



**APRIL UPDATE:**

# **LOGICSOURCE 2026 TARIFF IMPACT ANALYSIS**

Tariff Rebates and Metal Modifications

**Produced by the LogicSource Indirect Category Leaders in our Center of Excellence**

This report leverages insights from 200+ indirect category experts and \$200B+ in pricing data to provide actionable strategies for optimizing procurement, mitigating risks, and addressing the impacts of tariffs and trade regulations.

Learn more at [logicsource.com](https://logicsource.com)

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# EXECUTIVE SUMMARY

Over the past several months, global tariff policies have continued to shift in response to ongoing geopolitical tensions, inflationary pressures, and domestic policy objectives. The most notable development has been the expansion and increased utilization of tariff rebate mechanisms, alongside targeted tariff adjustments in key categories such as steel, aluminum, and copper. Organizations are responding by accelerating tariff recovery strategies, reassessing product specifications and design, and embedding tariff engineering into procurement decisions.

This April 2026 report serves as a critical update to LogicSource's original 2025 **Tariff Impact Analysis**, breaking down every major tariff action and notice issued, highlighting where costs are climbing and which categories are most exposed. It equips procurement and supply chain leaders with the critical insights needed to refine their sourcing strategies, pricing models, and risk mitigation plans in response to these evolving trade policies.

Visit our **Tariff Report Library** to stay current on quarterly tariff analysis updates, explore detailed category breakdowns, and discover real-world applications of tariff mitigation strategies.



# KEY TARIFF DEVELOPMENTS

## Expansion of Tariff Rebate

On April 20, 2026, U.S. Customs and Border Protection (CBP) introduced the Consolidated Administration and Processing of Entries (CAPE) capability within the Automated Commercial Environment (ACE), aimed at simplifying the submission and processing of eligible IEEPA tariff refund claims (applicable to the country-specific tariffs struck down by SCOTUS).

Access to submit these refund requests (CAPE Declarations) will be limited to the original importer of record or the customs broker that filed the initial entry with CBP.

### At launch, Phase 1 of CAPE will support CAPE Declarations for:

- + Unliquidated entries, and
- + Entries that have been liquidated within 80 days prior to acceptance of the CAPE Declaration

Liquidation is when CBP officially determines the final duties owed on an entry. If an entry is still unliquidated, it's essentially "open," and CBP can still adjust duties. Under CAPE Phase 1, these entries are eligible because refunds can be processed before final duty amounts are locked in.

Once an entry liquidates, there is typically a 180-day window to file a protest, but CAPE is introducing a much shorter operational window. CAPE Phase 1 allows refund requests only if the entry was liquidated within the past 80 days at the time the CAPE Declaration is accepted. After that 80-day window, the entry falls outside of CAPE's initial scope (for now), and other mechanisms (e.g., protests) would be required.

### CAPE Refund Declarations will not be accepted for the following:

- ❗ Entries flagged for reconciliation
- ❗ Entries already designated under a refund claim
- ❗ Entries subject to an open protest
- ❗ Entries not filed in ACE or lacking a recorded liquidation status in ACE
- ❗ Entries subject to antidumping or countervailing duties (AD/CVD) that are pending liquidation based on Department of Commerce instructions

CBP has indicated that future CAPE updates are expected to expand eligibility to include these excluded categories, as well as entries liquidated more than 80 days prior to declaration acceptance, with timing unknown.

CBP expects most electronic ACH refunds to be issued within approximately 60-90 days after a CAPE Declaration is accepted. Timelines may extend if compliance issues arise during CBP's review process.

### Actions Required

- 1 Verify Information:** Verify banking information in the ACE Portal to receive electronic funds.
- 2 Submit Declaration:** Utilize the ACE Secure Data Portal to submit your CAPE Declaration.
- 3 Monitor Status:** Track refund processing through the ACE portal using the REV-615 CAPE Refunds Trade Report.

