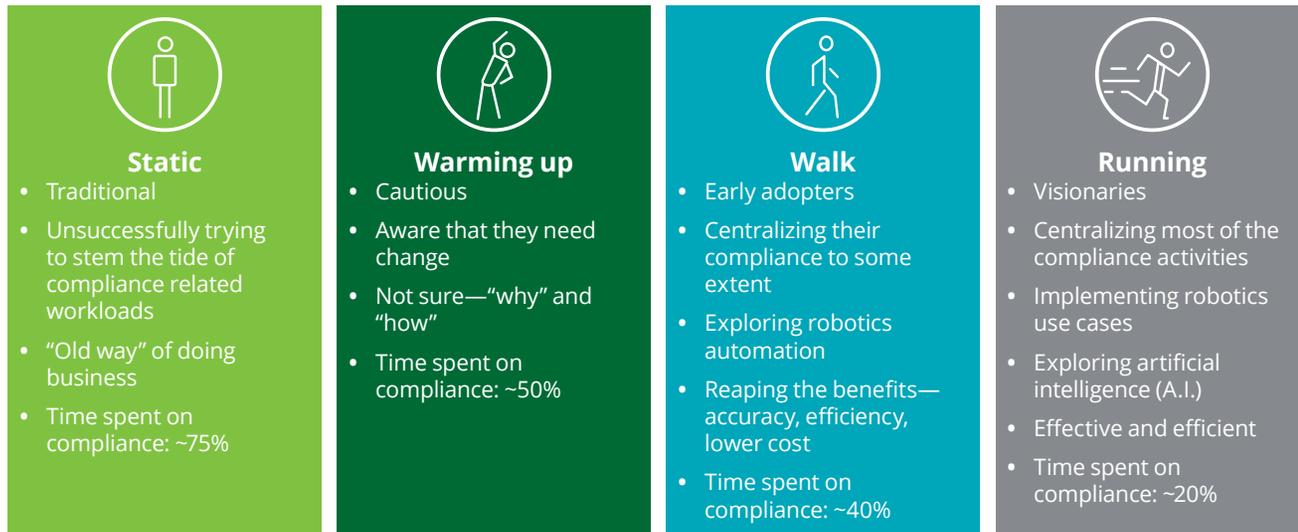# Deloitte.

Tax compliance in a digital world

Imagine a future where a tax department can source non-strategic work through a shared services center, power certain repetitive functions through automation, and harness data to respond to tax authority audits and provide predictive analysis to internal stakeholders. Imagine using A.I. to search and recommend correct tax codes and identify exceptions, and to leverage crowd-sourcing platforms to source services such as report writing, administrative support, and other functions.

Spectrum of digital transformation adoption in tax departments

Static
- Traditional
- Unsuccessfully trying to stem the tide of compliance related workloads
- "Old way" of doing business
- Time spent on compliance: ~75%

Warming up
- Cautious
- Aware that they need change
- Not sure—"why" and "how"
- Time spent on compliance: ~50%

Walk
- Early adopters
- Centralizing their compliance to some extent
- Exploring robotics automation
- Reaping the benefits—accuracy, efficiency, lower cost
- Time spent on compliance: ~40%

Running
- Visionaries
- Centralizing most of the compliance activities
- Implementing robotics use cases
- Exploring artificial intelligence (A.I.)
- Effective and efficient
- Time spent on compliance: ~20%

Key transformation opportunities

Centralization: Enables the harmonization of tax compliance processes and protocols to help address tax risks, increase quality, enhance value, and lower costs

Data: High-quality data forms the foundation for analytics, automation and cognitive technologies

Automation and A. I.: Automation reduces time and costs, while AI reveals insights that can lead to improvements in tax operations, planning, and reporting

Job taskification and talent cloud: Allows access to specialized talent pool, sourced in a variety of ways, whether internally or externally and at varying cost

Identifying **Scalable** processes

Prioritizing **Transactional** tasks

Aligning with broader digital transformation

Communicating the expected **Return on Investment (ROI)**

Re-skilling existing **Talent**

A way forward for Tax departments

So how can tax departments prepare for a more automated digital environment where costs and compliance turnaround time may be reduced by new sourcing models and advanced technologies?

Consider a **START** framework: