

CIT Strikes Down Trump's IEEPA Tariffs, Federal Circuit Grants Temporary Stay

May 30, 2025

On May 28, 2025, a three-judge panel of the U.S. Court of International Trade (CIT) invalidated President Trump's tariffs declared under the International Emergency Economic Powers Act (IEEPA). The next day, the U.S. Court of Appeals for the Federal Circuit (CAFC) granted a temporary stay of the CIT ruling, leaving the tariffs in place while it considers a more permanent stay and the merits of the appeal.

The CIT decision by Judges Katzmman, Reif, and Restani invalidated both the President's Canada/Mexico/China tariffs targeting the fentanyl/immigration crisis as well as the "Liberation Day" reciprocal tariffs on all countries (except Mexico and Canada). In particular, the CIT ruled that IEEPA, while giving the President the power to regulate imports, does not constitute an unlimited delegation of tariff authority to the President, and does not authorize worldwide retaliatory tariffs. Thus, the Court found that the reciprocal tariffs exceed any authority granted to the President under IEEPA to regulate imports. The CIT further found that the fentanyl/immigration tariffs on Canada, Mexico, and China are invalid because they do not address or "deal with" the threats and emergencies set forth in those proclamations.

The government immediately appealed to the CAFC, and requested a stay of the CIT judgment pending the appeal. On May 29, the CAFC issued a per curiam order (signed by 11 CAFC judges), granting an immediate administrative stay while the court considers a longer term stay and the merits of the appeal. The plaintiffs in the cases must file a response to the government's motion to stay by June 5, and the United States may file a reply by June 9.

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Practice Areas

International Trade
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The CIT decision represents the first court ruling setting aside this Administration's use of tariffs against U.S. trading partners. Notably, these decisions do not impact the Section 232 tariffs on steel, aluminum, and autos, or the Section 301 tariffs on China, which remain in place.

Separately, on May 29, the U.S. District Court for the District of Columbia ruled in favor of several companies challenging the 20% fentanyl tariffs on Chinese goods, and the 10% reciprocal tariffs imposed on U.S. trading partners. In that opinion, Judge Rudolph Contreras found that the IEEPA statute does not authorize the President to impose import duties of any kind. He further denied the Administration's motion to transfer the case to the CIT and enjoined the Administration from continuing to collect IEEPA duties from the plaintiffs, although the injunction was stayed 14 days to allow the parties to appeal to the U.S. Court of Appeals for the D.C. Circuit.

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