TAX EXECUTIVES INSTITUTE

# 2025 Corporate Tax Department Technology Report

Taking the initial steps toward a tech-enabled revolution

Thomson Reuters Institute

# Executive summary

Technology adoption does not happen in an instant. For any technological advancement to take hold within an organization or department, there is a multi-step process: education, planning, initial adoption, trial and error, wider roll-out, change management, and finally, gradual acceptance. Even for technological innovations that promise large leaps in productivity and efficiency, workers have a natural tendency towards continuing the same ways of doing their jobs, as long as it works well enough.

Historically, corporate tax departments have not been known as a particularly tech-savvy function of the business, in large part due to this stasis. Especially in such a highly regulated function, corporate tax professionals hold a preference towards continuing the old ways of work until it is certified that the new workflows will not only be more efficient, but also more accurate, compliant with relevant regulations, and fully and easily integrated into common ways of working.

**"We are thinking of tax technology every day. … It makes us nervous, but also excited."**

Since 2023, however, excitement began to build for tech-led workplace innovations. Advances in artificial intelligence (AI) promised a new way of working that offered such large upgrades that corporate tax departments couldn't help but notice. As a result, while initial adoption of AI technologies remained nascent, the educational process began to occur. In the first iteration of this report, released in 2024, we found that tax departments were exploring whether or not AI software fit within their own organizations. However, departments were being stymied from reaching their innovation goals by structural issues such as a lack of technology personnel, uneven change management initiatives, and incomplete training.

By 2025, however, with this release of the second iteration of the *Corporate Tax Department Technology Report*, published by the Thomson Reuters Institute and Tax Executives Institute, we are already beginning to see corporate tax departments move to fix those structural issues, with long-term goals of increasing both the pace of technology adoption and the building of infrastructure — in both personnel and processes — to make it functional. Overall, tax departments' technology stack is roughly the same as we saw before, and tax professionals still largely view their departments' tech maturity as more reactive than proactive; however, those professionals also see their departments' tech budgets and personnel increasing, with many anticipating widespread changes as a result of a technology influx within the next 3 to 5 years.

Still, less than 10% of corporate tax professionals surveyed for this report categorize their departments' attitude towards AI as *active users* of the technology, but at the same time, 88% said they believe AI will be a central part of their daily workflow within the next five years. With this tight timeline, practical planning for an AI-enabled future must begin now — and according to this year's report, it is clear that corporate tax departments are beginning to take those first steps.

"We are thinking of tax technology every day," said one tax specialist interviewed for the report. "The shifting landscape is something that worries us, especially with regards to falling behind. We are interested in learning as much as we can about the technology tools that are becoming available and which ones will be the most important to focus on. It makes us nervous, but also excited."

## Key findings

- **Positive outlook** — On the whole, corporate tax professionals are positive about the impact tax technology has on their work and careers. Indeed, 94% said they feel *hopeful* or *excited* about the future of tax technology, while just 2% said they are *fearful* or *concerned*. At the same time, survey respondents reported an increase in their colleagues' tech competency, with nearly three-quarters calling their department *somewhat competent* or *very competent* about technology — a 7 or above on a 10-point scale.
- **Reactive posture** — That said, many respondents still feel their departments' tech strategy lacks maturity compared with the wider business world. More than half (57%) called their organization's tech posture *chaotic* or *reactive*, while just 6% said they believe it to be *optimized* or *predictive*. Notably, however, respondents from tax departments within large companies tend to believe their departments to be further up the tech maturity curve than their small company counterparts.
- **Exploring wider GenAI rollout** — A sizable portion (43%) of respondents said they have used AI for their own personal work in some form, with the most common usage coming in the form of business-centric generative AI (GenAI) tools, such as Microsoft Copilot. However, few corporate tax departments are fully embracing AI, with just 6% of respondents calling their departments *active users*. Yet, 42% called their departments' AI posture as *exploratory*, an increase over our 2024 report, while the portion that said their departments were *against* or *agnostic* about AI fell to a combined 10%. Importantly, 88% said they believe AI will be a central part of their workflow within the next five years.
- **Stratified but growing spend** — As in our 2024 report, overall technology spend remained highly dependent on the size of the department and the company. This year's report shows that companies with more than $1 billion in yearly revenue, for instance, averaged more than four-times the technology spend of smaller companies. Yet respondents from companies of all sizes said they believe their tech budgets are on the rise, with 74% saying they expect their department's tech budget to increase in the next 3 to 5 years.
- **Changing job roles expected** — The primary resourcing strategy for technology personnel within tax departments remains hybrid tax/tech roles, employed by more than half of respondents' employers. Notably, 39% of respondents said they anticipate new job roles emerging as a result of technology (a 7-percentage point increase compared to 2024), and 55% said they anticipate job role changes as a result of technology (a 14-percentage point increase).

# Methodology

The second *Corporate Tax Technology Report* is a joint effort between the Thomson Reuters Institute and Tax Executives Institute and was undertaken to better measure the behaviors and attitudes of corporate tax department professionals on the topics of technology strategy and budget, personnel, usage, and future plans.

This year's survey was done via a 30-minute online survey with 170 U.S. corporate tax professionals, conducted in November and December 2024. The sample was drawn from lists provided by Thomson Reuters, and participants were screened to ensure that they were technology decision-makers within a corporate tax department for a business with at least $100 million in revenue.

Just more than half of respondents reported working in companies with more than $1 billion in total annual revenue, and about two-thirds of respondents worked in tax departments of 4 employees or more. The most common job title for respondents was Director of Tax/Tax Director, followed by Tax Manager and VP of Tax.

## Respondent profile

### 2025 Revenue

| | Total | <$1 Billion | $1+ Billion |
|---|---|---|---|
| Base | 170 | 76 | 94 |

### 2025 Tax department size

| | Total | 1-3 | 4+ |
|---|---|---|---|
| Base | 170 | 60 | 110 |

| Job title | 2025 Revenue | | |
|---|---|---|---|
| | Total | <$1 Billion | $1+ Billion |
| | 170 | 76 | 94 |
| Director of Tax/Tax Director | 29% | 25% | 33% |
| Tax Manager | 21% | 22% | 20% |
| VP Tax | 14% | 14% | 13% |
| Senior Tax Manager | 12% | 12% | 12% |

*Source: Thomson Reuters 2025*

# Technology strategy today

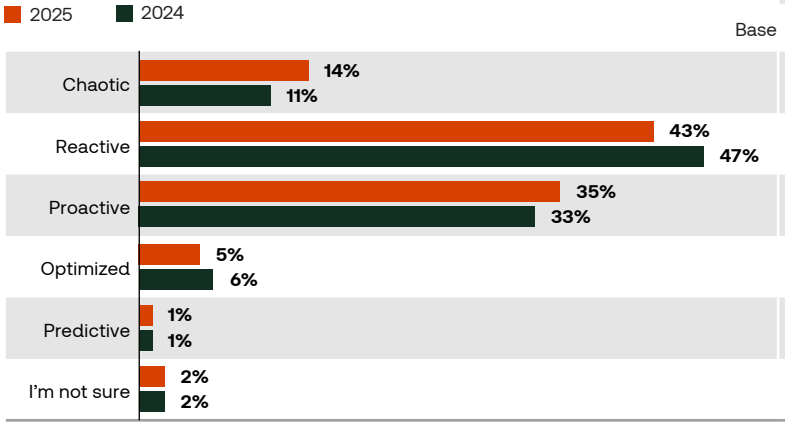
In recent years, corporate tax departments have begun to take strides to modernize their systems, recruit either internal or outsourced technology personnel, and train their employees on new technologies. However, due primarily to budget crunches and limited personnel, many tax departments still lag behind other business functions in terms of technological capabilities.

The result is a mixed message from respondents of the survey. Many respondents said they believe their department's technology posture to be more *reactive* than *proactive*, more focused on fixing current capabilities rather than being forward-looking to anticipate new technology needs. At the same time however, many respondents expressed contentment with their current technology, indicating both satisfaction with their current technology stack and the department's alignment with the business at large.

For instance, when asked their department's position along the technology maturity curve, many respondents were pessimistic. More than half of respondents called their department's technology maturity *chaotic* or *reactive*, while just 6% called it *optimized* or *predictive*. These findings are largely similar to the 2024 report as well.

