



Section 232 Automotive Tariffs: Issues for Congress

Updated September 5, 2025

In 2025, President Donald Trump has imposed [25% tariffs on U.S. imports of automobiles and certain automobile parts](#) under [Section 232 of the Trade Expansion Act of 1962](#) (19 U.S.C. §1862, as amended). Section 232 [authorizes](#) the President to take action if the Secretary of Commerce determines that imports of a good “threaten to impair” U.S. national security. President Trump imposed auto tariffs based on the findings of a [2019 investigation](#), which concluded that U.S. auto imports were a threat to U.S. national security.

Congress may consider whether to support, curb, or bolster oversight of Section 232 auto tariffs. Issues include implications of auto tariffs for the U.S. economy, relationships with key trade partners, and congressional authorities over trade policy.

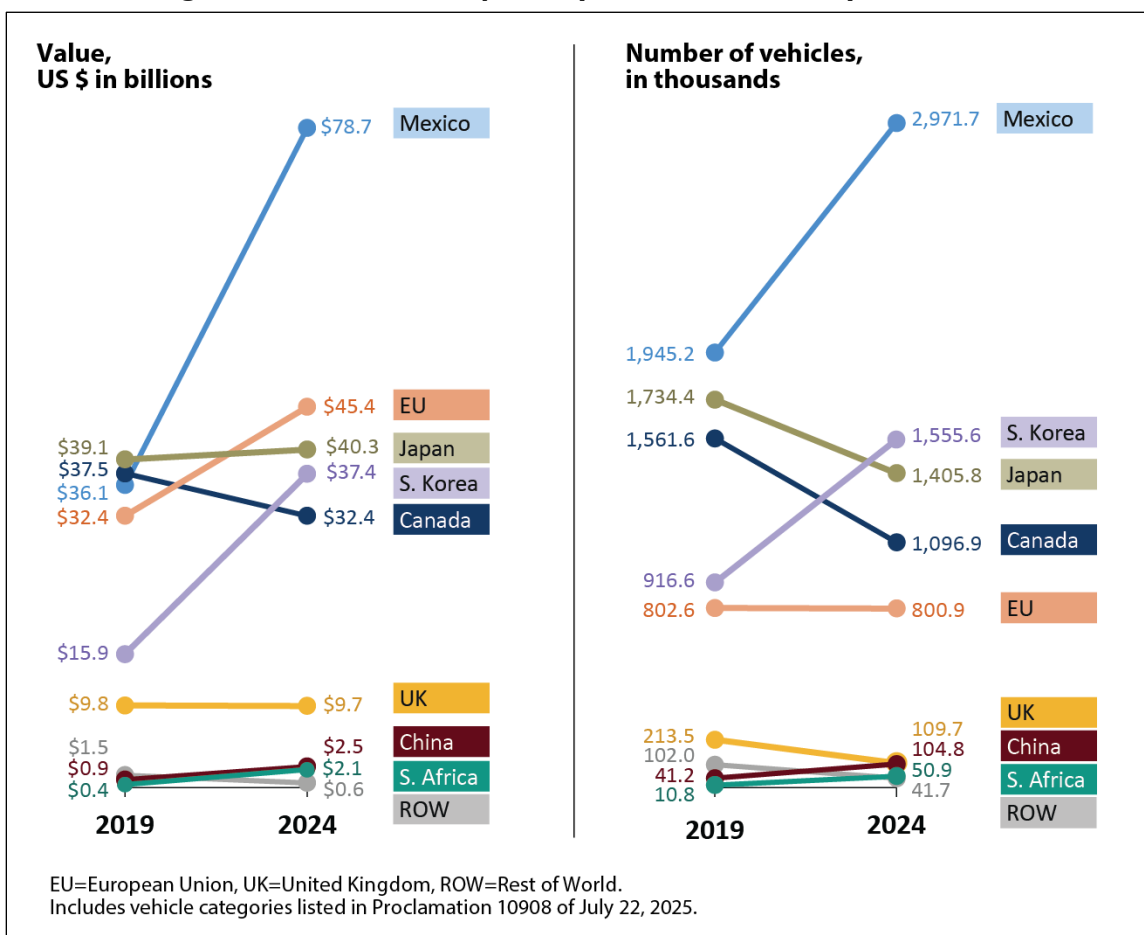
Background

In 2024, the United States imported 8.1 million vehicles (\$249.1 billion). Five partners—[Mexico](#), the [European Union \(EU\)](#), [Japan](#), [South Korea](#), and [Canada](#)—collectively provided 94% of 2024 U.S. vehicle imports by value and 96% by quantity (see **Figure 1**). As of 2024, [foreign automakers](#) have invested \$124 billion in U.S. operations, and in 2024 produced [4.9 million out of 10.2 million](#) vehicles in the United States.

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Figure 1. U.S. Vehicle Imports by Value and Quantity, 2019-2024

Source: CRS, based on U.S. Census Bureau data, as presented by Trade Data Monitor, accessed July 2025.

