



## Press Release

# The Supreme Court Strikes Down IEEPA

ALLIE WATSON | FEBRUARY 20, 2026

In a 6-3 decision, the Supreme Court ruled today against President Trump's use of the International Emergency Economic Powers Act (IEEPA) to impose broad tariffs on U.S. trade. In a new insight, Trade Policy Analyst Jacob Jensen reviews the ruling's key points, estimates the annual tariff costs struck down, and identifies outstanding questions.

Key points:

- *The Supreme Court struck down President Trump's IEEPA "Liberation Day" tariffs of at least 10-percent on nearly every U.S. trade partner, as well as the fentanyl-related tariffs on China, Canada, and Mexico.*
- *What we know: The Court's decision will set narrower guardrails on presidential tariff authority and remove approximately \$230 billion in annualized tariff costs; while not discussed in the decision, the ruling could push the administration to pay back up to \$175 billion in collected tariff revenue.*
- *What we don't know: It is unclear to what extent the Trump Administration will rely on other tariff pathways to fill in the gaps left behind by IEEPA, whether Congress will step in to further restrict the president's tariff powers, or how the decision may impact President Trump's trade deals.*

[Read the analysis.](#)