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Lessons from Canada and the WTO: The U.S. Should Embrace a VAT

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The current Republican government in the United States campaigned on a promise of comprehensive tax reform. As a result, many commentators believe big changes – including a consumption tax like a value-added tax (VAT) – may now be possible.

In this article, originally published in Bloomberg BNA's *Tax Management International Journal*, Davies partners [Peter Glicklich](#) and Fred Purkey with associates Heath Martin and Dov Whitman explain that hurdles to VAT enactment are lower than they have ever been, because the Republican Blueprint for Tax Reform includes a form of consumption tax. Given this movement, the authors suggest that the United States may learn from Canada in considering whether to adopt a VAT. They acknowledge the political hurdles but suggest use of a "long lens" to surmount the likely hurdles. In particular, they examine Canada's experience with its VAT – the goods and services tax (GST) – and conclude that while there are likely short-term political costs, the VAT could come, in time, to be viewed as a "fair necessity."

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