

## What Are Duties and Tariffs?

### Duties and Tariffs

Standard import **duties** are taxes levied on imported goods, paid by the importer of record to its home country's government. These particular duties apply to imported goods, regardless of origin, based on product characteristics.

Separately, **tariffs**<sup>[1]</sup> are also taxes levied on imported goods and paid by the importer; the difference being tariffs are additional taxes applied to goods for a variety of reasons. A jurisdiction may levy tariffs to achieve several goals, including raising federal revenue, protecting domestic industries, or advancing national security or foreign policy objectives. Tariffs can significantly impact supply chains and [international trade](#). Therefore, importers should monitor the implementation of tariffs as it may affect business decisions and practices, such as importation costs, product offerings, customer pricing, and margins.

That being said, both duties and tariffs increase the cost of importing goods, which typically tends to increase costs for downstream customers.

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[1] Technically, duties, tariffs, and taxes are effectively interchangeable terms; though, for purposes of describing these terms, we have differentiated the two.

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