

# *Trump's Tariffs Prompt Wave of Lawsuits as States and Businesses Fight Back*

The cases are the latest test of the president's expansive claims of executive power.



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**By Tony Romm**

Reporting from Washington

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Somewhere along a roughly 7,500-mile journey that begins in Shenzhen, China, there are 19 shipments bound for Rick Woldenberg, the chief executive of Learning Resources, an educational toy company in Vernon Hills, Ill.

Eventually, the containers of puzzle cards, child binoculars and other products will reach a port in the United States, and Mr. Woldenberg will face a difficult and expensive decision. He can pay the sky-high tariffs that President Trump has imposed on most foreign goods, or forgo at least some of the much-needed inventory, perhaps imperiling his bottom line.

Mr. Woldenberg expects to do a bit of both. But he has also opted for a more aggressive course of action, joining a growing roster of opponents now legally challenging Mr. Trump's ability to issue some of the tariffs in the first place.

Nearly four weeks into a costly global trade war with no end in sight, Mr. Trump is facing a barrage of lawsuits from state officials, small businesses and even once-allied political groups, all contending that the president cannot sidestep Congress and tax virtually any import at levels to his liking.

The lawsuits carry great significance, not just because the tariffs have roiled financial markets and threatened to plunge the United States into a recession. The legal challenges also stand to test Mr. Trump's claims of expansive presidential power, while illustrating the difficult calculation that his opponents face in deciding whether to fight back and risk retribution.

None of the lawsuits filed this month are supported by major business lobbying groups, even though many organizations — including the U.S. Chamber of Commerce and the Business Roundtable — have been sharply critical of the president's tariffs and lobbied to lessen their impact. The chamber privately debated bringing a lawsuit, but ultimately decided it was “not the best course of action at this time,” said Neil Bradley, the executive vice president of the group.

“Engaging the administration in order to achieve a quick and immediate reduction in tariffs has the best chance of aiding businesses,” he said.

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- April 11 [Said that a growing water debt that Mexico owes the United States under a 1944 treaty could lead to higher tariffs and sanctions >](#)
- April 10 [Threatened additional tariffs and sanctions against Mexico, alleging a dispute over water rights between the two countries >](#)
- March 31 [Said there would be no exemptions for tariffs set to begin on April 2 >](#)
- March 29 [Said he 'couldn't care less' if car prices went up in response to his tariffs >](#)
- March 26 [Announced 25 percent tariffs on imported cars and car parts >](#)

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Instead, the battle has been left to a scattered yet growing roster of litigants, including Mr. Woldenberg, whose lawyers sued on Tuesday. In an interview, he said the tariffs had become so costly that he had “nothing to lose” by taking legal action.

“I’m going to do everything in my power to keep our company healthy, but we’re hobbled,” he said.

Last week, a dozen Democratic attorneys general from states including Colorado, New York and Oregon also asked a federal judge to block many of Mr. Trump’s tariffs on grounds that they had “upended the constitutional order and brought chaos to the American economy.” California sued earlier this month, claiming the president’s policies harmed its economy and budget.

The White House did not respond to a request for comment. The Business Roundtable also did not respond to a request for comment.

At the heart of the legal wrangling is a 1970s law, the International Emergency Economic Powers Act, which enables the president to order trade embargoes, set sanctions and limit foreign investment to ward off adversaries abroad.

Mr. Trump invoked that law to impose his initial duties on Chinese exports, in what he described as an effort to stop the flow of fentanyl into the United States. He also used those powers to establish a 10 percent tax on exports from nearly every other country and to justify what he calls “reciprocal” tariffs, which will charge even steeper duties on countries including U.S. allies. For evidence of an emergency, Mr. Trump primarily pointed to the trade deficit — the difference between what the United States exports to other nations and what it imports.

No president before Mr. Trump had ever imposed such import taxes under the emergency law, which does not once mention the word “tariff.” That omission has set the stage for a series of pivotal legal clashes, hinging in part on whether the law truly empowers the president “without actually, explicitly saying tariffs,” said Ted Murphy, a co-leader of the global arbitration, trade and advocacy practice at the law firm Sidley Austin.

