

A Tariff Primer

Information for Designers and Publishers

April 25, 2025



THE
**GAME
MANUFACTURERS
ASSOCIATION**



TABLETOP
GAME DESIGNERS
ASSOCIATION

INTRODUCTION

The board game industry is being deeply affected by tariffs placed by the United States on goods from China, currently set at 145% of the cost of goods. TTGDA and GAMA oppose these tariffs for being harmful to the industry. This white paper describes the likely effects on board game designers and provides members with more background on how they work.

As the United States tariffs are currently creating these industry concerns, this paper focuses on US regulations. While these principles are broadly applicable for other countries, if you are importing into a different country you should check on local regulations.

IMPACT ON DESIGNERS AND PUBLISHERS

We already see tariffs affecting the overall market in several ways that deeply affects game designers:

- A few publishers have declared that they are closing business rather than take on the additional costs of tariffs.
- Many publishers have cancelled contracts or paused production of games. These games may never get made.
- Publishers are holding already-produced games in China because they cannot afford the tariffs on them, resulting in lost or delayed royalties for designers.

More broadly, tariffs are likely to cause a significant increase in the cost of many goods in the US, leading to inflation and strained pocketbooks. In that economy, discretionary spending on boardgames is likely to decrease, at the same time that game prices rise -- resulting in fewer overall sales. Thus, while designers' per-unit royalty will remain the same (or even rise, when publishers raise prices), their total income will go down as fewer units are sold.

Publishers are making decisions now that will affect what is available in stores for Christmas 2025, by far the largest season for games sales. Publishers' decisions not to print or ship games in the US at this time will affect designers' income well into the future.

TTGDA and GAMA have been fielding a lot of questions about tariffs, and what can and can't be done. While the very high "reciprocal" tariffs for most countries are on pause (as of now), a 125% surcharge remains on China. This is having an outsized impact on the tabletop games industry as there are

very few manufacturers outside of China.

We have prepared this document to explain many of the issues surrounding tariffs. While we have made every effort to be accurate, this is not legal advice or formal guidance in any way. If you are an importer and have questions about any of these you should discuss with your customs broker or legal representative.

WHAT IS A TARIFF?

A tariff is a tax that is imposed on goods being imported into a country. While there is a technical difference between a “tariff” and a “duty” (as in a “duty-free shop”), the terms are often used interchangeably.

WHO PAYS THE TARIFF AND WHEN?

The tariff is paid by the importer of record, which is typically the domestic company that is purchasing the product. It normally has to be paid within ten days of import. Companies that import frequently will have accounts set up with US Customs and Border Patrol (CBP), and tariffs will be automatically deducted from their bank account.

HOW DO YOU DETERMINE THE TARIFF PERCENTAGE THAT WILL BE CHARGED TO A PRODUCT?

The key document for tariffs is the Harmonized Tariff Schedule. There is an international standard to classify items into a specific code. The HTS code for Board Games, for example, is 9504.90.60. Each country then has its own HTS document that specifies the tariffs for each code, for each country.

Determining the HTS code for a product is an art form in and of itself. As you can imagine, it there are many products that span different boundaries, and most companies will have employees or services that scour the HTS code to come up with HTS codes that give the lowest possible tariff. Often these lead to conflicts with customs, as companies argue their case about how a product should be classified.

If you choose to use a “non-standard” HTS code for a product, or are changing the code you used to use, you need to ensure that you have a reasonable case for why you are doing so. Trying to use a completely arbitrary code can result in larger fines or other penalties than if you have a reasonable case, even if customs (or ultimately a court) rules against you.

If you're curious, here is the description of 9504.90.60:

Chess, checkers, parchisi, backgammon, darts and other games played on boards of a special design, all the foregoing games and parts there of (including their boards); mah-jong and dominoes; any of the foregoing games in combination with each other, or with other games, packaged together as a unit in immediate containers of a type used in retail sales; poker chips and dice

If you look up 9504.90.60 for the United States, you will see that the tariff for games is 20%, not the 145% that is talked about as of the writing this white paper. This is because when blanket, extraordinary tariffs are issued they are often imposed through the use of an additional schedule, to avoid having to update the entire HTS document. This is what was done for the current round, through a "Schedule 99 Tariff".

