Tarifflation Report
TEXAS

FARMERS for FREE TRADE

Impact Report for Texas from Major New Tariffs

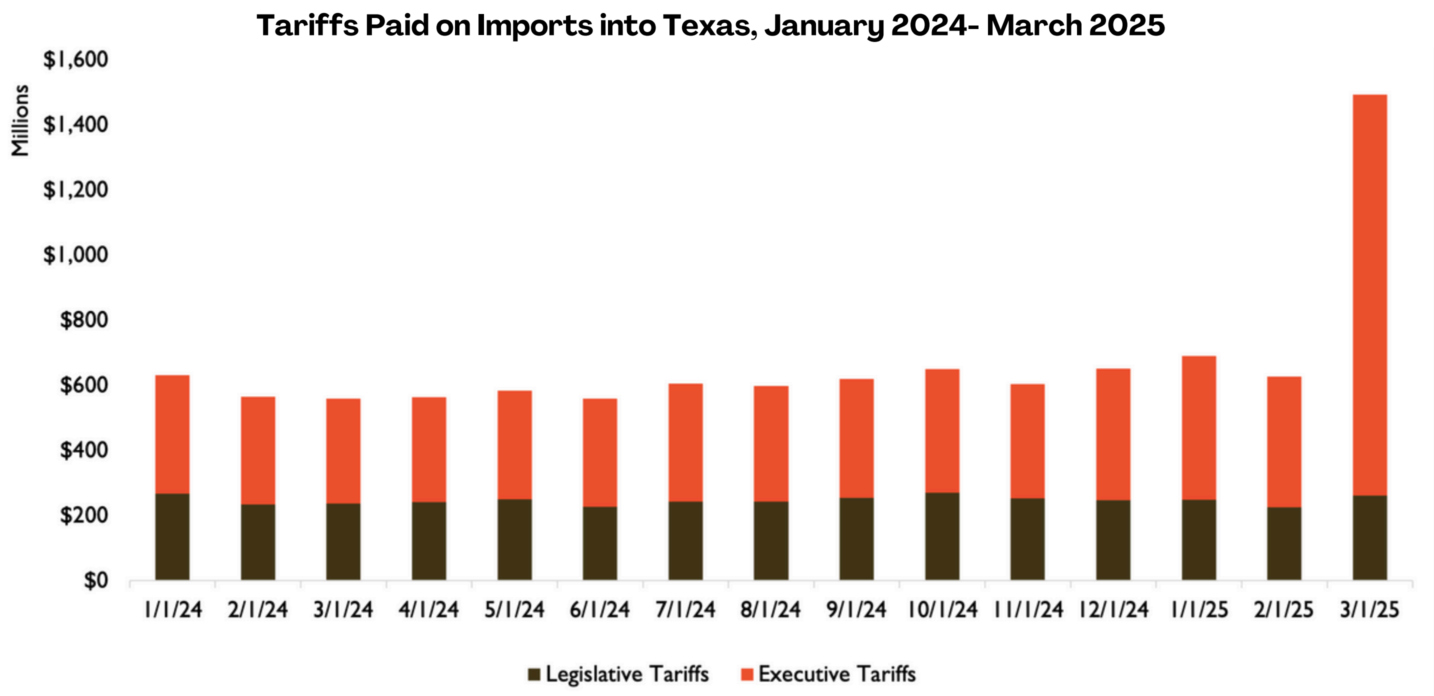
$934 MILLION
Increase in Tariffs (Mar. 2024-2025)

165%
Increase in TX Tariffs (Mar. 2024-2025)

2ND HIGHEST
Executive Tariffs Paid of Any State (Mar. 2025)

Since taking office, President Donald Trump has used the International Emergency Economic Powers Act (IEEPA) and Section 232 of the Trade Expansion Act of 1962 to impose sweeping tariffs on nearly all U.S. trading partners—measures that have significantly raised costs for U.S. importers and are impacting businesses and consumers across Texas. In March 2025, importers paid $13 billion in tariffs—more than double March 2024. $10 billion of the March 2025 tariffs resulted from executive actions – e.g, Section 301, Section 232, IEEPA – compared to about $3 billion one year earlier.

Texas saw an even more pronounced impact. Compared to March 2024, tariffs paid by Texas importers grew by $934 million (167%) to $1.5 billion in tariffs in March 2025 despite just a 10% rise in import values. Of that total, $1.2 billion (nearly 85%) stemmed from executive actions — $40 million PER DAY in extra tariffs paid wholly at the discretion of the President.



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Import Countries

Texas' imports from China faced the most tariffs ($675 million) and highest average tariff rates (30.8%) in March 2025, but Texas' imports from Mexico saw the biggest year-over-year change in tariffs costs ($393 million) compared to March 2024. The 16x increase in tariffs on Texas' imports from Mexico were exceeded by the 22x increase in tariffs paid on imports from Canada.

Country	Import Value Mar. 2024	Import Value Mar. 2025	Tariffs Paid Mar. 2024	Tariffs Paid Mar. 2025	Avg. Tariff Rate Mar. 2024	Avg. Tariff Rate Mar. 2025
China	$2.3 billion	$2.2 billion	$351 million	$675 million	15.0%	30.8%
Mexico	$12 billion	$14 billion	$26 million	$419 million	0.2%	3.0%
Canada	$3.3 billion	$3.5 billion	$3.0 million	$67 million	0.1%	1.9%
Vietnam	$1.2 billion	$1.8 billion	$24 million	$33 million	1.9%	1.8%
Germany	$865 million	$1.2 billion	$13 million	$29 million	1.5%	2.4%
All other countries	$12 billion	$13 billion	$143 million	$279 million	1.2%	2.1%

Import Products

Texas' imports of motor vehicle parts, phones, computers, air conditioning components, and batteries faced the most tariffs in March 2025. Products such as phones and batteries faced high tariffs because they come largely from China. Vehicle parts and air conditioner parts come mostly from Mexico, but are subject to 20% IEEPA tariffs since they did not claim USMCA. Toys – previously duty-free – faced over $10 million in extra tariffs in March 2025 alone. Other previously duty-free goods that faced over $1 million in tariffs in March 2025 alone include aircraft launch gear, measuring equipment parts, bandages, and mixed medicaments.

