

# PUBLICATION

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## Trade Policy Shifts: IEEPA Tariffs End, Section 122 Begins, and Sections 301 and 232 Activity Grows

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UPDATE as of March 4:

**On March 4, the Court of International Trade (CIT) issued an order in one of the many IEEPA refund proceedings directing U.S. Customs and Border Protection to liquidate any unliquidated entries without IEEPA tariffs and to reliquidate entries without the IEEPA tariffs. We expect the Government to fight the order and appeal. Thus, this is not the final resolution in the ongoing IEEPA refund litigation. It is clear, however, that the CIT will not be delaying the process. The signal is that the legal proceedings will move faster than expected, which is good news. We continue to monitor the situation.**

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The Supreme Court has officially weighed in: the International Emergency Economic Powers Act (IEEPA) does not permit the President to impose tariffs. The ruling, issued February 20, 2026, invalidates the Trump administration's IEEPA duties, including the fentanyl and reciprocal tariffs, while leaving tariffs under Sections 301 and 232 in place. The President has issued an executive order ending the IEEPA tariffs and U.S. Customs and Border Protection (CBP) will no longer collect IEEPA tariffs for merchandise entered beginning February 24, 2026. Importers will likely need to seek refunds before the United States Court of International Trade. The President intends to keep the IEEPA tariff scenario largely intact through other provisions. To that end, the President imposed a 15 percent tariff under Section 122 for a 150 day period beginning February 24, 2026. Certain product categories are exempt, including those currently exempt. The administration is also expected to expand its use of Section 301 and Section 232 authorities.

### When Will Importers Stop Paying IEEPA Tariffs?

Following the Supreme Court's decision, President Trump issued an executive order instructing that all IEEPA-based tariffs "shall no longer be in effect and, as soon as practicable, shall no longer be collected." CPB issued guidance stating that IEEPA duties will no longer be in effect and will no longer be collected for goods entered for consumption or withdrawn from warehouse for consumption on or after midnight EST on February 24, 2026.

### Are Refunds Available for IEEPA Duties Already Paid?

The Supreme Court did not opine as to the refund process. Instead, by affirming the Court of Appeals for the Federal Circuit's ruling, the case will now return to the Court of International Trade to determine the remedy. When asked about refunds at a press conference, President Trump stated that refunds will be litigated, signaling that it is unlikely that the government will engage in a voluntary process to administer refunds. Rather, importers will be required to seek judicial relief to obtain a refund. The Court of International Trade will be the proper venue for importers to seek a refund.

## What Happens Next on Tariffs?

### New Section 122 Tariff

Within hours of the Supreme Court's decision, President Trump signed a proclamation imposing a 10 percent tariff – which was raised to 15 percent the following day – on practically all merchandise imported into the United States under Section 122 of the Trade Act of 1974. These tariffs take effect February 24, 2026, and will remain in place for 150 days – until July 24, 2026 – unless extended by an act of Congress.

The proclamation exempts 13 categories of products, largely mirroring previous IEEPA tariff exemptions and Section 232 exemptions, including:

- certain critical minerals;
- metals used in currency and bullion;
- energy and energy products;
- natural resources and fertilizers that cannot be obtained in the United States;
- certain agricultural products, including beef, tomatoes, and oranges;
- pharmaceuticals and pharmaceutical ingredients;
- certain electronics;
- passenger vehicles, light trucks, medium- and heavy-duty vehicles, buses, and parts thereof;
- certain aerospace products;
- information materials, donations, and accompanied baggage;
- all articles subject to Section 232;
- United States-Mexico-Canada Agreement (USMCA)-compliant articles; and
- textile and apparel articles that are entered free of duty under the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR).

Thus, the new Section 122 duties do not stack on top of the existing Section 232 duties, operating in a similar fashion as the IEEPA tariffs. For steel, aluminum, and copper derivative products, Section 122 duties will apply to the non-metal content, similarly to the IEEPA framework. However, there is no exemption for U.S. content under the Section 122 tariffs.

### Section 301, Section 232, and Antidumping and Countervailing Duties

Existing tariffs under Sections 301, 232, 201, and the antidumping and countervailing duty (AD/CVD) statutes are unaffected by the Supreme Court's decision. The administration is expected to further leverage these tools to maintain tariffs, as the President's tariff authority under these provisions is clearly delegated from Congress.

Related to Section 301, the Office of the United States Trade Representative (USTR) confirmed the launch of multiple new Section 301 investigations targeting a wide range of trading partners and issues, including pharmaceutical pricing practices, industrial overcapacity, forced labor, digital services taxes, seafood and rice practices, ocean pollution, and alleged discrimination against U.S. technology firms. USTR stated that these investigations will be conducted on an accelerated timeframe.

The Bureau of Industry and Security (BIS) has numerous Section 232 actions where industry-specific tariffs may be increased. In addition to steel, aluminum, and automobiles, BIS's active Section 232 investigations span a wide range of industries, including:

- robotics and industrial machinery;
- PPE and other medical supplies;
- wind turbines;

- unmanned aircraft systems;
- polysilicon;
- commercial aircraft and jet engines;
- processed critical minerals;
- medium- and heavy-duty trucks and related parts;
- pharmaceuticals and their ingredients;
- semiconductors and chip-making equipment;
- timber and lumber; and
- copper.

As in prior years, President Trump may impose tariffs on covered merchandise and derivative products once these investigations are completed.

The United States Department of Commerce also administers the AD/CVD statutes and conducts investigations into unfair pricing and unfair government subsidization. While these investigations are normally initiated by injured U.S. manufacturing industries, stronger action is expected under these investigations, which may lead to an increase in tariff rates for affected merchandise.

### **Increasing Tariff Enforcement by Customs and Border Protection**

Enforcement by CBP will continue to increase to ensure the tariffs that are in place are fully collected. CBP is expected to issue CF-28 and CF-29 to importers to ensure accurate reporting and complete tariff payments. This is in line with the Department of Justice's White Collar Enforcement Plan, which identifies trade and customs fraud as an enforcement priority to "ensure that American businesses are competing on a level playing field in global trade and commerce." More details regarding enforcement are discussed in our [June 11, 2025 client alert](#).

Our International Trade and National Security Team 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 contact [P. Lee Smith](#), [Matthew McGee](#), [Georgia Berthelot](#), or any member of Baker Donelson's [International Trade and National Security Team](#).