



How the Tax Department is Changing: Automating the Tax Workflow

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Bloomberg Tax

Speakers

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Agenda



Review traditional deliverable-centric approach



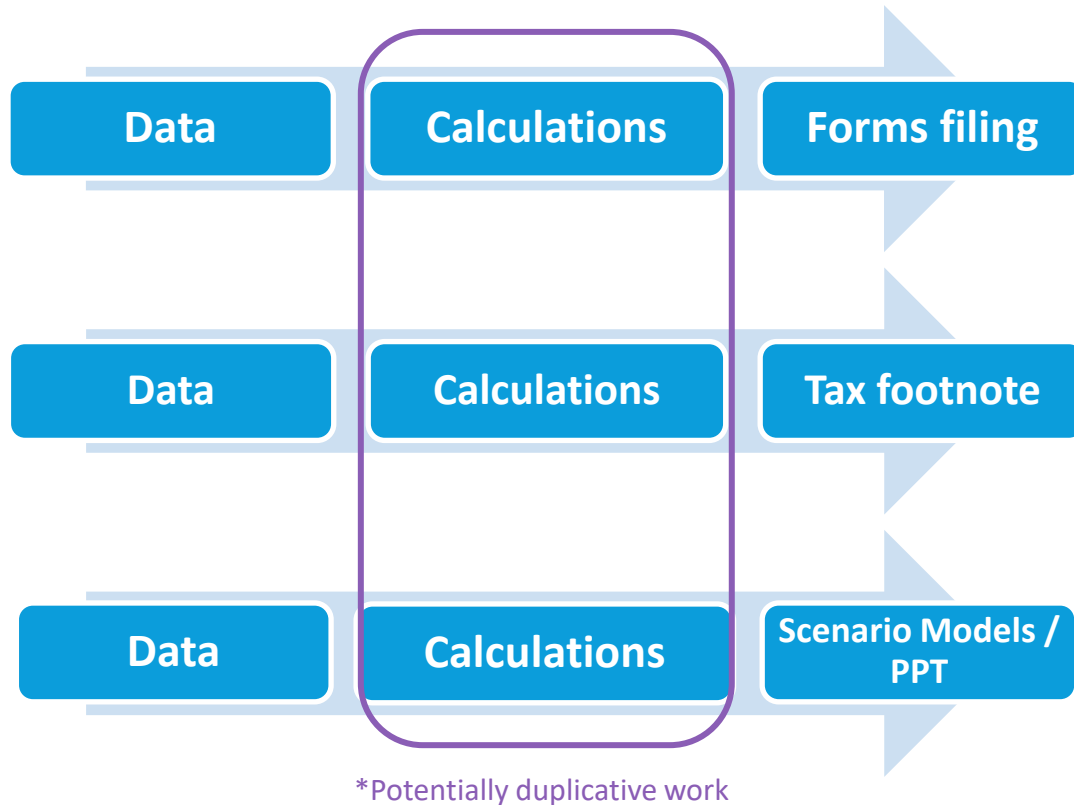
Demonstrate the value of a workflow-centric approach

- **Basic M Adjustments**
- **Depreciation to Provision & Compliance**
- **Tax Law Updates**

How many different tax workflows are you responsible for at your organization?

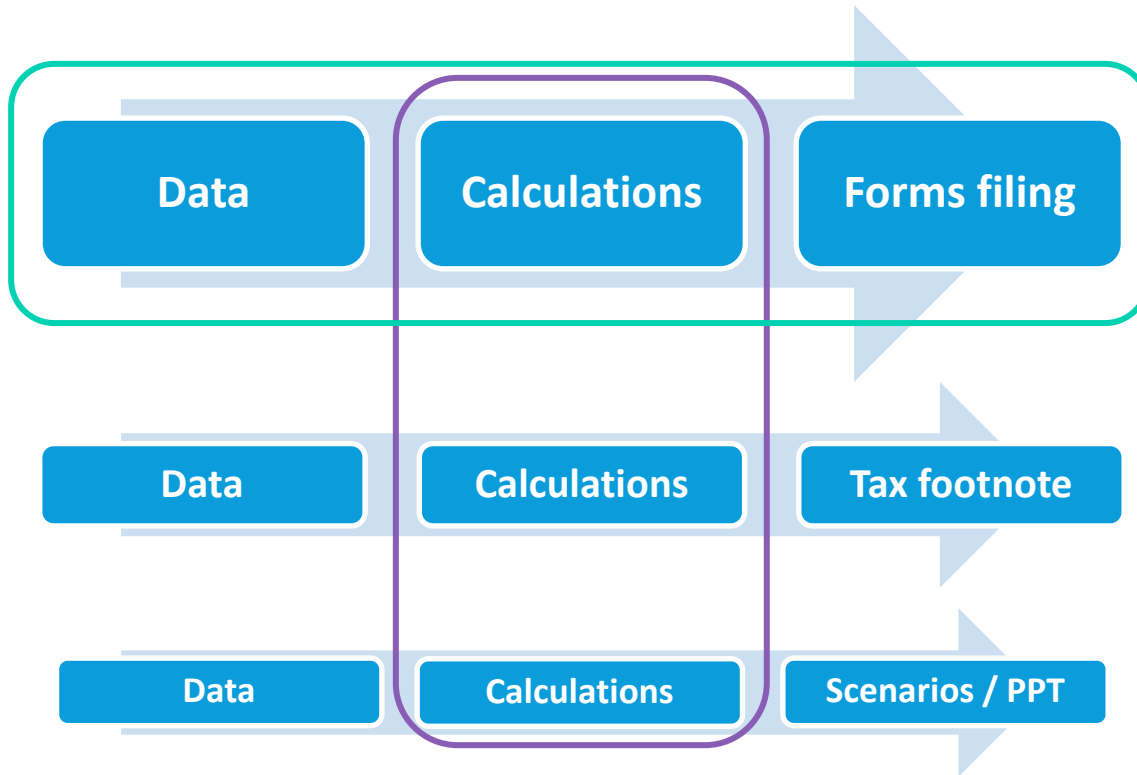
- A. Just one**
- B. 2 – 5**
- C. 5 – 10**
- D. Greater than 10**

A deliverable-centric approach can lead to inefficiencies in the tax department's workflow



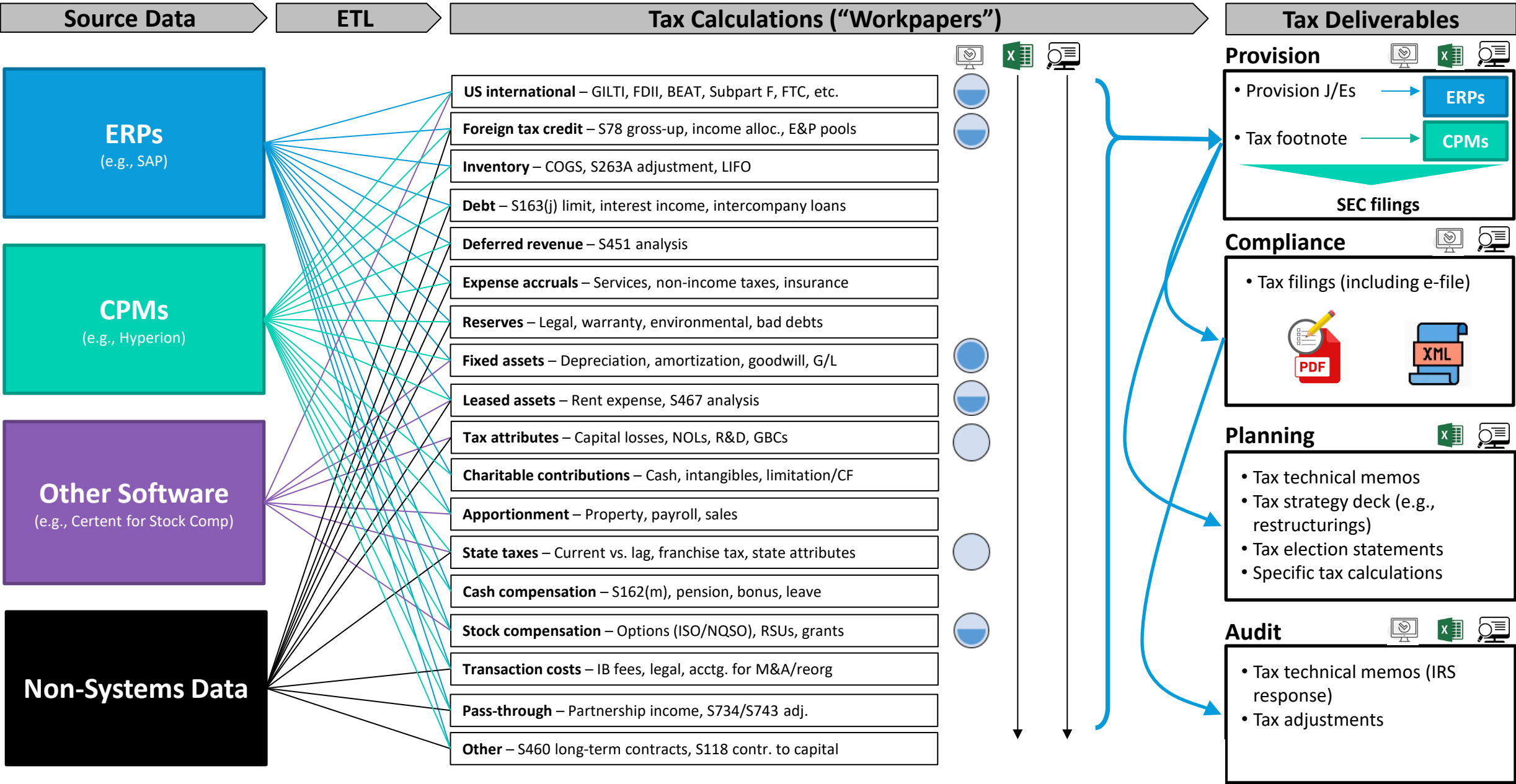
- Focusing only on the end-result makes it harder to improve the entire *workflow*
- Data and calculations are often used in silos but power all deliverables
- This creates duplicative processes and calculations that require additional review for each workflow

Compliance-centric solutions can introduce risk into provision and make it difficult to enable value-added activities



- Prioritizing technology solutions for compliance filings leaves large parts of the tax calculation workflow untouched
- Provision becomes a breeding ground for risk, as cycles can move so quickly that this workflow is never optimized
- Strategic planning is repeatedly left on the back burner

Many workflows existing within the overall tax department process

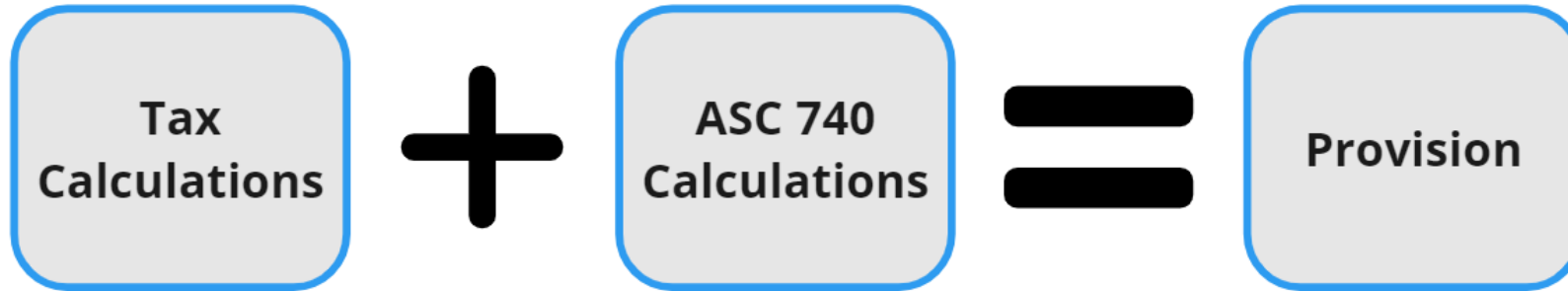


Existing Tax Professionals' Workflow



How do you think about the tax provision process?

