



CFO views on the value of tax in an AI-enabled future

Chief Financial Officer Survey

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Foreword

Evolving tax policy landscape

As businesses enter 2025, a “tax policy trifecta” is poised to create massive disruption and uncertainty for tax departments:

- 2025 tax cliff propelled by the expiration of many Tax Cuts and Jobs Act (TCJA) provisions
- Global reform, including the OECD’s tax deal and implementation of Pillar Two
- Regulatory changes, including numerous complex guidance and reforms

This trifecta is triggering the need for the strategic evolution of tax departments. Navigating this complex environment demands collaborative, agile, resilient, and data-driven tax functions—increasingly something only modern technology deployment and data-driven processes can deliver.

One of the most powerful potential enablers for transforming tax is the rapidly advancing field of artificial intelligence (AI), including generative AI (GenAI). This wide spectrum of “intelligent machines—capable of performing tasks that typically require human intelligence—can help automate, optimize, and accelerate tax work. Facing the tax policy trifecta, harvesting data and AI can be indispensable tools, enabling real-time modeling and scenario planning, enhancing data extraction and analysis, and generating valuable insights for decision-making and risk management.

But harnessing AI opportunities in the tax function requires strategic and operational alignment with the finance organization. To this end, KPMG Tax conducted a pulse survey of 100 Chief Financial Officers (CFOs). We collected their views on and approaches to a wide range of tax-related topics, including AI-related technology investments and initiatives. Our research indicates that CFOs are seizing AI’s potential to improve efficiency, augment human capabilities, and drive insight and innovation in the finance function (and tax too)—even if they don’t necessarily realize it—but they are still seeking clarity about GenAI benefits for tax.

This report shares insights from the survey findings, along with one-on-one interviews with several executives, and KPMG Tax partners. It explores how tax functions execute an AI journey in a way that enhances their contribution to key finance objectives in 2025 and beyond.

We hope this report assists your tax department in becoming an even more valued strategic partner to the enterprise in the AI-enabled finance and tax landscape.



