

Potential Relief from Section 301 and Other Tariffs Under the Senate China Bill

May 28, 2021

On Thursday, May 28, 2021, the U.S. Senate passed, 91 to 4, Amendment 1562 (the Trade Act of 2021) to Senator Schumer's China competitiveness bill, Senate Bill 1260. The amendment, sponsored by Senator Mike Crapo (R-ID), includes a number of provisions that stand to benefit importers, including importers affected by Section 301 duties on Chinese-origin goods.

Section 73001(c) of the amendment would reinstate expired Section 301 tariff exclusions for goods imported from China. Based on the language of the amendment, it appears that all expired exclusions would be reinstated through the end of 2022, regardless of when they originally expired. Refunds of duties are also authorized, outside of the standard customs refund processes, for any duties paid in 2021 on goods that were subject to exclusions that were still in effect on December 31, 2020.

And for those importers who were unable to secure exclusions at any point through the prior exclusions process, there is some good news as well. Sections 73001(a)-(b) of the amendment require the Office of the U.S. Trade Representative to institute a new process for companies to petition for the exclusion of their imported goods from Section 301 tariffs, currently applicable to Chinese-origin goods.

Title IV of the amendment incorporates the miscellaneous tariff bill (MTB), and would grant, or retroactively reinstate, duty suspensions and reductions on various imported products from all countries. Section 74003 of the amendment also extends the Generalized System of Preferences (GSP), which allows importers to avoid duties on products imported from certain developing countries.

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While the amendment passed the Senate easily, consideration of the full bill has been delayed until the Senate reconvenes on June 8. Assuming the full bill passes the Senate, it will also require passage through the House. Nonetheless, the adoption of Sen. Crapo's amendment should provide some hope to importers that have been long waiting for action on GSP, the MTB, and relief from Section 301 tariffs.

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