



Understanding the Tariff Refund Process: How to File and What to Expect

This member issue advisory is not legal advice, but rather general policy analysis. As always, member companies should consult their own legal counsel and trade expertise for their own use.

This update supplements AGC's March 2026 advisory, [What Contractors Need to Know About the Supreme Court Ruling on IEEPA Tariffs](#). The refund process only applies to IEEPA tariffs and not those under Section 232 of the Trade Expansion Act of 1962 and Section 301 of the Trade Act of 1974. This advisory, the [tariff refund document](#) published last week, and other resources and updates related to tariffs can be found on [AGC's Tariff Resource Center](#), or agc.org/tariffs.

What has changed since AGC's March advisory?

Until recently, there was no single, uniform refund mechanism that importers could rely on without litigation. U.S. Customs and Border Protection (CBP) is now accepting Phase 1 IEEPA refund submissions through its Consolidated Administration and Processing of Entries (CAPE) system. CBP published a [fact sheet](#) and detailed CAPE [instructions](#), and the instructions are not limited to companies that have filed a lawsuit in the Court of International Trade. Contractors should frequently check the [Duty Refunds site](#) for the most up-to-date information.

How will Phase 1 work at a high level?

Phase 1 is limited to simpler refund situations, which generally includes entries that have not yet liquidated or were liquidated within the last 80 days, subject to exceptions and technical rules. The basic workflow is that an Importer of Record (IOR)¹ or authorized Customs broker submits a list of the entries it contends are eligible for IEEPA refunds through a CAPE Declaration, and if the submission is accepted and validated, CBP will process the refund. CBP reports that IOR and authorized brokers should anticipate that valid IEEPA refunds will generally be issued within 60-90 days following acceptance of the CAPE Declaration. CBP has confirmed to the court that CAPE Phase 1 is designed to refund IEEPA duties with interest.

How will refunds be paid, and what should importers do now?

CBP's refund process is [electronic](#), and importers and designated payees should ensure they are properly enrolled. As a practical matter, members that import directly should coordinate now with their customs broker and trade counsel to confirm enrollment status, identify potentially eligible entries, and align internal documentation.

¹ An Importer of Record (IOR) is the individual or entity legally responsible for ensuring imported goods comply with U.S. laws, filing accurate entry documentation, and paying all applicable duties and fees.

Are there any important limitations or financial offsets members should understand?

CBP has advised that by voluntarily using CAPE, any IEEPA cash deposits may be available to offset amounts owed with respect to other duties, which means a “refund” may be reduced by other duty liabilities. CBP also indicated it will provide a method to identify entries for which an adjustment has been made, which should assist importers in reconciling refunds against entry records and downstream pricing.

What about entries that have already liquidated, or situations that are more complex?

The Phase 1 rollout does not cover every refund scenario. CBP court filings indicate that entries with outstanding protests are not eligible for CAPE Phase 1, and CBP has not yet fully explained how it will handle more complex scenarios, including older entries and entries where liquidation has become final and cannot be revisited without meeting procedural requirements.

Should importers consider “backup” steps even if they plan to use CAPE?

Many trade attorneys are advising importers to avoid betting on a single pathway, particularly because there are still open legal and procedural uncertainties. One key risk is that refund rights can be affected by deadlines, including the post-liquidation protest deadline, and reporting indicates the Justice Department has an early-June deadline to appeal a trade court refund order, which could delay payment even after a CAPE submission is accepted.

What does this mean for contractors who are not the Importer of Record?

For many contractors, any refund will flow first to the importer of record, which is often a manufacturer, distributor, or supplier rather than the contractor. Contractors should focus on documenting tariff impacts at the project level, asking suppliers whether they are pursuing refunds through CAPE, and confirming whether supplier contracts address pass-through credits if refunds are received.

What should contractors be asking suppliers and subcontractors right now?

Contractors should ask who the importer of record is for tariff-impacted inputs, whether the supplier has enrolled for electronic refunds and intends to use CAPE for IEEPA entries, and whether any refund or duty credit will be passed through to the project. Contractors should also confirm whether current contracts treat tariffs as an itemized surcharge or embedded pricing, and whether [escalation and adjustment clauses](#) address both future tariff changes and potential duty refunds.

Why is it important for AGC members to seek their own legal counsel and trade expertise on the question of IEEPA tariff refunds?

Refund eligibility relies on unique facts, depends on importer status, contractual relationships between businesses and importers of record, litigation posture, and strict procedural requirements that vary by company and entry.

For additional information, please contact [Liza Hall](#) or [Deniz Mustafa](#).
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