GUIDE · 2026 EDITION

Landed Cost & Tariff Refund Guide

How to put freight, customs duty and tariffs into the cost of each item you import - and how to record a duty or tariff refund without distorting your profit.

> **Works with:** QuickBooks Desktop (Pro, Premier, Enterprise) and QuickBooks Online (Plus, Advanced) inventory, or any accounting software that tracks inventory items.

What is inside

1. Why landed cost matters (and what goes wrong without it)
2. The four ways to split a cost: value, quantity, weight, volume
3. Using the workbook in 5 steps
4. QuickBooks Online steps (clearing-account method)
5. QuickBooks Desktop steps
6. Costs that arrive late, and tariff refunds
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Who it is for

Small importers, wholesalers, beauty-supply and grocery stores, online sellers and the bookkeepers who help them - anyone whose supplier invoice is only part of what a product really cost.

> **Important:** this guide explains bookkeeping mechanics. It is not tax, legal or customs advice. How a cost or refund is treated on a tax return depends on your facts and accounting method - confirm with your tax professional. Refund programs for tariffs change often - confirm current rules with your customs broker or cbp.gov.

At a glance *(example values)*

Supplier price	+	Freight	+	Duty & tariffs	+	Fees	=	Landed cost
$16,680.00		$2,270.00		$1,250.40		$358.10		$20,558.50

Freight = ocean $1,850 + trucking $420 · Fees = broker $225 + customs fees $58.10 + insurance $75.

Built by a US tax and bookkeeping practice with 20+ years of bookkeeping experience. All numbers in this guide are examples.

1. Why landed cost matters · 2. Four ways to split

Landed cost = supplier price + everything you paid to get the goods onto your shelf: ocean or air freight, customs duty, extra tariffs, customs fees, broker fees, cargo insurance and trucking from the port.

If those costs go straight to an expense account, three things go wrong: the month you pay freight looks like a loss, the month you sell looks too profitable, and your item cost (and price decisions) are too low. On a shipment with a 20% uplift, every margin report is off by about a fifth.

Pick a method for each cost line

Method	Basis per item	Best for
Value	Qty × unit cost	Customs duty, tariffs, customs fees, insurance (they are charged on value)
Quantity	Units	Per-unit fees, broker fee when items are similar
Weight	Qty × kg per unit	Air freight, trucking, heavy goods
Volume	Qty × CBM per unit	Ocean freight (LCL/container space), bulky goods

Example: $1,500 ocean freight split by value *(example values)*

Item	Qty	Unit cost	Value	Share	Freight
Item A	1,000	$6.00	$6,000	60%	$900
Item B	500	$6.00	$3,000	30%	$450
Item C	250	$4.00	$1,000	10%	$150

Formula in any spreadsheet: `=ROUND(Freight * ItemValue / SUM(AllValues), 2)`. Put any rounding cents on the largest line so the total matches the invoice exactly - the workbook does this for you.

> **Rule of thumb:** if your customs entry summary shows duty per line, use that exact amount for each item (the workbook's *Duty $* column) instead of allocating it.

3. Using the workbook in 5 steps

1

Landed Cost tab, Step 1. Type each extra cost (freight bill, broker invoice, duty) and pick *Allocate by*. The Status column says OK, or tells you what is missing (for example *Need kg*).

2

Step 2. Type each SKU, quantity and supplier unit cost. Add kg or CBM per unit only if a cost uses Weight or Volume.

3

Read the green answer. Landed total and landed unit cost per item, the uplift %, and a balance check that must say *Balanced*.

4

Bill Entry tab. Copy the item lines (Qty + Amount) and the negative clearing line into the supplier bill. The bill total still equals the supplier invoice.

5

Post the freight, broker and duty bills to the *Landed Cost Clearing* account. When all are in, the clearing balance is zero.

