

International Emergency Economic Powers Act Tariffs: The Impact on Washington State

The Proposals

Since taking office, President Donald Trump has used the International Emergency Economic Powers Act (IEEPA) to impose sweeping tariffs on nearly all U.S. trading partners—measures that could significantly raise costs for U.S. importers and impact businesses and consumers in Washington state.

- **February 1:** citing national security concerns related to fentanyl, IEEPA executive orders (EOs) issued related to Canada, Mexico, China, and Hong Kong
- **February 4:** 10% tariffs on imports from China and Hong Kong take effect
- **March 4:** 25% tariffs on Canada and Mexico take effect; tariffs on China and Hong Kong increase to 20%
- **March 7:** products from Canada and Mexico complying with U.S.-Mexico-Canada Agreement (USMCA) rules exempted from IEEPA tariffs
- **April 2:** citing trade deficit concerns, IEEPA EOs issued imposing 10% tariffs on all countries and higher rates of 11% to 50% on key trading partners
- **April 5:** 10% tariffs on all covered products take effect
- **April 9:** pause of all higher “reciprocal” rates for 90 days; “reciprocal” tariffs on China and Hong Kong increase to 125% (on top of fentanyl IEEPA tariffs)
- **July 9:** scheduled end of pause and reinstatement of higher reciprocal rates

Regardless of whether the administration ultimately imposes the full reciprocal rates or keeps a 10% universal baseline for most countries, the IEEPA tariffs will create significant costs for businesses and consumers in Washington state.

Based on 2024 import values, the 145% tariffs on China plus the other IEEPA tariffs could cost Washington companies between **\$18 billion and \$21 billion in extra tariffs**, or about **\$50 million to \$60 million in new tariffs every day**. The lower estimate reflects the 90-day “pause” continuing indefinitely, while the higher estimate reflects country-specific rates announced on April 2.

Import Value, 2024	Tariffs Paid, 2024	Avg. Tariff Rate, 2024	Potential New Total IEEPA Tariffs (full reciprocal rates)	Potential New Avg. Tariff Rate (current + full reciprocal rates)	Potential New Total IEEP Tariffs (10% + universal)	Potential New Avg. Tariff Rate (current + 10% universal)
\$62 billion	\$2.0 billion	3.2%	\$21 billion	37.9%	\$18 billion	32.9%

Fentanyl-Related IEEPA Tariffs

For Washington state, Canada, Mexico, and China are all among the top ten trading partners. The fentanyl-related IEEPA tariffs alone could generate an additional **\$4.2 billion** in duties based on 2024 trade data – more than \$11 million in new tariffs every day – even after excluding all USMCA-claiming imports from the higher rates.

China

The 20% fentanyl-related tariff on imports from China could add **\$2.2 billion** to the total tariff burden paid by Washington companies. The tariffs on Chinese products have no exceptions and largely affect household and consumer imports into Washington state.

Product	Import Value, 2024	Tariffs Paid, 2024	Potential New Tariffs
Toys	\$1.2 billion	\$0	\$243 million
Video game consoles	\$585 million	\$2 million	\$117 million
Seats & parts	\$431 million	\$47 million	\$86 million
Electric heaters	\$326 million	\$21 million	\$65 million
Exercise equipment	\$283 million	\$29 million	\$57 million
All other products	\$8.3 billion	\$1.2 billion	\$1.6 billion

Canada

The 25% fentanyl-related tariff on non-USMCA claiming imports from Canada could add **\$1.8 billion** in additional duties annually, or nearly **\$5 million in new tariffs each day**. Energy and lumber products, which generally do not claim USMCA in most cases, could bear the brunt of the impact. That said, Washington companies could try to show compliance to avoid IEEPA tariffs despite the lack of historical claims.

Product	Import Value, 2024	Tariffs Paid, 2024	Potential New Tariffs
Crude oil	\$6.0 billion	\$5 million	\$487 million
Petroleum gas	\$3.1 billion	\$0	\$307 million
Lumber	\$563 million	\$0	\$141 million
Wooden boards	\$196 million	\$0	\$49 million
Electrical energy	\$342 million	\$0	\$34 million
All other products	\$7.6 billion	\$8.5 million	\$798 million

Mexico

The 25% fentanyl-related tariff on non-USMCA claiming imports from Mexico could impose an additional **\$141 million** in duties annually. While lower than China or Canada, it is nearly **50 times higher than current tariff levels on Mexican goods**. Measures are likely to affect imports of technology and consumer products.

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Product	Import Value, 2024	Tariffs Paid, 2024	Potential New Tariffs
Refrigerators	\$107 million	\$50	\$27 million
Phones	\$56 million	\$0	\$14 million
Sprits	\$35 million	\$0	\$8.8 million
Electric heaters	\$26 million	\$0	\$6.6 million
Tubes & pipes	\$18 million	\$84,000	\$4.6 million
All other products	\$1.2 billion	\$2.8 million	\$80 million

“Reciprocal Tariffs” with Subsequent Adjustments

On April 2, President Trump announced his “Reciprocal Tariffs,” establishing a baseline 10% tariff on all imports, with higher rates—up to 49%—targeting key U.S. trading partners. One week later, on April 9, the administration postponed the reciprocal tariffs for 90 days and instead implemented a 10% across-the-board tariff. The exception was China, whose reciprocal rate was increased to 125% due to its retaliation against U.S. exports.

While some key products—such as semiconductors, electronics, pharmaceuticals, and lumber—are currently exempt due to their inclusion in Section 232 investigations (as outlined in Annex II of the executive order), those investigations also seem destined to impose higher tariffs.

