

NEWS RELEASE

KPMG Survey: 90% of C-suite Leaders Say Corporate Tax Department Is Key to Building Stakeholder Trust

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- 88% believe generative AI is critical to helping their organizations navigate the challenges brought on by Pillar Two
- 98% plan to invest in AI or gen AI capabilities for their tax function in the next 12 months - with half saying they'll invest \$500k - \$1M

New York, New York--(Newsfile Corp. - September 26, 2024) - A noteworthy 9 in 10 C-suite leaders now recognize their tax department as a pivotal contributor to enhancing trust among diverse stakeholders, according to the latest edition of the annual KPMG LLP report, "**Tax Reimagined: Perspectives from the C-suite.**" By using generative AI, harnessing data, and leaning into a third-party provider, corporate tax departments have the power to not only enhance transparency, but also deliver unparalleled value to their organizations.

The big picture: With numerous disruptions impacting the tax function, like economic fluctuations, geopolitical developments, and the advancement of generative AI, C-suite leaders are feeling immense pressure as they grapple with the challenge of staying one step ahead. To add to their list of concerns is what KPMG calls the "tax trifecta:" the impending expiration of the Tax Cuts and Jobs Act (TCJA) provisions in 2025 ("the tax cliff"), the enactment of the Organisation for Economic Co-operation and Development (OECD)'s global tax deal, and ongoing waves of regulatory change.

Why it matters: The fourth annual KPMG report surveyed 500 CEOs, CFOs and Chief Tax Officers and found that almost all (95%) agree the current environment in tax is more challenging to predict and plan for than ever before and that better leveraging data from across the organization will help their tax department see around the corner and influence smarter business decisions.

Rema Serafi, Vice Chair - Tax, KPMG LLP said, "Chief Tax Officers are leading their organizations into an era of opportunity. Using data, tax departments can exert their strategic influence and continue driving stakeholder trust."

Go deeper: Other salient findings from the report offer perspectives on the opportunity ahead:

- 71% foresee the expiration of the Tax Cuts and Job Acts provisions at the end of 2025 to have a high or moderate impact on their business
- 86% agree that generative AI tools will help supplement the talent needs in their tax department
- 87% are becoming more willing to leverage a comprehensive managed services model for their tax function
- 53% prefer to hire technology experts who can learn tax, versus tax experts who can learn technology. Since 2021, there's been a 12-point increase in the preference to hire technology experts who can learn tax.

"In today's evolving tax landscape, embracing new innovation isn't just an advantage - it's a necessity," said Kevin Jackson, National Managing Partner - Tax, KPMG LLP.

Brad Brown, Chief Technology Officer - Tax, KPMG LLP adds: "It's not just about streamlining processes or crunching numbers; tax professionals working with generative AI can provide a revolutionary step forward in leveraging data and knowledge to fuel accuracy, insights, and strategic innovation in tax management."

Bottom line: Corporate tax departments are poised to build trust and assurance at every turn.

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Survey Methodology

The KPMG "Tax Reimagined 2024: Perspectives from the C-suite" survey was conducted by Wakefield Research (www.wakefieldresearch.com) between June 20 and July 12, 2024, among 500 US C-suite executives at companies with annual revenue of \$1B+. The margin of error for this study is +/- 4.4 at 95% confidence.

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