### Procurement Implications

- + Procurement teams can pinpoint suppliers likely benefiting from tariff rebates by reviewing historical spend tied to tariff-impacted countries, particularly leveraging previously developed lists of affected products as a strong starting point.
- + For suppliers that have already embedded tariff costs into pricing, this creates a clear opportunity to use potential rebate recovery as negotiation leverage, driving greater cost transparency, securing a share of recovered duties, or negotiating future price reductions so that savings are passed back to the company rather than retained by the supplier.

## Targeted Tariff Adjustments by Category

On April 2, 2026, the Administration issued a proclamation modifying the Section 232 tariff framework for aluminum, steel, and copper, with changes effective April 6, 2026. The most important shift was that the duties now apply to the full customs value of covered products, rather than only the metal content in the imported article. The proclamation also established a tiered structure across Annex I-A, Annex I-B, and Annex III, with preferential treatment for certain UK-origin products and certain products made predominantly with U.S.-origin metal inputs.

### Key Changes

Annex	Standard Tariff	UK Preferential Tariff	U.S. Steel Input Condition	Notes
<b>Annex I-A</b> Covered aluminum, steel, and most copper articles	<b>50%</b> (Full Customs Value)	<ul style="list-style-type: none"> <li>• <b>25% reduced rate</b></li> <li>• ≥95% aluminum smelted/most recently cast in the UK <b>OR</b> ≥95% steel melted and poured in the UK</li> </ul>	<ul style="list-style-type: none"> <li>• <b>10% tariff</b></li> <li>• ≥95% of steel content melted and poured in the United States</li> </ul>	—
<b>Annex I-B</b> Derivative aluminum and steel articles	<b>25%</b> (Full Customs Value)	<ul style="list-style-type: none"> <li>• <b>15% reduced rate (qualifying UK-origin derivative articles)</b></li> <li>• ≥95% aluminum smelted/most recently cast in the UK <b>OR</b> ≥95% steel melted and poured in the UK</li> </ul>	<ul style="list-style-type: none"> <li>• <b>10% tariff</b></li> <li>• ≥95% of steel content melted and poured in the United States</li> </ul>	—
<b>Annex I-C</b> Specified steel and aluminum derivative products (temporary)	<ul style="list-style-type: none"> <li>• Section 232 duty may be reduced to bring the total duty rate to 10% or 15%</li> <li>• Depends on the applicable Column 1 duty rate</li> </ul>	—	—	Temporary reduced-duty list through December 31, 2027

Annex I-A covered articles moved to a 50% tariff on the full customs value for most covered aluminum, steel, and most copper articles.

- + UK-origin products received a reduced rate of 25% when at least 95% of the aluminum was smelted or most recently cast in the UK (or, for steel, where at least 95% was melted and poured in the UK).
- + UK products where at least 95% of the steel content melted and poured in the United States received a 10% tariff.

Annex I-B derivative articles generally carry a 25% duty on full customs value, but qualifying UK-origin derivative aluminum or steel articles receive a reduced 15% rate.

- + UK-origin products received a reduced rate of 15% when at least 95% of the aluminum was smelted or most recently cast in the UK (or, for steel, where at least 95% was melted and poured in the UK).
- + UK products where at least 95% of the steel content melted and poured in the United States received a 10% tariff.

Annex III created a temporary reduced-duty list through December 31, 2027, for specified steel and aluminum derivative products. For qualifying articles, the Section 232 duty may step down to a level that brings the total duty rate to 10% or 15%, depending on the applicable Column 1 duty rate.

### What This Means Commercially

- + The tariff burden increased materially for covered base-metal products because the duty now applies to the full entered value.
- + Importers of derivative goods need to validate whether their products fall under Annex I-B or the temporary Annex III relief structure, as the duty outcome may vary materially.
- + The policy creates a meaningful incentive to document smelt/cast (aluminum and copper) and melt/pour (steel) origin with greater precision.
- + Supply is not necessarily shrinking, but steel costs are rising (for example, Construction input prices jumped ~12.6% annualized early 2026, heavily driven by tariffed metals).

