

# Should Your Company Be Considering Recovering Tariff Refunds Collected By Its Importers?

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*The short answer is:* yes. If your company paid tariff-related price increases to an importer, and that counterparty has now received a refund of the underlying IEEPA duties, your company may have a basis to seek a credit, negotiated allocation, or legal recovery. The strongest cases involve separately stated tariff charges, but they are not the only cases worth pursuing.

## Refunds are moving; commercial purchasers should move too

The government refund process is no longer theoretical. By July 31, 2026, U.S. Customs and Border Protection had paid approximately \$100 billion of the roughly \$166 billion in IEEPA duties collected and had accepted another \$28 billion in refund claims through its CAPE portal. (Finally liquidated entries represent an estimated \$11.4 billion, or about 6.9%, and remain procedurally unresolved). In other words, most of the money collected is already refunded or moving through the process.

That progress changes the practical question for many companies. The first question was whether importers of record could recover



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duties from the government. The next question is whether companies that funded those duties through higher purchase prices or tariff surcharges should receive some or all of the resulting refunds.

## Importers of record have largely protected their own claims—but liquidated entries still need attention

Most sophisticated companies that served as importers of record have already submitted claims for unliquidated entries. Your company likely did the same. Those refund claims should continue to be tracked through payment and reconciliation. See IEEPA duty-refund program.

Claims involving finally liquidated entries require separate attention. The ordinary protest period has expired for those entries, and the government has maintained that it lacks authority to refund them without an individual court order.

Litigation in the Court of International Trade continues, with importers with liquidated entries now seeking to proceed on a class-wide basis. Companies holding liquidated entries should monitor CAPE functionality, evaluate the need for protective filings in the CIT, and consider that further steps may be required to obtain recoveries.

### **The Next Recovery Opportunity may be sitting with your importers**

It is just a fact that companies that buy imported goods often paid more because of IEEPA tariffs even when they were not the importer of record. In many transactions, an importer paid the duty at entry and then passed the cost downstream through a surcharge, an invoice line item, a stated percentage, or a price increase.

If that importer has received—or will receive—a refund, the commercial purchaser

should ask whether the economic and contractual basis for the original charge permits the importer to retain the money, or whether it should flow to the downstream purchaser. That question is highly fact-specific, but it is now concrete enough to justify serious consideration by companies with significant purchases from importers.

### **Some distribution markets are fertile ground for pass-through claims**

Pass-through claims may arise in markets where importers and distributors play a central role in supplying intermediate goods, raw materials, components, assemblies, and capital equipment to repeat commercial customers.

A market is particularly worth examining where:

- A limited number of importers accounts for a substantial share of U.S. supply
- Customers make sizable or repeated purchases that become material annual expenditures

Companies should prioritize markets involving material or recurring purchases from importers, including the following input-product categories:

| • <b>MARKET CATEGORY</b>                           | • <b>REPRESENTATIVE INPUTS</b>                                                               |
|----------------------------------------------------|----------------------------------------------------------------------------------------------|
| • <b>Chemicals and advanced materials</b>          | • Specialty and industrial chemicals; polymers and resins; functional additives              |
| • <b>Metals and alloys</b>                         | • Specialty metals and alloys                                                                |
| • <b>Electronics and automation</b>                | • Electronic components; automation systems; controls and other production-system components |
| • <b>Food, beverage, and pharmaceutical inputs</b> | • Food, beverage, and pharmaceutical ingredients                                             |
| • <b>Industrial consumables</b>                    | • Adhesives, sealants, and lubricants                                                        |
| • <b>Machinery and production equipment</b>        | • Industrial machinery, equipment, and tooling                                               |

## What Is the Evidence for claims against importers?

One of the strengths of potential B2B tariff recovery claims is that they are founded on direct contractual relationships between customers and importers. In some of these cases, pass-through may be obvious if tariff surcharges were expressly stated on invoices.

In other cases, a customer may have the firm conviction that an importer's prices—particularly if they reflect price increases around the date that tariffs were imposed—incorporated the IEEPA tariffs it paid, and passed that tariff on to the customer.

The strength of such claims will depend on the specific circumstances, including contract terms, communications between the parties, and their course of dealing. Assistance of counsel may be required to understand the strength of a potential claim.

### **How much are importers getting from IEEPA refunds? 10%-20% of the import price is in most cases a reasonable starting point**

- The minimum IEEPA tariff was 10% in almost all cases (with the notable exception of duty-free USMCA imports from Canada and Mexico).
- In many cases, refundable IEEPA tariffs were much higher (e.g., Vietnam: 20%; China: generally, 20%-30%, but 145% for 4/9/25-5/11/25); Mexico non-USMCA: 25%). See Presidential 2025 Tariff Actions: Timeline and Status | Congress.gov | Library of Congress.

Non-IEEPA tariffs—e.g., China-specific Section 301 tariffs, industry-specific Section 232 tariffs—are generally non-refundable, and should be removed from any recovery calculation

## Practical steps to review your potential claim

*Determine the amount at issue: is it worth your time?*

- Ask your procurement, purchasing or accounts payable teams to assemble invoices that expressly include IEEPA tariff surcharges, and to report the amount attributable to each of your importers. These are the low-hanging fruit.
- Where tariffs are expressly reported, but not designated as IEEPA tariffs, you may need to evaluate whether other, non-refundable tariffs, were included.
- Where tariffs were not included as a line item, more work is required.
- Identify purchases from importers of non-US-origin goods, where the importer would have paid any tariff.
- A very rough estimate of a possible recovery is 10%-20% of the purchases from such an importer.
- More precision could be reached by identifying the country of origin of the goods and the associated tariff rate.
- The strength of the claim will depend on many factors—including whether you observed price increases from the importer in or around February 2025 and thereafter.
- Any recovery will come from each importer individually. There must be enough potential recovery from a particular importer to justify the efforts to recover an overpayment that is rightfully yours. This will be an importer-by-importer negotiation—or battle.
- A preliminary examination should indicate whether it is worth devoting corporate resources to pursue the potential recovery.

## Engage with your importer

- Ask your importer about their intentions: have they recovered an IEEPA tariff refund? Do they plan to seek one? Will they commit to passing on to you any refunds they obtain relating to goods they sold you? How will they allocate refunds they receive?
- Any communications should be documented in writing and carefully prepared, preferably with the assistance of counsel.
- If the importer's answer is unsatisfactory and the potential recovery material, it is time to engage counsel

## Consider business relations and follow-on effects

- A customer may rely on its importer to distribute the customer's own products, or it may be an importer and distributor itself, potentially exposing itself to reciprocal demands if it makes a demand for repayment from its importer.
- The importance of a distributor relationship may suggest a non-confrontational approach.
- The appropriate action in every case will

depend on the particular circumstances of the relevant business relationships.

- If your importer is not cooperating, you may be headed toward litigation. Retain all documents and, as appropriate, consult counsel.

## Now is the time to consider your company's potential recovery

Government refunds are already reaching importers. Some importers have promised to pass through credits. Some promised pass-throughs are reportedly moving slowly, and may require attention. Other importers have not made any commitment to pass on IEEPA tariff refunds to their customers.

Companies with material purchases from such importers should not wait for downstream litigation to become commonplace. Evidence should be assembled while purchasing records, pricing communications, and personnel recollections remain easily available. The longer an importer holds on to a refund that properly belongs to its customer, the more work may be required for the customer to obtain what it is owed.

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