

# Section 301 Tariffs

## on Chinese Importations



On March 22, 2018, President Donald Trump issued a memorandum instructing U.S. Trade Representative Robert Lighthizer to take all appropriate actions under Section 301 of the U.S. Trade Act of 1974 (19 U.S.C. §2411) to “address the acts, policies, and practices of China that are unreasonable or discriminatory and that burden or restrict U.S. commerce.” The Memorandum cited findings from a 2017 investigation by the U.S. Trade Representative into China’s trade practices as a basis to impose tariffs, including the lack of protection for U.S. firms’ trade secrets and intellectual property when doing business in China.

## Current Status

The Trump Administration imposed tariffs on Chinese originating goods over the course of three tranches, beginning with “List 1” on July 6, 2018. On May 9, 2019, the Trump Administration increased the Section 301 tariff on “List 3” goods from 10% to 25% *ad valorem*. The increased duties are effective on goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. Eastern Standard Time on May 10, 2019, and exported to the United States on or after May 10, 2019.

On May 13, 2019, the Trump Administration announced its proposal to impose Section 301 tariffs on the remaining \$300 billion of Chinese originating goods imported into the United States, creating a tentative “List 4.” The public comment period will end June 17, 2019, and should the Administration decide to impose the tariffs, it could likely do so as early as June 24, 2019.

## What is Section 301?

Section 301 of the U.S. Trade Act of 1974 authorizes the President to take all appropriate action, including retaliation, to obtain the removal of any act, policy, or practice of a foreign government that violates an international trade agreement or is unjustified, unreasonable, or discriminatory, and that burdens or restricts U.S. commerce.

## Are You Impacted?

Crane can perform a complementary analysis of your tariff classifications to determine if your company will be impacted by the tariffs, and possible solutions to reduce your exposure. Contact your Crane representative for additional information.

Section 301 tariffs are in addition to the normal tariff and any applicable dumping duties for the subject goods.

**Goods exported before May 10 and entered before June 1:** Use HTS 9903.88.09 at 10%

**Goods exported before May 10 and entered on/after June 1:** Use HTS 9903.88.03 and 9903.88.04 at 25%

**Goods exported on or after 12:01 AM May 10:** Use HTS 9903.88.03 and 9903.88.04 at 25%

	List 1	List 2	List 3	List 4
<b>Entered Value</b>	\$34 billion	\$16 billion	\$200 billion	\$300 billion
<b>8-Digit HTS</b>	818	279	5,733	3,794
<b>Percent of Total Imports</b>	6%	2.7%	36.2%	55.1%
<b>Tariff</b>	25%	25%	25%	≤25%
<b>Effective Date</b>	6-Jul-18	23-Aug-18	24-Sep-18	TBD: Late June 2019 likely

**+1 888-870-2726**  
Or visit [cranewww.com](http://cranewww.com)