



Tariffs and Pending Legislative Steps

Background: A tariff is a tax on imported goods and services. Historically, tariffs were a major source of revenue for many countries, often being the primary source of federal revenue through the late-nineteenth century. Today, other taxes account for most government revenue in developed countries. Tariffs are now used selectively to protect domestic industries, advance foreign policy goals, or as leverage in trade negotiations. The U.S. Constitution empowers Congress to set import tariffs, a power partially delegated to the President. The United States is a member of the World Trade Organization (WTO) and a party to several trade agreements, which include specific tariff-related commitments. Thus, Congress and the President create U.S. tariff policy within a rules-based global trading system.

We support:

- **Fair Trade Practices:** Advocacy for tariff policies that protect small businesses from unfair competition; especially in industries reliant on imports for raw materials or finished goods.
- **Exemption Processes for Import Tariffs:** Simplifying and expanding access to exclusion requests for tariffs, such as those on goods from China under Section 301. This exemption process is beneficial to subcontractors who may be facing increased costs for materials and supplies. We can request a tariff exclusion with the Office of the U.S. Trade Representative (USTR) to be exempt from certain tariffs on imported goods. This process allows companies to seek relief from the additional tariffs imposed on their businesses. Products that have received exclusions under Section 301 include:
 - Luxury vinyl tile and other flooring products
 - Quartz slabs and stone surfacing
 - Plastic wall panels and insulation materials
 - Fasteners, bolts, and specialized anchors
 - HVAC components and electrical fixtures
 - Solar installation hardware and mounts

These exclusions have helped mitigate cost increases and supply disruptions for U.S. contractors and manufacturers, especially when domestic alternatives were unavailable or economically unfeasible.

- **Promoting Export Opportunities:** Support legislation that reduces barriers to exporting, such as tariffs imposed by foreign countries, and ensures better access to international markets through free trade agreements. By reducing these export barriers, we can work to ensure that your material prices do not drastically increase while these tariffs are imposed.

Pending Tariff Legislation: The legislation offered below aims to mitigate the impact of tariffs on your industry. Although it's unlikely to be enacted, it shows that Congress is aware of the effects of tariffs in their states and congressional districts. We are not taking a position on these pieces of legislation, but will monitor them closely.

- **The Trade Review Act (H.R.2665)** introduced by Reps. Bacon (R-NE), Gottheimer (D-NJ), Hurd (R-CO), and Meeks (D-NY). This legislation is the House companion to a Senate bill introduced by Sens. Grassley (R-IA) and Cantwell (D-WA) that would subject certain Presidential tariff actions to a resolution of disapproval in Congress.
- **The Stopping a Rogue President on Trade Act** introduced by Rep. Sanchez (D-CA), the top Democrat on the House Ways and Means Committee's Trade Subcommittee, which would end the International Emergency Economic Powers Act (IEEPA) emergencies for Canada/Mexico and reciprocal/universal tariffs and require Congressional approval for new tariff actions by the President. The IEEPA is a federal law that allows the President to regulate foreign transactions and freeze foreign assets in response to a declared national emergency. It's the foundation of many US economic sanctions programs. Sens. Wyden (D-OR), the top Democrat on the Senate Finance Committee, and Paul (R-KY) introduced a similar bill in the Senate.