This document describes the Section 99 tariff. Basically all goods coming into the US must have both a normal HTS code and tariff, and a Schedule 99 tariff:

[CSMS # 64680374 - GUIDANCE – Reciprocal Tariffs, April 5 and April 9, 2025, Effective Dates](#)

The actual percentages in this document are out of date, but it describes the process. The current Section 99 tariff for China is 125%. When added to the 20% tariff, you get the 145% tariff.

Here is a link to the [Harmonized Tariff Schedule of the United States](#).

WHAT COST IS THE TARIFF BASED ON?

When you import a product, you need to file an Entry form with CPB. This includes details about the shipment including country of origin, a description of the goods, quantity, weight, HTS code, and a declared value.

[Entry Summary and Post Release Processes | U.S. Customs and Border Protection](#)

Normally you will declare the value at the cost charged to you by the vendor, based on their invoice. However, if the vendor has provided you with other support, called "assists," then you are supposed to include that in the value.

An "assist" is a tool, fixture, engineering service, or other cost purchased on the country of origin to help produce the products, but that are not actually imported.

For example, if your Chinese game manufacturer charges you tooling for a miniature for your game, and the tool stays in China, that is an assist. The tool remains there and you pay for it separately.

Similarly, if the manufacturer designs a plastic tray for you using engineers in their country, and charges you for that design, that is an assist.

Legally, assists must be included in the declared value of your product, spread over a (reasonable) quantity of product. For example, if you pay \$10,000 for tooling for your product, and plan to bring in 5,000 games in your initial order, you can declare an additional \$2 in cost per unit for that initial shipment. You could also say that you plan to bring in 100,000 units over the life of the product, and declare \$0.10 per unit. Or you can maintain that the life of the tool is 1,000,000 pieces (standard for a quality injection mold), and that adds an additional \$0.01 assist per unit. Because of this ability to spread assists over projected ongoing production, it is not often looked into by customs. However, you should be aware of this treatment.

Note that an “assist” that is provided by US-based employees of the manufacturer (if you are importing into the USA) are not subject to tariff. For example, if your manufacturer has project managers in the US, the work they do on your project can be billed separately and not tarified. If it is a US company but the services were performed outside the US, then it would be considered an Assist.

All of this may lead you to think that you can shift cost from the production price of the game to tooling or consulting fees as a way of avoiding import tariffs. This is illegal, and if caught you can be subject to confiscation of goods, loss of privileges to import products, large fines, and even jail time. Even if you get an invoice from your factory showing a lower product cost, with other costs shifted to tooling and production, if you do it to avoid tariffs you may very well end up in prison. The lower the price, particularly if it is near or below the factory’s production costs (so they are selling the product at a loss), the more likely it is to get scrutinized. The factory is also at risk of losing their export license if they engage in this behavior.

Note that declaration of value that is below the invoice you receive from the factory has a high likelihood of getting flagged by customs, as the exporter often has to submit that documentation to their government as part of the export process.

HOW IS THE COUNTRY OF ORIGIN DETERMINED?

The tariff is based on the Country of Origin of the product. This can be a complex topic, and we are only presenting guidelines here. As always, if you have questions please consult with an attorney or specialist in customs and import law.

The Country of Origin is based on the last place where the product was last manufactured. Specifically it is the last place where there was **“substantial transformation”** to the product. That phrase is what is in the regulations, but that phrase has been the subject of much litigation which can provide guidelines.

Assembly or packaging of a product is not substantial transformation. For example, if you all the components of a game are produced in China, and shipped to the Philippines where you produce the game box and put the components into it, the product is still considered to be made in China. Similarly, if you produce a miniature in China, but just bring it to another country where packaging and the rules are placed in the box, that similarly is still made in China.

Often we are asked if there is a formula for what percentage of a product needs to be made in the country before it is considered to be “made” there. There is no specific formula. It is on a case-by-case basis. If customs challenges the country of origin of your product, you will have to justify your reasoning. The more actual manufacturing that is done in that country, the more likely it is that customs will accept your justification.

