



Smarter insights, stronger outcomes

Solving unique business issues with customized data analytics solutions

The Deloitte Tax LLP ("Deloitte Tax") Analytics Insights team gives tax executives the tools they need to make confident business decisions. Our professionals do more than just review data, we look deeper. We focus first on our clients' business problems and how those problems might be solved through the use of analytics. Many business challenges have common characteristics but each circumstance

is unique to the company. We draw on tax domain expertise and a variety of technologies and tools to develop tailored technology-enabled analytics services that address the specific issue. Because our approach keeps the business problem in focus, our analytics services are constructed to derive smarter insights, allowing our clients to take actions that secure stronger outcomes.

What type of problem can be solved through analytics solutions?

Based on our work, the Deloitte Tax Analytics Insights team has identified the characteristics of issues commonly faced by our clients that are strong indicators analytics should be part of the solution. These characteristics include:

- The data comes from multiple sources or systems, many of them outside of the control of the person responsible for the analysis
- Voluminous amounts of data are available and important to the analysis
- The same sets of data are being analyzed on a recurring basis
- The data requires significant time manipulating, reviewing, and analyzing the data
- The analysis requires sorting, pivot tables, and filtering of data
- The situation requires multiple scenario analyses of different alternatives
- A change in the data from period to period creates unwelcome surprises

- Reliance on others outside of Tax to provide the data results in delays in receiving needed information
- Errors have occurred due to missing or misunderstanding data

Potential outcomes

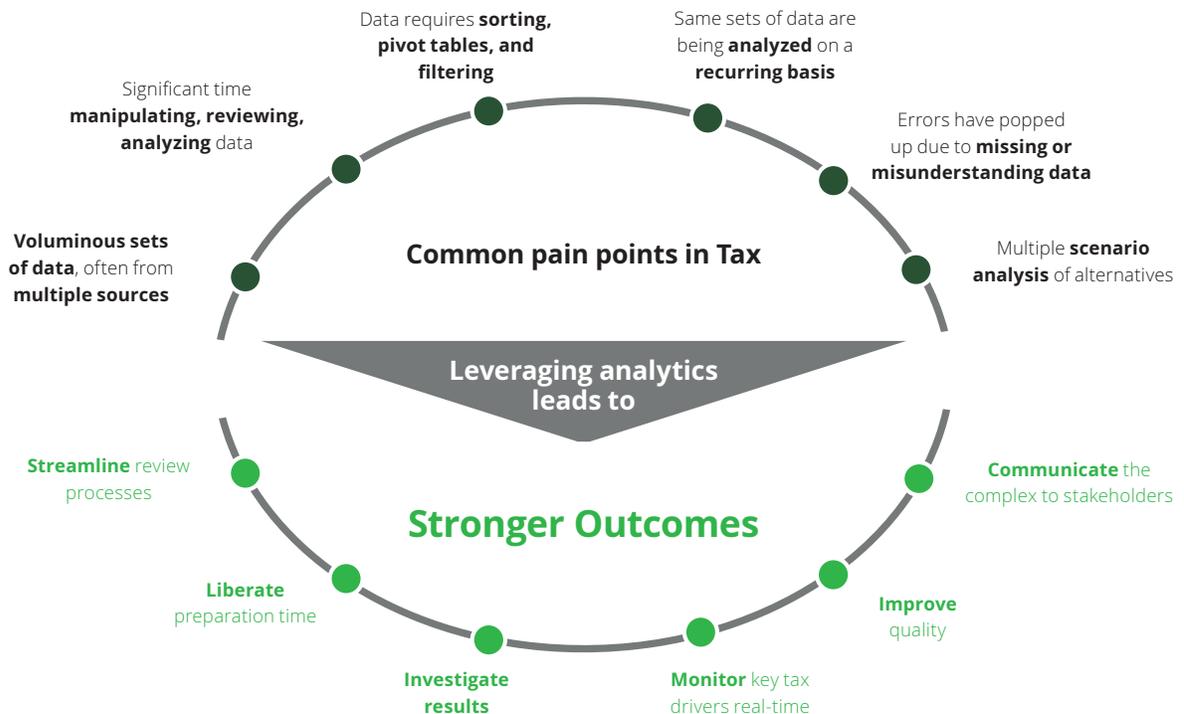
Analytics helps to:

- Uncover hidden relationships or trends,
- Identify outliers or errors in the data that may require correction or resolution,
- Quickly compare results period over period while there is still time to identify, correct or address anomalies, and
- Easily undertake scenario planning or modeling to make better business decisions.

By addressing tax problems with technology solutions that combine analytics, tax domain knowledge and other technologies, our clients can achieve a better, deeper understanding of their data. This in turn may lead to further business benefits, actionable insights and stronger outcomes.