Worked example on the Landed Cost tab *(example values)*

Cost line	Amount	Allocate by
Ocean freight (LCL)	$1,850.00	Volume
Customs duty	$1,250.40	Value
Broker fee	$225.00	Quantity
Customs fees	$58.10	Value
Cargo insurance	$75.00	Value
Inland trucking	$420.00	Weight
Total extra costs	**$3,878.50**	

Five SKUs worth $16,680.00 at supplier cost become **$20,558.50** landed - an average uplift of **23.25%**. The serum's unit cost moves from $3.1000 to $3.6876; the sheet-mask pack from $2.4000 to $3.3121 because it is bulky and heavy. Same shipment, very different uplift per item - that is why one flat percentage is not enough.

> Tip: name the shipment (for example *SHIP-2611-BUSAN*) and put that name in the memo of every related bill. It makes the clearing account easy to check later.

4. QuickBooks Online steps

QuickBooks Online Plus and Advanced track inventory items but do not have a landed-cost allocation screen. Intuit's community staff suggest a clearing-account workaround; this kit gives you the exact numbers for it.

A. One-time setup

1. Open the Chart of accounts (Settings ⚙ → Chart of accounts) and select **New**.
2. Create **Landed Cost Clearing**. A common choice is Account type *Other Current Assets*; use the type your accountant prefers.

B. Enter the supplier bill

1. Select **+ New** → **Bill** and choose the supplier.
2. In **Item details**, add one line per SKU from the Bill Entry tab: Product/service, Qty and Amount (the landed total). If the Amount is replaced when you type the Rate, enter the Rate from the workbook and compare the line total.
3. In **Category details**, choose **Landed Cost Clearing** and enter the clearing amount as a **negative** number.
4. Check the bill total equals the supplier invoice, then save.

C. Enter the freight, broker and duty bills

Enter each one normally (Bill or Expense), but in Category details use **Landed Cost Clearing** instead of a freight or duty expense account.

D. Check

Open the Landed Cost Clearing register (Chart of accounts → View register next to the account). For a finished shipment the balance should be 0.00.

> **Online notes.** (1) QuickBooks Online inventory valuation is FIFO, so later sales use the landed cost from this bill. (2) An inventory quantity adjustment changes quantity, not value - a journal entry to Inventory Asset does not change an item's cost. For costs that arrive after items were sold, see section 6. (3) Menus can move; if a label differs, search Intuit's help for "enter a bill" or "chart of accounts".

5. QuickBooks Desktop steps

Pro and Premier (average cost)

1. **Lists** → **Chart of Accounts** → **Account** → **New**: create *Landed Cost Clearing* (Other Current Asset is a common choice).
2. **Vendors** → **Enter Bills**, choose the supplier.
3. **Items tab**: one line per SKU with Qty and Amount from the Bill Entry tab (the landed total).
4. **Expenses tab**: account *Landed Cost Clearing*, amount as a negative number. The bill total equals the supplier invoice.
5. Enter freight, broker and duty bills with *Landed Cost Clearing* on the Expenses tab.
6. Check the account register or a QuickReport: zero when the shipment is complete.

If you receive goods before the bill (**Vendors** → **Receive Items**), use the same Item amounts on the item receipt, then convert it to a bill when the invoice arrives.

Enterprise

QuickBooks Desktop Enterprise has a built-in landed cost feature (see Intuit's help article "Calculate landed costs in QuickBooks Desktop Enterprise"). Use the workbook to plan the split, to check the result, or to document the allocation for your files.

Correcting value after the fact (Desktop)

Desktop can adjust inventory value: **Vendors** → **Inventory Activities** → **Adjust Quantity/Value on Hand**, Adjustment Type *Total Value* (or *Quantity and Total Value*). Use the *To Inventory* amount from the Late & Refund Split tab and the clearing or refund account as the adjustment account.

> **Average cost note:** on Desktop the new landed cost blends with units already on hand. That is expected - it is why entering the landed amount on the bill (not as a later expense) keeps the average right.

