis??