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## Trump Floats Idea of Distributing Tariff Revenue to Middle and Lower-Income Americans

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Former United States President Donald Trump announced on Sunday that he is considering a policy that would return a portion of tariff revenues to American citizens, particularly those in middle- and lower-income brackets. Speaking to reporters before boarding Air Force One from his New Jersey golf club, Trump stated, “There could be a distribution or a dividend to the people of our country, I would say for people that would be middle income people and lower income people, we could do a dividend.”

The proposal reflects elements of Trump’s earlier economic populist messaging, where tariffs were positioned as a tool to protect American jobs and industries. While Trump

has previously defended tariffs as a method to hold foreign trading partners accountable, this potential shift toward directly redistributing tariff-generated revenue would mark a more consumer-focused evolution of that policy.

According to the Washington, D.C.-based Tax Foundation, the United States currently generates approximately \$80 billion annually through tariffs. However, many economists caution that the costs associated with these tariffs are often passed on to American consumers in the form of higher prices on imported goods. As a result, the notion that tariffs offer immediate or broad-based financial benefits to American families has faced scrutiny.

A 2023 study from the National Bureau of Economic Research suggested that if all tariff revenues were redistributed evenly across the population, each citizen could receive approximately \$600. However, the study also emphasised that for such a rebate to be sustainable, it would likely require reductions in federal spending or the introduction of additional taxes elsewhere in the budget. Historically, large-scale tariff policies such as the Smoot-Hawley Tariff Act of 1930 led to economic consequences including higher consumer prices and retaliatory measures from trade partners.

Trump's comments arrive at a time of mixed global trade relations. CNBC recently reported that the United States opted to reduce its proposed tariffs on South Korea, lowering the rate from 25 percent to 15 percent, thereby easing tensions with one of its key allies in Asia. At the same time, tariffs were extended to less strategically relevant areas, including remote territories such as the Heard and McDonald Islands, raising questions about the broader focus and intent behind the administration's trade policy decisions.

As the 2024 election cycle approaches, Trump's rhetoric around tariffs and their potential redistribution may appeal to working-class voters feeling the weight of inflation and economic uncertainty. Whether the proposal evolves into a formal policy platform remains to be seen, but it signals a renewed emphasis on economic messaging aimed at middle- and lower-income Americans.