



# Accounting Brief Update on Potential Tariff Refunds

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## Summary

On March 3, 2026, our Accounting Brief, *Financial reporting implications of tariffs*, was amended and expanded to address the accounting and disclosure implications stemming from the U.S. Supreme Court’s (Supreme Court) decision in *Learning Resources, Inc. v. Trump* (Learning Resources). In that ruling, the Supreme Court determined that tariffs imposed pursuant to the International Emergency Economic Powers Act (IEEPA) were unlawful and remanded proceedings to the lower courts.

On March 4, 2026, the U.S. Court of International Trade (CIT) issued an order directing U.S. Customs and Border Protection (CBP) to process customs entries without regard to IEEPA duties, which would result in IEEPA tariff refunds to importers. This paper outlines the CIT’s recent actions and CBP’s response, describes continued uncertainties related to potential IEEPA tariff refunds, and provides illustrative examples regarding the potential processing of IEEPA tariff refunds. This paper should be considered in conjunction with our Accounting Brief, *Financial reporting implications of tariffs*, as the issues discussed in that paper continue to be relevant to the accounting and financial reporting for IEEPA tariff refunds.

Entities should continue to monitor developments, including any future CIT or other court rulings, CBP activities, and other events related to potential IEEPA tariff refunds.

## 1 CIT orders related to potential IEEPA tariff refunds

On February 20, 2026, the Supreme Court issued its decision in the Learning Resources case. In that case, the Supreme Court ruled that tariffs imposed under IEEPA were unlawful and remanded proceedings to the lower courts. Following the Supreme Court's Learning Resources ruling, there have been developments at the CIT in a separate case, *Atmus Filtration Inc. v. United States (Atmus)*, related to potential tariff refunds:

- On March 4, 2026, the CIT issued an order in the *Atmus* case directing CBP to begin liquidating or reliquidating entries that were subject to IEEPA duties without regard to those duties.<sup>1</sup> Importantly, the CIT order applies broadly to IEEPA duties paid by all importers, regardless of whether the importer has filed a protest with CBP or has filed suit at the CIT.
- The CIT order essentially requires CBP to process refunds for all IEEPA duties paid on unliquidated entries and liquidated entries for which “liquidation is not final.”
- Customs liquidation is the final process in importing goods where CBP determines final duties, taxes and fees owed on imported goods. Typically, liquidation automatically occurs 314 days after the entry date. CBP can revise the liquidation of an entry through a process called “voluntarily reliquidation” within 90 days of liquidation under 19 U.S.C. § 1501, and importers can protest liquidation within 180 days under 19 U.S.C. § 1514. While final liquidation is considered to occur at the end of the 180-day protest period, the CIT did not define what it meant by liquidation not being “final,” so there is some uncertainty regarding the scope of the order. However, the discussion preceding issuance of the order focused on the CBP’s ability to process refunds through its existing rules and processes. As such, the CIT order appears to impact the following categories of entries (see [Section 3](#) for further discussion of the customs entry and liquidation process):
  - **Unliquidated entries:** The CIT order requires unliquidated entries to be liquidated without IEEPA duties, resulting in refunds of previously paid deposits.
  - **Liquidated entries within 90 days:** The CIT order requires reliquidation of all entries that are within the CBP’s 90-day voluntary reliquidation period.
  - **Liquidated entries within 91-180 days:** The CIT order does not explicitly address liquidated entries that are outside of the reliquidation period but still within the 180-day protest period. Importers may be required to lodge a timely protest within 180 days from liquidation to pursue refunds of IEEPA duties.
  - **Liquidation is final:** The CIT order does not address IEEPA duties paid on entries where liquidation is final. The CIT noted that there may be additional action taken by the court with respect to these liquidated entries, but it is possible that importers may need to pursue litigation or take other action to recover those duties.
- The U.S. government has 60 days to appeal the CIT ruling to the U.S. Court of Appeals for the Federal Circuit (Federal Circuit) and to seek a stay during that appeal.
- Subsequent to issuance of the CIT order, the CBP described significant challenges related to processing refunds using existing system functionality.<sup>2</sup> In response, the CIT revised its order on March 6, 2026, to effectively allow the CBP additional time to develop a process to comply with the