Brad Brown

Global Technology Leader
and CIO for Tax, KPMG LLP

Tax technology transformation

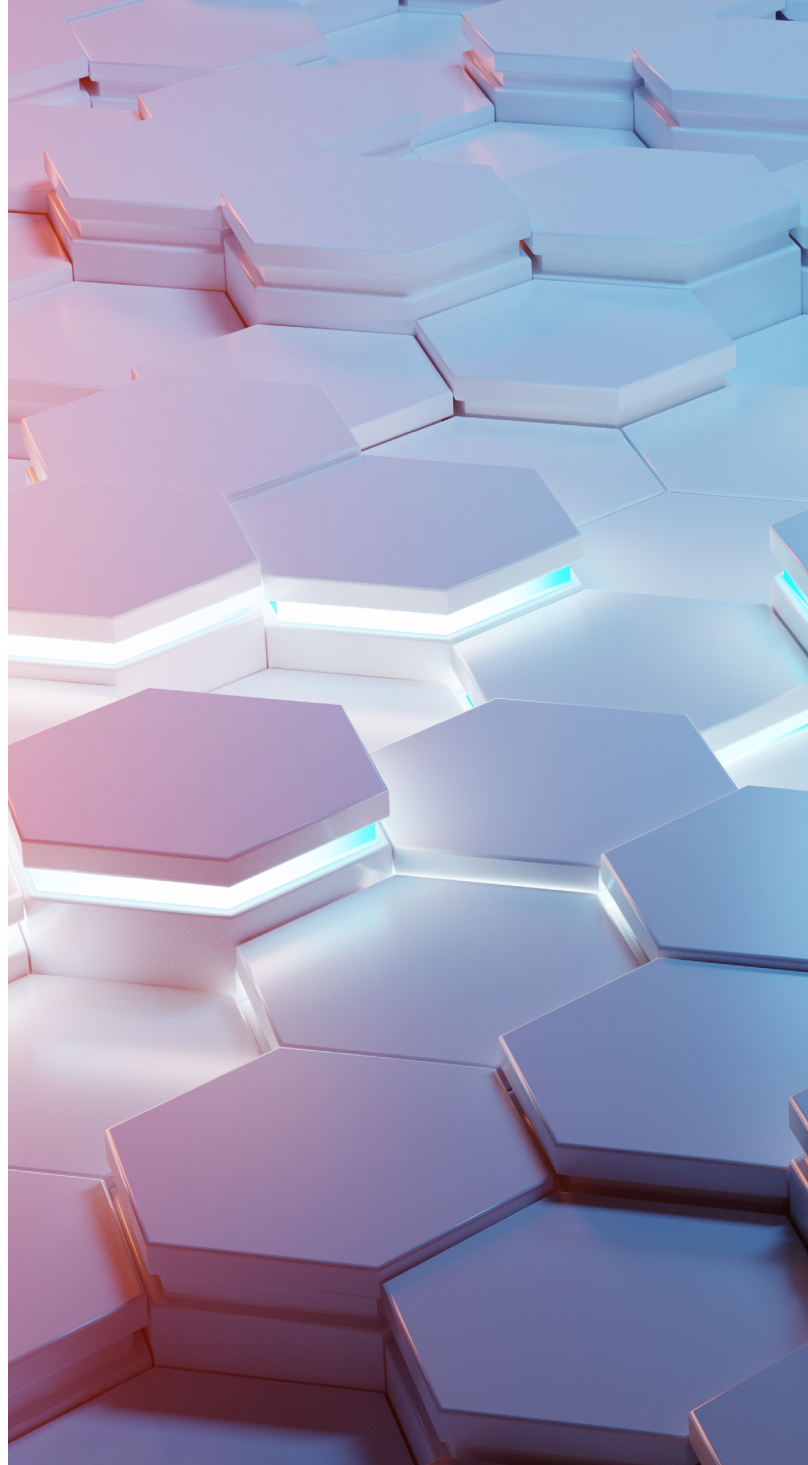
Untapped potential to apply GenAI to tax activities

The rapidly advancing field of artificial intelligence (AI)—encompassing a wide spectrum of smart machines capable of performing tasks that typically require human intelligence—is transforming industries and society. This research indicates that CFOs are seizing AI’s potential to improve efficiency, augment human capabilities, and drive insight and innovation in the finance function (and tax too)—even if they don’t necessarily realize it.

AI: A vital finance technology

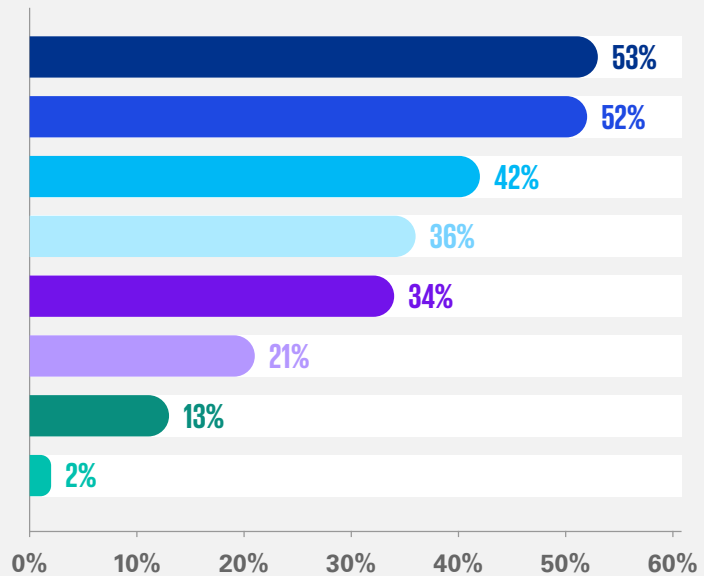
When it comes to leveraging technology, CFOs are guided by a macro view. They highly value the subset of technology that will help them navigate strategic, enterprise-wide issues to drive growth, reduce cost, manage risk, and solve complex business challenges. AI, as a category of technologies, clearly stands out as the most powerful tool of the finance trade. Seven in 10 CFOs say AI and machine learning applications (36 percent) and GenAI (34 percent) are the most crucial technologies in supporting the finance function’s strategic decision-making.