Where the cost goes	Effect on item cost
Items tab / Item details	Included in item cost ✓
Expenses tab to a freight expense account	Not in item cost - expensed now
Expenses tab to Landed Cost Clearing	Parks the cost until it is moved into items

6. Late costs and tariff refunds

A freight bill can arrive weeks after the goods - and a duty or tariff refund can arrive months later. By then part of the shipment is sold. Split the amount by the share sold:

> **To Cost of Goods Sold** = amount × units sold ÷ units received
> **To Inventory** = amount − the COGS part

Example: $2,400 tariff refund, 650 of 1,000 units sold (example values)	
Reduce Cost of Goods Sold	$1,560.00
Reduce Inventory (350 units on hand)	$840.00

Journal entry for a refund: Debit Bank $2,400 · Credit Cost of Goods Sold $1,560 · Credit Inventory Asset $840. For a late extra cost, reverse the sides and credit Accounts Payable or Bank.

Online: a journal entry to Inventory Asset fixes the balance sheet but not the item's FIFO cost. If the original bill is in an open period, editing it is cleaner; ask your accountant which fits your books.
Desktop: use an inventory value adjustment for the inventory part.

Tariff refunds in 2026 - what to know

- On February 20, 2026 the U.S. Supreme Court ruled in *Learning Resources, Inc. v. Trump* that IEEPA does not authorize tariffs. Other tariffs (for example Section 232 and 301) were not part of that ruling.
- U.S. Customs and Border Protection (CBP) processes refund claims for IEEPA duties through a module in ACE called CAPE. Only the importer of record (or its customs broker) can file.
- Rules, phases, deadlines and court appeals have changed during 2026. Confirm the current status with your customs broker or cbp.gov before relying on any date.
- Track each entry on the **Tariff Refunds** tab: eligible duty, claim status, refund received and what is still outstanding.

> Tax treatment of a refund (for example, whether it is income in the year received) depends on how the duty was deducted. Ask your tax professional.

7. Edge cases and common mistakes

Situation	What to do
Freight bill covers two shipments	Split the bill between shipments first (by value or volume), then allocate each part.
Free samples or no-charge units in the box	Give them a small unit cost (or leave them out of Value) and decide on Quantity or Weight for freight.
Some items are damaged on arrival	Allocate to all units received, then write off the damaged units with an inventory adjustment.
Supplier invoice in foreign currency (e.g. KRW)	Use the USD amount actually paid (or your exchange rate on the bill date) for unit cost; keep the wire fee as a separate cost line or bank fee - pick one rule and use it every time.
Duty listed per line on the entry summary	Type it in the Duty $ column; do not repeat it in Step 1.
Weight or volume unknown	Use Value or Quantity; the workbook shows *Need kg* / *Need CBM* if a method has no data.
Items already sold when the cost arrives	Use the Late & Refund Split tab.
Non-inventory items in the same shipment (supplies, fixtures)	Leave them out of the item list; their share of freight is an expense or part of the asset cost.

Common mistakes

- Posting freight and duty straight to expense while inventory sits on the shelf.
- Using one flat percentage for every SKU.
- Counting a duty twice (Duty $ column and Step 1).
- Forgetting the negative clearing line, so the bill total no longer matches the supplier invoice.
- Recording the whole tariff refund as "other income" when most of the goods are still in inventory.
- Typing full entry numbers, bank details or logins into a spreadsheet you share.

8. One-page checklist

Every shipment

☐ Name the shipment and write it in every related bill's memo

☐ Collect: supplier invoice, freight bill, broker invoice, entry summary (duty), insurance, trucking

☐ Pick a method for each cost line (Value / Quantity / Weight / Volume)

☐ Enter items; balance check says *Balanced*

☐ Supplier bill: item lines at landed amounts + negative clearing line

☐ Freight, broker and duty bills posted to Landed Cost Clearing

☐ Clearing balance for this shipment = 0.00

☐ Save the workbook (PDF or copy) with the shipment documents

Late costs and refunds

☐ Count units received and units sold on the date the amount arrives

☐ Split on the Late & Refund Split tab (or by SKU)

☐ Post the entry (Online: journal entry or bill edit · Desktop: value adjustment)

Tariff refunds

☐ Ask your customs broker for a list of entries with refund-eligible duty

☐ Add each entry (last 4 digits only) to the Tariff Refunds tab

☐ Check claim status regularly with your broker or on cbp.gov

☐ When money arrives: record it and split it - do not book all of it as income

☐ Tell your tax professional about refunds received this year

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