AI in the Corporate Tax Department – Let's See It!

40th Annual TEI-SJSU High Tech Tax Institute

November 4, 2024

Agenda

Kickoff and Intros
01

GenAI 101
02

Demonstrations and Examples
03

Roundtable Discussion
04

Questions and Comments
05

With you today

Stephen Bonovich - OpenAI

Vice President, Tax

Greg Homen – KPMG LLP

AI Transformation Program Tax Leader

Kate Riemersma - Deloitte

Tax Technology Partner

Tyler Gasperlin – Moss Adams

Innovation Senior Manager

Why are we here?

Objectives of the session

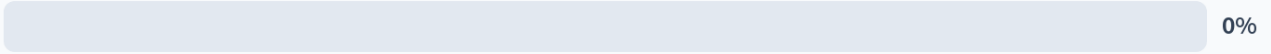| GenAI Explained & Peer Comparison Insights (Participant Participation)	Examples of how Companies are using GenAI for Tax	Roundtable Discussion on GenAI for Tax

5

Polling Questions

When poll is active respond at **PollEv.com/sjsugenai**

Send **sjsugenai** to **22333**

6

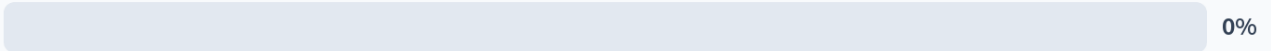## Does your company have an enterprise version of GenAI approved for business use?

Yes

0%

No

0%

Are you personally using any GenAI technology?

Yes

0%

No

0%

Have you or your team received any formal training on Generative AI?

Yes, extensive training

0%

Yes, some training

0%

No, but planning to in the next 12 months

0%

No, and no plans to in the next 12 months

0%

How do you think your firm's readiness to adopt Generative AI compares to your peers in the industry?

Ahead of the curve

0%

About the same

0%

Slightly behind

0%

Significantly behind

0%

What are your main concerns or barriers to adopting Generative AI in your practice? (Select all that apply)

Data privacy and security

0%

Lack of understanding/training

0%

Integration with existing systems
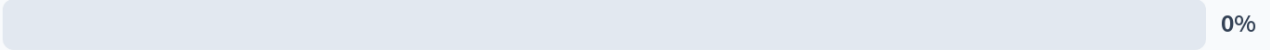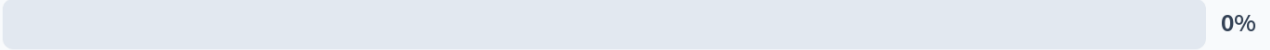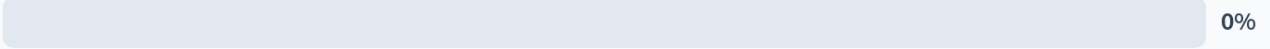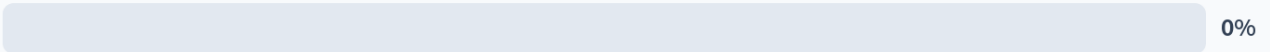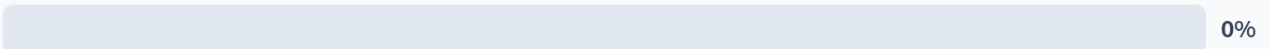
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Cost and resource constraints

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Regulatory compliance

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Other

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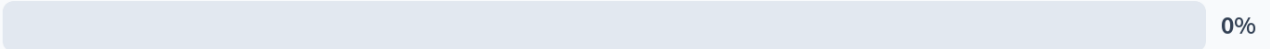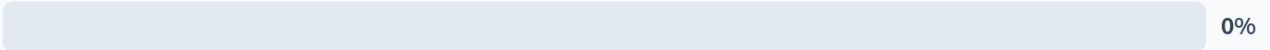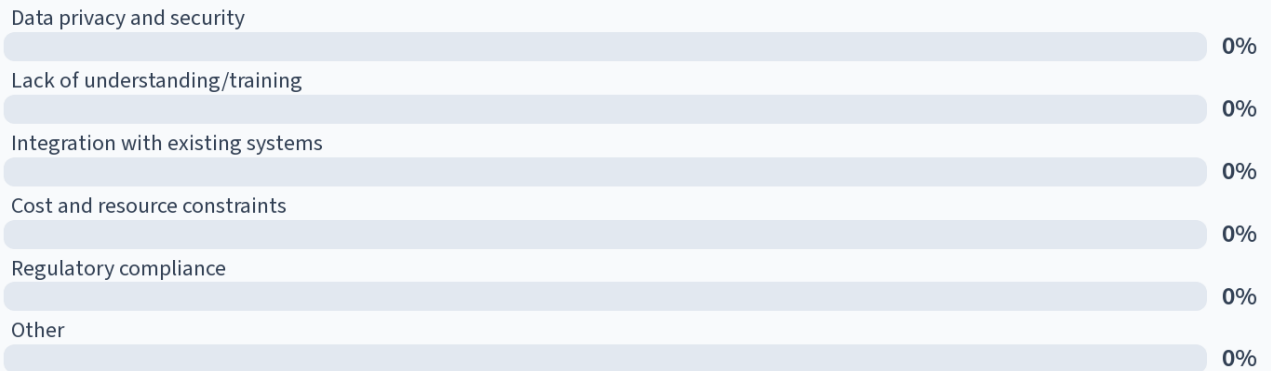
Start the presentation to see live content. For screen share software, share the entire screen. Get help at **pollev.com/app**

