



# President Trump Hikes Section 232 Steel and Aluminum Tariffs to 50 Percent

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Late this afternoon, President Trump signed a proclamation increasing the Section 232 tariff rate on steel and aluminum articles and their respective derivative products from 25% to 50%. The text of today's proclamation can be found [here](#) and the White House fact sheet can be found [here](#). Here are the key takeaways:

- The tariff rate increase is effective as of 12:01 am EDT on June 4, 2025 for goods entered for consumption or withdrawn from warehouse for consumption. There is no “in-transit” exemption.
- The increase applies to steel, aluminum, and their derivative products.
  - Note that the Commerce Department is currently in the process of assessing requests to include additional steel and aluminum derivative products within the scope of Section 232 tariff coverage. The current docket on that process can be found [here](#), with comments on the 58 requests submitted during the first window of three due by June 4, 2025.
- For steel, aluminum, and steel and aluminum derivative products, the increased 50% tariff (Section 232) applies to steel or aluminum content and any applicable Reciprocal tariff applies to the balance of content (clause (6)).
  - This is a change from the April 2, 2025 executive order in which the President exempted products subject to Section 232 tariffs from the Global Reciprocal tariffs, as we previously [discussed](#).
  - This is also a change with respect to derivative producers classified in Chapters 73 and 76, where the 25% tariff has applied to the entire value of the import. With this proclamation, the 50% tariff increase will apply only to the steel or aluminum content, while the balance will be subject to any applicable Global Reciprocal tariff.
  - Note the following warning language: “U.S. Customs and Border Protection (CBP) shall issue authoritative guidance mandating strict compliance with declaration requirements for steel and aluminum content in imported articles and outlining maximum penalties for noncompliance, including that importers who submit underreported declarations may be subject to severe consequences, including but not limited to significant monetary penalties, loss of import privileges, and criminal liability, consistent with United States law.” (Emphasis added.)

- The Global Reciprocal Tariffs are currently subject to litigation, as we summarized [here](#). Just today, both the U.S. Court of International Trade and the U.S. District Court for the District of Columbia – which issued decisions late last week finding the President’s tariffs under the International Economic Emergency Powers Act unlawful – issued orders deferring decision on pending motions to stay (i.e., motions from the Government to keep the tariffs in place while litigation continues) to their respective appellate courts (the U.S. Court of Appeals for the Federal Circuit and the D.C. Circuit Court of Appeals).
- In the meantime, the Trump Administration has continued to signal that July 9, 2025 is a key date for the President to determine whether to increase the Global Reciprocal tariffs for specific countries, which was delayed by a [90-day pause](#) announced on April 9. For now, all countries covered by the Global Reciprocal tariffs are subject to the baseline 10% reciprocal tariff rate.
- For steel and aluminum imports from Canada or Mexico, the proclamation reverses the prior April 29 “stacking” order such that steel, aluminum, and derivative product imports are first subject to the Section 232 tariff (at the increased rate), and only if they are not subject to the steel/aluminum Section 232 tariff are they subject to the “Trafficking” IEEPA tariffs on Canada and Mexico (clause (5)).
- For steel and aluminum imports from the United Kingdom, 25% duties continue to apply until at least July 9, 2025. Thereafter, based on the state of negotiations of the May 8, 2025 [U.S.-UK Economic Prosperity Deal](#) (“EPD”), that rate can be adjusted up or down, or transitioned to a quota (clause (7)).
- Duty drawback continues to be unavailable (clause (9)).
- The proclamation references Annex I and Annex II, which appear to identify the current steel and aluminum articles (Annex I) and derivative products (Annex II). We expect those Annexes to be included with the proclamation when it is published in the Federal Register. We also expect Customs and Border Protection to issue guidance soon given the significant impact on the dutiable content of imported steel and aluminum goods.