FIGURE 1:

## Department's position on technology maturity curve




| | 2025 Revenue | | |
|---|---|---|---|
| | Total | <$1 Billion | $1+ Billion |
| Base | 170 | 76 | 94 |
| Chaotic | 14% | 13% | 15% |
| Reactive | 43% | 55% | 33% |
| Proactive | 35% | 22% | 46% |
| Optimized | 5% | 7% | 3% |
| Predictive | 1% | 0% | 2% |
| I'm not sure | 2% | 3% | 1% |

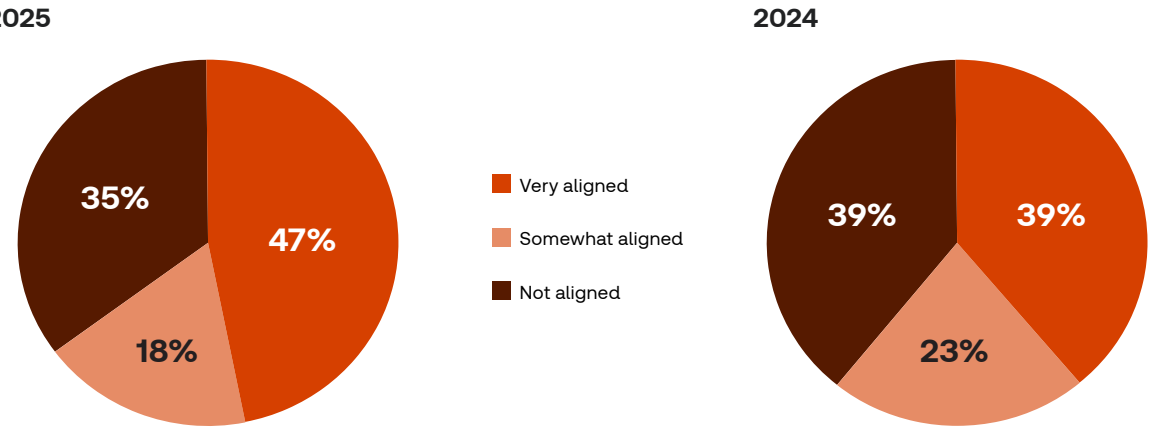
*Source: Thomson Reuters 2025*

Interestingly, these findings vary based on the size of company. Respondents from tax departments at companies with more than $1 billion in revenue, for example, were more likely to feel positive about their department's technology posture, with 46% of these respondents calling it *proactive*. At smaller companies, however, more pessimism reigned — just 22% of these respondents called their department's tech posture *proactive*, and 55% called it *reactive*.

A similar trend emerges when asked whether their tax department's technology strategy aligns with that of the larger business. As a whole, respondents from both smaller companies and larger companies found the strategies were *very aligned*. In fact, the portion of respondents who thought so increased to almost half (47%), compared to 39% in 2024.

FIGURE 2:

## Alignment with business technology strategy




| 2025 Revenue | | | | 2024 Revenue | | |
|---|---|---|---|---|---|---|
| Total | <$1 Billion | $1+ Billion | | Total | <$1 Billion | $1+ Billion |
| 47% | 41% | 52% | **Very aligned** | 39% | 36% | 41% |
| 35% | 36% | 34% | **Somewhat aligned** | 39% | 40% | 38% |
| 18% | 24% | 14% | **Not aligned** | 23% | 24% | 22% |

*Source: Thomson Reuters 2025*

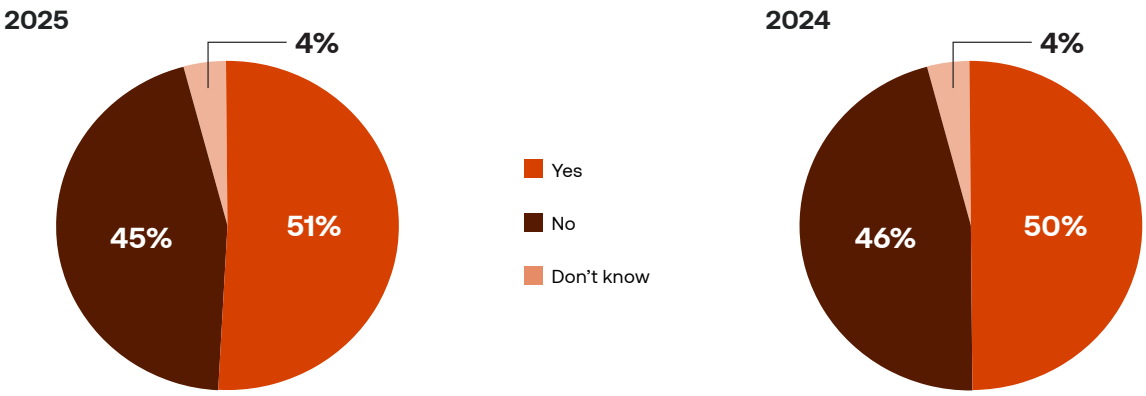
In this case too, respondents from larger companies were slightly more positive on their departments' technology plans. While 52% of respondents from larger companies felt their departments' and businesses' technology plans were *very aligned*, only 41% of respondents from smaller companies felt the same. Meanwhile, those from smaller companies were 10-percentage points more likely to view the two tech strategies as *not aligned*.

This is a trend that we found continuing throughout this report: While tax departments of all sizes are beginning to ramp up technology capabilities in earnest, there is a natural gap between the efforts of tax departments at companies of different sizes. Not surprisingly, larger tax departments have the monetary and personnel resources to better keep up with the rapid pace of technology development, while smaller departments are developing strategies to do more with less.

Similar to our previous report, however, not all tax departments have a firm handle on what that strategy actually *is*, due to roadblocks within the organization related personnel and process. For example, only about half of respondents report having a person formally charged with guiding the technology strategy for the department.

FIGURE 3:

## Dedicated person in charge of tax technology strategy



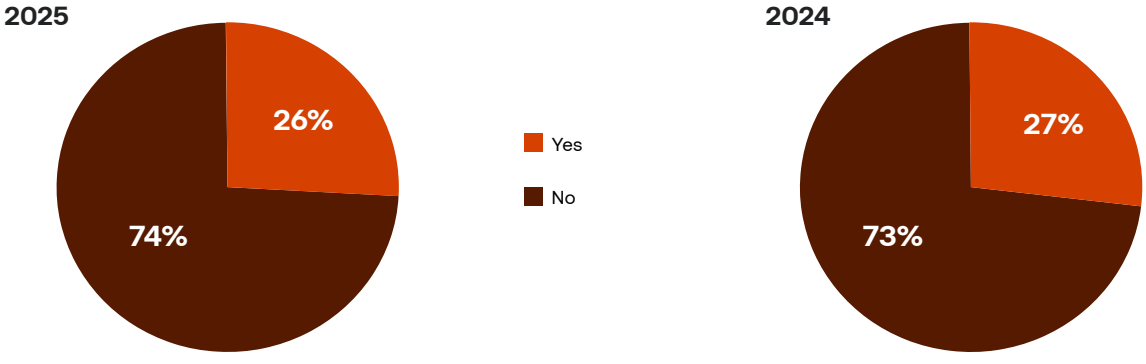

*Source: Thomson Reuters 2025*

The person charged with guiding tax tech strategy could have a number of titles depending on the organization — Director of Tax, Tax Manager, and VP of Tax were the most common — but the common thread among these professionals is that they are most often a business leader rather than a technologist. Even among those respondents who said their department had a person in charge of tax technology strategy, just 6% said that person was a tax technology manager or a similar title.

In a related development, many tax departments are not tracking the success of their technology initiatives. Just about one-quarter of respondents said their departments track metrics around the success of tax technology initiatives, with these success metrics being slightly more prevalent within larger companies than in smaller ones.

FIGURE 4:

## Tracking metrics for technology success




| 2025 Revenue | | | | 2024 Revenue | | |
|---|---|---|---|---|---|---|
| **Total** | **<$1 Billion** | **$1+ Billion** | | **Total** | **<$1 Billion** | **$1+ Billion** |
| 170 | 76 | 94 | Base | 171 | 75 | 96 |
| 26% | 16% | 35% | **Yes** | 27% | 27% | 28% |
| 74% | 84% | 65% | **No** | 73% | 73% | 72% |

*Source: Thomson Reuters 2025*

Without the personnel or metrics to guide strategy, many tax departments may be flying blind in relation to future planning. And while it's clear that many tax departments are actively looking to move from a reactive to a proactive posture with regards to future technologies, there needs to be a basis upon which to make this move, or else these departments risk investing in technology that will sit unwanted and unused.