What is Gen AI?

What is GenAI?

Generative AI (GenAI) is a type of artificial intelligence (AI) that can generate content (text, images, audio, code, etc.) from prompts

GenAI is an emerging subfield of AI capable of generating content.

GenAI models are trained using various AI and machine learning techniques designed to analyze patterns in text, audio, code, images, and videos.

Large language models (LLMs), such as GPT-4o, Llama 3, Gemini etc., are trained on a vast body of corpus.

LLMs respond to "prompts" that are typically text but can also multimodal, including images and audio.

Generated content may suffer from HACK–hallucination, accuracy, cohesiveness, and knowledgeability.

Text generation (LLMs) · Image generation · Code generation · GenAI · Audio and video generation · Data analysis · Content conversion
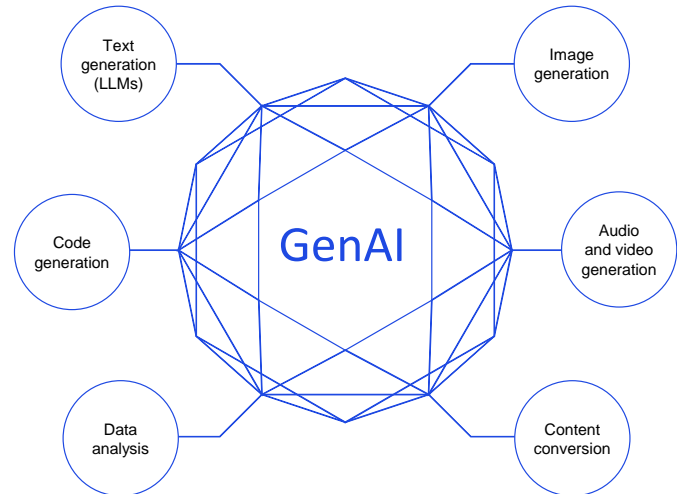
13

Text to…

Computer Code

Music

Images

Stories

Robots

Speech

Video

Computer Applications

"Italian Pup" – Created with SORA

cdn.openai.com/sora/videos/italian-pup.mp4

14

Thinking about Generative AI in tax

Personal productivity

How is it applicable?
- Researching & analysing _internal_ and _external data_ with a GPT interface
- Preparing, streamlining deliverables and outputs
- Gaining better insights, more efficiently

End-to-end business process optimization

How is it applicable?
- Scrape data, identify patterns
- Generate qualitative outputs and reports from quantitative and qualitative inputs
- Full-scale tax processes enhanced with back-end AI capabilities

Strategic value creation

How is it applicable?
- Near-time analysis and business decisions
- Breaking down the boundaries of the tax function
- Connection to other areas of the organization

15

Value of technology

Traditional AI Models	Limitations on capabilities	Relatively inflexible	Costly to develop	Highly accurate, predictable

- A human can walk away
- Limited use cases with ROI for Tax

LLM	Infinite capabilities	Highly Flexible	Lower cost to develop	Chance of inaccuracy

- Human must be in the loop
- Infinite capabilities with potentially high ROI

16

| What can generative AI do?

Capabilities	Representations	Examples
Write		*"Create a bulleted list of project scope assumptions from the following meeting notes"* *"Describe the general income tax filing procedures for multinational corporations"*
Explain		*"Summarize key themes from this tax legislation update"* *"Explain how changes in manufacturing supply chain might impact US state income tax apportionment calculations"*
Edit		*"Analyze the following allocation and apportionment data"*
Compare		*"Compare the following two XMLs of filed returns and identify the financial differences"*

17

Use Case Demonstrations

Let's See It In Action

- **Basic Email Creation & VBA Coding (Greg Homen)**
- **Transfer Pricing Cost Center Interviewer (Greg Homen)**
- **Legal Research (Stephen Bonovich)**
- **GPT creation (Stephen Bonovich)**
- **Tax Benefit Letter (Tyler Gasperlin)**
- **Trial Balance (Tyler Gasperlin)**
- **M&E Classification (Kate Riemersma)**
- **Provision Reporting Chat (Kate Riemersma)**

19

Roundtable Questions