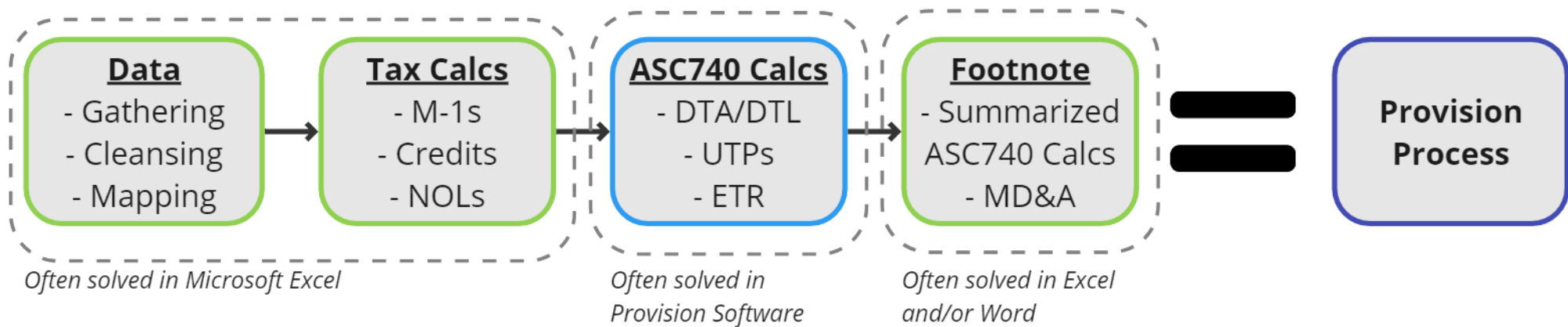
How do you think about the tax provision process?



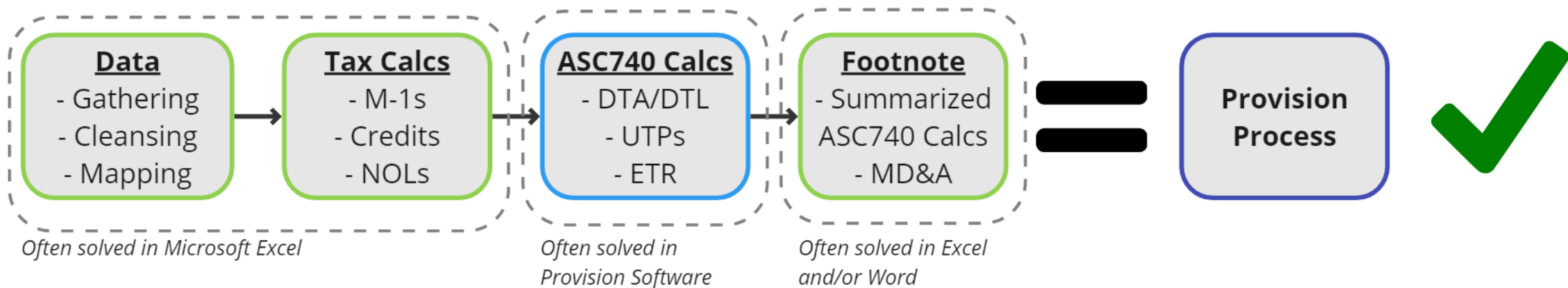
How do you think about the tax provision process?



How do you think about the tax provision process?



How do you think about the tax provision process?