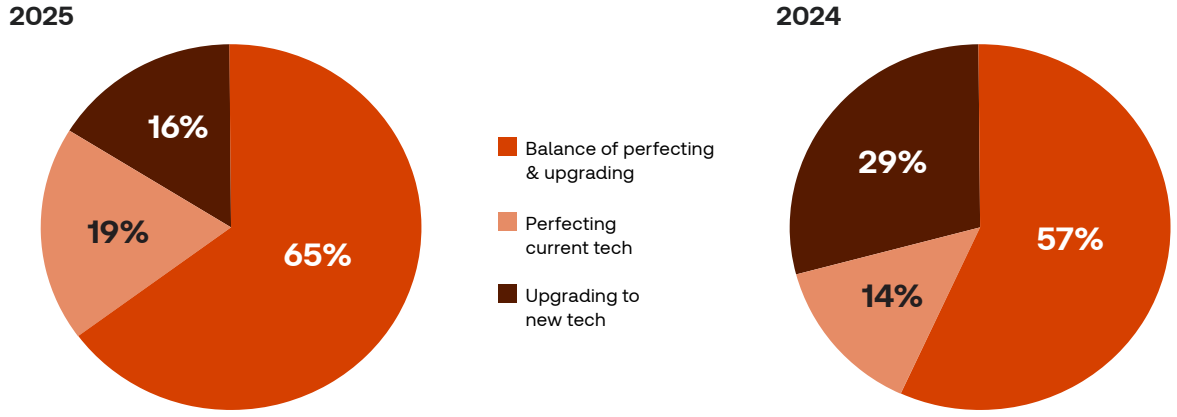
### The TR Institute's View:

Some companies may view tax as a function, rather than an integrated part of company strategy. However, the knowledgeable tax professional knows that tax strategy can (and should) play a role in the overall direction of the company. That extends to the technology arena as well, where no matter the industry, corporate executives have indicated they are increasingly looking to invest in software and innovation. This provides an opportunity for tax leaders to provide value to the company, showing how tax technology can play a role in both saving the company money and lowering its compliance and risk burden. However, this can only occur if tax leaders also speak the language of the business — and that means metrics and clear lines of reporting to show tax technology's worth to the company at large.

As a whole, most tax departments are focusing on maintaining a balance between perfecting current technologies and upgrading new ones. Compared with 2024, however, fewer departments now say they are focusing on upgrading to new technologies — perhaps an indication that some of those needed upgrades already have been completed.

FIGURE 5:

## Perfecting vs. upgrading technology focus




| 2025 Revenue | | | | 2024 Revenue | | |
|---|---|---|---|---|---|---|
| **Total** | **<$1 Billion** | **$1+ Billion** | | **Total** | **<$1 Billion** | **$1+ Billion** |
| 170 | 76 | 94 | Base | 171 | 75 | 96 |
| 65% | 58% | 70% | **Balance of perfecting & upgrading** | 57% | 51% | 63% |
| 19% | 18% | 19% | **Perfecting current tech** | 14% | 15% | 14% |
| 16% | 24% | 11% | **Upgrading to new tech** | 29% | 35% | 24% |

*Source: Thomson Reuters 2025*

Of course, this approach is also not universal, as some departments are placing an emphasis on one side or the other, again depending on the size of the department. About one-quarter of respondents from companies with less than $1 billion in revenue, for instance, indicated that their departments are currently more focused on new technologies. This could be because smaller departments feel a need to catch up with the market, as the capabilities of their current technology stack does not measure up to new capabilities.

Overall, corporate tax departments are walking an awkward tightrope with regards to technology. There is an understanding that departments are more reactive than proactive in their technology approach, and tax department leaders are attempting to align technology initiatives to the business in try to fix this gap. At the same time, however, only about half of departments actually have a person formally charged with guiding technology strategy, and that person is often not a technologist. Similarly, few departments use metrics on which to base these technology decisions. While many show a clear *desire* to move forward, without those basics, many departments are likely to experience a number of tech implementation and adoption bumps in the road.

“Speaking specifically to my company, I think that there is so much more that we could do to utilize technology — and in doing so, likely reduce the need to have as large of a workforce as we have currently,” said one corporate director of global indirect tax.

**“I feel that there’s no reason to be doing processes manually when there are alternatives to automating them. Human review and intervention will always be needed, but I believe that 90% of the upfront work can be accomplished more efficiently by making use of available technologies.”**

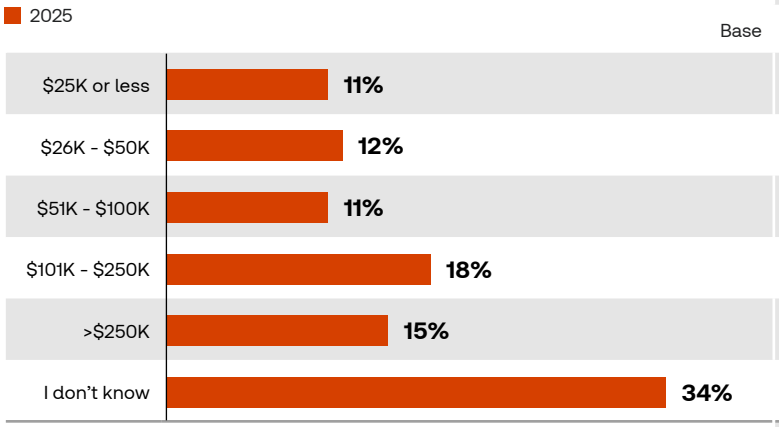
# Technology budgeting

Over the past year, technology budgets within corporate tax departments have stayed largely static. However, there remains a large gap between the largest companies and midsize companies in their overall tax technology spending, creating a widening chasm between the haves and have-nots of the corporate tax world.

Corporate tax departments spent an average of $263,615 last year on technology, according to those survey respondents who were aware of their departments' yearly technology spend. That average, however, represents the middle of a wider distribution — 11% of all respondents said their departments spent less than $25,000 on technology, while 15% said their departments spent more than $250,000, greatly raising the average.

FIGURE 6:

## Department's annual technology spend




| | 2025 Revenue | | |
|---|---|---|---|
| | Total | <$1 Billion | $1+ Billion |
| Base | 170 | 76 | 94 |
| $25K or less | 11% | 18% | 4% |
| $26K - $50K | 12% | 17% | 7% |
| $51K - $100K | 11% | 16% | 7% |
| $101K - $250K | 18% | 14% | 21% |
| >$250K | 15% | 5% | 22% |
| I don't know | 34% | 29% | 37% |
| Average | $263,615 | $93,485 | $419,327 |

*Source: Thomson Reuters 2025*

As to be expected, larger companies also result in larger tax department technology expenditures, however, the scale of the difference might surprise some corporate tax department leaders. The average tax technology spend for companies that have more than $1 billion in revenue is *more than four-times* the average technology spend for companies below that mark. Of the respondents that were aware of their tax departments' technology spend, the majority of those at larger companies said their department spent $100,000 or more, while smaller companies were clustered at the other end of the distribution, most commonly spending less than $25,000.

"We are a small group taking on many tax functions within our company," said one director of tax. "We are still utilizing many antiquated methods, and hopefully technology will come down-market to smaller operations like ours, making us more efficient and accurate in the future."

**The TR Institute's View:**

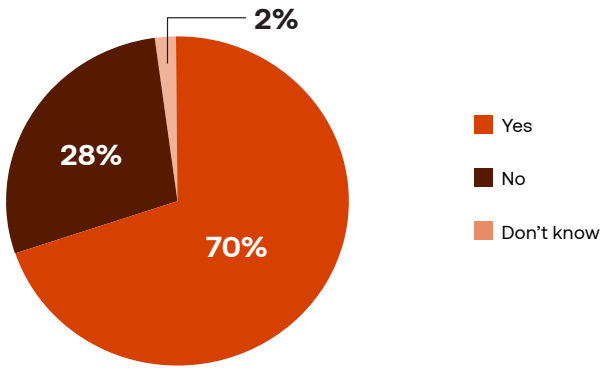
With new technology such as GenAI, the initial impulse may be to assume that it's beyond the reach of smaller or more resource-strapped tax departments. In practice, however, that is not necessarily the case. GenAI comes in a number of different forms, and some of the use cases — such as data classification and compliance — may require more intensive data governance and department-wide buy-in to accomplish; but other use cases — particularly those around document or correspondence drafting, tax return preparation, or even tax research — may be achievable at a lower scale.

For those corporate tax professionals looking to do GenAI on a budget, we'd advise talking to a trusted partner or playing around with a software tool to assess its capabilities. You may be surprised at your ability to do more with less.

For many corporate tax departments, there is also the consideration of *where* that budget comes from in the first place. The majority of respondents, regardless of company size, said their department is able to make their own independent technology purchasing decisions. About half of respondents, however, said their technology budget is shared with another function within the company, most often finance or IT.