<sup>1</sup> CIT Order, *Atmus Filtration, Inc. v. United States (Atmus)* (March 4, 2026), accessed online at [CourtListener](#)

<sup>2</sup> See, for example, Declaration of Brandon Lord, *Atmus* (March 6, 2026), accessed online at [CourtListener](#)

order.<sup>3</sup> The CBP is providing regular updates to the CIT on its implementation of new systems capabilities.<sup>4</sup> Key takeaways from the communications between the CIT and CBP include:

- The CBP asserted it is making all possible efforts to have new system functionality ready for use within 45 days from the CIT order date (i.e., by April 20, 2026) to begin processing refunds.
- The CBP confirmed that in addition to refunding the IEEPA duties, CBP must also pay importers interest, as required by law.
- The CBP’s proposed process would require importers or brokers to take action to obtain IEEPA refunds by submitting a file containing a list of entries for which they are requesting refunds.
- While the proposed liquidation or reliquidation process would automatically calculate duties as if the IEEPA duties had never been declared—and calculate interest owed on amounts to be refunded—the process would also include validation and potential manual review for compliance with all customs requirements.
- The CBP expects to implement the new process in phases and expects that the initial phase will not process unliquidated entries subject to antidumping or countervailing duties; entries for which the liquidation status is suspended, extended, or under review; or certain other entry types such as warehouse withdrawals and entries designated on a drawback claim.

In summary, as of March 6, 2026, the CIT order provides a pathway to importers receiving refunds, but as more fully discussed in [Section 2](#), that refund pathway remains clouded by:

- Potential appeals and possible stays
- Unresolved treatment for entries where liquidation is final
- Operational constraints at CBP
- The absence of a finalized refund mechanism

Consequently, given the significant uncertainties concerning any potential tariff refund, we generally believe the threshold for recognizing a receivable under either of the approaches described in Section 2.2.1 of our Accounting Brief, [Financial reporting implications of tariffs](#), has not been met as of March 6, 2026. For entities whose reporting period has ended but have not yet issued financial statements nor have made them available for issuance, we believe the March 4 and March 6 CIT rulings represent non-reportable, or Type 2, subsequent events under FASB Accounting Standards Codification 855, [Subsequent Events](#).

Entities should continue to monitor developments, including any future CIT or other court rulings, CBP activities, and other events when determining whether an entity should recognize a tariff refund receivable, as discussed further in our Accounting Brief, [Financial reporting implications of tariffs](#).

## 2 Uncertainties related to potential IEEPA tariff refunds

Following is a summary of certain key procedural and legal uncertainties that remain as of March 6, 2026, explaining why we believe it is still unclear whether, when and to what extent importers will receive refunds of tariffs paid under IEEPA, even after the CIT’s order to liquidate or reliquidate entries without regard to IEEPA duties.

<sup>3</sup> CIT Order, Atmus, (March 6, 2026), accessed online at [CourtListener](#)

<sup>4</sup> See, for example, Declaration of Brandon Lord Responding to March 6, 2026 Court Order, Atmus, (March 12, 2026), accessed online at [CourtListener](#); CIT Order, Atmus (March 12, 2026), accessed online at [CourtListener](#); and Declaration of Brandon Lord Responding to March 12, 2026 Court Order, Atmus (March 19, 2026), accessed online at [CourtListener](#)

- **The CIT order is broad, but its legal finality is not secure.** Although the CIT ordered CBP to liquidate or reliquidate entries without IEEPA duties and stated that all importers of record are entitled to the benefit of the Supreme Court’s decision, the order is not immune from appellate disruption. The government has 60 days to appeal to the Federal Circuit and is widely expected to do so, potentially accompanied by a request for a stay that would pause refunds altogether during appellate review.

Critically, the Supreme Court’s decision in *Learning Resources* resolved only the merits (i.e., IEEPA does not authorize tariffs) and expressly did not address remedies or refunds, leaving the refund mechanics to lower courts and agencies. As a result, the CIT’s refund order is the first attempt to operationalize refunds at scale, and therefore a potential target for appellate scrutiny.

