Costco sued for seeking refunds on tariffs customers paid

Customers are hoping that consumer protection laws will require Costco to refund money they paid due to tariffs. The proposed class includes “all persons in the United States who purchased goods from Costco during the period February 1, 2025, through February 24, 2026, that were subject to tariffs” that Donald Trump unlawfully imposed under the International Emergency Economic Powers (IEEPA) Act, the group said.

If customers win, Costco could owe much more than just that. Branding Costco’s plan to keep the refunds as “unscrupulous, outrageous, offensive to the public conscience, and/or marked by injustice, partiality, or deception,” they’ve asked for punitive damages if its actions are deemed unlawful.

Survey: 34% of firms passed on 50% of tariff costs

Costco customers’ claims are intended to finally settle “an actual controversy as to the rightful ownership of the tariff surcharges paid” to Costco.

For other businesses that increased prices, the class action could potentially establish a precedent on who rightfully owns the tariff surcharges customers paid. That could force even more customer lawsuits over refunds nationwide, possibly at a time when businesses’ resources are expected to be heavily tied up in navigating the messy process to secure refunds.

Yesterday, KPMG, a global organization that helps businesses with tax services, released results from a survey analyzing how 300 US businesses similar to Costco passed on tariff costs to consumers over the year that the IEEPA tariffs were in effect.

Beyond confirming that many customers have already paid higher prices across various industries, KPMG reported that the outlook for customers sick of paying tariffs remains discouraging in the near future.

“The share of businesses passing on more than half of tariff costs has risen to 34 percent, more than doubling from 13 percent in May of last year. Further price increases appear imminent, with 55 percent of executives planning to raise prices by up to 15 percent within the next six months,” it said.

https://arstechnica.com/tech-policy/2026/03/costco-sued-for-seeking-refunds-on-tariffs-customers-paid/