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Insights

U.S. Trade Court Orders Refunds of Unlawfully Collected IEEPA Tariffs

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On March 4, 2026, Judge Richard K. Eaton of the U.S. Court of International Trade ("CIT") issued a significant ruling holding that all importers of record who paid tariffs imposed under the International Emergency Economic Powers Act ("IEEPA") are entitled to refunds. The ruling follows the Supreme Court's February 20, 2026 decision holding that IEEPA does not authorize the imposition of tariffs and invalidating the tariffs imposed under that statute.[1]

In the same order, the court directed U.S. Customs and Border Protection ("CBP") to liquidate or reliquidate affected entries without regard to the unlawful IEEPA duties, thereby triggering refunds with interest through ordinary customs procedures.[2]

Background

Beginning in early 2025, the Trump Administration imposed a series of broad-based import tariffs pursuant to executive orders invoking IEEPA. CBP began collecting the IEEPA duties at the time of entry, resulting in the assessment of significant tariffs across a wide range of products and trading partners throughout 2025. By the end of that year, the federal government had collected more than $130 billion in IEEPA duties, with estimates of total potential refund exposure reaching approximately $175 billion.[3]

Legal challenges followed soon after the tariffs were announced. Affected importers and trade groups filed suits in the CIT asserting that IEEPA does not authorize the President to impose tariffs. On February 20, 2026, the Supreme Court resolved the merits question in *Learning Resources, Inc. v. Trump*, holding that the IEEPA tariffs were unlawful but declining to address whether or how refunds should be provided.[4]

The Court of International Trade's Ruling

The March 4, 2026 CIT ruling held "all importers of record whose entries were subject to IEEPA duties are entitled to the benefit" of the Supreme Court's decision.[5]

The CIT ordered CBP to liquidate all unliquidated entries without regard to IEEPA duties and to reliquidate any liquidated entries for which liquidation is not final, thereby requiring refunds of unlawfully collected duties.[6]

Judge Eaton rejected the government's argument that refunds should be limited to companies that filed lawsuits and explained the CIT's nationwide customs jurisdiction requires uniform relief.[7] In issuing the order, Judge Eaton emphasized that CBP routinely liquidates entries and issues refunds when duties are determined to have been overpaid, and indicated refunds should be implemented through those existing mechanisms rather than through individualized litigation. During the hearing, Judge Eaton stated "Customs knows how to do this" and that CBP "liquidate[s] entries and make[s] refunds" as part of its ordinary operations.

Recommended Actions for Importers Seeking Refunds

Judge Eaton's order makes one key point clear: companies that paid IEEPA tariffs are entitled to refunds, but Judge Eaton's order did not lay out a step?by?step refund process. Instead, the CIT directed CBP to remove the unlawful IEEPA duties through its normal entry?finalization process. In practical terms, this means CBP must finalize (or reopen and correct) affected entries as if the IEEPA tariffs never applied. The order does not establish a formal refund application, set deadlines for payment, or resolve every possible situation, particularly for entries that may already be fully finalized under customs law.

Because the CIT left the mechanics of implementation largely to CBP, importers should expect that additional guidance will come from CBP. Judge Eaton has indicated he will retain centralized oversight of IEEPA refund matters, and future court orders or CBP instructions are likely to clarify how refunds will be processed, how long the process may take, and whether any importer?initiated filings will be required in certain circumstances. Consistent with the ongoing oversight, Judge Eaton has scheduled a follow-up hearing for Friday, March 6, 2026, at which CBP is expected to provide the CIT with updates on its refund implementation plan and address outstanding procedural questions. Companies should be aware that based on prior litigation over these tariffs, it is likely the Government will appeal Judge Eaton's decision, which may slow, or even halt the refund processes the order set in motion.

In the meantime, companies seeking refunds should take practical, preparatory steps. Importers should identify which entries were subject to IEEPA duties and determine whether those entries are unliquidated, liquidated but not final, or potentially final. Companies should also gather entry summaries, proof of duty payments, and related records, and closely monitor liquidation timelines. While many refunds may ultimately be handled automatically by CBP, companies should not assume that refunds will occur without attention or follow?up in every case, particularly where entries are nearing finality or present unusual procedural issues.

How Can Krieg DeVault Help

Krieg DeVault's attorneys will continue to closely monitor developments following the CIT's March?4,?2026 decision, including additional proceedings in the CIT and any guidance from CBP on how refunds, liquidation and reliquidation of affected entries, and related administrative processes will be implemented in practice.

Importers and other affected businesses with questions about potential refund eligibility, the status of specific entries, liquidation timing, practical strategies for seeking recovery of IEEPA duties, or for managing exposure under newly imposed or proposed tariff measures, are encouraged to contact Kendall A. Schnurpel, Alex Wimmer, or their regular Krieg DeVault attorney.

[1] Atmus Filtration, Inc. v. United States, Slip Op. 26-01259 at 2-3 (Ct. Int'l Trade Mar. 4, 2026).

[2] *Id*.

[3] See Associated Press, Judge rules companies are entitled to refunds for Trump tariffs overturned by the Supreme Court (Mar.?4,?2026); Penn Wharton Budget Model, Supreme Court Tariff Ruling: IEEPA Revenue and Potential Refunds (Feb.?20,?2026).

[4] Learning Resources, 2026 WL 477534, at *4–6; id. at *78 (Kavanaugh, J., dissenting)

[5] Atmus Filtration, Slip Op. 26-01259 at 1.

[6] Id. at *6–7.

[7] Id. at 1-2.

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