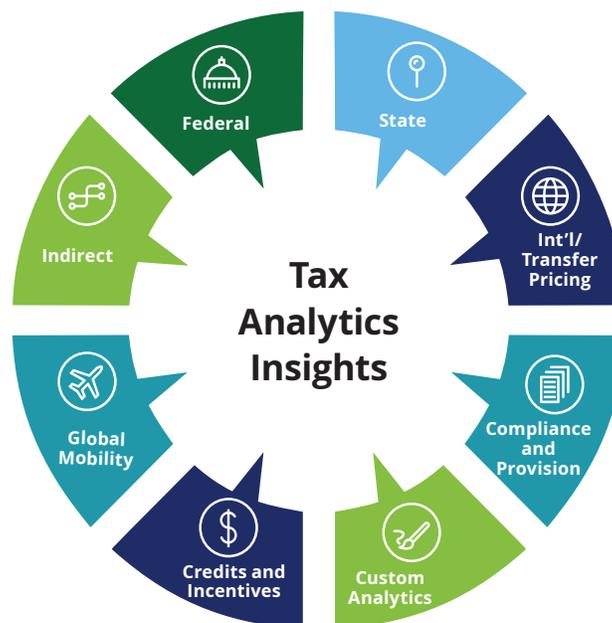
With the support of the Deloitte Tax Analytics Insights team, increased mastery of tax-relevant data may bring a number of outcomes for the tax department, which include:

- Liberating hours spent on repetitive tasks with a high manual content, time that can be diverted to activities which add greater value
- Improved quality of analysis allowing the tax department to derive smarter insights
- More efficient processes
- Positioning the tax department as a value add business partner, as well as a steward of compliance
- Communicating complex tax issues to non-tax business executives with more clarity
- Reducing the tax department’s reliance on the IT function



The Deloitte Difference

Our Tax Analytics Insights team leverages talent from across Deloitte Tax to help clients. The team combines advanced analytics and data science skills with extensive tax knowledge. We have deep experience not only in technology skills, but also in federal, state and international tax, direct and indirect tax, transfer pricing and global talent services. We apply an industry lens in order to understand what the outcome should be from a tax perspective given our clients' environments, as well as an effective way to deploy analytics to derive stronger outcomes.



Gartner has named Deloitte a global leader, positioned highest in execution, in Business Analytics Services in their February 2017 report Magic Quadrant for Business Analytics Services, Worldwide.

Forrester Research has named it a leader in their recent report entitled The Forrester Wave™: Business Intelligence Platform Implementation Service Providers, Q2 2017.

International Tax Review (ITR) has named Deloitte Tax LLP the Americas Tax Innovator of the Year for its impact in delivering innovative solutions on large, complex client projects, 2017 and 2016.

How Deloitte Can Help

Communicating more effectively

Incorporating analytics in technology solutions enables our clients to present their data using visualization tools that help non-tax colleagues understand the business impact of tax. These analytics technology tools can also help tax departments communicate with tax authorities during a tax audit. For example, the Deloitte Tax Analytics Insights team uses tax knowledge to build visualization tools to support claims ranging from R&D tax credits through IRC Sec 199 deductions to custom economic enterprise zones. Through this approach, we collaborate with clients to enhance their claims and demonstrate they are both valid and have been calculated consistently from year to year. Our analytics driven approach may help tax departments save time by accelerating the conclusion of tax authority enquiries.

Greater confidence from high-quality data

The tax reporting review processes involve significant volumes of data. Looking at state apportionment for example, a state tax practitioner would work with summary-level payroll, property and sales information. Because the reviewer is unable to examine every relevant item in voluminous lines of data, there is a risk that anomalies are missed. To mitigate this risk, the Deloitte Tax Analytics

Insights team embeds diagnostic analytics, providing reassurance that anomalies are identified well before the numbers are reported. This reduces errors and provides confidence that the company is paying the right amount of tax in each jurisdiction.

Smarter insights from the data

Sometimes expenditures by asset-rich businesses are capitalized when they could be expensed as incurred. The Deloitte Tax Analytics Insights team leverages our deep knowledge of the tax depreciation rules to create simple key word searches to spot expenditures that should be further reviewed for immediate expensing. Using tax-sensitized analytics tooling it is possible to identify instances of capitalized repairs to establish what should have been expensed, resulting in a potentially significant cash flow benefit.

Advanced analytics

The journey of finding benefits of analytics in tax often begins with using descriptive analytics. This is not the end of the journey. Tax, like other areas of the business, has continued to evolve in the need for advanced analytics capabilities. The Deloitte Tax Analytics Insights team can help clients solve challenges by using predictive modelling and prescriptive analytics incorporating cognitive technologies like machine learning and other forms of artificial intelligence into services.

Let's Talk

Tailored analytics can reveal insights and unlock opportunities customized to your tax organization. Contact us to explore how a specifically developed technology solution—which combines tax domain knowledge, a deep understanding of your industry, analytics and other tools—may secure smarter insights and stronger outcomes for your team and your business.

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