- **Universal relief remains vulnerable under *Trump v. CASA*.** A central legal risk is whether the CIT’s order—effectively extending relief to non-party importers nationwide—will survive in light of the Supreme Court’s 2025 decision in *Trump v. CASA, Inc. (CASA)*, which sharply limited universal or nationwide injunctions issued by federal courts.<sup>5</sup>

In the CIT order, Judge Eaton distinguished *Atmus* from *CASA* by emphasizing the CIT’s exclusive nationwide subject-matter jurisdiction over customs matters, the constitutional requirement of uniform duties, and Congress’s deliberate design of the CIT as a court with national geographic reach.<sup>6</sup>

However, whether the Federal Circuit (or ultimately the Supreme Court) will accept that distinction remains unresolved. If the order is narrowed on appeal, refunds could be limited to named plaintiffs, requiring other importers to lodge timely protests, file lawsuits or take other actions to pursue refund claims.

- **Final liquidation may be a hard stop for many entries.** The CIT order does not clearly reach entries where liquidation is final, including entries for which CBP liquidated the entry and the 180-day protest period has expired. The order expressly covers unliquidated entries and entries where liquidation is not yet final, but is silent on fully final liquidations, leaving open whether refunds for those entries would require additional CIT litigation, legislative action or voluntary administrative relief by CBP (which is not guaranteed).
- **CBP has asserted operational infeasibility and sought delay.** On March 6, 2026, a CBP official submitted a sworn declaration to the CIT stating that immediate compliance with the order is operationally infeasible due to the unprecedented scale involving over 53 million entries, more than 330,000 importers and approximately \$166 billion in duties collected.<sup>7</sup>

CBP informed the court that:

- Existing liquidation and reliquidation processes cannot handle refunds at this scale
- New system functionality must be defined and built
- Refunds may need to be aggregated at the importer level, rather than entry-by-entry
- Importers must be enrolled for electronic refunds, or payments may fail

In response, the CIT suspended the requirement in its March 4 order for immediate compliance, thereby allowing CBP time to implement a workable process—introducing further timing uncertainty even absent an appeal.

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<sup>5</sup> [Trump v. CASA, Inc., 606 U.S. 831 \(2025\)](#)

<sup>6</sup> *Supra* note 1

<sup>7</sup> *Supra* note 2

- **No clear timeline or mandatory refund mechanism yet exists.** Even assuming the order ultimately stands, the CIT did not impose a deadline by which CBP must issue refunds, nor did it specify:
  - Whether refunds will be automatic or require importer action (the CBP’s proposed process would require importers to file a claim)
  - How interest will be calculated and paid
  - How conflicts with other duties (e.g., Section 301, Section 232, antidumping and countervailing duties) will be resolved
  - How disputes over entry status will be adjudicated

CBP has also indicated it will conduct additional compliance reviews before issuing refunds, raising the possibility of delays or offsetting assessments unrelated to IEEPA duties.<sup>8</sup>

- **Refund rights may still depend on importer action.** Despite language suggesting relief without requiring importers to file suit, many legal advisors have cautioned that protective protests may still be necessary, especially where liquidation dates are approaching, finality status is unclear or CBP’s future refund process excludes certain entries.

Until CBP publishes binding guidance or regulations, importers may wish to seek the advice of qualified legal counsel about whether they risk forfeiting refunds if they rely solely on the CIT order and miss statutory deadlines.

### 3 CBP entry liquidation process

Outlined below is our understanding of the typical steps in an entry liquidation process with CBP, provided solely for informational purposes. This summary should not be relied upon for purposes of making any import decisions or for any other purpose. For more complete information regarding the payment of import duties and the associated liquidation process with CBP, entities are advised to consult resources available on the CBP website or seek guidance from customs brokers, advisors or legal counsel.