While GenAI—when considered separately from other AI types—ranks just fifth, its game-changing ability to think, reason, learn and understand like humans makes it a transformative enabler of other highly-valued finance technologies: advanced data analytics and business intelligence tools (53 percent); cybersecurity measures for data protection (52 percent) and cloud computing and storage solutions (42 percent). These traditional technologies used across finance departments increasingly incorporate aspects of GenAI to improve and accelerate processes and strengthen insights and decisions based on those technologies.



Which of the following types of technology is most crucial in supporting your finance function's strategic decision-making?

- Advanced data analytics and business intelligence tools
- Cybersecurity measures for data protection
- Cloud computing and storage solutions
- Artificial intelligence and machine learning applications
- Generative AI (GenAI)
- Enterprise resource planning (ERP) systems
- Blockchain technology for secure transactions
- Robotic process automation (RPA)



Multiple responses allowed



Tax functions face a confluence of impending disruptions entering 2025, including the expiration of TCJA provisions, global reforms and evolving regulatory changes. To navigate this 'tax policy trifecta,' there is an opportunity for finance leaders to embrace technology and automation in new, exciting ways. GenAI is seen as a promising tool for tax modernization and transformation in this fast-moving, complex environment.

— Brad Brown, Global Technology Leader and CIO Tax, KPMG LLP

One interpretation of this data is that some CFOs have yet to appreciate the terminology around GenAI, including how it is different than other AI technologies and where it applies to finance function activities. With definitions changing so quickly, along with the unprecedented pace at which GenAI capabilities are advancing, CFOs may not recognize the full extent to which GenAI capabilities are in fact being used in finance operations through unseen integration with existing technology solutions.

Another interpretation is that finance departments are continuing to prioritize non-GenAI-enabled tools for key areas where applying them could have a tremendous impact, such as data and analytics, cybersecurity, and cloud computing. Not acting on GenAI's potential to enhance such digital processes is a potential risk to finance function efficiency and effectiveness. Given the rapid speed of innovation, slow-adopting finance organizations may fall behind competitors that more fully apply GenAI capabilities for finance and tax.

CFOs seek clarity about GenAI benefits for tax

It's a positive sign, then, that CFOs do acknowledge several key benefits of GenAI for the finance function—an indication that interest in GenAI is shifting toward value generation rather than solely efficiency. The majority (56 percent) name improving decision-making with predictive analytics as a top benefit, followed by 51 percent who say GenAI will help finance professionals analyze large amounts of financial data. The third leading benefit—automating tasks to reduce manual errors and improve reporting accuracy (37 percent)—directly serves the top two. By using GenAI to handle menial, repetitive tasks done monthly, or even daily, finance professionals can retool time saved toward the more strategic work of analytics and analysis.



