

SCOTUS Invalidates Tariffs Imposed Under IEEPA

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On February 20, 2026, the U.S. Supreme Court held in *Learning Resources, Inc. v. Trump* that the International Emergency Economic Powers Act (IEEPA) does not authorize the President to impose tariffs. IEEPA has historically been used for sanctions and financial restrictions during national emergencies, not for imposing import duties, and the Court concluded the statute cannot be relied upon as a basis for tariff programs. While this forecloses IEEPA as an authorization for existing and future tariffs, it does not signal a broader retreat from tariff policy. The Administration has already indicated—and in some cases begun—a pivot to other statutory authorities that do permit tariffs, meaning that companies should expect continued tariff impacts notwithstanding the Court's decision.

The decision also leaves open how, or even whether, previously collected IEEPA-based tariffs will be refunded. Some reports are estimating the total amount of tariffs illegally collected at \$175 billion. The Court did not order refunds or establish a recovery process, and at present there is no purpose-built administrative path for obtaining repayment short of litigation in the U.S. Court of International Trade. We are closely monitoring for developments at Customs, Treasury, and the Court of International Trade, as well as further guidance from the Administration, and will provide updates as greater clarity emerges.

Companies with material exposure should identify IEEPA-based tariffs paid, confirm importer-of-record status, and consult counsel regarding options to preserve refund rights.

We Can Help

If you have questions regarding this new decision, please contact [Joe Helm](#), [Kevin Abernethy](#), [Tom Harrold](#), [Mattias Jannerbo](#), [Ryan Kurtz](#) or anyone from our [International/World Law Group](#) or [Tax](#) groups.