CBP Entry Liquidation Process		
Step	When does this occur?	What happens?
<b>Initial Customs Entry</b>	Entry occurs at the time of arrival of goods in the U.S. and upon declaration of entry to CBP	Upon declaration of goods to CBP, the importer of record pays estimated duties based on the declared value of the product, its classification, country of origin and applicable tariff rate
<b>Unliquidated Entry</b>	Represents the entry status between initial customs entry and liquidation of entry	CBP reviews customs entries for completeness and accuracy, audits entries, and requests more information, as needed  Importers can correct an entry by filing a Post Summary Correction, which replaces previously filed entries, up to 300 days following the date of entry

<sup>8</sup> *Supra* notes 2 and 4

CBP Entry Liquidation Process		
<b>Entry Liquidation</b>	<p>Automatically occurs 314 days from initial customs entry unless CBP elects to manually liquidate (within one year from entry) or extend liquidation (up to four years from entry)</p> <p>CBP can voluntarily reliquidate customs entries within 90 days of initial liquidation</p> <p>Liquidation of informal entries (generally those with a declared value not exceeding \$2,500) occurs as duties are paid upon entry</p>	<p>CBP determines if a refund is due to the importer (with interest) or if additional duties are owed by the importer (with interest), based on review of initial customs entry or Post Summary Correction, and issues a liquidation notice stating a final amount of duties owed or refunds to be issued</p>
<b>Protest Period</b>	<p>180 days from entry liquidation</p>	<p>After entry liquidation, the importer may challenge the CBP’s calculated duties</p> <p>Liquidation is final if no protest is filed within 180 days of entry liquidation</p>
<b>Liquidation of Entry is Final</b>	<p>Upon expiration of protest period</p>	<p>CBP closes entries based on entry liquidation and any adjustments made in the protest period</p> <p>Refunds after liquidation is final occur in rare circumstances, such as a court order, specific statutory refund mechanism or extraordinary relief</p>

The following examples illustrate our understanding of the impact of the March 4, 2026, CIT order on customs entries that included IEEPA tariffs, by liquidation status. The examples assume that the CIT order’s impact is based on liquidation status as of the date of the order, but it is possible that the impact will be based on another date, such as the liquidation status as of the date the CIT begins liquidation and reliquidation without regard to IEEPA duties. Given the key procedural and legal uncertainties that remain related to implementation of the CIT order, it is still unclear whether, when and to what extent importers will actually receive refunds of tariffs paid under IEEPA. Affected entities should consult with their customs brokers, advisors or legal counsel regarding the impact of the CIT order and other legal proceedings related to IEEPA tariffs.

 **Example 1: Entry is unliquidated as of the date of the CIT order**

Assume that an initial customs entry that included duties under IEEPA tariffs was entered into CBP’s Automated Commercial Environment (ACE) system on July 1, 2025. The entry was not liquidated by CBP prior to 314 days from its initial entry. As such, the entry’s scheduled automatic liquidation date is May 11, 2026.

Since CBP has not yet liquidated the entry as of March 4, 2026, the CIT order directs CBP to process the liquidation without applying IEEPA tariffs. Accordingly, unless the CIT order is challenged by the government and overturned by the Federal Circuit, a refund payment should be made to the importer upon liquidation of the initial customs entry.



**Example 2: Entry is liquidated within a reliquidation period that expires after the date of the CIT order**

Assume that an initial customs entry that included duties under IEEPA tariffs was entered into CBP's ACE system on April 1, 2025. CBP liquidated the entry on February 9, 2026. Accordingly, the CBP's voluntary reliquidation period for this entry ends May 10, 2026.

Since liquidation of the entry was not final as of March 4, 2026, the CIT order directs CBP to reliquidate the entry without applying IEEPA tariffs. Accordingly, unless the CIT order is challenged by the government and overturned by the Federal Circuit, the reliquidation process should result in a refund payment to the importer.

**Example 3: Liquidation of entry is final before the date of the CIT order**

Assume that an initial customs entry for goods with a declared value below \$2,500 that included duties under IEEPA tariffs was entered into CBP's ACE system on May 15, 2025, as an informal entry. The importer paid duties on that date and therefore CBP liquidated the informal entry on the same date. Liquidation of the entry became final after the 180-day protest period ended on November 11, 2025.

The CIT order does not specifically address customs entries where liquidation was final as of the date of the order. As such, entities may need to seek the advice of qualified legal counsel to determine whether IEEPA tariffs paid under such circumstances are also eligible for refund.

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