Product	Import Value Mar. 2024	Import Value Mar. 2025	Tariffs Paid Mar. 2024	Tariffs Paid Mar. 2025	Avg. Tariff Rate Mar. 2024	Avg. Tariff Rate Mar. 2025
Vehicle parts	$928 million	$859 million	$22 million	$90 million	2.4%	10.5%
Phones	$1.4 billion	$2.2 billion	$8.3 million	$71 million	0.6%	3.3%
Computers	$2.6 billion	$4.6 billion	$4.0 million	$48 million	0.2%	1.0%
Air conditioner parts	$391 million	$515 million	$10 million	$42 million	2.6%	8.2%
Batteries	$279 million	$242 billion	$28 million	$38 million	11.6%	15.7%
All other imports	$25 billion	$25 billion	$481 million	$1.2 billion	2.0%	4.9%

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The Next Year

From January to March 2025, Texas importers paid $2.1 billion in tariffs stemming from executive trade actions—more than double the $1.0 billion paid during the same period in 2024. This 104% increase occurred despite import values rising just 8%, and the tariff hikes are just the beginning. If trade continues at 2024 levels and the administration fully implements its proposed tariff increases, Texas importers could face more than 10 times the tariff costs they paid in 2024—a surge that would place immense pressure on businesses across the state.

The $25 Billion Question for Texas: "Reciprocal" Rates vs. 10% Universal Tariffs

On April 2, the administration announced country-specific "reciprocal" tariff rates of up to 50% on most imports. Yet those rates have been paused for imports from most countries through mid-July and from China through mid-August. Whether those pauses are extended or snap back to higher rates makes a huge difference. While both scenarios are costly, based on 2024 trade levels the reciprocal rates would have added $38 billion in tariffs on Texas imports last year, while the 10% rate would have added $13 billion in tariffs.

These potential costs are in addition to regular tariffs that Texas companies already pay and those associated with Section 301 and Section 232 tariffs imposed prior to 2025. They're also in addition to other country- and product-specific tariffs imposed (or proposed) this year, including up to:

- $22 billion due to fentanyl-related IEEPA tariffs on Mexico (imposed)
- $6.2 billion due to fentanyl-related IEEPA tariffs on China (imposed)
- $4.5 billion due to expanded Section 232 tariffs on steel, aluminum, and derivative products (imposed)
- $3.8 billion due to Section 232 tariffs on automobiles & auto parts (imposed)
- $3.1 billion due to fentanyl-related IEEPA tariffs on Canada (imposed)
- $2.6 billion due to Section 232 investigations into critical minerals, pharmaceuticals, lumber, trucks, and semiconductors (proposed)

Based on 2024 trade, the imposed or proposed rates would have added between $56 billion and $80 billion in extra tariffs to Texas' imports, or about $150 million to $220 million in new taxes per day.

Overall Tariff Impact on Texas Exports from Retaliation (Various levels)

In addition to driving up import costs, new tariffs place Texas exporters at risk. Following the imposition of Section 232 steel and aluminum tariffs in 2018, China, the European Union, Canada, India, Turkey, and Mexico implemented retaliatory tariffs. The 2018 trade war highlighted goods most vulnerable to retaliation, and similar countermeasures may be likely. Exporters—especially farmers who rely on international markets—likely would bear the brunt of these policies.

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China's Retaliatory Measures

In response to U.S. tariffs on Chinese imports—which reached as high as 145% in March 2025—China imposed a 34% retaliatory tariff on all U.S. goods. Like the U.S. reciprocal tariffs on China, these also have been reduced to 10% during the 90-day "pause." If reinstated, these tariffs could put Texas exporters at significant risk. In 2024, China accounted for 5% of Texas' total exports, totaling nearly $22 billion. Some Texas industries are particularly reliant on the Chinese market: 76% of Texas' $509 million in copper waste and scrap exports, 67% of hides and skins exports, and 71% of the state's $16 million in sorghum exports went to China. For these exporters, the threat of renewed Chinese retaliation remains substantial.

Past Export Declines: Unfinished Metal Products

The 2018 trade war and subsequent retaliation demonstrated the tangible effects that retaliation could have on Texas exporters. Exports of unfinished metal products were on Mexico's retaliation list in 2018. That year, there were $94 million in exports of this product from Texas. By 2019, that number dropped to $58 million, and continued to decline. In 2024, there were just $22 million Texas exports of unfinished metal products to Mexico, showing there are no guarantees that markets lost during trade wars will recover if tariffs go away.

Conclusion

Should all of President Trump's tariffs take and remain effect, it would have major consequences on Texas businesses with extensive trade relationships around the world. Already, Texas companies are paying tens of millions of dollars per day – money that could be better spent investing in companies and workers or lowering prices for their customers.

TRADE PARTNERSHIP WORLDWIDE, LLC
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Trade Partnership Worldwide, LLC (TPW), an international trade and economic research firm with a global outlook and reach through a network of international economists, prepared the above report. Report data are from TPW's State Tariff Tracker, a first-of-its-kind database that provides a comprehensive estimate of tariffs paid by state on all imports from all countries from U.S. Census Bureau and other U.S. government data. TPW's data on trade flows regularly appears in the Wall Street Journal, NY Times, Washington Post and major business publications.

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