Plymouth Institute for Free Enterprise

Reduce Tariffs on Final Consumer Products

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TOPLINE: Tariffs and other trade barriers on final consumer products imported from friendly nations should be reduced.

BACKGROUND: In 2025, the second Trump administration imposed substantial new tariffs on imports from every country in the world. The broadest and most substantial tariffs were imposed using the International Emergency Economic Powers Act (IEEPA). The Supreme Court held in *Learning Resources, Inc. v. Trump* that the IEEPA tariffs were unlawful. Approximately $165 billion in unlawful IEEPA tariffs were imposed. Subsequently, the administration used section 122 of the Trade Act to impose a global 10% tariff on most imported products from all countries for 150 days. The administration has used section 232 of the Trade Expansion Act to impose tariffs on many final consumer products, including cars, trucks, wood products, furniture, and household goods. It has used section 301 of the Trade Act to impose tariffs on goods imported from dozens of countries. The legality of most of these tariffs is being challenged in court. Most recently, the administration used section 338 of the Tariff Act to impose 50% tariffs on certain imports from Canada. Even putting aside legality, studies indicate that Americans bear the vast majority of the incidence of these taxes.

Action Items (Congress or the Administration):

- Congress (or the administration) should **eliminate most new tariffs on final consumer products imported from countries that are not geopolitically hostile**.
  - For the most part, this means eliminating tariffs imposed during the second Trump administration. Tariffs on goods from hostile countries (China, Russia, Belarus, Iran, North Korea, Cuba and Venezuela) should be maintained.
- The law governing countervailing duties and anti-dumping duties would remain unchanged.
- Congress should **repeal section 122 of the Trade Act of 1974** (19 U.S.C. § 2132) authorizing the President to impose tariffs of up to 15% for up to 150 days in the case of "large and serious United States balance-of-payments deficits or to prevent an imminent and significant depreciation of the dollar."

How It Would Make Life More Affordable:

- Lowering tariffs on final consumer goods would reduce the price of those goods and reduce the cost of living. Empirical evidence indicates that roughly 90% of tariffs are borne by consumers in the form of higher prices.
- International trade is mutually beneficial.

Related Legislation: Stop Global Tariffs Act (H.R. 8228); Reclaim Trade Powers Act (S. 4049, H.R. 2459).

BOTTOMLINE: The administration should be working to reduce the cost of living. Instead, its tariff policy is substantially raising prices and the cost of living.