FIGURE 7:

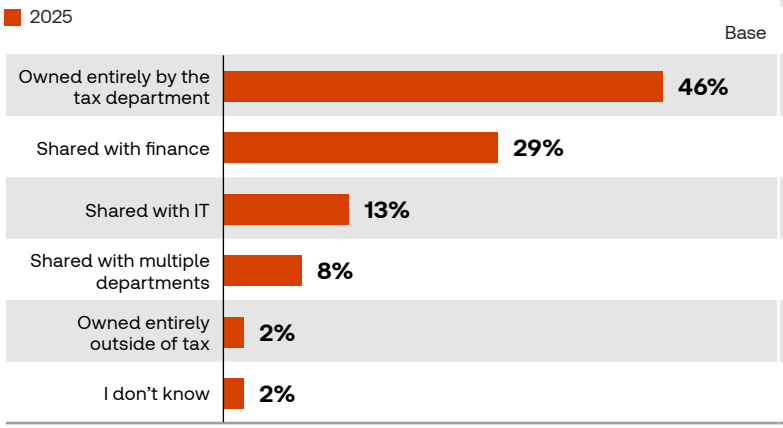
## Department able to make independent technology purchases




*Source: Thomson Reuters 2025*

FIGURE 8:

## Tax technology budget ownership




| | 2025 Revenue | | |
|---|---|---|---|
| | Total | <$1 Billion | $1+ Billion |
| Base | 170 | 76 | 94 |
| Owned entirely by the tax department | 46% | 38% | 53% |
| Shared with finance | 29% | 41% | 20% |
| Shared with IT | 13% | 11% | 15% |
| Shared with multiple departments | 8% | 5% | 10% |
| Owned entirely outside of tax | 2% | 3% | 1% |
| I don't know | 2% | 3% | 1% |

*Source: Thomson Reuters 2025*

Tax departments at larger companies are more likely to own the entirety of their technology budgets, which when combined with the higher overall dollar figure of those budgets, provides a larger degree of independence and potential experimentation with new and emerging technologies. Tax departments at smaller companies, meanwhile, are largely split between owning their own budgets and sharing those budgets with finance at large. This, coupled with smaller overall dollar figures, could impact these departments' ability to adapt to and leverage new technologies.

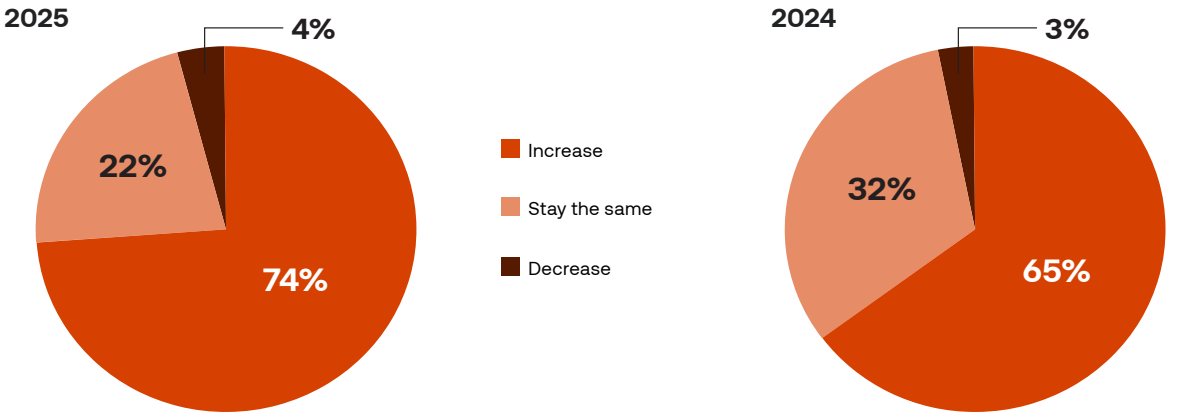
The tax departments at larger companies also have more ability to engage outside third parties to aid with technology purchasing and implementation. Nearly three-quarters of respondents from tax departments at companies with more than $1 billion in revenue reported working with third parties for tech purchasing and implementation; at smaller companies, the split was closer to 50/50.

The good news for tax departments of all sizes, however, is that most respondents said they believe that budgets for technology will be on the rise within the next 3 to 5 years. In fact, more respondents said they expected a rise in technology budgets this year than they did in 2024.

**Most respondents said they believe that budgets for technology will be on the rise within the next 3 to 5 years.**

FIGURE 9:

## Anticipated changes in tech budget over next 3-5 years




| 2025 Tax department size | | | | 2024 Tax department size | | |
|---|---|---|---|---|---|---|
| **Total** | **1-3** | **4+** | | **Total** | **1-3** | **4+** |
| 170 | 60 | 110 | Base | 171 | 60 | 106 |
| 74% | 72% | 75% | **Increase** | 65% | 63% | 68% |
| 22% | 25% | 21% | **Stay the same** | 32% | 35% | 29% |
| 4% | 3% | 4% | **Decrease** | 2% | 2% | 3% |

*Source: Thomson Reuters 2025*

This rise may be due to the exploration that corporate tax departments have undertaken over the past year. Entering 2024, many tax departments were interested in new technologies such as GenAI, but they may have been unsure exactly where the new software fits within their organization or daily workflows. As these departments now begin to enter the active planning stage, there is more of an understanding of the actual needs of the department and what technology is needed to maintain the modern workplace.

The implication is clear: Many tax departments are waiting for *results* before investing heavily in new AI-driven technologies. However, as those results begin to come to light, increased investment in technology is both expected and necessary, respondents said, if the tax department is expected to continue operating as a high-level corporate function.

“As a test case for the organization for prior projects, I’m excited and hopeful knowing the company encourages investment in technology,” said one tax director. “With the advancement in AI, I think there are many opportunities to use it across the various tax functions, and we are encouraged that the company’s leadership will encourage what makes sense.”

# Technology & AI use

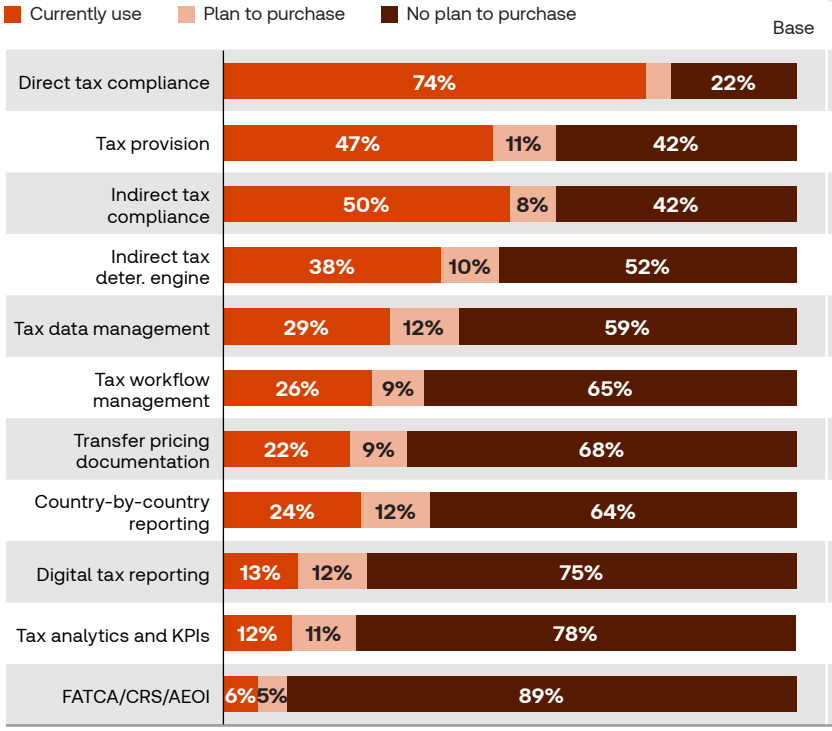
Overall, corporate tax departments' technology stack in 2025 does not look too different from 2024 — or perhaps even 2019. Common software covering direct and indirect tax compliance, tax provisions, and indirect tax determination still dominate the usage landscape — understandably so, given the utility of those tools to the daily tax work done at many organizations. Meanwhile, many newer technologies such as digital tax reporting, tax analytics that track key performance indicators (KPIs), and AI-driven solutions have not yet established as much of a department-wide foothold.

There are reasons to believe this is changing, however. Many survey respondents said that their tax departments are looking into new technologies for the first time — particularly at GenAI, which has captured the attention of tax professionals' personal work, presaging department-wide adoption in the near future.

At a high level, corporate tax departments are making a wide variety of software options available to their professionals. While the above-mentioned types of software are most common, data and workflow management software is also regularly in use by tax professionals.

