SUMMARY: SUPREME COURT DECISION ON IEEPA TARIFFS

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US Policy and Regulatory Alert

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On 20 February 2026, the US Supreme Court (the Court) issued its decision in *Learning Resources, Inc. v. Trump*, consolidated with *Trump v. V.O.S. Selections, Inc.*, addressing whether the President has authority under the International Emergency Economic Powers Act (IEEPA) to impose tariffs. The Court held that IEEPA does not authorize the President to impose tariffs, and that the challenged tariffs therefore exceeded the scope of delegated statutory authority.

By a 6–3 vote, the Court agreed on the result, though the Justices differed in reasoning. Six Justices joined the majority holding that IEEPA does not permit tariff imposition, while Justices Thomas, Kavanaugh, and Alito dissented, concluding that IEEPA authorizes tariffs and that the President acted within delegated authority.

Three Justices in the majority—Chief Justice Roberts, joined by Justices Gorsuch and Barrett—concluded that the challenged tariffs implicate the major questions doctrine and thus require clear congressional authorization, which, they found, IEEPA does not provide. They also found that IEEPA had not previously been relied upon as a basis for imposing tariffs. According to those Justices, the Government conceded that the President has no inherent authority to impose tariffs in peacetime and relied entirely on IEEPA as the asserted source of power and any delegation of such a core congressional power must be clearly expressed.

As to the statute itself, the majority held that while the statute authorizes the President to “regulate importation,” it contains no reference to tariffs or duties. Congress has consistently used explicit language when delegating tariff authority and has imposed defined limits on scope, duration, and procedure. In that context, the absence of tariff specific language in IEEPA was decisive. They also found that the ordinary meaning of “regulate” does not include the power to impose taxes, and reading it otherwise would transfer one of Congress's core constitutional powers through ambiguous wording.

With respect to next steps, the majority was explicit about the limits of its ruling. The decision definitively resolves only the statutory authority question and does not address the consequences of invalidating the tariffs. The Court issued no directives concerning enforcement, refunds, or other remedial actions, and did not prescribe how its holding should be implemented. The Court left the practical and remedial consequences of its ruling to be addressed in future administrative action or separate judicial proceedings at the lower court—i.e., the US Court of International Trade (CIT). It is expected that the CIT will remand the matter to US Customs and Border Protection (part of the Department of Homeland Security) to implement. Customs will take time to develop and implement any refund process—a timeline potentially further complicated by the current shutdown of DHS due to the budget impasse in Congress.

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Accordingly, IEEPA may no longer be used as a basis for imposing tariffs. However, issues relating to implementation, including the treatment of previously collected duties, were not resolved by the Court and remain outside the scope of this decision.

Importantly, and as our team has been predicting for months (since the challenge to the IEEPA tariffs was first brought), President Trump and his trade officials have already begun implementing other tariff measures. As of the date of publication of this alert, these additional measures include 10% tariffs on imports from all countries under Section 122 of the Trade Act of 1974 and investigations and trade actions under Section 301 of the Trade Act of 1974, among others. Accordingly, we do not expect the Supreme Court's ruling to alter or materially diminish the President's current trade and tariff policy. If anything, the refund process and commercial disputes over which party is entitled to refunds (e.g., the importer or the importer's customer who may have paid a tariff surcharge added by the importer) are likely to drag on for months or even years, creating additional challenges for some companies.

We will continue to monitor developments and will provide further updates as these unresolved issues are addressed through administrative action or subsequent proceedings.

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