Leveraging GenAI for enhanced tax function success

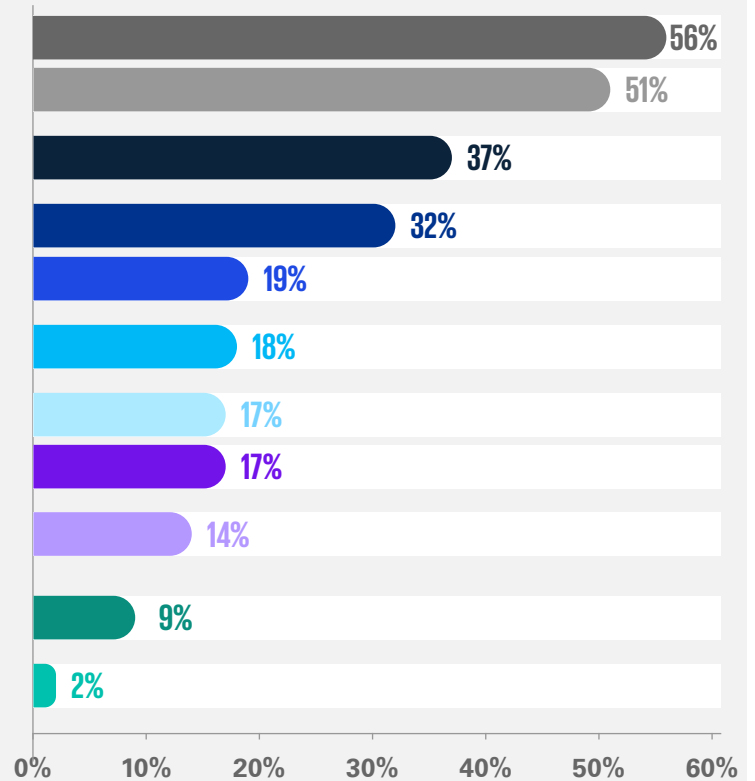
GenAI technology can help tax teams redefine and elevate their value. Embracing the capabilities of GenAI technology can enable tax professionals to automate, optimize, and accelerate tax work, effectively manage compliance burdens, and provide valuable insights for strategic decision-making.

- One key area where GenAI is making a significant impact is tax compliance. By automating processes such as data capture, computation, and reconciliation, tax professionals can break free from routine transactional tasks and redirect their efforts towards more meaningful contributions beyond compliance. Moreover, GenAI offers narrative analysis capabilities, supporting human analysis and providing a comprehensive understanding of complex tax information.
- In tax controversy matters, GenAI technologies facilitate consistent communication with tax authorities across jurisdictions, providing as there was a confirmation thorough and accurate analysis of information in tax litigation. By applying relevant data and issues from one area to another, tax professionals can effectively engage with tax auditors, public officials, or judicial entities, utilizing language and approaches that resonate with each audience.
- GenAI models also address the complexities of global tax compliance and risk management by rapidly deciphering and summarizing relevant documents to help tax practitioners to stay updated and make informed decisions in a timely manner.
- GenAI can also play a crucial role in tax transactions by identifying patterns and trends in data that may go unnoticed by human analysts, such as insights on potential tax risks and opportunities. This helps tax professionals make more informed decisions and increase confidence in tax planning and strategies.

In what ways will GenAI benefit the finance function?

- Improve decision-making with predictive analytics
- Analyze large amounts of financial data
- Automate tasks to reduce manual errors and improve reporting accuracy
- Streamline operations and processes
- Automatically generate insights from finance data
- Develop accurate forecasts and budgets using predictive models and scenario creation
- Minimize risks and identify potential data breaches
- Optimize innovation and performance
- Enhance the customer experience through greater personalization
- Detect anomalies to improve overall accuracy and effectiveness
- Conduct market research

Multiple responses allowed



For example, World Fuel Services, a petroleum services company that sells refined fuel products, is leveraging AI to assist with tax invoicing and tax compliance, as well as tax calculation and analysis, such as determining net returns after taxes and total cost of operations.

“Between federal and state income taxes, foreign income taxes, excise taxes, supply taxes and value added taxes, we must have 150 taxes,” said Board Director Stephen Roddenberry. “Some are passed along, and some aren’t. On top of that, they change. The volume and complexity make it hard to be precise and we think better computational firepower will help us.”

AI applications could also support another goal of digital transformation at World Fuel Services—to dramatically reduce error rates by minimizing human involvement in invoice processing.

“The goal is to not have humans touch the invoice once it’s entered, because humans make more mistakes than computers and they’re expensive,” Roddenberry said. “Automating invoicing is more efficient and it gives you better and cleaner data.”

