1

2

Make the audience look bored

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3

Make the audience extremely bored

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Let's Start Over

5

Show the audience more engaged

6

Show the audience even more excited and engaged

7

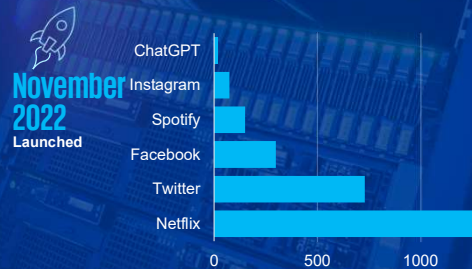# Show the audience super pumped to be at the FEI event

8

A cultural flash point

Generative AI has the potential to be the most disruptive technology we've seen to date.

2022
OpenAI releases ChatGPT

November 2022
Launched

Days from launch to 1 million users

ChatGPT
Instagram
Spotify
Facebook
Twitter
Netflix

0   500   1000

2023
The gen AI arms race begins

Copilot AI will change how Microsoft Office apps feel for good

The Age of AI has begun

How Chat GPT 4 Is Shaping The Future Of Customer Service And Support

A Tech Race Begins as Microsoft Adds A.I. to Its Search Engine

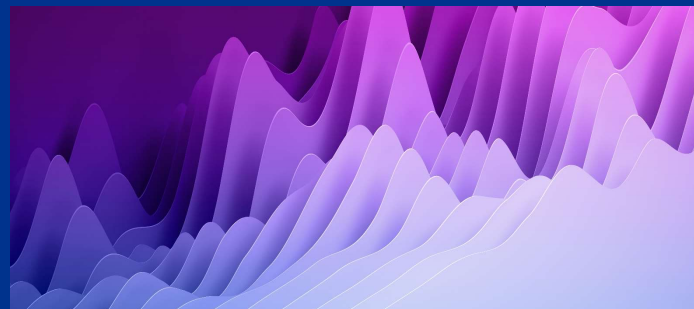Google Releases Bard, Its Competitor in the Race to Create A.I. Chatbots

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Source: Exploding Topics, ChatGPT Users Section

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What is generative AI?

Generative AI refers to a subset of artificial intelligence technologies, including ChatGPT, that creates new content, text, or data based on the input it receives. Generative AI uses advanced machine learning algorithms, such as deep learning and natural language processing, to analyze, understand, and generate human-like responses.

Analyze and summarize text	Create original content: speeches, presentations, emails, and stories	Generate and review computer code	Anticipate client, audience, and team perspectives	Generate work plans, budgets, and schedules
Translate and adjust language, dialect, tone, and perspective	Conduct basic research	Analyze data for patterns, errors, issues, and omissions	Centralize and disseminate organizational knowledge	Engage in conversation and chat using natural language

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Foundational (Large Language Model) vs Discrete Models

Discrete
One stand-alone data set

Foundational
Internet-scale data

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Generative AI and the Tax Function

Unlike many other technologies that are designed to free professionals from the mundane, Gen AI is designed to work with humans as they take on the complex and challenging problems of their day.

What can Gen AI do?

Example capabilities and potential tax applications:

Capabilities	Representations	Descriptions	
Write		• Original content creation – speeches, presentations, emails, workplans, schedules, budgets • Copywriting	• Chatbot – engage in natural language conversation • Product description • Generate new computer code
Explain		• Summarize, centralize, and disseminate knowledge • Research and Summarization	• Question answering about documents • Entity recognition and classification • Analyze for patterns, errors, issues or omissions
Edit		• Translation • Data Transformation	• Change tone, adjust language, dialect, and perspective
Compare	VS	• Semantic search • Recommendations • Personalization	• Anticipate client, audience and team perspectives • Fraud detection

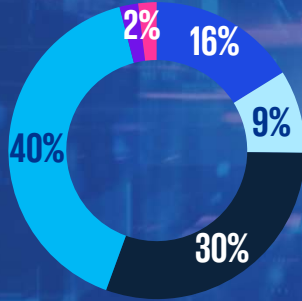Generative AI and the tax function   12

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How the market is responding
Betting big

How much does your organization plan to invest in AI capabilities for your tax function in the next 12 months?

- Less than $500K
- $500K–less than $1M
- $1M – less than $10M
- $10M+
- We are not investing in AI capabilities.
- Don't know/not sure

2% 16% 9% 30% 40%

70%

of the respondents say their organizations plan to invest $1 million or more in AI capabilities for their tax function.

40%

of these respondents plan to invest $10 million or more.

