

Will the Biden Administration Deliver Tariff Relief?

The Biden administration inherited an array of new tariffs applied to nearly \$400 billion of imported goods. That's a sum "equivalent to [one of the largest tax increases in decades](#)," per the Tax Foundation.

Why it matters: A tariff, of course, is a tax paid by American families and businesses. Last year the CBO [estimated](#) these duties would cut U.S. GDP by more than \$100 billion and "reduce average real household income by \$1,277" in a recurring if gradually fading hit to the economy.

What's next for these tariffs?

- By far the biggest bucket are Section 301 tariffs on goods from China. [According to](#) new U.S. Trade Representative Katherine Tai, the U.S. won't lift tariffs on Chinese imports in the near future, but "might be open to trade negotiations with Beijing." With China still imposing more than \$100 billion in retaliatory duties on U.S. exports, she emphasized that "no negotiator walks away from leverage."
- The Trump administration also applied Section 232 tariffs to [steel and aluminum](#) after determining these imports "threaten to impair the national security." U.S. allies from Germany to Korea have bridled at both the accusation and at the duties. Last fall, Secretary of State Tony Blinken pledged to "end the artificial trade war" on America's allies, and the Chamber and most of the U.S. business community are pressing for their elimination.

The Biden administration is also seeking a settlement for the two-decade-old "[large civil aircraft](#)" disputes to limit subsidies and lift retaliatory duties the U.S. and the EU have imposed on one another. Aircraft and parts, liquor, and luxury goods are among the products hit with tariffs. These WTO disputes are ripe for settlement: The two sides recently suspended the duties for four months, but the clock is ticking.

The U.S. has also threatened tariffs as countries in Europe and elsewhere impose unilateral digital services taxes. Digital commerce and technologies became a lifeline during the pandemic, but these discriminatory taxes threaten growth and block progress toward a multilateral agreement in OECD tax talks. The Chamber is urging all parties to reject unilateral, discriminatory taxes and focus on a multilateral solution at the negotiating table.

—John Murphy, Senior Vice President, U.S. Chamber of Commerce

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