



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

GARLIN GILCHRIST II
LT. GOVERNOR

EXECUTIVE DIRECTIVE

No. 2026-2

To: State Department Directors and Autonomous Agency Heads
From: Governor Gretchen Whitmer
Date: April 2, 2026
Re: Ongoing Impact of Tariffs on Michigan's Economy

Tariffs imposed by Republicans in Washington have raised costs for many sectors of Michigan's economy. In Executive Directive 2025-5, I asked state departments to report on the impact of tariffs on Michigan's economy. Those reports revealed that tariffs increased the price of raw materials, raised production costs, and restricted market access for our products. Some companies absorbed the costs, but many passed them along through higher prices, reduced investment, or slower hiring. Retaliatory tariffs from trading partners have also hurt Michigan exporters, particularly in agriculture. Michigan farmers selling soybeans, dairy, and other products abroad faced reduced demand when countries like China imposed counter-tariffs on U.S. goods, lowering farm revenues and creating uncertainty in rural communities.

For working families, tariffs have cost each family on average \$1,000 per year. They have led to higher prices for cars, appliances, construction materials, and consumer products. U.S. consumers and businesses have borne most of the cost of these tariffs rather than foreign producers. In a state where many households depend directly or indirectly on manufacturing and agriculture, these price increases squeezed family budgets while also threatening job stability in key industries. The combined effect has been slower economic growth in tariff-exposed sectors and added financial pressure on Michigan households already managing rising living costs.

The pain of these increased costs has not been offset by any of the promised economic gains. US GDP grew at a slower rate in 2025 than in preceding years, and companies added fewer jobs in 2025 than at any point in the last 20 years. Michigan's industries have been hit hard, with a recent analysis finding that the tariffs cost U.S. automakers \$35 billion last year.

Recently, the U.S. Supreme Court ruled unconstitutional the tariffs imposed solely by the executive under the International Emergency Economic Powers Act (IEEPA) without Congressional action. While the administration has assured the federal courts that they have set aside the \$166 billion in unconstitutional tariffs, they have yet to establish a process for returning those funds. Any process must be accessible to all importers who have paid tariffs, including small businesses and individuals who may not have access to expensive counsel to access refunds they are owed.

Despite the uncertainty and disruption driving up prices in our economy and the lack of any Congressional involvement, the administration has not backed down on its use of tariffs. In fact, the administration has imposed new tariffs following the Supreme Court's ruling, as well as maintaining those on steel, aluminum, and other goods. Michigan's businesses and residents will continue to pay for this costly policy.

Section 1 of article 5 of the Michigan Constitution of 1963 vests the executive power of the State of Michigan in the governor.

Section 8 of article 5 of the Michigan Constitution of 1963 places each principal department under the supervision of the governor.

Acting under the Michigan Constitution of 1963 and Michigan law, I direct the following:

1. **Impact on Michigan Industries:** Within 30 days of this directive, each of the following departments should submit to me a report illustrating the way that the use of tariffs has impacted Michigan industries and consumers. Departments should note significant federal policy changes that have occurred in the last 12-15 months that have impacted aspects of Michigan's economy and differential impacts on Michigan households or business communities. They should also consider ways in which tariffs have increased costs for the State of Michigan and the cost of conducting state business.
 - a. Department of Agriculture and Rural Development
 - b. Department of Labor and Economic Opportunity
 - c. Department of Transportation
 - d. Department of Treasury
2. Other departments, agencies, and offices, as well as the Michigan Economic Development Corporation are encouraged to review data in their possession that might shed light on the impact of new tariffs on the questions above and, if so, submit to me a report explaining that impact.
3. Departments that provided reports in response to Executive Directive 2025-5 may provide an updated version. If a department requires more than 30 days to provide its report, it should request an extension of no more than 60 days.

4. **Helping Michiganders Access Refunds:** As the federal government makes clear its process for receiving refunds for payments made under the unconstitutional IEEPA tariffs, each of the following departments should use their available channels to ensure that registered businesses and employers are aware of the process for seeking refunds.
 - a. Department of Labor and Economic Opportunity
 - b. Department of Licensing and Regulatory Affairs

This directive is effective immediately.

Thank you for your cooperation in its implementation.



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