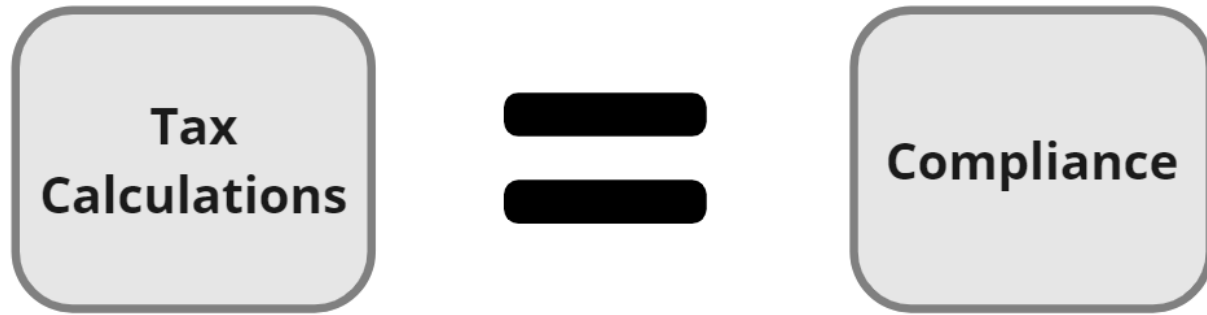


What percentage of compliance form calculations would you estimate you do NOT maintain a supporting workpaper for?

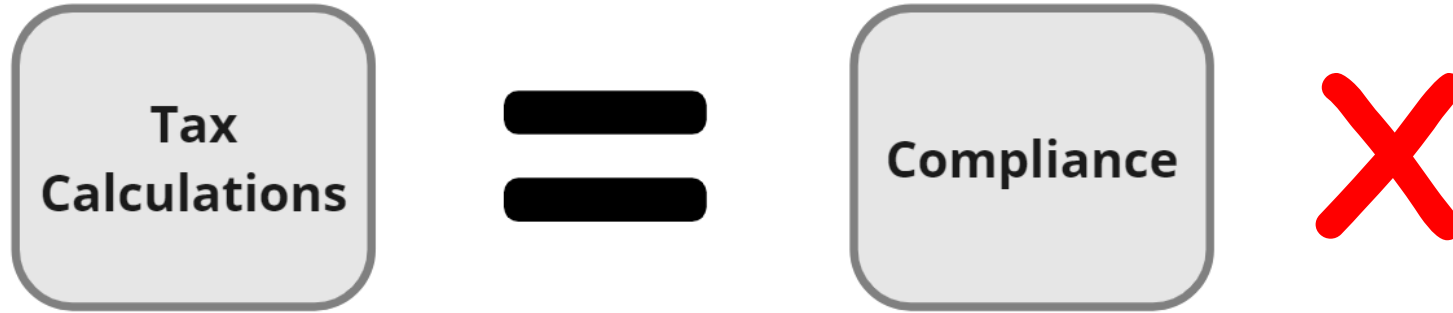
- A. < 5%**
- B. 5-10%**
- C. 10-20%**
- D. > 20%**

How do you think about the compliance process?

