



PHARMACEUTICAL INDUSTRY — 100% TARIFFS **(October 7, 2025)**

The last two weeks have been most extraordinary concerning potential tariff changes for the pharmaceutical industry. On September 25, President Trump announced on social media that tariffs of 100% would be initiated on October 1 on pharmaceuticals unless the manufacturers had broken ground on a U.S. manufacturing plant. This new U.S. “pharmaceutical manufacturing plant” requirement has never been utilized previously by any President or Congress for the levying of tariffs and raises a wide range of implementation questions: e.g., how much, when, and what if the facilities already existed? No details have been provided. No Executive Order/Presidential Proclamation was initiated prior to or on October 1 and the deadline passed without any further official statements. However, in parallel the President [announced](#) an “agreement” with Pfizer that in return for reducing the price of one drug product and selling it in 2026 on Trump Rx, Pfizer would [pay](#) no Section 232 tariffs for three years. This three-year tariff elimination in return for a price reduction is also a “first” and it has not been further defined as to exactly how this would work. We are monitoring all official websites and continuing discussions with CBP Headquarters.

We assume other pharmaceutical clients’ Government Affairs offices and Washington DC White House consultants are hard at work on proposals to eliminate the 100% tariffs on your imports. We believe it is critically important that your firm seize the initiative to structure the future tariffs to your most positive benefit. There is no precedent as the President has opened this unique opportunity only to the Pharmaceutical industry – all other industries to date have not been provided this extraordinary opportunity to negotiate.

We suggest the following:

1. The HTS classifications to receive the tariff relief should be specified at the HTS Chapter level to encompass all possible imported materials to be used especially for advanced biologics (gene/cell therapy), RNA therapeutics, precision medicine, etc. — HTS Chapters 28, 29, and 30. If the traditional 10 digit HTSUS classifications are used, many very crucial materials could be left out of the duty-free list.
2. Tariff-free imports of Production Machinery should be added to the program as new facilities or revamped facilities require very expensive and very high tariff machinery.
3. The rebuilding of existing manufacturing sites, or the addition of new production lines within existing buildings should be added, not just “new” sites. Include detailed guidance on exactly how to define “new” plants to include a more expansive definition.

Please consider immediate action. If you have any questions or want to discuss options, we are available to discuss these issues and this extraordinary opportunity.

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