Manufacturing company Glatfelter is also at the early stages of adopting AI tools for finance operations.



We recognize that AI can provide significant cost advantages and productivity efficiencies in certain functions, especially finance, with regard to data processing and information management. As we mature as a company in terms of scale, familiarity and sophistication, we'll be better positioned to leverage AI more fully.

— Ramesh Shettigar, CFO, Glatfelter

Data issues are obstacles to GenAI enablement

The research points to data infrastructure, management, and governance as possible barriers to realizing value from GenAI in finance, including tax. CFOs say improved decision-making and analysis of large financial data sets are top GenAI benefits, both of which require clean, organized, accessible data from numerous disparate sources. Yet, enterprise resource planning (ERP) systems are near the bottom of technologies supporting finance function decision-making, chosen by only 21 percent of CFOs.

This is a clear mismatch: In order to make successful decisions from insights gleaned from financial and tax data—and for GenAI to help make those decisions even faster and more accurately—good data is the foundation. ERPs make obtaining and leveraging that good data possible. Without investing in ERPs, it will be nearly impossible to stand up a true GenAI solution that leverages data as knowledge, rather than just executing administrative tasks.

Less promising within the survey findings is CFOs' views of GenAI's impact on tax, specifically. KPMG works with clients to deploy GenAI in tax operations to automate tasks, extract insights from vast sets of data, accelerate risk monitoring and analysis, and enhance strategic tax planning, reporting, and communication. Despite these benefits, just 5 percent of CFO respondents choose tax as an area of finance where GenAI will have the most significant impact—the lowest of 12 areas.

Rather than a verdict on GenAI's power, this may be another signal of misunderstanding among CFOs of either the capabilities of GenAI or an overly narrow view of tax processes that can benefit from GenAI. Indeed, tax operations—when managed strategically—are woven into many of the finance areas CFOs say GenAI will have a higher impact on. This includes the top-ranking area of impact—risk management—which tax teams support by helping drive regulatory compliance and optimized tax positions.



