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The Refund Was Never Meant for You

On Trump's tariffs, corporate bonuses, and the peculiar economics of shared sacrifice.

BY DAVID AMBROSE · NOVEMBER 16, 2026

Companies cited Trump's tariffs to justify higher prices. After the Supreme Court ruled he lacked authority to impose them, importers began receiving refunds. ProPublica found that at least nine public companies disclosed refunds contributing to expenses tied to bonuses.

Customers were part of the explanation for higher prices. They are absent from the compensation story.

Stanley Black & Decker reported at least $298 million in refunds after announcing price increases to offset tariff costs. Its filings later identified additional incentive-compensation costs among items offsetting the gain. TJX, the parent company of TJ Maxx and Marshalls, reported receiving $331 million in refunds and accruing $112 million in expenses for year-end incentive compensation and discretionary bonuses for eligible employees worldwide.

Those figures describe refunds and accrued expenses. They do not prove bonuses were paid or that executives received all the money. Some companies also absorbed tariff costs themselves. That makes the boards' choices more important, not less. They know what they passed along, what they absorbed, and what they are rewarding.

I spent years managing restaurants and explaining profit-and-loss statements. A supplier credit could improve the numbers. It did not mean I had become a better manager.

Imagine a distributor imposes an extraordinary surcharge. The restaurant raises menu prices and tells customers the added cost leaves little choice. Months later, the surcharge is ruled improper and the distributor returns the money. The restaurant keeps the higher prices, books the reimbursement as a gain, and counts it toward bonus expenses.

The arithmetic is simple. The claim of achievement is absurd.

The tariffs were sold as a bill for foreign countries. But tariffs are collected from importers, who decide whether to absorb the cost, negotiate with suppliers, or pass it along. Many passed along at least some. The Federal Reserve Bank of New York estimated consumers paid 26 percent of tariff costs in the goods it examined. Harvard

Business School researchers estimated 43 percent using a different method. The studies measure different things. Neither supports the claim that American consumers escaped the cost.

After the Supreme Court ruled that the emergency law Trump invoked did not authorize the tariffs, roughly $170 billion in collections became subject to the federal refund process. Refunds go to importers of record, the companies legally responsible for paying the duties. That explains who can collect the money. It does not explain why a board should treat the refund as a management achievement.

Some companies may be recovering costs they absorbed. Fair enough. But compensation formulas are not always mechanical. Some plans let committees exclude nonrecurring items or adjust payouts. Kyndryl's 2025 proxy, for example, describes predetermined adjustments for special items and committee discretion to change or reduce awards before payment. The plan and award terms matter, and contractual commitments can limit that discretion. Still, "the formula required it" is not a complete answer when the board approved the formula.

Shareholders deserve to know whether better results came from better management or from money returned by the government. Treating every improvement in earnings as proof of performance may be convenient for executives. It is not automatically in shareholders' interests.

Burlington Stores showed that companies had another option. It received about $55 million in refunds and said it would use the benefit to improve customer value. ProPublica reported that none of the refund would go toward bonuses.

Lower prices may help Burlington attract shoppers and earn more later. That is good business. It is also a choice. Companies could lower prices, offer discounts, or keep extraordinary refunds out of performance calculations where their agreements allow. The Treasury does not have to identify every shopper for a company to act responsibly.

Democratic senators urged the administration to require companies to share refunds with consumers. Treasury Secretary Scott Bessent acknowledged the unfairness of consumers not receiving the money, while suggesting the funds would otherwise have remained in the Treasury. The administration imposed the tariffs. Businesses raised prices. The Court rejected the policy. Now the difficulty of returning the money fairly threatens to become an excuse for what companies do with it.

Companies should not get to hide behind Washington's mistakes. They made their own pricing decisions. Their boards are making their own compensation decisions.

I have worked with leaders who blamed every bad result on the economy, the customer, or the supplier, then claimed every good result as their own. Rising costs belonged to circumstances. A reimbursement belonged to management. The explanation changes with the direction of the money.

Customers were asked to share the cost. When the money came back, they disappeared from the calculation.