Press Release

Destroying De Minimis

PAULINA ENCK | SEPTEMBER 10, 2024

Federal lawmakers are considering legislation that would alter or effectively eliminate the use of *de minimis*, a U.S. trade rule that allows imports valued below $800 to enter the United States free from tariffs and added fees. In new research, Data Analyst Jacob Jensen calculates the costs and broader economic impacts of eliminating *de minimis*.

Key points:

- *The primary argument for restricting what critics call the "de minimis loophole" is that it disfavors U.S. trade interests and allows a path for illicit drugs and counterfeits to enter the country.*
- *These arguments ignore the extent to which data collection already takes place and fail to weigh the economic harms that would result from eliminating this rule.*
- *The full elimination of de minimis would impact more than 1 billion shipments – in total, valued at $54 billion – and would result in $8 billion to $30 billion in additional annual costs that would eventually be passed on to consumers; eliminating de minimis would also harm small businesses, which would be forced to absorb these costs or else lose customers, as well as damage trade relations by encouraging retaliation.*

Read the analysis