

# Tariffs Are Taxes.

The U.S. auto industry is thriving. It is highly globalized and efficient, keeping vehicles affordable and choices abundant at your local dealership. Just as American consumers are beginning to feel the true benefits of the 2017 tax cuts, auto tariffs would penalize the pocketbooks of hard-working families, throw cold water on the recent economic growth, and put hundreds of thousands of American jobs at risk.

## What would a 25% auto tariff mean?



Up to  
**\$7,000**  
increase on the cost  
of a vehicle sold  
in the U.S.



Decreased **Annual Auto Sales Rate** by up to  
**2 million vehicles**



**Decline** in total dealer  
revenues by as much as  
**\$66.5 billion**



As many as  
**117,500 jobs lost**  
at U.S. new vehicle dealerships

**3 jobs lost**

for every **1 job gained**  
in the auto and  
parts sector



**Decrease**  
U.S. auto  
production by  
**1.5%**

**Decrease** U.S.  
exports by  
**4%**  
annually



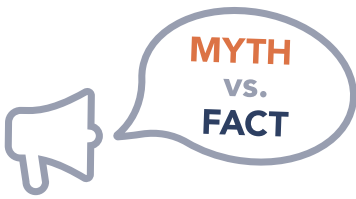
More than  
**700,000**  
total U.S. jobs lost



**Decrease** the U.S. auto  
and parts workforce by  
**2%**



**\$73 billion**  
tax increase on consumers, wiping  
out as much as half of the benefits  
of the Tax Cuts and Jobs Act



# Auto tariffs spell trouble for auto dealers, their employees, and consumers

**Myth:** Imported cars are a threat to U.S. national security.

**Fact:** No one in the U.S. auto industry has asked for this investigation because auto imports do not threaten national security. The Department of Commerce's Section 232 national security investigation is simply the vehicle through which the Administration felt it would have the easiest path to justify auto tariffs, as it did with steel and aluminum.

**Myth:** Imported cars are flooding the U.S. market so tariffs are needed to protect U.S. national security.

**Fact:** In 2017 international nameplate dealers sold 9.5 million vehicles, but only 3.6 million of those were actually imported from outside North America. Many were built right here in American plants by American workers.

**Myth:** The cost of American brand vehicles won't be affected by auto tariffs.

**Fact:** Not only would the proposed auto tariffs apply to finished vehicles coming into the U.S., but also to parts. Since no vehicle sold at U.S. dealerships contains exclusively U.S.

parts content, EVERY vehicle would see a price increase. In addition, both domestic and international brand manufacturers are importing vehicles from outside of the U.S. In fact, in 2017 the #2 and #3 top importers of vehicles into the U.S. were domestic manufacturers.

**Myth:** Auto tariffs would grow jobs here in the U.S.

**Fact:** A study by the Peterson Institute for International Economics found that a 25% auto tariff would cost 195,000 U.S. jobs. That figure skyrockets to 624,000 jobs lost when the inevitable retaliation by trading partners is factored in.

**Myth:** Other countries will just have to pay the tariffs if they want to sell in the U.S.

**Fact:** Tariffs are taxes paid by U.S. consumers wishing to purchase the imported goods. Making matters worse, our trading partners will retaliate against American-made goods and U.S. consumers will be hit with a triple whammy of increased car prices, job losses in the U.S. auto industry, as well as in other U.S. industries that are the targets of retaliation.

**578,000**

Americans are employed by international nameplate auto dealers



**9.5 million**

vehicles were sold by international nameplate auto dealers in 2017



**America's international nameplate dealers are an essential part of our economy.**

**9,600**

international nameplate auto dealerships operate in communities across America



**57%**

market share of 2017 U.S. retail vehicle sales held by international nameplate auto dealers