FIGURE 10:

## Current department usage of tax-specific technology




| | 2025 Revenue | | |
|---|---|---|---|
| | Total | <$1 Billion | $1+ Billion |
| Base | 170 | 76 | 94 |
| Direct tax compliance | 74% | 64% | 82% |
| Tax provision | 47% | 22% | 67% |
| Indirect tax compliance | 50% | 38% | 60% |
| Indirect tax deter. engine | 38% | 24% | 49% |
| Tax data management | 29% | 22% | 34% |
| Tax workflow management | 26% | 14% | 35% |
| Transfer pricing documentation | 22% | 16% | 28% |
| Country-by-country reporting | 24% | 17% | 30% |
| Digital tax reporting | 13% | 12% | 14% |
| Tax analytics and KPIs | 12% | 8% | 15% |
| FATCA/CRS/AEOI | 6% | 5% | 7% |

*Source: Thomson Reuters 2025*

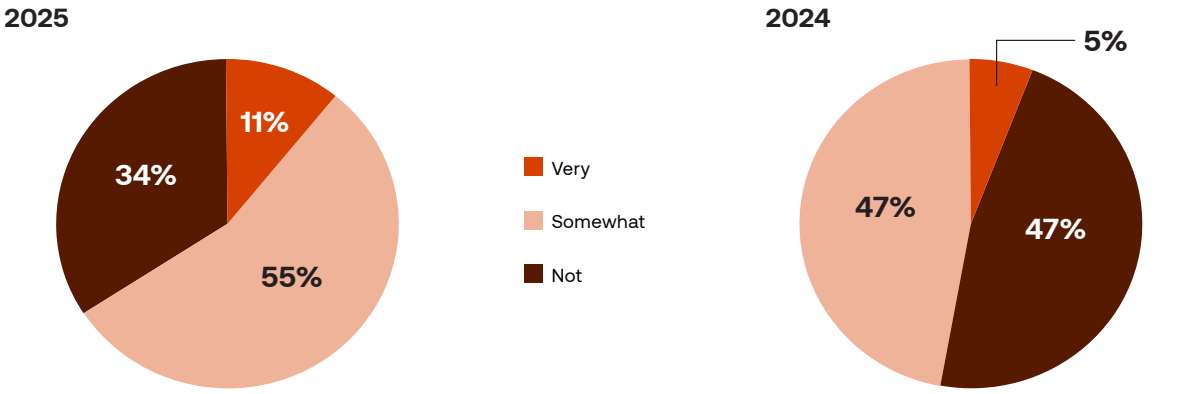
All categories of tax software see more availability and use in larger companies' tax departments, but for some software solutions, the difference is particularly stark. Tax provision software, for instance, is used in two-thirds of the tax departments in companies with more than $1 billion in revenue, but only in 22% of surveyed companies below that revenue mark. Similarly, about half of the larger companies have an engine for indirect tax determination, while only one-quarter of the smaller companies feature one. This could provide yet another reason why many smaller tax departments are focusing more heavily on purchasing new technology — there are more categories of technology with which they need to catch up.

Some newer categories of technology, such as digital tax reporting and tax analytics and KPIs, have yet to retrieve much penetration into the market. According to survey respondents, however, that could change quickly. While just 13% of respondents said their departments have digital tax reporting software, an additional 12% said their departments plans to purchase the software. The trend is the same for tax analytics, which 12% said they have now, but an additional 11% said they plan to purchase.

As a whole, respondents were somewhat satisfied with their current technology stack, indicating that it largely accomplishes what they need it to do, but they also indicate that there is room for growth. On a 10-point scale, just 11% said they were *very satisfied* — a 9 or 10 out of 10 — with their current technology stack. Most respondents were in the next bucket of 7 or 8 out of 10, indicating they were *somewhat satisfied* with the department's current technology.

FIGURE 11:

## Satisfaction with current technology stack



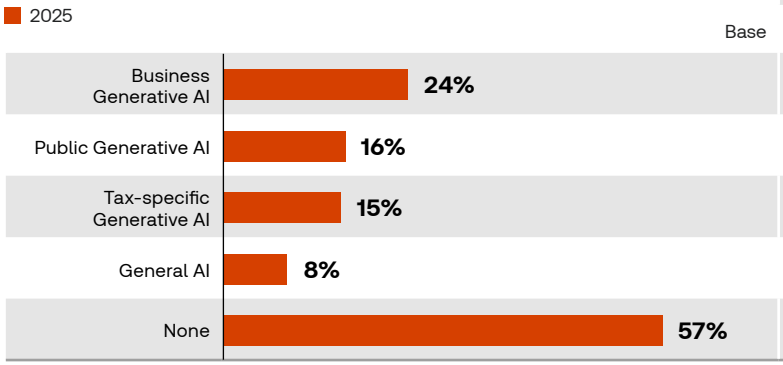

*Source: Thomson Reuters 2025*

Notably, this does indicate a slight increase in satisfaction over our 2024 survey. Entering 2024, respondents were roughly split between *not satisfied* (1 through 6 out of 10) and *somewhat satisfied*, with only 5% at the time saying they were *very satisfied* with their technology options. While there are a number of reasons this shift could be occurring, it may relate to the earlier point made of shifting priorities. Rather than trying to integrate a number of new technologies, which can lead to change management headaches, many tax departments today are attempting to balance new technologies while perfecting their current systems. The result is a smoother adoption curve, in which tax professionals may feel more able to adapt to new technological changes as they occur.

With that said, however, there is a new category of technology emerging that also has the attention of corporate tax departments and could compel more change quickly: Respondents said they anticipate that AI usage as a whole is set to take off.

FIGURE 12:

## Current department integration of artificial intelligence




| | 2025 Revenue | | |
|---|---|---|---|
| | Total | <$1 Billion | $1+ Billion |
| Base | 170 | 76 | 94 |
| Business Generative AI | 24% | 16% | 30% |
| Public Generative AI | 16% | 22% | 11% |
| Tax-specific Generative AI | 15% | 21% | 10% |
| General AI | 9% | 8% | 10% |
| None | 57% | 51% | 62% |

*Source: Thomson Reuters 2025*

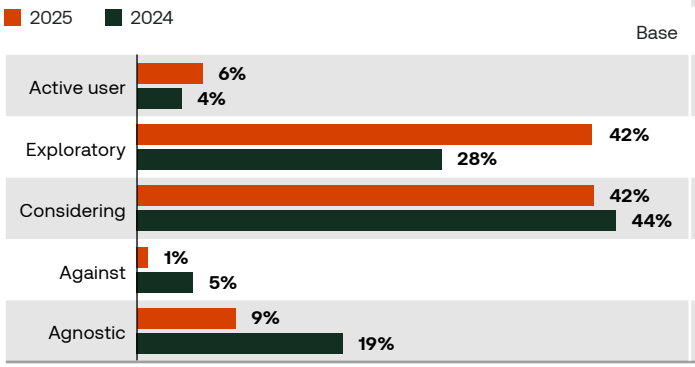
Currently, less than half (43%) of all respondents said their tax departments have integrated artificial intelligence into their daily work. Of those that have, there are a wide variety of AI applications at play. The most common, particularly among larger companies' tax departments, is business-oriented GenAI — such as Microsoft Copilot or similar enterprise-wide tools. Public GenAI tools such as OpenAI's ChatGPT and tax-specific GenAI, meanwhile, are more in use in smaller companies' tax departments rather than in larger ones, according to the survey.

This provides one example in which smaller tax departments can hold a technological advantage over larger tax departments — the ability to be nimble. Larger companies' departments may have more budgets and personnel, but they also tend to have more administrative and procurement red tape. Smaller companies, especially those in the market for new technology already, have more flexibility to implement these more advanced technologies more quickly, even if not at scale. Thus, while large business-wide products may be beyond them, smaller GenAI-driven products or those looking at individual tax use cases can be picked up more quickly.

However, regardless of the type of organization in which one sits, survey respondents made one additional thing clear: The AI revolution is likely coming to corporate tax departments sooner rather than later.

