



1



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Make the audience look bored



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Make the audience extremely bored



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Let's Start Over



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Show the audience more engaged



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Show the audience even more excited and engaged



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Show the audience super pumped to be at the FEI event



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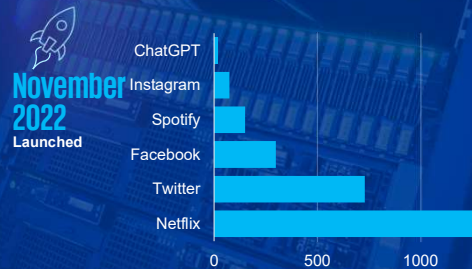
A cultural flash point

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

2022

OpenAI releases ChatGPT

Days from launch to 1 million users



November 2022 Launched

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



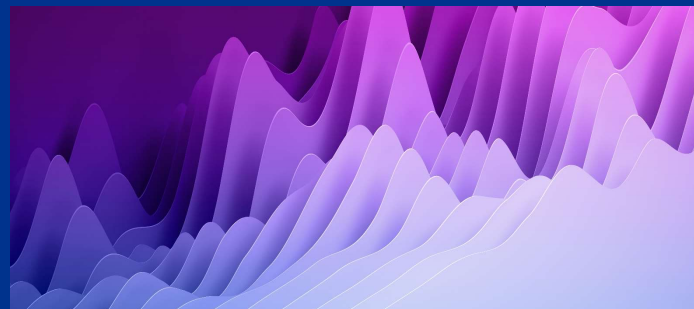
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Source: Exploding Topics, ChatGPT Users Section

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



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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		<ul style="list-style-type: none"> Original content creation – speeches, presentations, emails, workplans, schedules, budgets Copywriting
Explain		<ul style="list-style-type: none"> Summarize, centralize, and disseminate knowledge Research and Summarization
Edit		<ul style="list-style-type: none"> Translation Data Transformation
Compare		<ul style="list-style-type: none"> Semantic search Recommendations Personalization

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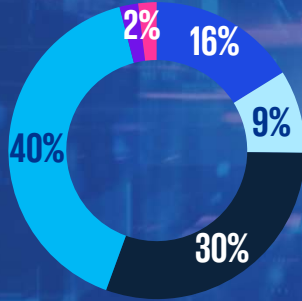
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How the market is responding

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



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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Source: KPMG Reimagined 2023: Perspectives from the C-suite

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GenAI Demo

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KPMG GenAI for Tax BETA Sign in to a client GH

You are chatting with

Tangible Personal Property Agent

Hello! I'm an AI developed to analyze and classify purchases based on tax laws, specifically in terms of identifying tangible personal property (TPP), potential telecommunications equipment, and whether purchases are likely to be taxable or exempt. I can provide guidance based on various parameters, like vendor name, line description, and more.

Model: **GPT-4 32K** Creativity: **3 - Conservative and predictable**

Enter your prompt here ↑

Extensions BETA KPMG Tax Knowledge

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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	Check Number	Check Date
	Ship-to-Geocode	City	County	State	Zip Code	Company Code	Company Name	Column R	
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	
Telephone Network	3386956976	January 24, 2007	231250016	ORION	OAKLAND MI	48362	16	Rock City	

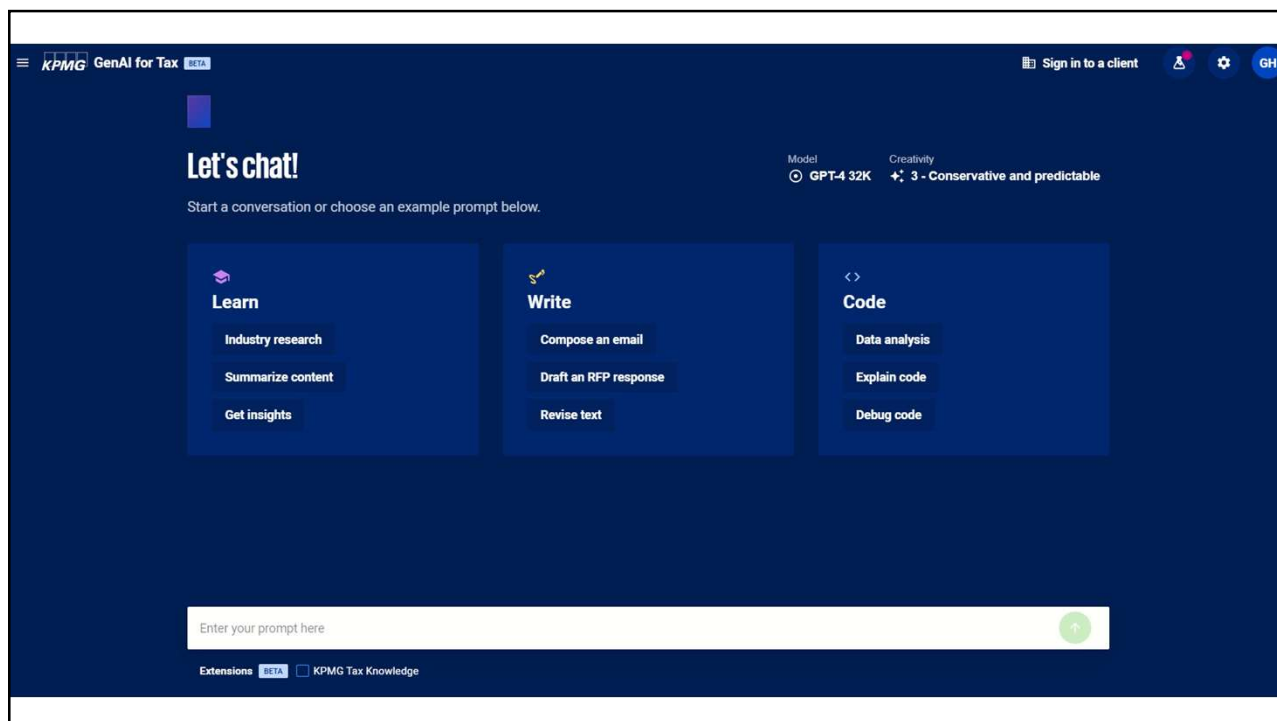
GPT Output:

1. TPP
2. Likely Telecom Equipment based on Vendor Name and Line Description
3. Likely Exempt

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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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