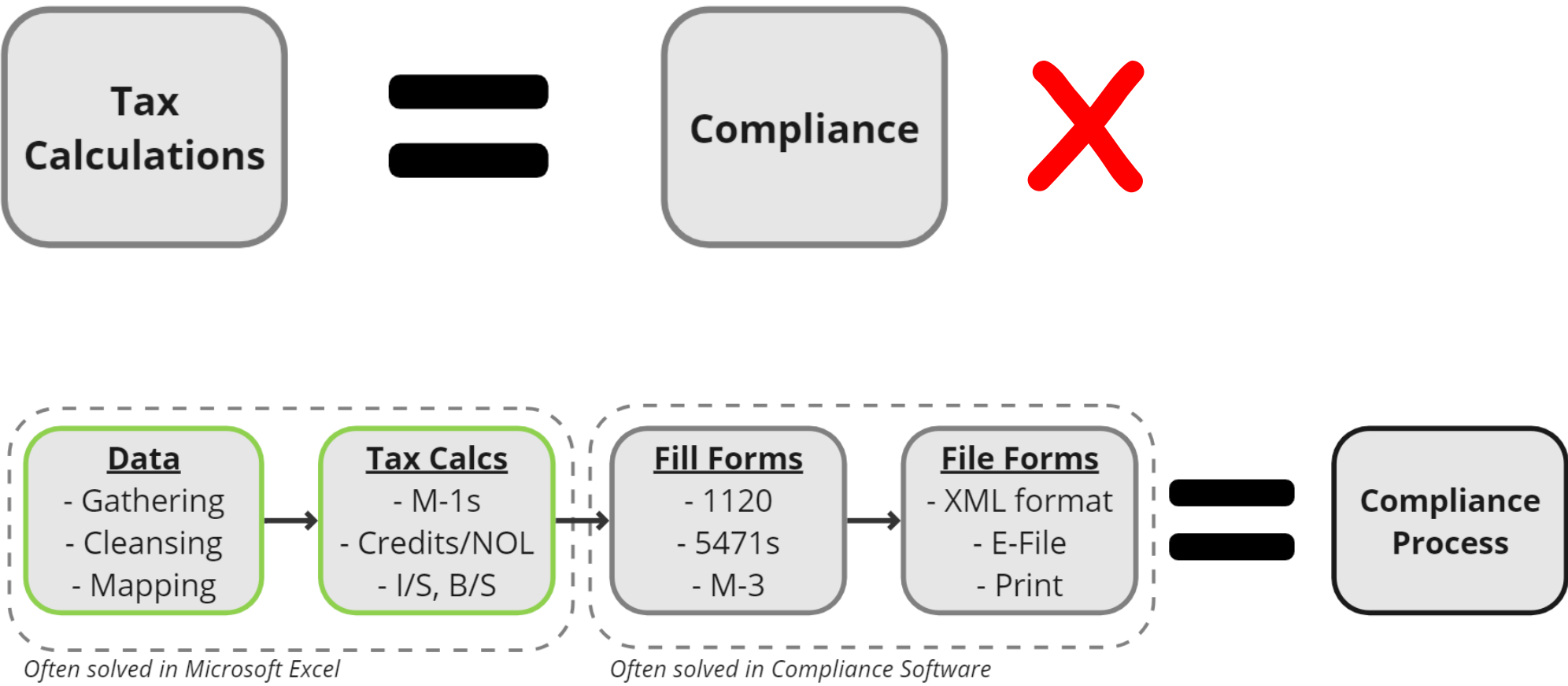
How do you think about the compliance process?



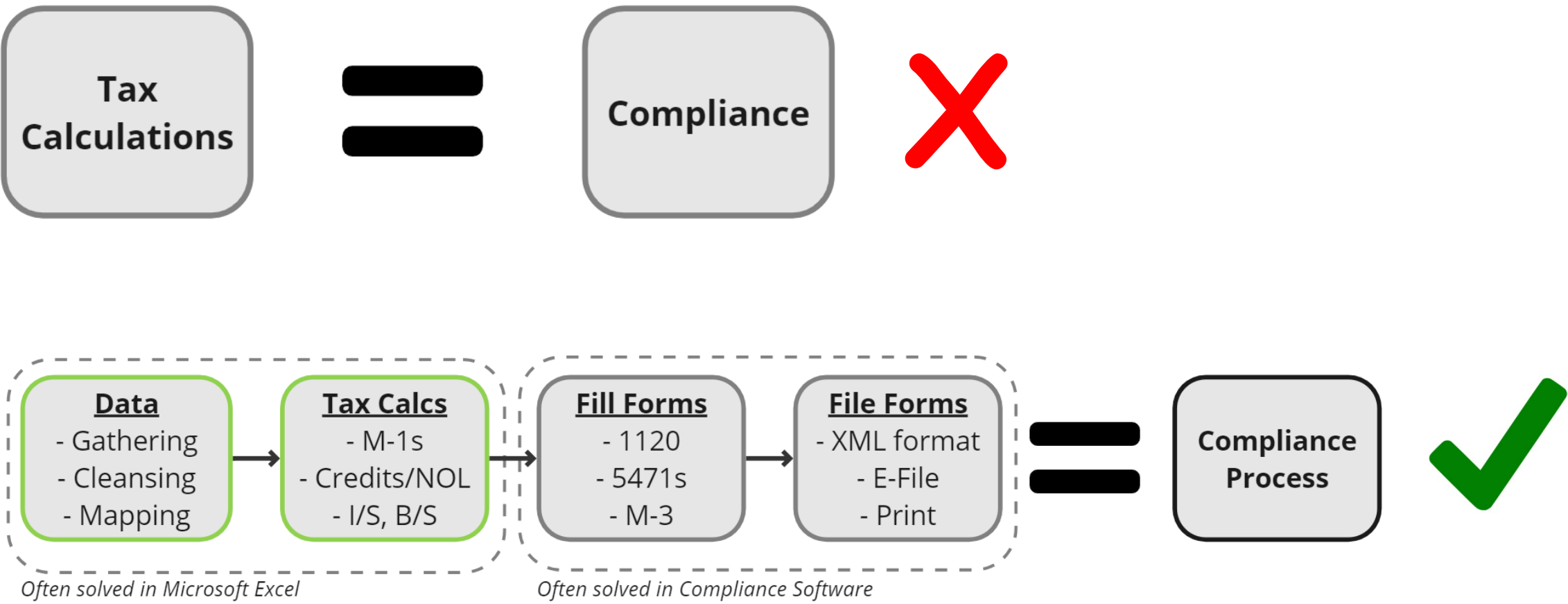
How do you think about the compliance process?