FIGURE 13:

## Department attitude towards AI




| | 2025 Revenue | | | 2024 Revenue | | |
|---|---|---|---|---|---|---|
| | Total | <$1 B | $1+ B | Total | <$1 B | $1+ B |
| Base | 170 | 76 | 94 | 171 | 75 | 96 |
| Active user | 6% | 9% | 3% | 4% | 4% | 3% |
| Exploratory | 42% | 34% | 48% | 28% | 32% | 25% |
| Considering | 42% | 47% | 37% | 44% | 39% | 48% |
| Against | 1% | 0% | 2% | 5% | 11% | 1% |
| Agnostic | 9% | 9% | 10% | 19% | 15% | 23% |

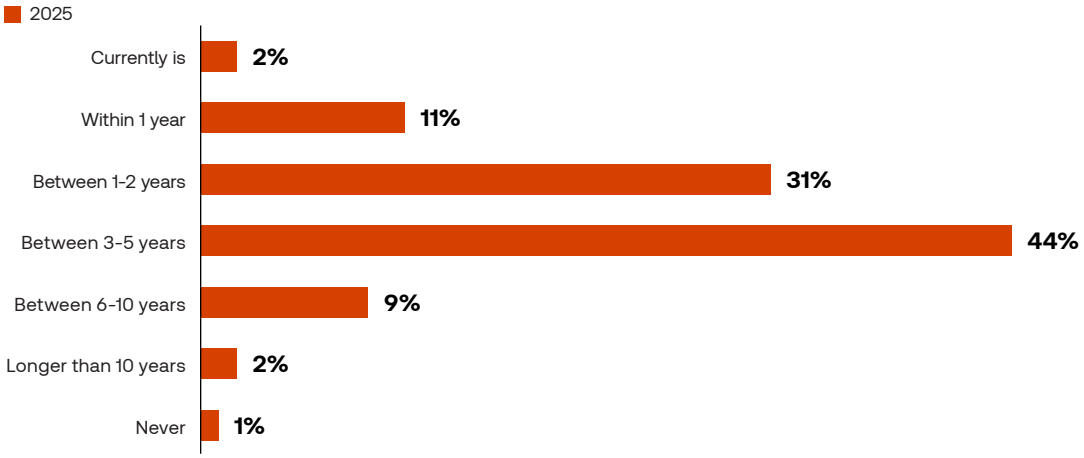
*Source: Thomson Reuters 2025*

Still, not many respondents said their organizations are active users of AI — just 6% of respondents, compared with 4% in 2024. Yet, over the past year, many tax departments have taken the next step in the AI journey, moving from simply being agnostic or just *considering* the technology to actively exploring how it might be used within their organizations. This is particularly apparent among large companies' departments, which saw AI interest almost double. Almost half (48%) of respondents from tax departments in companies with more than $1 billion in revenue said their departments were exploring AI, compared to just 25% of such respondents in 2024.

This provides another reflection of the industry's broader move up the AI adoption curve. While these figures for corporate tax departments do lag behind business organizations at large, there is a concerted effort to change. And at this point, just 1% of respondents said their departments are wholly against AI. Clearly, the question is no longer *if*, but *when*.

FIGURE 14:

## When AI will be a central part of your tax workflow




*Source: Thomson Reuters 2025*

Listening to the survey's respondents, the answer may be sooner rather than later and occur very rapidly. Just 2% currently call AI a central part of their tax workflow, but 88% said they believe that it will be within the next five years. A plurality (44%) also said they believe this will occur within the medium-term future of 3 to 5 years from now, roughly before the end of the decade. And just 1% of respondents said they don't see AI becoming a central part of the tax workflow at all.

"I think AI will play a central role in all future tax technologies," explained one senior tax director. "Many companies are already using it in some form or fashion, and tax departments are open to it if they are given the appropriate budget to implement it correctly."

**Just 2% currently call AI a central part of their tax workflow, but 88% said they believe that it will be within the next five years.**

## The TR Institute's View:

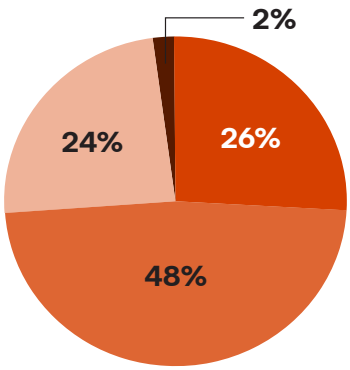
With so many corporate tax professionals believing that AI will become a central part of their tax workflow within the next five years, planning for AI implementation must begin now. Historically, implementation of large-scale technology projects can take more than a year — consider the length of time it takes to change an enterprise resource planning (ERP) system, for instance. Generative AI, however, is a singularly unique technology. It simultaneously integrates well into pre-existing architecture and can be adopted quickly, but it also can be used for a wider variety of use cases than a software system intended for a specific use.

As a result, planning for GenAI requires a different approach from previous types of software. It means determining how tax professionals currently work and all the ways the technology can fit in; determining what proper and ethical use in the organization looks like; and how to adapt when new innovations (such as agentic AI or quantum computing) emerge. That takes a lot of coordination and cooperation across the department and the company.

Indeed, AI is expected to play a number of roles within corporate tax departments, including both directly for tax work (tax research, tax-return preparation, compliance, etc.) as well as back-office workflow and data management. However, there is one area in particular where many tax departments are focusing their current efforts: automating repeatable processes.

FIGURE 15:

### Priority of automating processes




| | 2025 Revenue | | |
|---|---|---|---|
| | Total | <$1 Billion | $1+ Billion |
| | 170 | 76 | 94 |
| High Priority | 26% | 12% | 37% |
| Medium | 48% | 53% | 45% |
| Low | 24% | 34% | 16% |
| No Priority | 2% | 1% | 2% |

*Source: Thomson Reuters 2025*

About three-quarters (74%) of respondents said that automating processes were a *medium* or *high* priority for their department currently. This was particularly true for respondents from larger companies' departments, in which more than one-third (37%) called automating processes a high priority for their department. Just 2% of all respondents said that automating processes was not a priority for their department at this time.

One respondent highlighted the importance of automating processes, noting: “Automation of the tax department will be critical in keeping ahead of the various jurisdictions involved in indirect tax reporting (bulk submissions, electronic data transfer, etc.) as well as at the direct tax compliance regarding potential future standardized reporting method possibilities, along with automated provision workpapers.”

With this automation set to occur across the industry, it will mean that daily workflows for corporate tax professionals will be changing. Yet, even in a tax industry that’s at times averse to change, this can represent an opportunity. Much of the work being automated tends to be repeatable, low-level tasks, which then frees up tax professionals for more strategic and critical high-level work. As a result, this increased focus on automation may create a significant impact on the human side of the tax department equation.

**“I think AI will play a central role in all future tax technologies. Many companies are already using it in some form or fashion, and tax departments are open to it if they are given the appropriate budget to implement it correctly.”**

# Human resources

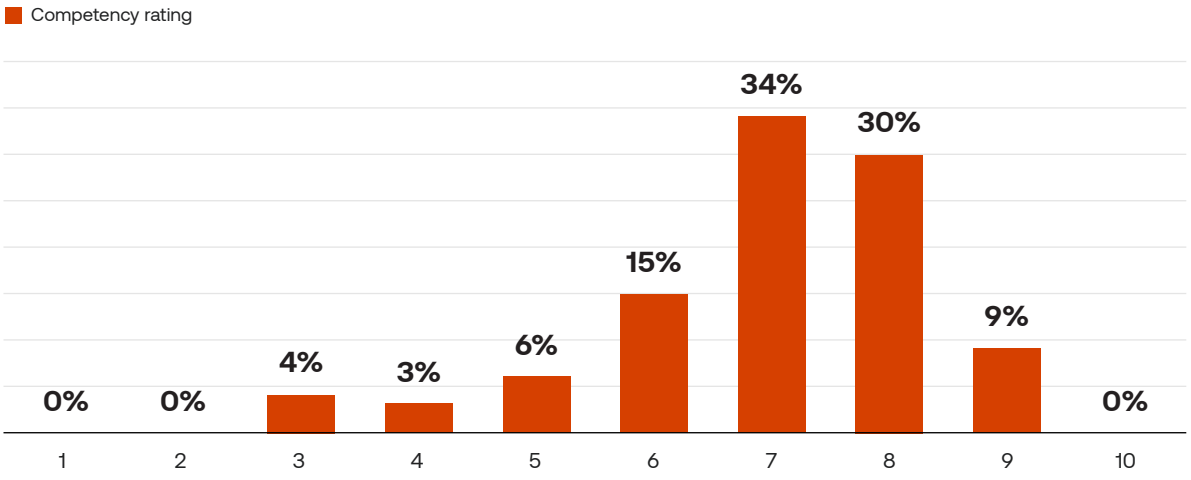
Software does not live in a vacuum. The modern corporate tax department will not just be adopting technology just for technology's sake, but rather it will be exploring how to make sure the tech functions harmoniously with the department's best asset: its people.

Today, the results are mixed for how well tax departments are accomplishing this integration. Survey respondents report above average, but not spectacular, technology competency of their departments' employees, with training occurring periodically at best. However, respondents also foresee a future in which technology provides new opportunities and capabilities for tax professionals, helping to relieve their departments of current resource and time constraints.

According to this year's survey, corporate tax departments are making slow progress on increasing the overall technology competency of their employees. The majority of respondents rated their departments' tech competency a 7 or 8 out of 10, while the portion who called their departments' personnel *not competent* — a rating of 6 or below — fell three percentage points from the 2024 survey.

