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Section 232 Tariff Developments: Hundreds of Steel and Aluminum Derivatives Added and Pharmaceutical and Semiconductor Tariffs Are Expected

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The Department of Commerce significantly expanded Section 232 tariffs on steel and aluminum by adding 407 additional Harmonized Tariff Schedule (HTS) codes to its derivative list. The newly covered products include consumer goods, household and industrial products, transportation products, certain chemical products, energy products, and infrastructure products. As a result, the steel and aluminum content of these products will be subject to a 50 percent tariff. The non-steel and aluminum portion will be subject to reciprocal tariffs, complicating importers' reporting in their entry documents to U.S. Customs and Border Protection.

Companies should determine whether they are affected by this change by checking their imported products against the new list to evaluate their exposure. Beyond this, President Trump has recently indicated that steep, progressive tariffs on pharmaceutical, semiconductor, and derivative products thereof will be announced in the near future, which are expected to be similarly broad in coverage.

Steel and Aluminum

The Commerce Department's Bureau of Industry and Security published a *Federal Register* notice on August 15, 2025, identifying the new list of products. The additions were authorized under the presidential proclamations related to steel and aluminum from February 10, 2025. In those proclamations, President Trump directed the Secretary of Commerce to establish a process for including additional derivative aluminum and steel articles within the scope of the tariffs. Commerce established this process and welcomed submissions for two weeks beginning May 1, 2025. Another opportunity to add derivative products to the tariffs is expected to be published in September 2025.

The additions discussed in this alert were based on requests from companies seeking tariff relief from imports through formal submissions to Commerce. As there is no in-transit exception, the tariffs will apply immediately to products that are entered for consumption on August 18, 2025.

According to Commerce, 407 new HTS codes will be considered as steel or aluminum derivative products. The HTS codes cover a wide variety of products with some steel and aluminum content, such as consumer-packaged goods, household and industrial products, transportation products, certain chemical products, energy products, and infrastructure products. The 50 percent Section 232 tariff will apply to the steel and aluminum content of the goods. The non-steel and non-aluminum content will remain subject to reciprocal and other applicable tariffs.

What Does This Mean for Your Company?

This change will affect the way companies report information to Customs and Border Protection in their entry documents. An additional line item will be required in Form 7501 to account for the steel and aluminum content. To the extent companies do not know the value of the steel and aluminum content, the 50 percent tariff will apply to the entire product.

Companies that import these goods must now evaluate supply chains, correspond with suppliers, and strategize regarding how to address these changes. Obtaining information from suppliers regarding the value of the steel or aluminum content will be important to mitigate tariff exposure. Reporting accurate information to Customs and Border Protection is critical due to the increase in enforcement. President Trump has directed his administration to strictly enforce trade laws with a focus on prosecuting tariff evasion.

Additional Section 232 Tariffs Expected on Pharmaceuticals and Semiconductors Soon

While President Trump has implemented Section 232 tariffs on certain industries – steel, aluminum, automobiles, and copper – other industries are under investigation. The industries under investigation are:

- pharmaceuticals
- semiconductors
- lumber
- medium-duty and heavy-duty trucks
- commercial aircraft and jet engines
- critical minerals
- unmanned aircraft systems
- polysilicon

The administration has indicated the tariffs on pharmaceuticals, semiconductors, and derivatives thereof are forthcoming. Reportedly, the Section 232 tariffs on pharmaceuticals and semiconductors are expected to be implemented in phases. At first, tariffs will likely be lower, between 25 – 50 percent. Then, after a period of time, tariffs will sharply rise to 200 – 300 percent. The purpose of this structure is to encourage domestic investment in manufacturing while collecting tariffs on imports in the meantime. The President has also indicated that certain companies will receive exemptions from the interim tariffs based on investment commitments.

Our International Trade and National Security team will continue to monitor developments and provide updates as warranted. If you have any questions or would like to discuss this in further detail, please contact P. Lee Smith, Matthew McGee, Georgia Berthelot, or any member of Baker Donelson's International Trade and National Security team.