



# Tariffs and Duty Savings: Workshop

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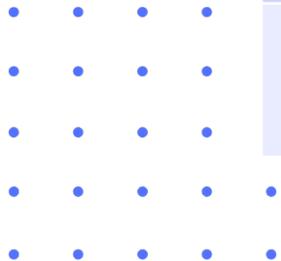




# Tariff Timeline

## 2025 Current U.S. Tariffs

<b>February 4</b>	US tariffs of 10% imposed on all imports from China under International Emergency Economic Powers Act (IEEPA)
<b>March 4</b>	US tariffs of 25% imposed on imports from Canada and Mexico; US tariffs of additional 10% on all imports from China under IEEPA
<b>March 12</b>	US Section 232 tariffs of 25% imposed on steel, aluminum, and derivative products
<b>April 3</b>	US Section 232 tariffs of 25% imposed on automobiles
<b>May 3</b>	US Section 232 tariffs of 25% imposed on automobile parts
<b>May 14</b>	US reduces to 10% from 125% the cumulative tariffs under IEEPA imposed on certain imports from China

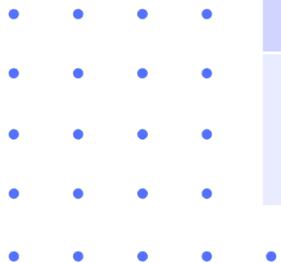




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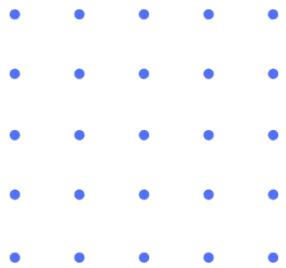
<b>May 28</b>	US Court of International Trade issues decision that the International Emergency Economic Powers Act (IEEPA) does not authorize tariffs without bounds. Summary Judgement.
<b>May 29</b>	The Administration appeals. US Court for the Federal Circuit grants a stay. This is temporary, for 'extraordinary harm.'
<b>June 5</b>	Plaintiffs must respond to the stay by this date.
<b>June 9</b>	Plaintiffs must respond.
<b>And then...</b>	Federal Appeals Court reviews the merits of the case.
<b>And then...</b>	Supreme Court may take up the case.



# 01

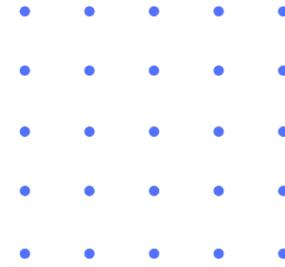
# Hypothetical

If Barney, Inc. has a part or component that has been used in the U.S. and they send it to Mexico or Canada for repair, are there ways to enter it duty-free?



01

# Answer



Yes, items exported to Canada and Mexico for repair can enter duty free under 9802.00.40-9802.00.60 regardless of the item's original country of origin.

However, subheading 9802.00.40-9802.00.60 does not allow goods to be entered duty-free *per se*.

Instead, 9802 allows importers to reduce the dutiable value to only the repair value – if the import meets criteria.

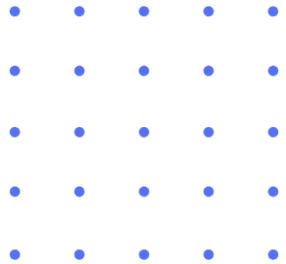
Note, the country of origin declared for these 9802 claims is the country where the repair occurred.



# 02

# Hypothetical

If Barney, Inc. imports an aircraft under 9802.00.80 and pays a decreased tariff because of the value of U.S. engines, are they precluded from filing a post summary correction and decreasing the tariff even more for other non-engine U.S. origin goods?

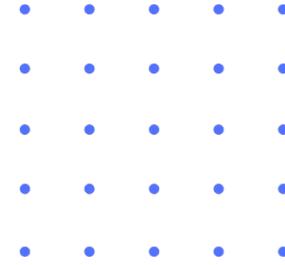


If Barney, Inc. doesn't enter a good under the USMCA, are they prohibited from filing a post summary correction or something else and then taking advantage of USMCA?



02

# Answer



Barney, Inc. can file a PSC to correct the dutiable value of a 9802.00.80 claim, i.e., lower the dutiable value to account for additional U.S. origin components.

However, they may not file a PSC to claim USMCA nor any other FTA.

But... they can make retroactive USMCA claims if they qualified and had proof of origin at the time of entry. They have one year.



# 03

## Hypothetical

Barney, Inc. sold a Canadian-origin vehicle in Canada.

The buyer takes it to Germany and drives it around for 8-10 years.

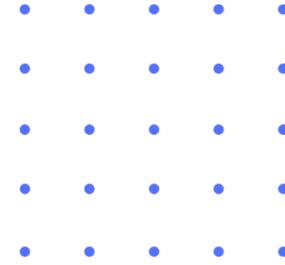
Then the buyer sells it back to the U.S. Barney, Inc. might have had some repairs done in Mexico, but nothing that would change the vehicle.

Would this break the chain of custody in a way that would preclude the use of USMCA?



03

# Answer



Yes. The vehicle would likely lose its originating status under USMCA due to the extended use in a third country (Germany) and the lack of continuous customs control.

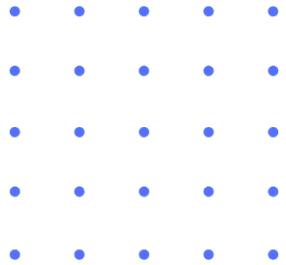
While repairs alone wouldn't necessarily disqualify the vehicle if it were still originating, the prior use in Germany already disqualifies it.



# 04

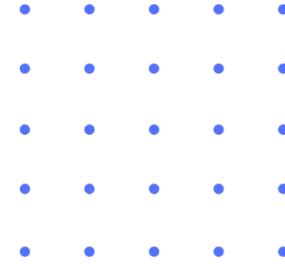
# Hypothetical

Barney, Inc. is exploring possible policy remedies to weather the current tariff changes implemented by President Trump.



Barney, Inc. hired Schulz Trade Law (STL) as counsel. What are some benefits that STL can advise their client on?





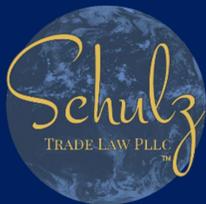
### Policy Remedies

- Work through airline industry associations to reinforce any ongoing efforts in lobbying
- Lobby Congress to begin a Miscellaneous Tariff Bill (MTB) Review Cycle
- Review Options for Imports into Canada
- Submit Comments to the U.S. Trade Representative

### Duty Savings Mechanisms

- Use a Foreign-Trade Zone when this strategy applies
- Find eligible deductions to use the lowest possible value on which the *ad valorem* duties will be based
- Consider duty drawback. Companies can get a refund of up to 99% of customs duties, taxes, and fees paid on imported goods that are later exported or destroyed
- Determine whether goods are USMCA-qualifying





# Thank You!

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