FIGURE 16:

## Department personnel technology competency



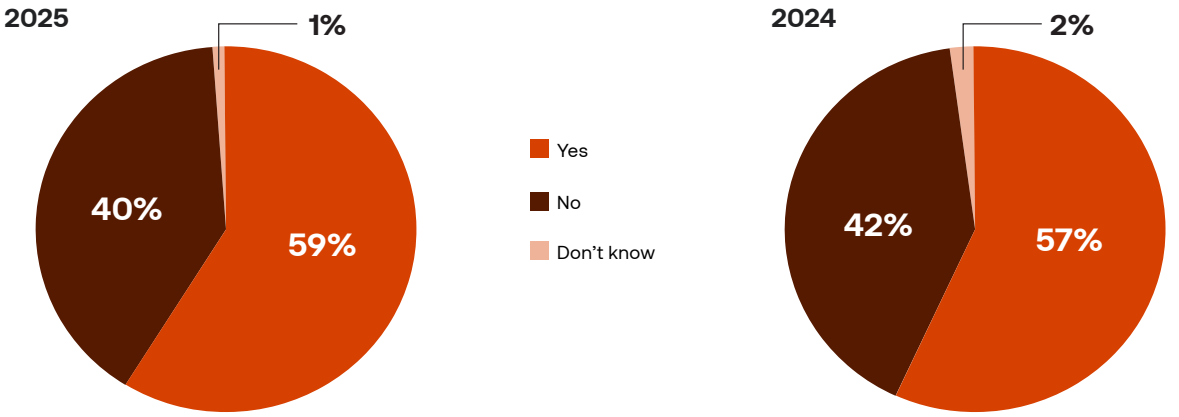

*Source: Thomson Reuters 2025*

This certainly represents progress for tax department employees. Notably, however, respondents also agreed that there is more room to grow for true technological integration. No respondents gave their departments a tech competency rating of 10 out of 10, while only 9% gave a rating categorized as *very competent* — 9 out of 10.

Of course, how exactly tax department employees will achieve that tech competency growth remains an open question. While technology training would seem to be a must-have for any organization looking to roll out AI or other new technologies, not all departments maintain a formal technology training program. This is particularly true for tax departments within companies that have less than $1 billion in annual revenue, with less than half of respondents there reporting that their department provides technology training.

FIGURE 17:

## Technology training provided to tax professionals



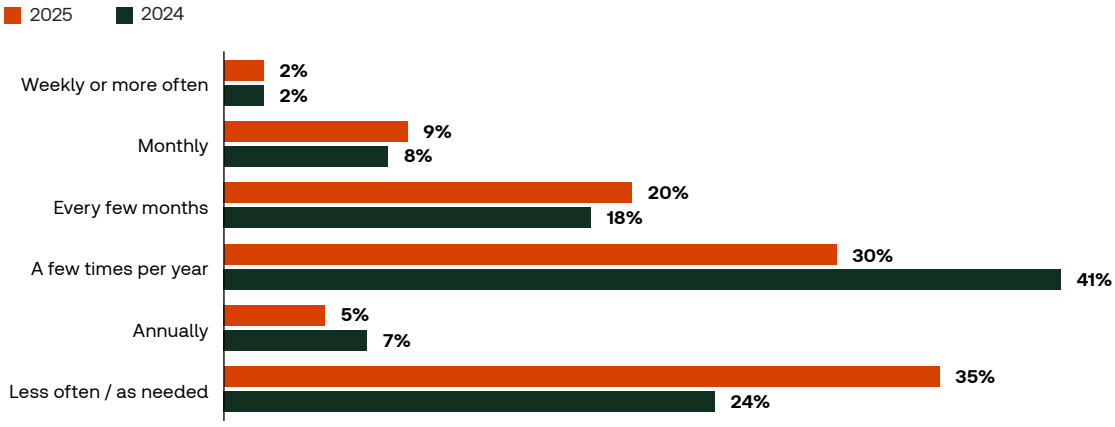

| 2025 Revenue | | | | 2024 Revenue | | |
|---|---|---|---|---|---|---|
| **Total** | **<$1 Billion** | **$1+ Billion** | | **Total** | **<$1 Billion** | **$1+ Billion** |
| 170 | 76 | 94 | Base | 171 | 75 | 96 |
| 59% | 46% | 70% | **Yes** | 57% | 49% | 63% |
| 40% | 53% | 30% | **No** | 42% | 48% | 36% |
| 1% | 1% | 0% | **Don't know** | 2% | 3% | 1% |

*Source: Thomson Reuters 2025*

FIGURE 18:

## Technology training frequency

**Respondents who said 'Yes' in the previous chart**




*Source: Thomson Reuters 2025*

Yet, even among those tax departments that provide technology training, the frequency of said training is sporadic. More than one-third of respondents who said they receive training also said it occurs less often than annually or only as needed — an increase of 11 percentage points over those who said the same in our 2024 survey. In fact, just one-third of respondents (33%) who said they receive training noted that they do so at least every few months, which means that for the total sample population of which only half receive *any sort* of technology training whatsoever, it's about one-sixth of all corporate tax professionals who receive training on a quarterly basis or more frequently.

### The TR Institute's View:

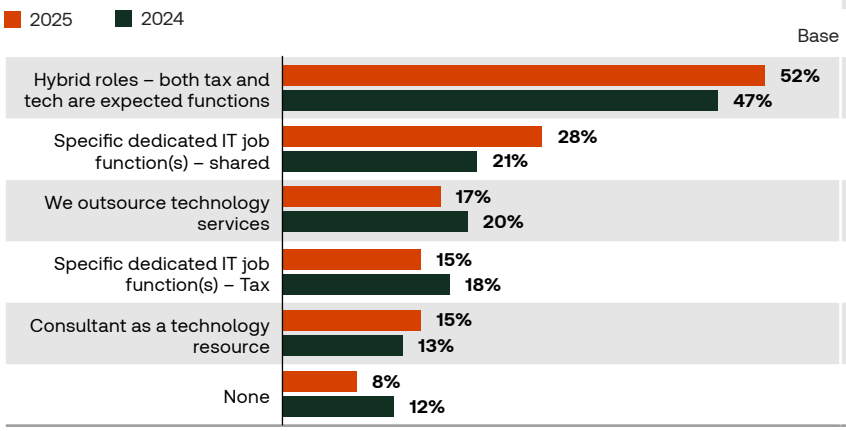
Technology training is not just to make sure employees are using a software tool correctly. Proper training should go beyond to also include proper usage and risk mitigation, how the technology may intersect with compliance and the regulatory sphere, and the ethical use of private data. In a perfect world, training can also allow employees to make their voices heard about how technology may impact their daily lives.

Indeed, because technologies such as GenAI touch a wide variety of use cases, if employees are reticent to embrace a new way of working, then it may not matter how well trained they are — they simply won't use the tool. If this sounds like a lot to fit in, that may be an indication your tax department requires more time set aside for technology training.

Corporate tax departments today are relying on a mix of strategies to directly staff their technology matters. Many are utilizing hybrid roles, with team members formally responsible for both tax and technology responsibilities. An increasing number also have job roles specifically dedicated to technology, whether housed in the department itself or shared with another department such as IT. About one-in-eight respondents also reported their department has hired an entirely new technology-centric resource in the past year, whether as a direct hire or through outsourced services.

FIGURE 19:

## Technology personnel resourcing approach




| | 2025 Revenue | | |
|---|---|---|---|
| | Total | <$1 Billion | $1+ Billion |
| Base | 170 | 76 | 94 |
| Hybrid roles – both tax and tech are expected functions | 52% | 49% | 55% |
| Specific dedicated IT job function(s) – shared | 28% | 26% | 29% |
| We outsource technology services | 17% | 18% | 16% |
| Specific dedicated IT job function(s) – Tax | 15% | 8% | 20% |
| Consultant as a technology resource | 15% | 14% | 15% |
| None | 8% | 11% | 6% |

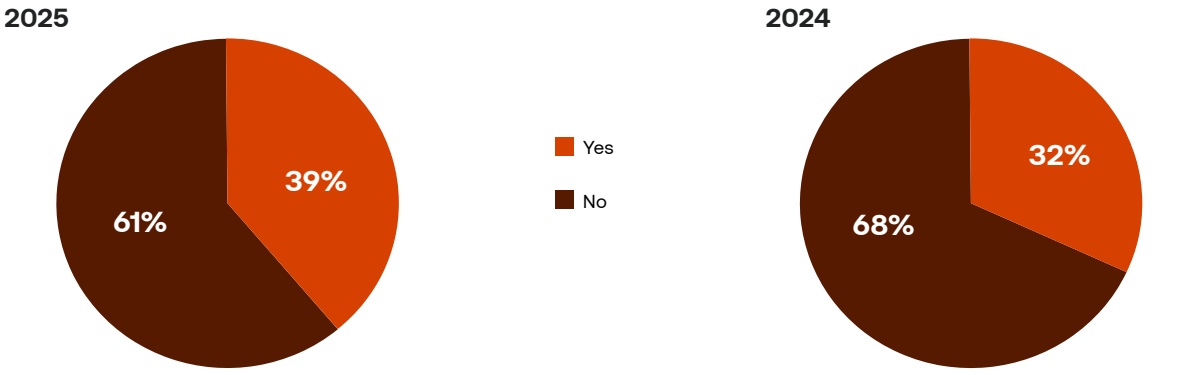
*Source: Thomson Reuters 2025*

Many of these dedicated technology personnel are focused primarily on operational activities, including traditional IT duties such as troubleshooting and technology repair and operations. Respondents did, however, estimate that about 20% of the time spent by this new personnel is dedicated to strategic activities, indicating that technology personnel in at least some tax departments are being given a say in the future direction and investment activity of the department at large.

