# Tax professionals see AI as a vital tool for transformation and augmentation



In the rapidly evolving landscape of corporate taxation, artificial intelligence (AI) is emerging as a pivotal tool for tax professionals. A recent report by Thomson Reuters has unveiled significant insights into this transformation, revealing that 94% of tax professionals exhibit optimism towards new technologies, with 88% believing AI will play a central role in their work within the next five years. Notably, 42% of tax departments are currently exploring AI solutions, indicating that the shift is not just prospective but already underway.

In a recent webinar titled “The Time is Now: Preparing the Corporate Tax Department for AI,” moderated by Tracy Davis, Global Director – Retail & Manufacturing Industry Lead at Thomson Reuters, discussions centred on the implications of AI for tax professionals. Notable contributions were made by AI strategists Andrew Fletcher and David von Rickenbach, alongside Product Marketing expert Roshen Abraham. They delved into critical questions surrounding AI, including its potential to reshape the tax landscape, the opportunities and challenges it presents, and preparatory steps for teams and organisations.

A key theme that emerged from the webinar is the notion of AI as an augmentative force rather than a replacement for human professionals. As Andrew Fletcher articulated, “Automation can sometimes be scary because that’s replacing things that have been done manually… but for us… it’s the augmentation that’s exciting and where there is the biggest opportunity.” This perspective highlights AI's capacity to enhance productivity by handling repetitive tasks, thus allowing human professionals to focus on strategic decision-making and complex advisory roles.

The Thomson Reuters report underscores this sentiment, with 74% of surveyed respondents prioritising process automation driven by AI. Such tasks may include analysing large datasets, detecting anomalies, and streamlining compliance processes. By accelerating these routine tasks, tax professionals can reallocate time to more critical areas, such as risk assessment and relationship management. Tracy Davis referred to AI as a “digital junior resource,” emphasising its role in alleviating workforce shortages as seasoned professionals retire from the field.

However, the integration of AI into tax practices is not without its complexities. The panellists emphasised that successful adoption requires building trust and fostering a culture of experimentation. David von Rickenbach remarked that, “the journey won’t follow a straightforward path like steps 1, 2, 3, and 4.” This indicates the need for a flexible approach, one that begins with achievable projects—referred to as “low-hanging fruits”—where existing tools can be utilised effectively.

The cultivation of an experimental mindset was advocated by Roshen Abraham, who stressed the importance of identifying genuine pain points that AI can address, rather than adopting technology solely for its own sake. “It’s about trying it with one of the tools that you have available, creating a few hypotheses, and learning from them,” he advised, reinforcing the idea that early iterative learning can significantly benefit AI integration efforts.

Despite the potential benefits, concerns regarding ethical and compliant use of AI remain paramount in the regulated environment of taxation. Andrew Fletcher cautioned that “when we think about ethical and compliant use of AI, it’s thinking about what AI is doing here, what is appropriate, and whether I want to be handling and treating data in this way.” This underscores the imperative need for transparency in data usage and for robust safeguards to ensure data protection, particularly given the sensitive nature of tax information.

Additionally, the risk of biases within AI outputs necessitates careful human oversight, with Fletcher emphasising the importance of professionals understanding the conclusions drawn by AI. “There are some things where you would want a person to be making that judgment,” he noted, highlighting the necessity for governance frameworks surrounding AI use.

Looking forward, the future of AI in corporate tax appears vibrant. The advent of advanced technologies, including reasoning models and agentic systems, suggests that AI's capabilities could significantly expand, potentially improving the handling of complex tax scenarios. Fletcher observed that the current pace of change and the evolution of AI capabilities markedly surpass prior cycles of AI hype.

Moreover, Von Rickenbach pointed out the growing trend towards smaller, proprietary AI models. This shift allows companies to tailor AI systems to their specific data and needs, creating unique solutions that may enhance control over data privacy and security.

Overall, the discussions held in the Thomson Reuters webinar elucidate the urgency and potential of AI adoption in corporate tax. As the profession navigates this transformative landscape, understanding the intricacies of AI integration, fostering team competencies, and implementing responsible AI practices will be vital for future preparedness and success.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.thomsonreuters.com/en-us/posts/technology/chatgpt-generative-ai-tax-professionals-2023/> - This article discusses a Thomson Reuters Institute survey revealing that 94% of tax professionals are optimistic about new technologies, with 88% believing AI will play a central role in their work within the next five years.
2. <https://www.thomsonreuters.com/en-us/posts/technology/chatgpt-generative-ai-tax-professionals-2023/> - The survey also indicates that 42% of tax departments are currently exploring AI solutions, highlighting the ongoing shift towards AI integration in the field.
3. <https://www.thomsonreuters.com/en-us/posts/technology/chatgpt-generative-ai-tax-professionals-2023/> - The article features insights from a webinar titled “The Time is Now: Preparing the Corporate Tax Department for AI,” moderated by Tracy Davis, Global Director – Retail & Manufacturing Industry Lead at Thomson Reuters.
4. <https://www.thomsonreuters.com/en-us/posts/technology/chatgpt-generative-ai-tax-professionals-2023/> - The webinar includes discussions by AI strategists Andrew Fletcher and David von Rickenbach, and Product Marketing expert Roshen Abraham, focusing on AI's potential to reshape the tax landscape and the opportunities and challenges it presents.
5. <https://www.thomsonreuters.com/en-us/posts/technology/chatgpt-generative-ai-tax-professionals-2023/> - Andrew Fletcher emphasizes AI as an augmentative force, stating, “Automation can sometimes be scary because that’s replacing things that have been done manually… but for us… it’s the augmentation that’s exciting and where there is the biggest opportunity.”
6. <https://www.thomsonreuters.com/en-us/posts/technology/chatgpt-generative-ai-tax-professionals-2023/> - The article highlights that 74% of surveyed respondents prioritize process automation driven by AI, aiming to handle tasks like analyzing large datasets and streamlining compliance processes.
7. <https://news.google.com/rss/articles/CBMitAFBVV95cUxPX1l0QmZldFBDS1JGYTRZODJhZlJaUU0takQycXFBYkJVMDJjbENJNkRxbnE4TDZUWi1Yb3lpMXR2blUwR0dsZnNoN3BMalVQT1dEd0dwVEd5eHlabGxKNktqa2dJU1lXQWYxQkN5MGVBOUFsNmxfUy1FT0dselZIMzhCSW5HcllIZTZiazgtR3Y0NkJpOFlaWVNxRUViRGx5SE4zQkZseDJhd1AzUk9ZanVPS3I?oc=5&hl=en-US&gl=US&ceid=US:en> - Please view link - unable to able to access data