Office of the New York Attorney General

Letitia James | Attorney General

Office of the Oregon Attorney General

Dan Rayfield | Attorney General

The Honorable Mike Johnson
Speaker of the House
H-232, The Capitol
Washington, D.C. 20515

The Honorable Hakeem Jeffries
Democratic Leader
2267 Rayburn House Office Building
Washington, DC 20515

The Honorable John Thune
Majority Leader
United States Senate SD-511
Washington, DC 20510

The Honorable Charles Schumer
Democratic Leader
322 Hart Senate Office Building
Washington, DC 20510

March 18, 2026

Dear Speaker Johnson, Leader Jeffries, Majority Leader Thune, and Leader Schumer,

We write in regard to the tariffs imposed by the Trump administration under the International Emergency Economic Powers Act (IEEPA), which were recently struck down by the Supreme Court. These tariffs were illegally imposed on imported goods, resulting in an estimated $166 billion dollars paid by over 330,000 American businesses and individuals on over 53 million shipments.[1] In particular, small businesses and low-income households have been disproportionately burdened by the tariffs, which raised prices on groceries, clothing, household items, and machinery and equipment. The unlawful scheme, which increased tariffs to their highest levels in nearly one hundred years, significantly affected our economy, creating unnecessary confusion and uncertainty and driving up costs and operating expenses. American businesses and consumers, who unjustly paid the bulk of the illegal tariffs, deserve to be made whole. We urge you to take action to protect businesses and consumers and ensure that they swiftly receive the compensation to which they are entitled following the Supreme Court's decision.

The administration repeatedly committed in court filings that if the tariffs were found to be unlawful, full amounts paid would be refunded with interest. Congress must ensure that the administration abides by this commitment and extends this relief to as many affected businesses and consumers as possible. The Court of International Trade, in its recent order in *Atmus Filtration, Inc. v. United States*, ordered recalculation of duty without IEEPA tariffs for unfinalized shipments.[2] In response, U.S. Customs and Border Protection (CBP) has proposed a process that requires importers to file, or possibly sue for refunds in some cases.[3] This is unacceptable and risks placing a disproportionate financial and administrative burden on the small businesses and individuals who have already been most harmed by the illegal tariffs. Though we hope for a fair and equitable resolution in the courts, in the absence of a clear and uniform process, Congress should demonstrate its leadership on this issue.

We propose that Congress enact legislation that would require the administration to provide a timely refund, with interest, of all duties wrongfully levied under IEEPA. Refunds should be processed regardless of entry type or liquidation status, leveraging existing data to calculate, manage, and automate the process, without a manual review. The CBP's Automated Commercial Environment (ACE) portal contains both the information and tools to efficiently return the exact amount that the government illegally collected from each importer. These refunds must be automatic and occur via a uniform process -- any process that requires importers to apply in ACE, file a protest, register for direct deposit, sue for refunds, or prescribes a different process on the basis of entry type or liquidation status will unduly burden the small businesses and individuals who are more likely to be owed refunds on the over 15 million finalized transactions whose status has yet to be addressed by the Court or CBP.[4]

Congress should legislate a solution to ensure prompt, accurate and fair restitution to all affected importers and consumers, especially as the administration has continued to imply that the refund process must be drawn out and question the extent to which finalized transactions (at least 28 percent of impacted shipments) should be able to receive automatic refunds at all. Congress should not allow the administration to manage this process on its own, as it will likely lead to stall tactics and protracted litigation. Legislation guarantees a timely, uniform process for refunds that applies to all transactions equally and can also clarify that, whenever possible, corporations must reimburse downstream costs to consumers that were directly passed on while the tariffs were in effect.

The sweeping tariffs resulted in higher prices across the economy because many importers of record and large businesses directly and indirectly passed on tariff costs to smaller businesses and consumers. Yale's Budget Lab estimates that, as of December 2025, more than 76 percent of tariff costs were ultimately paid by American consumers in downstream price increases.[5] This means that in January 2026 alone, U.S. consumers paid as much as $12.6 billion dollars in indirect illegal tariffs. Congress should declare in any legislation that refund recipients that directly passed on documented tariff costs should transfer reimbursements to those who ultimately bore the financial burden of the tariffs. A number of companies have pledged to do so, and more importers of record should follow suit.

The IEEPA tariffs caused harm to businesses and individuals across the country and also exacerbated economic inequality. Lower-income households typically spend a larger percentage of their overall income on taxable goods, including food and household essentials, making them more exposed to tariff-driven price increases. A recent Harvard Business School study showed that prices on cheaper products increased more and rose faster than prices on more premium offerings, further compounding the harm on already financially struggling households.[6] Any refund process will unfortunately do little to make these households whole, as direct and indirect reimbursements are unlikely to reach families who paid more at the grocery store due to the tariffs. Congress should consider other ways to repair the financial impact felt by our most vulnerable consumers.

Congress can show its leadership by taking action quickly to stem the economic damage and ensure American businesses and consumers receive relief.

Sincerely,

Letitia James
New York Attorney General

Dan Rayfield
Oregon Attorney General

Kristin K. Mayes
Arizona Attorney General

Rob Bonta
California Attorney General

Philip J. Weiser
Colorado Attorney General

William Tong
Connecticut Attorney General

Kathleen Jennings
Delaware Attorney General

Aaron M. Frey
Maine Attorney General

Anthony G. Brown
Maryland Attorney General

Andrea Joy Campbell
Massachusetts Attorney General

Dana Nessel
Michigan Attorney General

Aaron D. Ford
Nevada Attorney General

Jennifer Davenport
New Jersey Attorney General

Raúl Torrez
New Mexico Attorney General

Jeff Jackson
North Carolina Attorney General

Jay Jones
Virginia Attorney General

Charity R. Clark
Vermont Attorney General

Nick Brown
Washington Attorney General

1. https://storage.courtlistener.com/recap/gov.uscourts.cit.19346/gov.uscourts.cit.19346.31.0_1.pdf
2. https://storage.courtlistener.com/recap/gov.uscourts.cit.19346/gov.uscourts.cit.19346.21.0.pdf
3. https://storage.courtlistener.com/recap/gov.uscourts.cit.19346/gov.uscourts.cit.19346.39.0_2.pdf
4. https://storage.courtlistener.com/recap/gov.uscourts.cit.19346/gov.uscourts.cit.19346.31.0_1.pdf
5. https://budgetlab.yale.edu/research/tracking-economic-effects-tariffs
6. https://www.pricinglab.org/files/TrackingTariffs_Cavallo_Llamas_Vazquez.pdf