Technology does not only have an impact on tax professionals' day-to-day, however — it is set to impact how corporate tax departments organize their teams and job roles far into the future. Particularly compared to 2024, more tax professionals are coming to understand that new technologies such as GenAI will have a tangible impact on the future of work.

FIGURE 20:

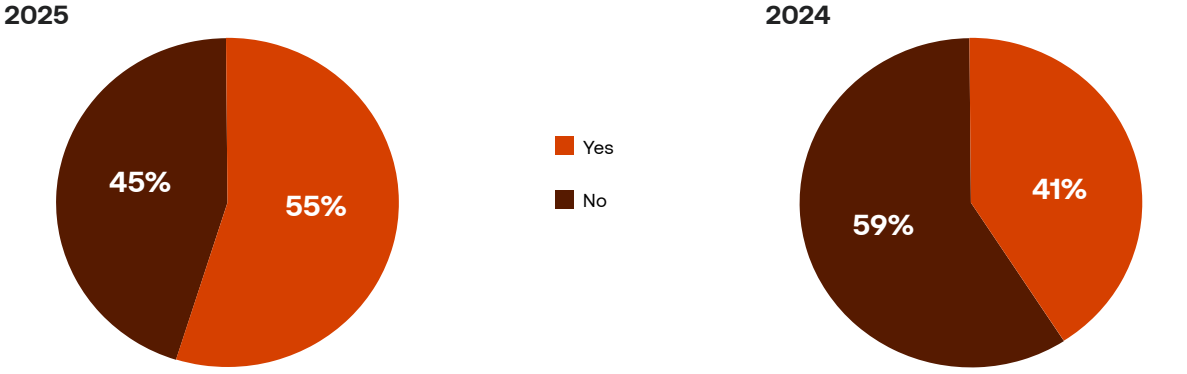
## Anticipated new job roles due to technology growth in next 3-5 years




*Source: Thomson Reuters 2025*

FIGURE 21:

## Anticipated role changes due to tech growth in next 3-5 years




*Source: Thomson Reuters 2025*

In our previous survey, just 32% of respondents said they believed technology will create new corporate tax job roles, and just 41% said they believed technology will alter current roles. After another year of familiarity with AI technology, however, both of those percentages have grown. In fact, now more than half of respondents said they believe their tax department will alter job roles in the next 3 to 5 years as a result of technology. This expectation is even greater among respondents from companies with at least $1 billion in annual revenue, with almost two-thirds (64%) now saying they anticipate job roles changing as a result of technology.

Some tax professionals will view this change negatively, with an understandable fear that AI may negate or make irrelevant their current job functions. And to a certain extent, it could be true that some of the work that corporate tax professionals do today will be automated in the future. As one chief tax officer noted: “A lot of our lower-level positions will be replaced by technology. The people holding those positions seem to be ignoring that reality. It will pose significant challenges in developing talent to fill senior positions.”

**More than half of respondents said they believe their tax department will alter job roles in the next 3 to 5 years as a result of technology.**

This does not need to be a source of fear, however, but rather a call to action. Indeed, the tax professional of the future will be called upon to perform higher-level and more strategic work, rather than spending their days doing the repetitive work now performed by AI. Just as the proliferation of spreadsheets saved yesterday’s tax professionals from mountains of data entry, so too will tomorrow’s tax professionals have the opportunity to save time on research, drafting, and more. “The next five years might bring some painful transitions,” said one tax director respondent. “But it will help make the department more efficient and effective and allow us to focus on higher return work.”

The key for corporate tax departments then, is to train their professionals to work *synergistically* with this emerging technology, and for tax professionals to upskill themselves to work in this new paradigm, rather than eschew technology’s influence outright.

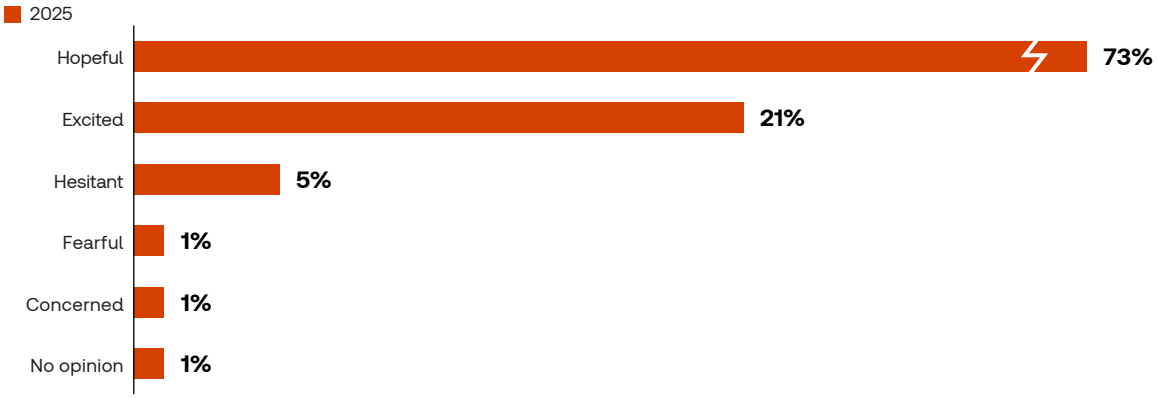
# Into the future

The amount of change brought about by GenAI and other advanced AI-driven technologies could be frightening. However, many corporate tax professionals are instead seeing this change as an opportunity rather than something to be feared. This embrace should provide hope to corporate tax leaders looking to move their departments into the next phase of technology growth: Professionals know change is coming, and they're ready for it.

When asked about their own personal feelings about the future of tax technology, a vast majority of respondents did not shy away from a positive outlook. More than 90% called themselves *excited* or *hopeful* about the future, while just 2% said they are *fearful* or *concerned*. Clearly, increased familiarity with next-generation tools such as GenAI has not made corporate tax professionals concerned about technology's growing influence in their field. Instead, the opposite has occurred, in which new technologies have brought excitement for the future.

FIGURE 22:

## Sentiment toward future of tax technology




*Source: Thomson Reuters 2025*

In fact, when asked why they feel so hopeful, many respondents pointed to the potential to become more efficient in their own roles and to automate low-level tasks. "Technology will continue to change the way tax departments handle their day-to-day processes," said one tax technology manager. "We will see less reliance on manual processes and spreadsheets, with the push to seeing more automation with various technologies."

Others, however, took an even more forceful stance, pointing directly to the potential to spend more time on high-value tasks. Indeed, some believe AI can be a gamechanger for the future of tax technology. "Tax simplification means complexity in compliance," said one tax director. "Tax departments that maintain an 'old school' approach will eventually drown in the sea of too many obligations and too little bandwidth."

Indeed, the future of technology in corporate tax departments is not simply new software — it's a cultural change. Department leaders who want to encourage their workplaces forward into a more modern paradigm cannot simply purchase new technology; they need to encourage engagement with new opportunities, invest in change management programs, train team members on new technology more than ever before, and have hard conversations about what facets of daily work can and should be automated. Particularly given the rapid rate of technological advancement, innovation increasingly requires an active, not passive, approach.

It's clear that corporate tax departments are working hard to improve their technology posture. The question is, however, are they doing enough? That may not be a question either this report or the departments themselves can answer right now. Even though the time horizon for new technologies may be increasingly short, the work it takes to properly implement them remains indefinite.

Only by establishing proper technology strategy, human resources planning, budget planning, and more can new technology's impact truly be felt. And on those fronts, the jury is still out for the corporate tax departments and indeed, the tax profession as a whole.

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