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GenAI Demo

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Prompt Engineering

GENERAL RULES:

TPP = Tangible Personal Property

The purchase of TPP is generally subject to sales tax in U.S. States

Some states provide exemptions for TPP when it is used in specific ways

Some state exempt telecommunication equipment from sales tax

Example: Computer

Q: Is a computer TPP?

A: Yes

Q: Is the purchase of a computer likely subject to sales tax in the US?

A: Yes

EXAMPLES:

Example 1

User Input:

Vendor Name	Vendor Number	PO Number	Accounting Quarter		Invoice Date	Invoice Number	Line Description	Invoice Amount		Line Amount	Freight
	Vendor Tax	Self Imposed Tax			Accrual Date	GL Account	Column O	Accounting Date	Cost Center	Column R	Check Number	Check Date
	Ship-to-Geocode		City		County	State	Zip Code	Company Code	Company Name			
Long Line Cable Company	105131	55602976	QTR 1		January 14, 2007		7619994	Fiber Cable and Installation		15,460.00		11,500.00
	90.00	870.00	-		January 23, 2007		1623	EQUIPMENT - EFI / TAX		January 22, 2007		9000
	Network	3386956976	January 24, 2007			231250016	ORION	OAKLAND	MI	48362	16	Rock City
Telephone											

GPT Output:

1. TPP

2. Likely Telecom Equipment based on Vendor Name and Line Description

3. Likely Exempt

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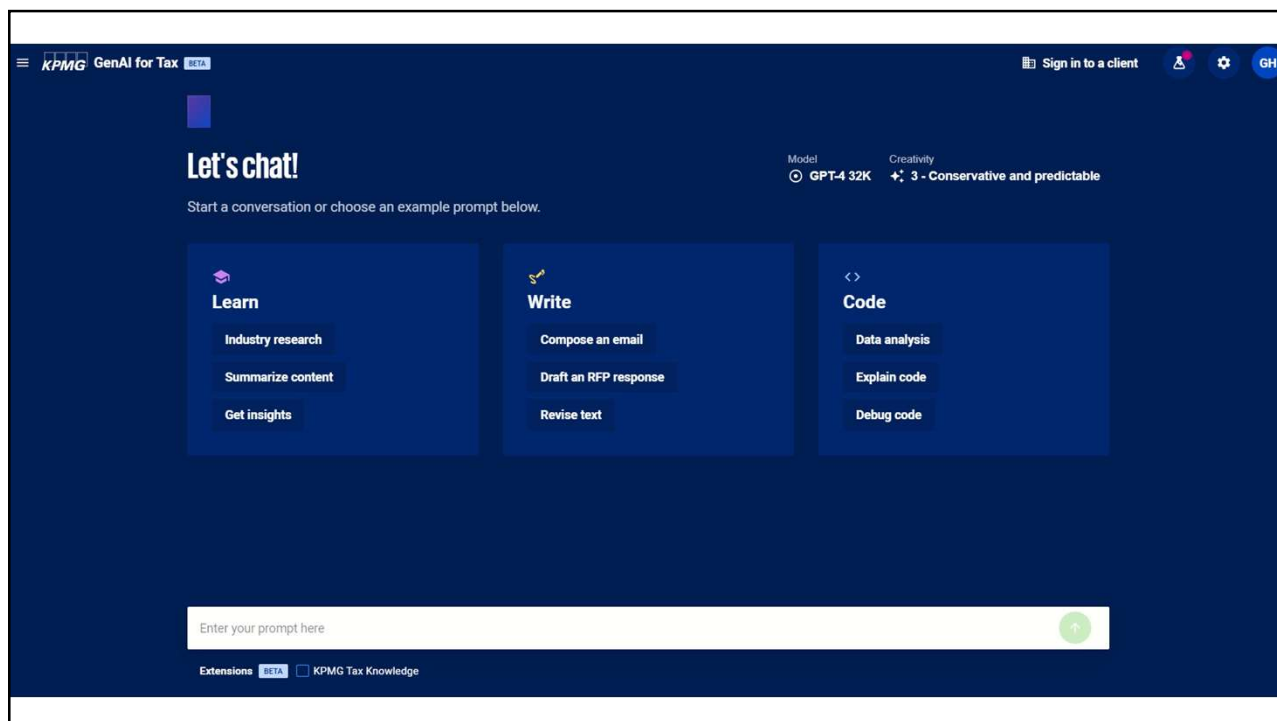
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Questions for the future

Have you or your organization started using generative AI?

Have you begun to think about how generative AI might impact your resource needs (e.g., numbers, skills, organization, etc.)?

Have you given any thought about how generative AI might enable tax to play a more value-creating role (e.g., strategy and business decisions)?

How might generative AI impact your data strategy and related risk policies?

What are the benefits of embracing AI in your corporate tax department? What are the consequences of not investing intentionally?

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