### Increased Enforcement and Compliance Scrutiny

Customs enforcement activity is increasing alongside recent tariff changes, with CBP explicitly signaling enforcement actions for non-compliance, heightened documentation requirements, and stricter scrutiny of valuation, origin reporting, and refund eligibility under the revised Section 232 framework.

#### KEY FOCUS AREAS

- + Misclassification of goods to reduce duty exposure
- + Improper use of free trade agreement (FTA) qualifications
- + Incomplete or inaccurate refund claims

#### IMPLICATIONS

- Elevated compliance risk and potential penalties
- Necessity for stronger internal controls and audit readiness
- Investment in trade compliance technology and expertise



# RECOMMENDED ACTIONS

1



## CONDUCT TARIFF EXPOSURE ASSESSMENT

- + Map the current spend by country of origin and tariff classification
- + Quantify tariff impact across top categories

2



## ACTIVATE / OPTIMIZE TARIFF REBATE PROGRAM

- + Assess eligibility for historical duty recovery (direct imports and indirect via suppliers acting as importer of record)
- + Partner with the customer's broker to submit relevant CAPE declarations with supporting documentation
- + Develop negotiation strategies with suppliers who are likely eligible for their own tariff rebates

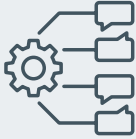
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## INTEGRATE TARIFF ENGINEERING INTO SOURCING

- + Evaluate product reclassification opportunities
- + Assess alternative materials or component configurations
- + Incorporate tariff considerations into RFx events and contracting

4



### STRENGTHEN COMPLIANCE FRAMEWORK

- + Conduct internal audits of classification and origin processes
- + Update documentation and training protocols
- + Leverage digital tools for compliance tracking

5



### SCENARIO PLANNING & FORECASTING

- + Build tariff scenarios into category strategies
- + Monitor policy developments on a continuous basis



# CONCLUSION

Looking ahead, tariff policy is expected to remain fluid, with continued emphasis on domestic manufacturing, supply chain resilience, and environmental considerations. The Section 122 “all countries” tariff of 10% remains in effect through July 24, 2026. The expansion of rebate mechanisms signals a recognition of the financial burden tariffs impose, while enforcement trends indicate that compliance expectations will continue to rise.

Organizations that proactively manage tariff exposure, through recovery, engineering, and strategic sourcing, will be best positioned to protect margins and maintain supply chain resilience.

# ABOUT LOGICSOURCE

The innovative leader in procurement services and technology, LogicSource is purpose-built to drive profit improvement, mitigate risk, and ensure supply chain continuity through better buying. LogicSource focuses exclusively on the sourcing and procurement of indirect goods and services, which typically represent 20% of an organization's revenue and the area of greatest spending inefficiency.

These include complex categories like marketing, packaging, corporate services, facilities, information technology, distribution and logistics, and more, for which organizations often lack the capacity, focus, and scale to achieve best-in-class buying. Unlike traditional advice-based consultants, LogicSource is a purpose-built buying utility with assets that are configurable to their clients' needs and ready to deploy.

By combining decades of sourcing and procurement expertise, superior market intelligence, cross-portfolio spending leverage, and their OneMarket® Source-to-Pay technology, LogicSource executes customized solutions that deliver immediate savings and sustainable value. For more information, visit [logicsource.com](https://logicsource.com).

## ABOUT THE AUTHORS

This report was produced by the LogicSource Indirect Category Leaders and Center of Excellence, which leverages decades of expertise and data to help organizations navigate global trade challenges and optimize their procurement strategies. With a dedicated team of 200+ indirect category experts and access to \$200B+ in indirect pricing data, LogicSource equips our clients with the insights and tools needed to make informed decisions, mitigate risk, and drive sustainable value.

This update supplements the original [LogicSource 2025 Tariff Impact Analysis](#). For detailed category-specific impacts and baseline analysis, please refer to the original report or the [Tariff Report Library](#).

For more information or to discover how LogicSource can help your organization achieve best-in-class buying, visit [logicsource.com](https://logicsource.com).

