

## INTERNATIONAL TRADE AND TARIFFS



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## **Services**

international Trade and Tariffs

## Contact

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## Additional Tariffs Levied on Automobiles and Automobile Parts Under Sections 232 and 301

Earlier this week, we shared a client alert on <u>Reciprocal Trade and Tariffs</u> regarding upcoming tariff actions arising from the Presidential "America First Trade Policy" memorandum. On March 26, 2025, President Trump signed a proclamation subjecting imports of automobiles into the U.S. to an additional 25% tariff beginning on April 3, 2025.

Certain automobile parts will become subject to the additional 25% tariff no later than May 3, 2025, after publication of a notice in the Federal Register identifying which automobile parts are subject to the additional tariff.

Many analyses of the proclamation fail to note that the additional tariffs will not immediately apply to imports from Mexico and Canada under the United States-Mexico-Canada Agreement (USMCA). The Proclamation only subjects USMCA imports to an additional 25% tariff on the non-U.S. content of the import into the U.S.

The Proclamation delays implementation of any additional tariff on USMCA-origin automobiles and automobile parts until the Secretary of Commerce and U.S. Customs and Border Protection create a process whereby importers can specify the value of the non-U.S. content in the product at the time of importation. The Proclamation does not set a deadline for this process to be implemented, so the proclamation will have no immediate impact on the tariffs for automobiles and automobile parts that qualify for preferential treatment under USMCA.

If you have questions about the application of the new tariff to your products or the impact on your supply chain, please contact your Kutak Rock attorney or a member of Kutak Rock's <u>International Trade and Tariffs practice group</u>.