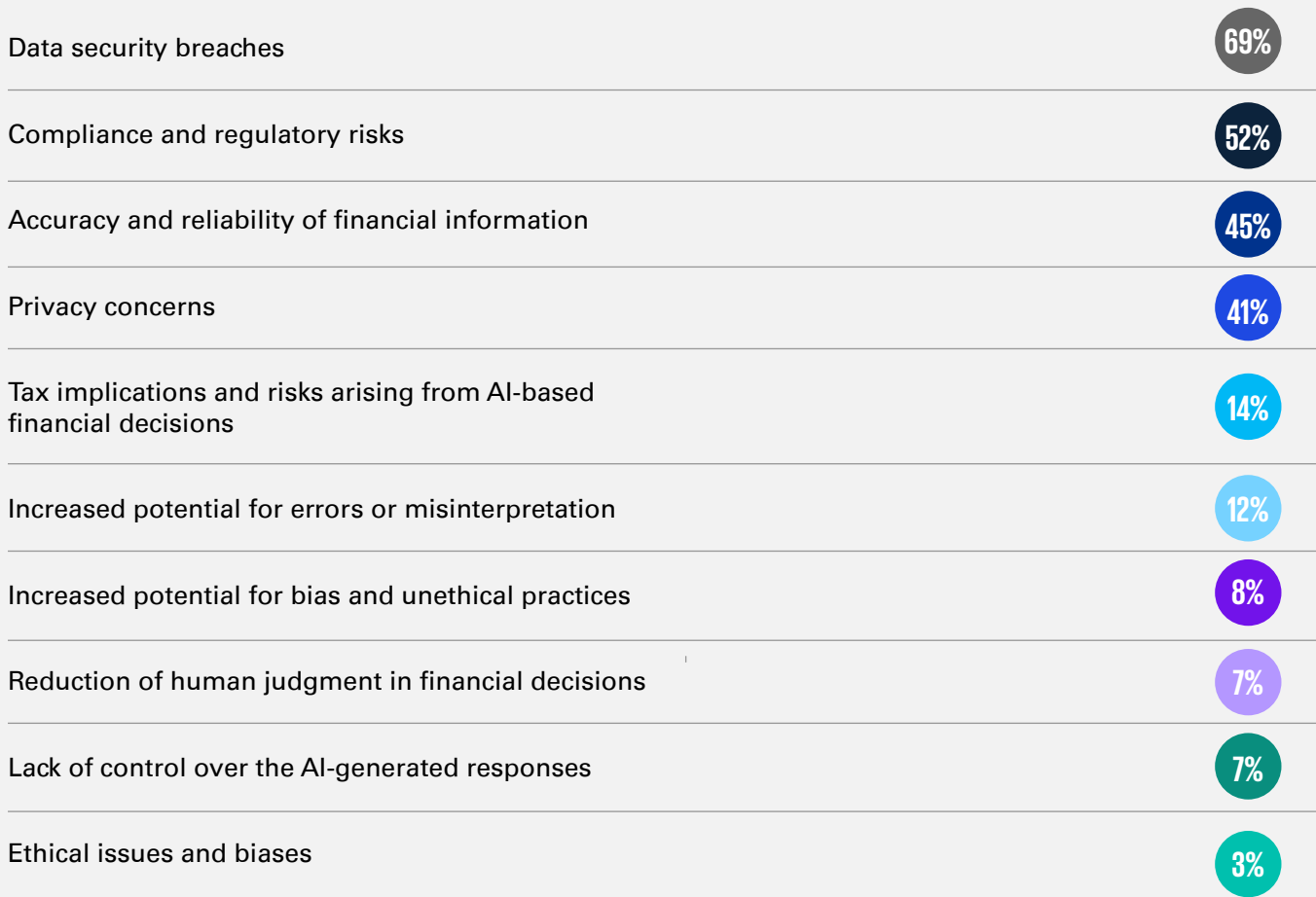
AI, particularly GenAI, can significantly optimize tax processes and enhance the value of tax departments by automating routine tasks, improving data extraction and analysis, and enhancing accuracy and efficiency. This allows tax professionals to focus on higher-level strategic planning and decision-making. GenAI can automate processes such as data capture, computation, and reconciliation, freeing tax professionals from routine tasks and enabling them to contribute more meaningfully beyond compliance.

— Greg Homen, AI Transformation Program Leader, Tax, KPMG LLP

CFO concerns about the top potential risks of GenAI enablement—data security breaches (69 percent), compliance and regulatory risks (52 percent), and accuracy and reliability of financial information (45 percent)—further reinforce the need for proper data infrastructure and governance. The need is especially

high when companies are using third-party, off-premise cloud, or public systems to interact with GenAI risk, which could expose sensitive data and cause serious financial, regulatory, and reputational damage.

What potential risks do you perceive with the implementation of Gen AI tools (like ChatGPT) in the finance function of your organization?



Multiple responses allowed

“When it comes to AI, we worry about accuracy,” said Roddenberry of World Fuel Services. “If you coded the wrong stuff, it could go haywire.”