Even with the sector exemptions, the potential impact on Washington state remains severe. Under the full reciprocal tariff framework, Washington importers could face an additional **\$14 billion to \$17 billion in new annual tariffs** depending on whether the “pause” is made permanent or rates do rise for other countries.

Reciprocal Tariffs on China

Imports from China are unaffected by the pause and currently face reciprocal IEEPA tariffs of 125% -- stacked on top of the 20% fentanyl IEEPA tariff, pre-existing Section 301 tariffs of up to 100%, and “regular” MFN tariffs. In 2024, Chinese goods made up nearly 20% of Washington’s total imports. As a result, these imports alone could account for **\$13 billion** in additional tariffs. Unfortunately, none of Washington’s top five imports from China are covered by the exemptions, **meaning all face the full 125% tariff rate.**

Product	Import Value, 2024	Tariffs Paid, 2024	Potential New Tariffs
Toys	\$1.2 billion	\$0	\$1.5 billion
Video game consoles	\$585 million	\$2.0 million	\$731 million
Seats & parts	\$431 million	\$47 million	\$532 million
Electric heaters	\$326 million	\$21 million	\$407 million
Exercise equipment	\$283 million	\$29 million	\$353 million
All other products	\$8.3 billion	\$1.2 billion	\$9.0 billion

Full Reciprocal Rates

Excluding Chinese imports, the full reciprocal framework, as outlined on April 2, could add **\$4.7 billion** to the annual tariff burden paid by Washington companies, or **nearly \$13 million every day**.

These tariffs could most affect imports from Vietnam, Japan, Taiwan, South Korea, and Thailand.

Country	Import Value, 2024	Tariffs Paid, 2024	Avg. Tariff Rate, 2024	Potential New Tariffs	Potential New Avg. Tariff Rate
Vietnam	\$2.8 billion	\$207 million	7.4%	\$1.2 billion	51.7%
Japan	\$6.8 billion	\$107 million	1.6%	\$610 million	10.6%
Taiwan	\$1.6 billion	\$37 million	2.4%	\$404 million	28.1%
South Korea	\$7.3 billion	\$3.4 million	0.0%	\$320 million	4.4%
Thailand	\$928 million	\$22 million	2.3%	\$302 million	34.8%
All other countries	\$31 billion	\$290 million	0.9%	\$1.9 billion	6.9%

“Reciprocal” tariffs could affect a wide range of imports into Washington state, many of which are consumer goods including furniture, video game consoles, and knit apparel.

Product	Import Value, 2024	Tariffs Paid, 2024	Avg. Tariff Rate, 2024	Potential New Tariffs	Potential New Avg. Tariff Rate
Furniture	\$540 million	\$0	0.0%	\$145 million	26.9%
Video game consoles	\$324 million	\$0	0.0%	\$142 million	43.8%
Self-propelled bulldozers	\$538 million	\$0	0.0%	\$127 million	23.7%
Knit apparel	\$300 million	\$56 million	18.7%	\$116 million	57.5%
Sound media	\$471 million	\$0	0.0%	\$115 million	24.6%
All other products	\$49 billion	\$610 million	1.2%	\$4.1 billion	9.7%

The 10% Universal Tariff

Excluding Chinese imports, continuing the 10% universal tariffs still could add **\$1.7 billion** in new tariffs, or nearly **\$5 million** per day.

Like the full reciprocal tariffs, imports from Vietnam, Japan, Taiwan, and South Korea are most affected by a universal tariff, though Germany replaces Thailand to round out the top five.

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Country	Import Value, 2024	Tariffs Paid, 2024	Avg. Tariff Rate, 2024	Potential New Tariffs	Potential New Avg. Tariff Rate
Vietnam	\$2.8 billion	\$207 million	7.4%	\$269 million	17.0%
Japan	\$6.8 billion	\$107 million	1.6%	\$254 million	5.4%
Taiwan	\$1.6 billion	\$37 million	2.4%	\$126 million	10.4%
South Korea	\$7.3 billion	\$3.4 million	0.0%	\$123 million	1.7%
Germany	\$1.3 billion	\$11 million	0.8%	\$90 million	7.9%
All other countries	\$31 billion	\$301 million	1.0%	\$820 million	3.6%

The 10% universal tariff applies to a broad range of imports into Washington state, including everyday consumer goods—such as furniture and coffee—as well as critical inputs for key industries, like bulldozers and engines.

Product	Import Value, 2024	Tariffs Paid, 2024	Avg. Tariff Rate, 2024	Potential New Tariffs	Potential New Avg. Tariff Rate
Self-propelled bulldozers	\$538 million	\$0	0.0%	\$53 million	9.9%
Sound media	\$471 million	\$0	0.0%	\$47 million	9.8%
Furniture	\$540 million	\$0	0.0%	\$45 million	8.4%
Coffee	\$448 million	\$0	0.0%	\$44 million	9.7%
Spark-ignition engines	\$437 million	\$89,000	0.0%	\$43 million	9.8%
All other products	\$48 billion	\$667 million	1.4%	\$1.5 billion	4.4%

Conclusion

Whether limited to the fentanyl-related tariffs announced in February or the maximum announced tariffs per country, the novel use of IEEPA authorities to impose tariffs could have major costs on companies in Washington. Average tariff rates could grow more than 10-fold, leading to large real cost increases even if trade volumes fall sharply as one would expect at such high tariff rates. Importantly, these new costs do not account for new tariffs imposed (e.g., autos, steel, aluminum, and derivative products) or anticipated (e.g., lumber, pharmaceuticals, semiconductors and derivative products) under other statutes, such as Section 232 national security tariffs.