



Section 232 Automotive Tariffs: Issues for Congress

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In 2025, President Donald Trump imposed [25% tariffs on U.S. imports of automobiles and certain automobile parts](#) under [Section 232 of the Trade Expansion Act of 1962 \(19 U.S.C. §1862\)](#). Section 232 [authorizes](#) the President to take action (e.g., tariffs, quotas, or negotiations) 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

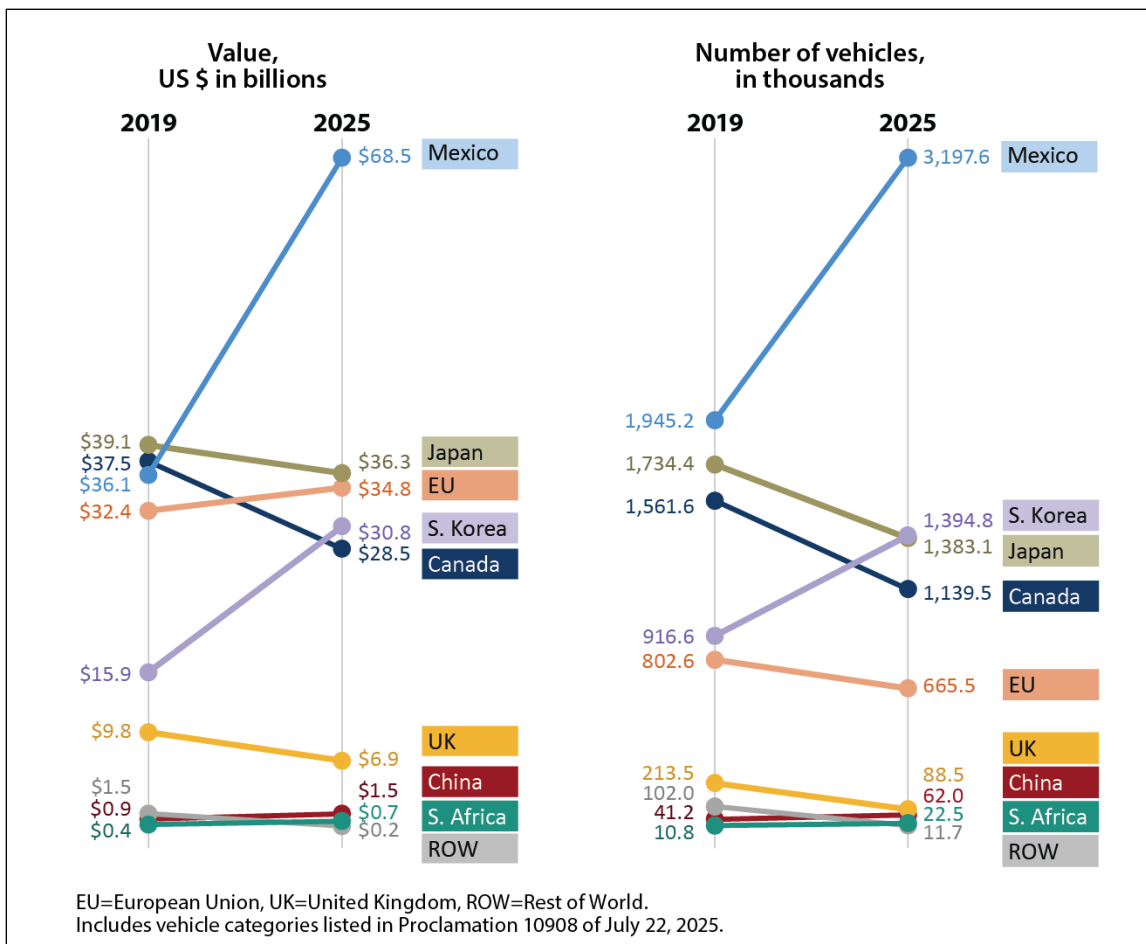
In 2025, the United States imported 8.0 million vehicles (\$208.0 billion) and exported 2.7 million vehicles (\$62.6 billion). Five partners—[Mexico](#), [Japan](#), the [European Union \(EU\)](#), [South Korea](#), and [Canada](#)—collectively provided 96% of 2025 U.S. vehicle imports by value and 98% by quantity (see [Figure 1](#)). Canada was the top U.S. vehicle export destination (32% by value and 21% by quantity). As of 2024 (latest data available), [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 I. U.S. Vehicle Imports by Value and Quantity, 2019-2025



Source: CRS, based on U.S. Census Bureau data, as presented by Trade Data Monitor, accessed May 2026.

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 imposes 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 2025, with exemptions for the U.S. content of USMCA-compliant vehicles; and (2) certain automobile parts, effective May 2025, with exemptions for USMCA-compliant auto parts. Under a U.S. deal with the United Kingdom (UK), most UK auto imports face a 10% total U.S. tariff rate. The United States has reached deals with other partners; for example, auto imports from the EU, Japan, and South Korea face a 15% total tariff.

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

- Other Section 232 tariffs (e.g., steel, aluminum, copper); and
- Temporary global tariffs under Section 122 of the Trade Act of 1974.

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

- MFN tariffs;
- Trade remedies; and
- Tariffs under Section 301 of the Trade Act of 1974.

The Trump Administration has implemented an “import adjustment offset” for auto parts duties (revised in October 2025). 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, as determined annually by the Commerce Secretary, from April 5, 2025 to April 30, 2030. The Secretary is to establish an offset for vehicle engine manufacturers.

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. Labor unions support the auto tariffs and have criticized deals to lower tariffs. U.S. automakers have argued that the United States should lower tariffs on imports from Canada and Mexico, whose automotive products generally contain high U.S. content. In April 2025, Canada responded to U.S. tariffs with 25% tariffs on non-USMCA-compliant vehicles imported from the United States and the non-Canadian, non-Mexican content of U.S. vehicles traded under USMCA. Other auto groups have called for further tariff reductions.

Issues for Congress

The competitiveness and resiliency of the U.S. automotive industry is a key issue for some Members of Congress. Congress has constitutional authority over foreign commerce and the imposition of tariffs and may consider 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 more central role in setting and approving U.S. trade policy. Section 232 automotive tariffs also may be discussed during the 2026 review of USMCA, in which Congress has a consultative role.

Some Members have called for a process to consider exemptions to Section 232 tariffs to mitigate potential impacts on the U.S. economy. Other Members have criticized 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 economic benefits and costs of tariffs, including in the auto sector (e.g., S. 959, H.R. 2287).

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