Tariffs Are Taxes.

The U.S. auto industry is facing headwinds. Auto sales are slowing, prices of new cars are increasing, and rising interest rates are driving up average monthly payments. Auto tariffs would further squeeze the pocketbooks of hard-working families, throw cold water on 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.
- 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
- Decreased Annual Auto Sales Rate by up to 2 million vehicles
- Decreased U.S. auto production by 1.5%
- Decrease U.S. exports by 4% annually
- Decrease the U.S. auto and parts workforce by 2%
- More than 700,000 total U.S. jobs lost
- $73 billion tax increase on consumers
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 was 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:** Studies have shown that a 25% auto tariff would actually cost an estimated 624,000 American jobs, including as many as 117,500 at new car dealerships alone!

**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.

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

- **578,000** Americans are employed by international nameplate auto dealers
- **9,500** international nameplate auto dealerships operate in communities across America
- **9.2 million** vehicles were sold by international nameplate auto dealers in 2018
- **56%** market share of 2018 U.S. retail vehicle sales held by international nameplate auto dealers

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