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New Section 232 Tariffs on Lumber, and Derivative Products; Industry Group Files Petitions Requesting a Quota System and Global Tariffs on Quartz Surface Products

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President Trump has imposed tariffs on timber, lumber, and certain derivative products under Section 232 of the Trade Expansion Act of 1962, effective October 14, 2025. Imports of softwood timber and lumber will be subject to a 10 percent tariff; imports of certain upholstered wooden products will be subject to a 25 percent tariff; and imports of kitchen cabinets and vanities, including those that are completed and their parts, will be subject to a 25 percent tariff. Further, effective January 1, 2026, the tariff rates for upholstered wooden products and kitchen cabinets and vanities will increase to 30 and 50 percent, respectively. Additionally, an association of quartz surface product (QSP) manufacturers petitioned the International Trade Commission to initiate an investigation under Section 201 and 202 of the Trade Act of 1974, seeking a quota system and 50 percent tariffs on all QSP imports. Cost increases are expected for multi-family and residential housing projects.

Tariffs on Timber, Lumber, and Their Derivative Products

The Trump Administration took its latest step in implementing tariffs under Section 232 of the Trade Expansion Act of 1962 by acting under its investigation into the effects of imports of timber, lumber, and their derivative products (collectively, wood products) on the national security of the United States. Pursuant to the investigation, the President has imposed tariffs on the following merchandise:

- Softwood timber and lumber: 10 percent
- Upholstered wooden products: 25 percent
- Kitchen cabinets and vanities: 25 percent

These tariffs will apply to all subject articles entered for consumption or withdrawn from warehouse for consumption on and after October 14, 2025.

Additionally, for the first time, the President has introduced a scaled increase of rates by ordering that the tariff rates for upholstered wooden products and kitchen cabinets and vanities will increase to 30 and 50 percent, respectively. This increase is effective January 1, 2026.

Key Characteristics

- These tariffs will not stack with the tariffs imposed under the International Emergency Economic Powers Act (IEEPA).
- Products from countries that have reached trade agreements with the United States that are classified within the scope of these tariffs will receive special treatment. For example, those from the United Kingdom will face a 10 percent tariff; those from the European Union and Japan will face a 15 percent tariff.

- The Bureau of Industry and Security within the Department of Commerce will be continually monitoring the imports of subject goods and add further derivative products to those that are subject to the tariffs.

Section 201 Petition Related to Imports of Quartz Surface Products

The Quartz Manufacturing Alliance of America (QMAA), a group comprised of three manufacturers and one distributor of quartz surface products (QSP), filed a petition requesting that the International Trade Commission (ITC) commence an investigation under Section 201 and 202 of the Trade Act of 1974 on September 15, 2025. The QMAA is requesting that the ITC recommend that President Trump impose a quota system and 50 percent tariffs on all QSP imports because of alleged evasion of antidumping and countervailing duties on QSP.

If the ITC decides to commence an investigation, interested parties, which could include tile manufacturers and the construction industry, will have the opportunity to provide comments and educate the ITC regarding the QSP import landscape. The ITC will consider the comments along with the information provided in the petition to determine whether the imports are a substantial cause or threat of serious injury to a U.S. industry. If the imports cause or threaten to cause a serious injury, the ITC will recommend a course of action to the President, which may track the petitioner's requested relief.

Construction Industry Impact

The new Section 232 tariffs will have an impact on the construction industry and, in particular, multifamily and residential housing projects that are stick-built and incorporate large volumes of quartz and kitchen cabinets as standard building components. In the short term, these tariffs will increase construction costs for existing projects, reduce profit margins, and create an environment for disputes over whose responsibility it is to pay for the increased costs. In the long term, increased budgets may have a chilling effect on project financing and new project starts, potentially exacerbating an existing housing shortage. Ultimately, the tariffs could drive up overall housing costs.

Putting aside the potential long-term impacts, developers, contractors, and subcontractors alike need to plan for the immediate impact of the tariffs. For existing projects, the parties will need to assess the impact (if any) of the new tariffs and attempt to mitigate any costs or schedule impacts. It will be necessary to review contract language to evaluate potential funding sources (such as contingencies) and determine whether any relief is available or due. For future projects, the parties need to address sourcing of the building components and allocate responsibility for costs and associated risks in their respective proposals and contracts. Regardless, communication is the key. The impact of existing tariffs and potential for new tariffs should be considered by all parties throughout the life of a project – the earlier the better – and the parties should communicate and exercise best efforts to collectively manage the impacts and risks.

Both our International Trade and National Security and Construction teams will continue to monitor developments and provide updates as warranted. If you have any questions or would like to discuss this in further detail, please reach out to [P. Lee Smith](#), [Matthew McGee](#), [Georgia Berthelot](#), or any member of Baker Donelson's [International Trade and National Security](#) team or [Michael Schollaert](#) or any member of Baker Donelson's [Construction](#) Team.