

Data Strategy for Tax



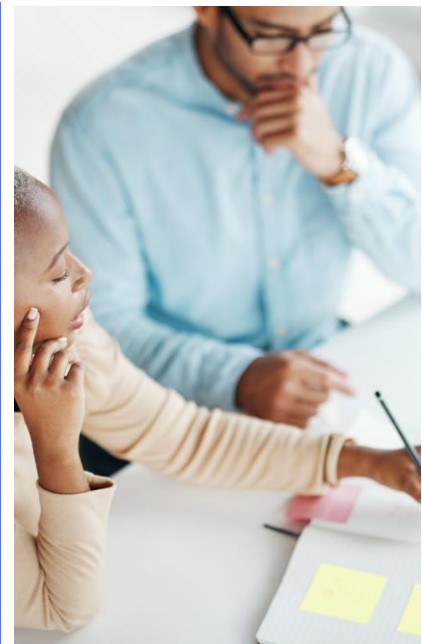
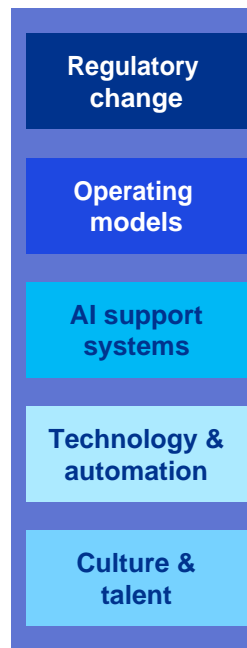
The new tax data problem

The regulatory and reporting landscape is constantly changing, and organizations are struggling to adapt and remain compliant. To make matters worse, regulators are demanding more granular analyses and requesting on-demand data to verify the accuracy of filings. As the complexity of tax compliance and planning grows, organizations must adopt tax literate operating models aligned with their strategic goals to be effective.

The rapidly evolving technology landscape presents both opportunities and challenges. Organizations recognize the promise of new technologies like the cloud and Gen AI and are consulting their tax leaders to guide investment decisions. However, trusted and accessible data is pivotal to the success of these investments. So how is this achieved?

Tax and finance leaders should leverage technology to overcome these challenges and turn their data into valuable assets. To do this, they must follow a clear and coherent data strategy to guide their technology choices, operating models, talent, and alignment with their business objective. An effective strategy will supply the foundation and function as a guidebook to avoid fragmentation.

“How do I align these priorities?”



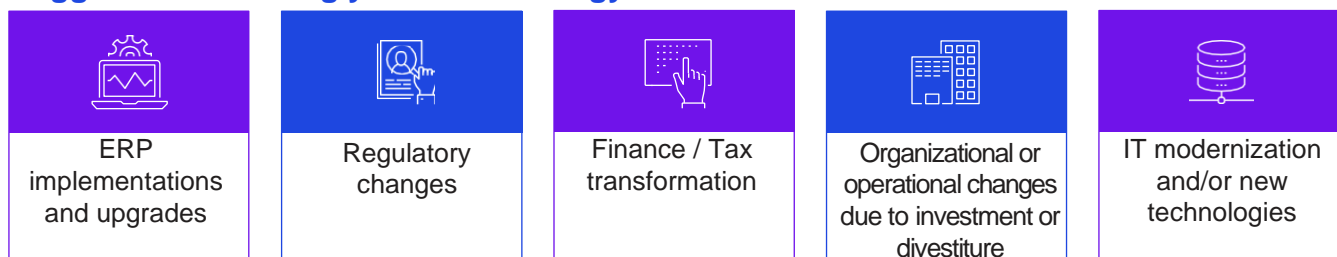
83% of survey respondents intend to improve their use of enterprise systems to solve tax data challenges

Source: Global Tax Benchmarking survey 2023 (KPMG LLP, 2023)

From fragmentation to integration

Having a data strategy is essential for companies to navigate key challenges with ease. By establishing guiding principles, teams can make better decisions and address business needs more efficiently, resulting in a positive impact on the organization. Further, a data strategy promotes organizational alignment, allowing teams to work together towards a common goal.

Triggers to rethinking your data strategy



How is a data strategy designed for tax?

A tax data strategy starts with understanding the vision, objectives, and goals for the business at large. To set a sound data strategy that supports real-time data sharing and true value generation, data needs to be readily available to the tax professional. This will help ensure the business can respond promptly to the ever-changing tax landscape.

Critical elements of a sound data strategy include:

1. **Value drivers:** Identifying the tax department's high value opportunities and ensuring they are brought to fruition.
2. **Alignment and engagement:** Engaging the right stakeholders within tax, finance, IT, and the broader organization.
3. **Technology ecosystem:** Considering the ecosystem of the value generating areas, such as common data models, storage, collaboration, and analytics tools; and tailoring these elements with the tax professional in mind.
4. **Roadmap:** Developing an implementation timeline that prioritizes and delivers continual business value.

Data assets create value for the business and turn tax into a strategic partner who can make sound decisions in a fast-moving competitive environment.

Key benefits

 <p>Readily accessible data to make rapid business decisions</p>	 <p>Unified approach to guide future data needs and enhancements</p>	 <p>Improved operations while managing costs</p>
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Data strategy serves as the lodestone that orients tax towards value



Why KPMG Ignition Tax?

KPMG Ignition Tax, our center of excellence for tax technology, helps companies optimize their tax functions with technology to create business value and maintain a competitive advantage in a digital-first world. Our national team of Ignition specialists combine market leading tax and technology knowledge with vast industry experience allowing them to address your data concerns and elevate your existing processes. We bring our data strategy, skills, and point-of-view to the table to design and implement a streamlined technology architecture that leverages both emerging and existing technologies to optimize your tax department, derive key insights, and drive strategic value.

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