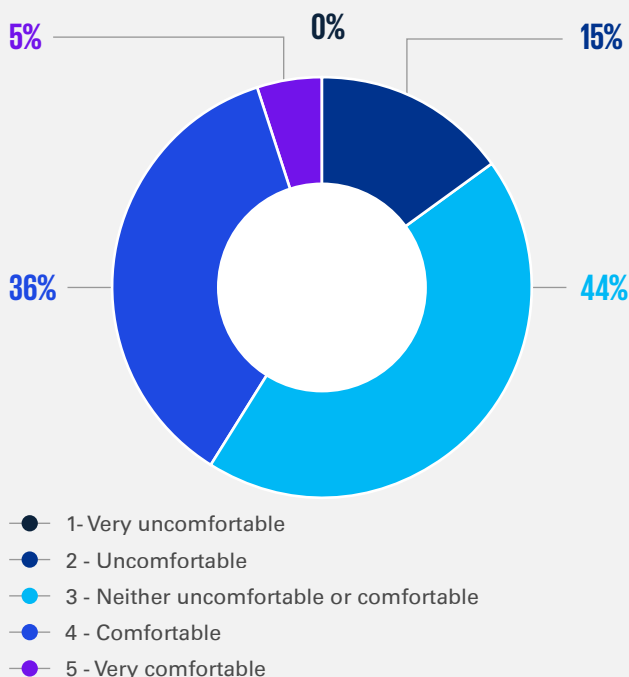
GenAI outputs will accelerate analysis and insights about company financial and tax data. But taking those outputs and running with them unchecked—without proper human judgment in financial and tax

decisions—is a dangerous game. That’s why leading GenAI programs are agile yet controlled. They have rules, policies and processes in place to preserve confidentiality of sensitive data, IP, and ensure accuracy and reliability of financial- and tax-related information. And they always have a human in-the-loop to help prevent errors and misinterpretation of GenAI results.

CFOs continue to track the AI evolution

Finally, CFOs must recognize that GenAI is changing and advancing almost daily. This is moving faster than other technologies, which might get an upgrade every few years. Just 40 percent of CFOs are comfortable or very comfortable using GenAI tools in the finance function today (and we expect that's lower on the tax side). That comfort level is likely to change tomorrow as new capabilities emerge, creating new potential areas of risk. As such, continuing the learning journey of finance and tax professionals will be crucial to managing GenAI risk while driving agility, innovation, and value across finance, tax, and the business.

How comfortable are you with using Gen AI tools (like ChatGPT) in the finance function of your organization?



While Shettigar is excited about the potential of using AI tools to help improve tax optimization, Glatfelter is approaching adoption more cautiously until the company has a better understanding of what these tools can do and has developed the familiarity, sophistication and scale across the company to leverage AI more fully.

“As it pertains to tax, there’s certainly the potential to leverage data analytic and mining tools that our tax department is exploring. At the appropriate time, we want to be making the necessary investments, because the amount we spend on cash taxes globally as a public company is a highly visible, yet controllable, number. If there are tools in the realm of AI that can allow us to be more efficient and uncover opportunities that will aid in lowering our overall taxes, it’s certainly worth the investment.”

Shettigar views a primary risk as not being thoughtful about how AI tools work. Before widespread tool adoption, the company formalized internal policies on the use of AI so employees understand the risks and benefits and how to handle confidential information as a public company. In addition, Glatfelter is first piloting tools with a closed loop systems with limited users and IT supervision.

“AI works on the basis of an iterative algorithm using prompts and inputs that humans provide,” Shettigar said. “While there are massive databases of information for AI systems to draw knowledge from, they ultimately shape their learning from every human interaction. We have to tread very carefully about the types of questions we ask these models, the tasks we perform, and the proprietary information we share with such tools .”

Roddenberry of World Fuel Services also acknowledges that the AI space continues to change dramatically, requiring regular updates and collaboration among the board to stay current with the latest developments.



Nobody really knows what AI is. The field is rapidly evolving, and probably every two months we are seeing another big change. Finance and tax need to stay closely connected to the rest of the enterprise to stay abreast of the current state of AI.

— Stephen Roddenberry, Board Director, World Fuel Services

Insights into opportunities

Tax departments face increasing pressure, ranging from compliance obligations to regulatory complexity to economic volatility. And the challenges of the “tax policy trifecta” will only further exacerbate the uncertainty and complexity of the 2025 tax landscape.

To address these challenges while meeting CFO expectations to drive efficiency and take on strategic responsibilities, tax leaders are turning to technology and automation.

