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# US Supreme Court Blocks Trump's Global Tariffs; Trump Imposes 10% New Tariff Under 1974 Trade Law

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## **Background: Supreme Court Strikes Down Earlier Tariffs**

The Supreme Court of the United States ruled that former US President Donald Trump had no authority to impose sweeping global tariffs.

The verdict was delivered in a 6–3 majority decision.

The Court said only the US Congress has the constitutional power to impose broad taxes and tariffs.

## **Why Were the Tariffs Declared Invalid?**

### **Use of Emergency Law (IEEPA)**

Trump had used the International Emergency Economic Powers Act (IEEPA) of 1977 to justify global tariffs.

The Court ruled that this law does not give the President power to impose wide-ranging import taxes.

The judgment reinforced the principle of separation of powers in the US Constitution.

## **Who Challenged the Tariffs?**

A group of small American businesses filed the case.

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The legal challenge was led by Neal Katyal, an Indian-origin American lawyer and former Acting Solicitor General of the US.

He argued that the tariffs were unconstitutional and exceeded presidential authority.

After the verdict, he said the ruling protects the rule of law and limits executive power.

### **Trump's Response: New 10% Global Tariff**

After the court setback, Trump quickly announced a new tariff plan.

Law Used This Time: Trade Act of 1974 (Section 122)

Trump invoked Section 122 of the Trade Act of 1974.

This law allows the President to impose a temporary tariff of up to 15% for 150 days without full congressional approval.

Under this provision, a 10% tariff has been imposed on most imports.

### **Key Features of the New Tariff Plan**

A 10% tariff on imports from all countries.

It will remain in effect for about five months (around 150 days).

It is in addition to existing tariffs already in place.

The new tariff came into effect from February 24, 2026.

### **Impact on Global Trade**

Imported goods in the US may become more expensive.

American consumers could face higher prices.

Exporting countries, including India, may be affected unless future negotiations change the terms.

The move increases uncertainty in global trade relations.

### **Why This Development Is Important**

Shows that even after a legal defeat, trade actions can continue under different laws.

Highlights the ongoing debate between executive power and congressional authority in the US.

Has major implications for US trade policy and international economic relations.

### **Simple Summary**

The US Supreme Court ruled that Trump's earlier global tariffs were unconstitutional because only Congress can impose such taxes. In response, Trump used the Trade Act of 1974 to impose a new temporary 10% global tariff for about five months, keeping trade tensions alive.