



Tariff Refunds

Tariff refunds may not reach contractors, and it could be nearly impossible to determine how much of a cost increase was actually caused by tariffs.

For years, the U.S. construction industry has been buffeted by unprecedented volatility in materials costs, supply-chain bottlenecks, a tight labor market, and most recently, tariffs. Construction depends on physical goods, materials, equipment, and components whose prices can be directly impacted by tariffs or indirectly by domestic price reactions to those duties. Even when a contractor does not import a product itself, price increases are visible in but not delineated in specific line items in supplier quotes, subcontractor pricing, equipment costs, and fabrication costs.

Contractors have been exposed to a variety of tariffs on inputs to construction, such as:

- Steel, aluminum, or copper content including:
 - Finished products;
 - Industrial and electrical grid equipment; and
 - Products made abroad, but with American steel, aluminum, or copper.
- Lumber and derivatives of lumber or timber;
- Automobiles, trucks, and parts not compliant with the U.S.-Mexico-Canada Agreement (USMCA);
- Country-specific tariffs at various rates on a wide variety of parts, components, machinery, and equipment;
- And more.

Tariffs have been paused, increased, threatened, or as seen most recently, struck down by the courts. For the latest on tariffs, including the materials they apply to and the refund process, please check out the [AGC Tariff Resource Center for Contractors](#).

Supreme Court Ruling on Certain Tariffs

In addition to the above tariffs, the President imposed numerous tariffs under the International Emergency Economic Powers Act (IEEPA), a law that had never previously been invoked for tariffs.

On February 20, 2026, the U.S. Supreme Court issued a decision, *Learning Resources, Inc. v. Trump*, holding that IEEPA does *not* authorize the President to impose tariffs. However, the Court did not order refunds or dictate a refund process for these already-imposed tariffs. While the decision invalidated the legal basis for certain tariffs, it did not create an automatic path for contractors to recover tariff-related cost increases that were already absorbed through bids, purchase orders, change orders, or supplier invoices. In addition, other tariffs affecting construction inputs remain in place under separate legal authorities, meaning the IEEPA decision did not eliminate all tariff-related cost pressures on the industry.

Contractors that did act as importers of record and paid the tariff invoice to Customs and Border Protection can apply for a refund under procedures the agency has recently announced. However, there is no requirement that businesses that bought goods from an importer be reimbursed for amounts the importer may have passed along. The right to a refund usually belongs to the importer of record — typically a manufacturer, distributor, or supplier — not the contractor. The importer has no legal obligation to pass along any refund to contractors or other customers.



Soon after the Supreme Court ruling, the White House announced¹ it was issuing a temporary global tariff of 10% for up to 150 days, until July 24, 2026. Although many states and businesses have filed lawsuits challenging the legality of these tariffs, they remain in effect for now.

Price Effects – What Portion Was Attributable to Tariffs?

While the U.S. produces a large amount of steel, steel makers respond quickly to price changes affecting imports. Substantial shares of aluminum, copper, and other construction inputs are imported, and domestic producers generally respond promptly to changes in those prices as well.

The Bureau of Labor Statistics posts producer price indexes each month that measure the latest price charged by domestic producers and importers for thousands of goods. The table below shows some of the many increases in domestic producers' prices affecting construction that have occurred since tariffs were imposed or increased in 2025.

These price effects are important because they show why many contractors experienced real cost escalation even if they never directly imported the products at issue. In many cases, contractors were affected by higher market prices moving through the supply chain, not by a tariff payment made directly to the government. It is also hard to identify the specific cause of price increases. During this same period, the Middle East conflict caused the prices of natural gas and all petroleum products to rise steeply. These increases affected both the cost of producing construction materials, many of which are very energy-intensive, but also the cost of fuel to deliver goods and equipment to contractors. Damage to production and export facilities and the shutdown of shipping from the Middle East further added to cost of materials such as aluminum.

These developments make it impossible for contractors that were not importers of record to trace cost increases specifically to IEEPA tariffs and makes any refund claim involving IEEPA tariffs even more difficult.

	<u>March 2024-</u> <u>March 2025</u>	<u>March 2025-</u> <u>March 2026</u>
Aluminum mill shapes	16.8%	34.1%
Steel mill products	-6.0%	15.4%
Copper and brass mill shapes	7.3%	21.3%
Aluminum and other sheet metal work	1.5%	8.9%
Construction machinery and equipment	0.8%	4.7%

Conclusion

Tariffs have had a major impact on construction costs. Although the Supreme Court ruled that some of the tariffs imposed in 2025 are invalid, most tariffs affecting construction inputs remain in effect. Most contractors that did not directly import and pay the invalidated tariffs are unlikely to receive money back since the refund process is geared to importers of record.

¹ Proclamation No. 11,012, *Imposing a Temporary Import Surcharge to Address Fundamental International Payments Problems*, 91 Fed. Reg. 9339 (Feb. 25, 2026).