For most vehicles not traded under a [U.S. free trade agreement](#) (FTA), which sets terms for reduced or zero tariffs among agreement parties, the United States has imposed a most-favored-nation (MFN) [tariff](#) of **2.5%** on passenger vehicles and **25%** on light trucks. The United States traded largely duty-free with Canada and Mexico under the North American Free Trade Agreement (NAFTA) and its successor, the [U.S.-Mexico-Canada Agreement \(USMCA\)](#), and South Korea under the [United States-Korea Free Trade Agreement](#) (KORUS). Under KORUS, the U.S. light truck tariff is to be eliminated in 2041. The United States does not have an FTA covering autos with Japan or the EU. Japan eliminated tariffs on vehicle imports in 1978. The EU imposes a **10% MFN tariff** on passenger vehicles and **22%** on certain light trucks.

2025 Presidential Actions

In 2019, President Trump responded to a Commerce Department Section 232 investigation that found imports of automobiles and auto parts threatened national security by [directing](#) the Office of the U.S. Trade Representative (USTR) to pursue negotiations to address those concerns. In March 2025, President Trump [proclaimed](#) that USTR's negotiations "did not lead to any agreements of the type contemplated by [S]ection 232," national security concerns "remain and have escalated," and the U.S. share of global automobile production has "remained stagnant." He asserted that USMCA and revisions to KORUS

“have not yielded sufficient positive outcomes,” and “investments resulting from other efforts, such as legislation,” also have not been effective.

President Trump [imposed](#) 25% tariffs on (1) all vehicle imports, effective April 3, with exemptions for the [U.S. content of USMCA-compliant vehicles](#); and (2) certain automobile parts, effective May 3, with exemptions for USMCA-compliant auto parts.

The following tariffs do not apply to goods subject to Section 232 automotive tariffs:

- Other Section 232 tariffs ([steel](#), [aluminum](#), copper); and
- Most country-specific tariffs under the [International Emergency Economic Powers Act](#) (IEEPA).

Unless otherwise agreed, Section 232 automotive tariffs are in addition to

- MFN tariffs;
- [IEEPA tariffs on China](#);
- [Antidumping and countervailing duties](#); and
- Tariffs under [Section 301 of the Trade Act of 1974](#).

The Trump Administration has [implemented](#) a two-year “import adjustment offset” for auto parts duties. An auto manufacturer may apply for an offset equal to 3.75% of the aggregate Manufacturer’s Suggested Retail Price (MSRP) value of all its U.S.-built vehicles from April 3, 2025, to April 30, 2026. The following year, the offset is to decrease to 2.5%.

The United States has been negotiating auto tariffs as part of broader trade talks with partners. Under a U.S. deal with the [United Kingdom](#) (UK), most UK auto imports now face a [10% total U.S. tariff rate](#). The United States and the EU [announced](#) that most EU auto imports would face a 15% total tariff, conditioned on the EU implementing certain commitments. The EU has proposed to [eliminate tariffs on U.S. industrial products](#), including vehicles. The United States is to implement a 15% total tariff for most [Japanese auto imports](#) and reportedly has agreed to lower auto tariffs to 15% for imports from [South Korea](#).

Views on the auto tariffs and subsequent deals are mixed. The White House [argues](#) that tariffs could reduce auto imports and strengthen the U.S. industrial base. Some groups, including labor unions, [support](#) the auto tariffs and have [criticized](#) deals that would lower tariffs. U.S. automakers have [argued](#) that the United States should focus on lowering tariffs on imports from Canada and Mexico, whose automotive products they assert contain high U.S. content. Other auto groups have [argued](#) that 15% auto tariffs could still have negative effects, and some have [called](#) for negotiations to reduce tariffs further. Some automakers have [announced](#) plans to increase U.S. vehicle production.

Issues for Congress

Congress has constitutional authority over foreign commerce and impose tariffs and is deliberating whether to support, curb, or bolster oversight of Section 232 auto tariffs and related trade negotiations with partners.

Some Members assert that tariffs could [increase revenues](#) and [bolster U.S. manufacturing investment](#), with some advocating for expanding presidential trade authorities (e.g., H.R. 735). Others call for limiting presidential tariff authorities (e.g., S. 1272/H.R. 2665, H.R. 1903), [asserting](#) that Congress should play a stronger role in setting and approving U.S. trade policy.

Some Members have expressed interest in increasing oversight of auto tariffs. Some Members have called for [tariff exemptions](#), like those [previously](#) in place for steel and aluminum tariffs, to mitigate potential

impacts on the U.S. economy. [Other Members](#) have been critical of tariff reductions for the EU, Japan, and South Korea, which they assert could benefit foreign automakers over U.S. automakers. Other Members have called for commissioning a report on the potential economic benefits and costs of tariffs, including in the auto sector (e.g., S. 959, H.R. 2287).

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