



Tax News & Views

In this issue:

New Tariffs Issued After Supreme Court Rules Against IEEPA Tariffs	1
--	---

New Tariffs Issued After Supreme Court Rules Against IEEPA Tariffs

In a 6-3 decision on February 20, 2026, the Supreme Court **ruled** against President Donald Trump's use of the International Emergency Economic Powers Act (IEEPA) underpinning many of the country-focused tariffs levied last year. Soon thereafter, the Trump administration issued new tariffs pursuant to Section 122 of the Trade Act of 1974.

In the ruling, the Supreme Court held in *Learning Sources Inc. v. Trump* that "IEEPA does not authorize the President to impose tariffs."

"The Framers gave that power [to impose tariffs] to 'Congress alone,'" Chief Justice John Roberts wrote in the majority opinion on the decision. "When Congress grants the power to impose tariffs, it does so clearly and with careful constraints. It did neither here [in IEEPA]."

The ruling effectively affirmed the decision of the Court of Appeals for the Federal Circuit (CAFC) in *V.O.S. Selections, Inc. v. Trump*, which agreed with the Court of International Trade (CIT) that Trump exceeded his authority by imposing tariffs under IEEPA.

While the CIT originally issued a permanent injunction on the collection of tariffs imposed under IEEPA on imports from Canada, Mexico and China as well as the so-called "Reciprocal Tariffs," the CAFC remanded the case to the CIT to reconsider the permanent injunction based on the requirements in the Supreme Court case, *Trump v. CASA, Inc.*

Whether refunds of the IEEPA tariffs will be available and made, and if so, when and how they will be made, now rests in the hands of the CIT and the Trump administration. .

Hours following the Supreme Court's decision, President Trump issued an Executive Order (EO) and a Presidential Proclamation in response to the decision. The EO, titled [Ending Certain Tariff Actions](#), terminates all IEEPA-based tariffs immediately and ends collection of such tariffs "as soon as practical." The Presidential Proclamation, titled [Imposing a Temporary Import Surcharge to Address Fundamental International Payments Problems](#), imposes a new, temporary 10% tariff on imports from all countries effective February 24, 2026. The Proclamation imposes the tariff based on Section 122 of the Trade Act of 1974 and is applicable for 150 days. The Proclamation also provides for several exemptions from the Section 122 tariff, including US-Mexico-Canada Agreement qualifying goods, certain civil aircraft and parts, products subject to Section 232 tariffs, among others. In a briefing on February 20, 2026, and in a Truth Social [post](#), President Trump said he may also take further action under other authorities, such as Section 301 of the Trade Act of 1974 or Section 232 of the Trade Expansion Act of 1962.

President Trump also issued another EO, titled [Continuing the Suspension of Duty-Free De Minimis Treatment for All Countries](#). This EO adjusts the tariff rates applicable to low value shipments, which became subject to the suspension of duty free treatment last year under EO 14324, to align with the Presidential Proclamation.

Additional guidance on the impact of the Supreme Court's decision and what comes next will be provided in the coming days. Deloitte Tax will also be hosting a Dbrief at noon ET on February 26, 2026, that will go into more details and analysis of the ruling and the way forward. Please find a link to the invitation here: [From ruling to readiness: IEEPA decision issued-what changes now, what's next: Dbriefs webcast | Deloitte US](#).

Tax Policy Group
Deloitte Tax LLP

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their related entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory, and risk advisory services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our professionals deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte’s approximately 415,000 people worldwide make an impact that matters at www.deloitte.com.