What about if some components are made in one country, but then another country produces some more components and assembles? Here is the definition of how to determine Country of Origin when there are components from different countries, per EU documents:

When two or more countries are involved in the manufacture of the product, article 60(2) UCC applies. This article provides that “goods the production of which involves more than one country or territory shall be deemed to originate in the country or territory where they underwent their last, substantial, economically justified processing or working, in an undertaking equipped for that purpose, resulting in the manufacture of a new product or representing an important stage of manufacture.”

(from [Non-Preferential Rules of Origin - European Commission](#))

Note that the “substantial transformation” needs to materially change the product. For example, there was a court case where a company was produc-

ing initial forgings for wrenches, that they were shipping to another country for final machining. The “initial forging” in this case looked kind of like a wrench, but it couldn’t be used as a wrench. The final machining removed extraneous material, brought it to the final dimensions, etc. The courts ruled that this was NOT a substantial transformation, and that the Country of Origin was where the original forging was done, because it was identifiable as the beginnings of a wrench. If it was a rectangular ingot that was imported, and that was machined into a wrench, it would have been from the second country.

Some countries may have Free Trade Agreements (FTA’s) which may override or augment the rules of origin. An example is the USMCA between Canada, Mexico, and the United States. These agreements often specify detailed calculations for percentages of input and labor to determine if products qualify for the FTA.

The United States does not currently have an FTA with China or Europe.

This is a complex topic, and if there are any questions about Country of Origin you should consult with an attorney or customs broker well-versed in the laws for your country.

Links for more information:

[Understanding Country of Origin](#) (video)

[Determining Origin: Substantial Transformation](#) (International Trade Association)

WHAT IS “DI MINIMIS”?

To avoid overloading customs, if you bring a package with a low dollar value into the US, it is exempt from tariffs. This is called the “di minimis” exemption. Currently in the US it is \$800, although as of May 2, 2025 shipments from China may no longer use di minimis and must pay tariffs regardless of value.

Some importers split their shipments into many smaller shipments, rather than a full container, and file paperwork for each, with each being below the \$800 threshold. This is illegal, and if you are caught it can lead to confiscation of goods, loss of the right to import products in the future, fines, and prison time.

However, if you are fulfilling shipments to different customers, and sending

directly, *di minimis* may be used. You don't have to ship a bulk shipment to a distributor in country.

WHY CAN'T PUBLISHERS JUST COVER THE ADDED TARIFF COST?

The belief that publishers can simply absorb the cost of the tariff, or simply increase MSRP by the cost misses how games are sold and how thin the margins are across the industry. Most tabletop games are sold through a wholesale distribution model. This means the publisher sells the game to a distributor, who then sells it to retailers, who then sells it to consumers. The publisher only receives a fraction of the final MSRP, often around 30% to 35%, and that portion must cover manufacturing costs, shipping, storage, staffing, marketing, and development.

If a game costs \$10 to manufacture and is sold at an MSRP of \$60, the publisher might receive \$18 to \$21 per unit. A 145% tariff on the landed cost raises that \$10 to \$24.50. That shift erases the publisher's margin entirely. And that margin isn't just profit, it's what pays employee salaries, covers rent, funds new product development, and keeps operations running.

Even in direct-to-consumer models like crowdfunding or web sales, where publishers can retain more revenue per unit, the upfront capital required to cover tariff-inflated production costs can be prohibitive. A publisher producing 10,000 units of a game now needs to invest an extra \$145,000 just to land their product, not including freight, warehousing, or fulfillment. That kind of capital outlay increases financial risk and limits a company's ability to fund future projects.

Also, tariffs impact a wide range of products beyond games. As prices rise, people will have to make choices about what they spend money on, and a \$90 board game may be the one that is cut. This means that publishers will have to be more judicious about print run sizes, which will also increase the base cost of manufacturing.

This article does a good job of going through more of this math, albeit at a lower tariff rate:

[Board games are about to get more expensive](#)

Note: This guide is for informational purposes only, and should not be used as a substitute for consulting with an attorney, customs broker, or other expert in this area. It was prepared by members of the Tabletop Game Designers Association and the Game Manufacturers Association, professional organizations representing the interests of game designers, retailers, and publishers. This document will be regularly updated. If there are errors or omissions please contact us at info@ttgda.org so we can make the appropriate updates.