GenAI is a promising, but still mostly untapped, tool for tax modernization and transformation. Implementing GenAI offers significant benefits. Automation of routine tasks can reduce the burden on tax professionals and allow them time for higher-level tax strategy and

planning work. Improved data extraction and analysis can generate valuable insights for decision-making and risk management. And enhanced accuracy and efficiency can lead to timely compliance, fewer errors, and reduced risks of penalties or audits.

A priority for Chief Tax Officers (CTOs) will be making the case for GenAI investment and enablement to CFOs. This research shows that some CFOs do not recognize GenAI’s application to tax processes, while others are being held back by concerns over the sensitive and confidential nature of tax information. CTOs will be challenged to communicate the power of GenAI to help tax operations boost efficiency, unlock valuable insights, and improve business outcomes. It will also be important to demonstrate a comprehensive approach to addressing the potential data security and privacy risks of using GenAI tools in the tax function.



Survey methodology

In Spring 2024, KPMG surveyed 100 CFOs at public and private US companies across 22 industries about how their views on enterprise tax topics, including tax risks and challenges and tax operations, technology and talent. Fifty percent of CFOs came from companies with revenue of \$2 billion or more.

How KPMG can help

GenAI has the potential to create an optimal tax function and enrich the tax profession overall. With KPMG Trusted AI as our foundation, we help tax functions build and deploy responsible, ethical and fair GenAI programs that create value across tax operations.

With industry experience in tax and technology, KPMG can help you stay ahead of both disruption and the competition:

- Provide strategic consulting services
- Build GenAI solutions in your environment
- Enhance your tax function using our technology investments

Empowering tax professionals with KPMG Digital Gateway

KPMG Digital Gateway is an integrated platform that provides you with access to the full suite of KPMG tax and legal technologies, including an AI-augmented tax assistant that can help you tackle a range of business challenges, transform data into value more efficiently, and better manage your tax function. Unlock the power of your tax data with our AI-enabled Digital Gateway platform. Discover valuable insights and intelligence hidden within your tax applications and systems to transform the way you approach tax planning, from compliance, and operations to addressing potential data security and privacy risks of using GenAI tools in the tax function.

Benefit from our collaboration with leading alliance partners

Our investments in cloud technologies, machine learning, and data analytics, coupled with our Microsoft, Google and IBM alliances, allow us to explore innovative advancements in AI that take the tax function to the next frontier. In collaboration with leading technology providers who share our vision of accelerating innovation and excellence, we can work together to create innovative solutions that elevate our capabilities, standards, and speed at which we address your challenges and help you capture opportunities.

Learn more: [Generative AI for Tax. Expect More. \(kpmg.com\)](#)



About the authors

Brad Brown leads the KPMG Tax Technology and Transformation practice, managing and developing a range of technology-enabled resources for Fortune 500 and middle market clients for tax operating improvement. In addition to process and technology projects, Brad consults with large US multinationals to assess and improve global tax governance, and provide strategic tax consulting and process/technology planning, design, and deployment. As leader of the KPMG Tax Transformation practice, Brad worked closely with the senior tax and technology leadership of some of KPMG's largest clients to bring leading practices related to tax operations and tax-related financial controls.

Greg Homen is a partner in the KPMG office in Dallas. With over 18 years of experience, Greg delivers tax compliance and consulting services across a diverse range of industries, including oil and gas, industrial manufacturing, consumer products, and technology. As the AI Transformation Program Lead for the KPMG US Tax practice, Greg is at the forefront of integrating GenAI technologies into the firm's Tax practices, helping KPMG remain a leader in the industry's digital transformation.

Contributors

Ramesh Shettigar,
Chief Financial Officer, Glatfelter

Stephen Roddenberry,
Board Director, World Fuel Services

Contact us



Brad Brown
Global Technology Leader and CIO for Tax
KPMG LLP
T: 213-593-6761
E: bradbrown@kpmg.com



Greg Homen
AI Transformation Program Leader for Tax
KPMG LLP
T: 817-339-1348
E: ghomen@kpmg.com

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