The latest lawsuit arrived Thursday from the Pacific Legal Foundation, a group with reported ties to the conservative donor Charles Koch. On behalf of a clothing company, a board game designer and other small businesses, the group faulted Mr. Trump for imposing an “unlawful and unconstitutional” 145 percent tariff on Chinese goods, resulting in higher prices for American businesses.

Jamey Stegmaier, a co-founder of Stonemaier Games and a plaintiff in the case, said his company had more than 250,000 board games and other products on order that it could not easily import from China, unless it was willing to pay a “total tariff tax of around \$1.5 million.”

The decision to sue was the “right thing” but still a difficult choice, Mr. Stegmaier said, citing a fear of retribution from Mr. Trump. “It’s kind of a scary proposition to oppose the administration right now,” he said.

Another legal group with ties to Mr. Koch and the conservative financier Leonard A. Leo sued early this month on behalf of a Florida company facing high costs from the president’s tariffs on China. Mr. Leo is a co-chairman of the Federalist Society, which has advised Mr. Trump on judicial appointments.

The organization behind the lawsuit, the New Civil Liberties Alliance, does not disclose its full range of donors, nor do any of its like-minded peers, making it difficult to determine the exact driving financial force behind each of the new tariff cases.



A container ship leaving a port near Shanghai. “We will not allow this president to exert authority he does not have,” said Rob Bonta, the attorney general of California. [The New York Times](#)

In a separate lawsuit, two members of one of the largest tribes in the United States claimed that Mr. Trump’s tariffs on Canada violated treaty rights, and they asked a judge to halt taxes on imports arriving at key points of entry.

Rob Bonta, the Democratic attorney general of California, said his state’s tariff lawsuit was similar to its other legal battles with Mr. Trump and came down to the “core issue of executive authority.”

“Our position has been clear, time and time again, that we will not allow this president to exert authority he does not have,” Mr. Bonta said.

Mr. Trump has said he is moving forward with tariffs in order to raise billions of dollars in revenue, encourage more domestic manufacturing and force America’s trading partners to make concessions, including dropping tariffs on U.S. goods.

Without the economic emergency law, the president could have been forced to use much slower and narrower paths to tariffs, as he did with sector-specific levies including those on the auto industry.

Greta Peisch, a former trade official who is a partner at the law firm Wiley Rein, said those tariffs were a more “established practice,” arising from federal investigations into those industries, so challenging them would be an “uphill battle.”

In enacting the economic emergency law in 1977, Congress sought to curtail presidential powers after past commanders in chief had overused emergency declarations. President Richard M. Nixon had even tapped a precursor trade statute to impose his own 10 percent duty on imports, which similarly drew a court challenge, though the president prevailed.

Decades later, lawyers for Mr. Trump have cited that legislative history to argue that they can impose tariffs in response to economic emergencies — primarily because Congress never explicitly said they could not. That position has put the administration at odds with constitutional scholars who take the view that the executive branch cannot claim powers that are not expressly granted to it.

“The president doesn’t have authority outside of authorities delegated to him by Congress to issue tariffs,” said Jeffrey Schwab, a senior counsel at the Liberty Justice Center, a nonprofit with past ties to Richard Uihlein, an Illinois industrialist and a Republican megadonor.

This month, the group sued the Trump administration on behalf of small businesses that say the recent tariffs have harmed them. That included Victor Schwartz, the founder of VOS Selections, a New York City company that imports specialty wine, spirits and sake.

For the moment, Mr. Schwartz said, his company has been mostly unscathed, securing its latest shipments before the highest tariffs take effect. Soon, though, he may have to delay orders, cancel them or make other cuts, he predicted.

Faulting “billionaires sitting around doing nothing,” Mr. Schwartz added of his choice to join the legal battle: “I just felt like, ‘Put up or shut up.’”

**Tony Romm** is a reporter covering economic policy and the Trump administration for The Times, based in Washington.

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