# Let's Talk About Tariffs

## What is their impact & how can you mitigate it?

by: Greg Goldberg, BTA General Counsel


Trade policy in the United States has shifted dramatically under the second Trump administration. Through a series of executive orders, President Donald Trump has deployed a dizzying array of tariffs on imported goods, causing wide-ranging repercussions. This time around, the president has broad ambitions, escalating the reach and size of tariffs on foreign products. It remains to be seen whether these actions will yield a series of promised trade deals or ease the short-term pain affecting U.S. consumers and businesses. This month, Legal Perspective takes a closer look at U.S. tariff policy and its impact on the dealer channel.

### A Brief History of the Trump Tariffs

During the first Trump administration, the U.S. imposed significant tariffs under Section 301 of the Trade Act of 1974, specifically targeting Chinese technology, electronics and machinery. The stated purpose of the tariffs was to counter what the administration deemed unfair trade practices and intellectual property theft. In turn, many businesses saw price hikes on imported goods — including electronics and office equipment like printers, copier/MFPs and networking hardware. Between Trump's terms in office, the Biden administration maintained many of Trump's initial tariffs, but took an arguably more measured and multilateral approach.

President Trump returned to office determined to expand the tariff policies of his first term. He implemented baseline tariffs on all imported products (10%); tariffs on specific commodities that compete with core U.S. industries (e.g., steel, aluminum, automobiles; at 25%); so-called "reciprocal" tariffs on products imported from approximately 90 countries (in varying amounts); and unilateral tariffs on most Chinese imports (up to 145% or more). Global financial markets — most notably the U.S. stock and bond markets — reacted unfavorably to the new tariffs, resulting in 90-day pauses of both the "reciprocal" tariffs and the tariffs on certain Chinese products.

### Current Status of U.S. Tariffs on Foreign Imports

As of May 2025, the Trump administration announced additional tariffs on a broad range of imported goods, including semiconductors, lithium-ion batteries, electric vehicle components and telecommunications equipment. These new tariffs, ranging from 15% to 25%, affect key markets (notably China, South Korea and parts of the European Union). Products like MFPs, network servers and wireless routers are now either directly impacted or indirectly affected through the rising costs of components and parts.

### How the Tariffs Impact the Industry

The effect of the tariffs is likely to be felt by the vast majority of BTA members. Manufacturers including Canon, Epson, HP, Ricoh and Sharp have already begun communicating to U.S. distributors and dealers about potential price increases. While many OEMs have yet to publish formal price lists, the expectation within the channel is that increases of 6% to 20% could materialize over the coming months. These price increases are largely driven by cost pressures tied to tariffs, supply chain realignments and currency volatility. As a result, affected BTA members should prepare for rising acquisition costs that will reduce profit margins.

### What BTA Members Can Do: Consider a Tariff Surcharge

To mitigate the impact of cost increases, it may be prudent to introduce a temporary "tariff surcharge" or "tariff adjustment fee" on certain products. A fee of this nature can help preserve margins while transparently addressing the real-world impact of government trade policies. When implementing a surcharge, customers should receive advanced written notice that is clear and unambiguous, including:

- **The reason for the increase:** Clearly state that the surcharge is a direct response to new federal tariffs that have increased equipment and supply costs.
- **The temporary nature of the change:** Emphasize that the price increase is temporary and will be reevaluated or eliminated based on future policy changes.
- **The effective date:** Provide customers reasonable lead time — ideally 30 days — to prepare for the change and note when it will go into effect.

### Stay Informed

Tariffs are an evolving issue and the landscape can shift quickly depending on trade negotiations and policy decisions. BTA members are encouraged to reach out with questions. ■

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