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Mar. 31, 2016

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The latest topic added to Thomson Reuters Checkpoint Catalyst examines consumption taxes in Puerto Rico. It provides an in-depth analysis of both the soon-to-be implemented value-added tax (VAT) and the transitional sales and use tax currently in effect.

This coverage comes at a crucial time. On June 1, 2016, Puerto Rico will become the first U.S. jurisdiction to adopt a VAT to replace its sales and use tax regime. The transition to this new scheme began in 2015 and has been controversial. The VAT's 10.5% rate, plus a 1% municipal sales and use tax, will apply broadly to tangible property and services, though exemptions and a special 0% reduced rate will apply to certain transactions.

“The VAT is fragmentarily collected in separate transactions along the supply chain.

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proposed regulations.

Checkpoint Catalyst will closely monitor all developments leading up to and following the VAT's introduction and will incorporate relevant updates into its coverage.

Checkpoint Catalyst also provides expert guidance on a range of other topics involving complicated areas of state taxation, including:

- E-Commerce
- Nexus
- Allocation and Apportionment
- Sales and Use Tax: Drop Shipments

For more information about Checkpoint Catalyst, visit checkpointcatalyst.com.

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