



How Will the SCOTUS Tariff Decision Impact Supply Chains?

The U.S. Supreme Court vacated sweeping tariffs but left importers uncertain about refunds and what comes next.

A business function that's absorbed more than its fair share of whiplash over the last year, U.S. supply chains were thrown for another loop last month when the U.S. Supreme Court (SCOTUS) ruled that the President couldn't use the International Emergency Economic Powers Act (IEEPA) to impose sweeping tariffs on other countries. It also vacated the existing IEEPA-based tariffs but didn't address whether companies that paid roughly \$130 billion (give or take) in duties would be eligible for refunds.

"While there are a range of questions regarding the process firms will go through to obtain refunds," [The Budget Lab at Yale](#) explains, "it is likely that a substantial portion of the revenue raised via IEEPA in 2025 will be returned to firms."

In response to the ruling, the President signed a proclamation citing powers under a section of the Trade Act of 1974, to impose new tariffs of 10% on imports from all countries for 150 days—or roughly five months. A few days later he threatened to raise the tariffs to the maximum level allowable under the law of 15%, [WSJ](#) reports.

Companies Move Quickly

Companies were quick to respond to the SCOTUS decision, with FedEx immediately filing a lawsuit to get back the tariffs it's been paying over the last year. According to [WSJ](#), the company filed the lawsuit in the U.S. Court of International Trade, asking the court to refund the duties collected from the company on all entries subject to tariffs under IEEPA.

The global logistics company, which moves 17 million packages per day through hundreds of countries, says that when tariffs were in effect under the IEEPA law, it imported goods from countries subject to the duties. It says it "paid IEEPA duties to the United States and thus [has] suffered injury caused by those orders," [NBC News](#) reports.

"Typically, when goods enter (i.e., are imported into) the United States, the importer of record pays an estimated duty," FedEx lawyers wrote in the filing. Customs and Border Protection "then fixes the final appraisement of merchandise by confirming the final value, classification, duty rate, and final amount of duty for the imported goods."

Costco is also seeking a full refund of the tariffs it paid under IEEPA, according to [Business Insider](#), but its lawsuit predates the recent SCOTUS decision. The retailer filed a lawsuit with the Court of International Trade in December 2025, arguing that IEEPA never authorized tariffs.

Other organizations that made similar pre-SCOTUS-decision moves include Toyota, EV maker BYD, Goodyear Tire & Rubber and Alcoa, the publication adds.

Responding to the Uncertainty

As the current tariff structure is unwound and set back to "normal," companies may have to wait to see if any of the duties paid in will be returned to them. "...experts say no one yet knows the process or timeline for getting refunds," [WSJ](#) says.

Price drops could also be in the cards, but those may also take some time. Citing several different supply chain experts, [ASCM](#) says that while the legal barrier has been removed, pricing relief "isn't going to happen overnight." Here's why:

- **Inventory lag:** Products currently on shelves were imported with tariffs previously paid; those costs are already baked into the retail price.
- **Lack of confidence:** Leaders are waiting to see if the administration attempts to re-impose duties through other avenues, which has already begun with the announcement of the 15% Section 122 global tariff.

So how should supply chain leaders move forward in the new tariff landscape? [ASCM's](#) experts tell companies to keep an eye on political signals. "A divided government following the next election could lead to a moderation of tax and trade policies over the next two years, forcing yet another strategic about-face," they say. "In the meantime, develop alternative manufacturing and sourcing locations in the background so you are ready to execute the moment policy stabilizes."