How do you think about the compliance process?



How do you think about the compliance process?



Tax Professionals' Workflow Powered by Bloomberg Tax



Taking the workflow-centric approach

How many different formats of trial balances do you work with?

A. < 5

B. 5 - 10

C. > 10

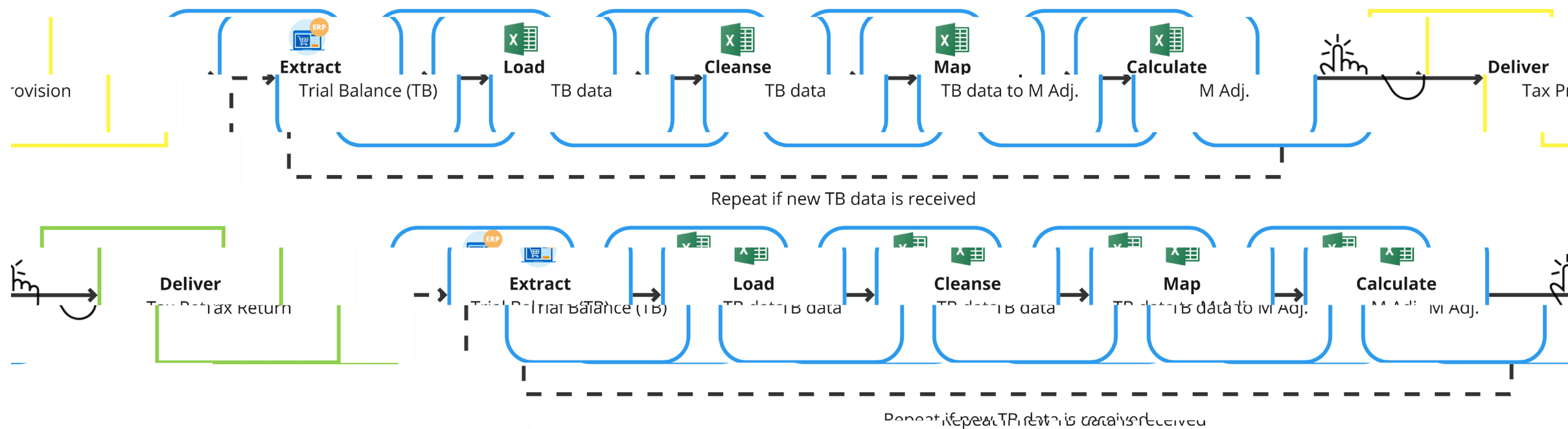
Workflow 1:

Basic M Adjustments for provision and compliance



Current state

Workflow 1: Basic M Adjustments for provision and compliance

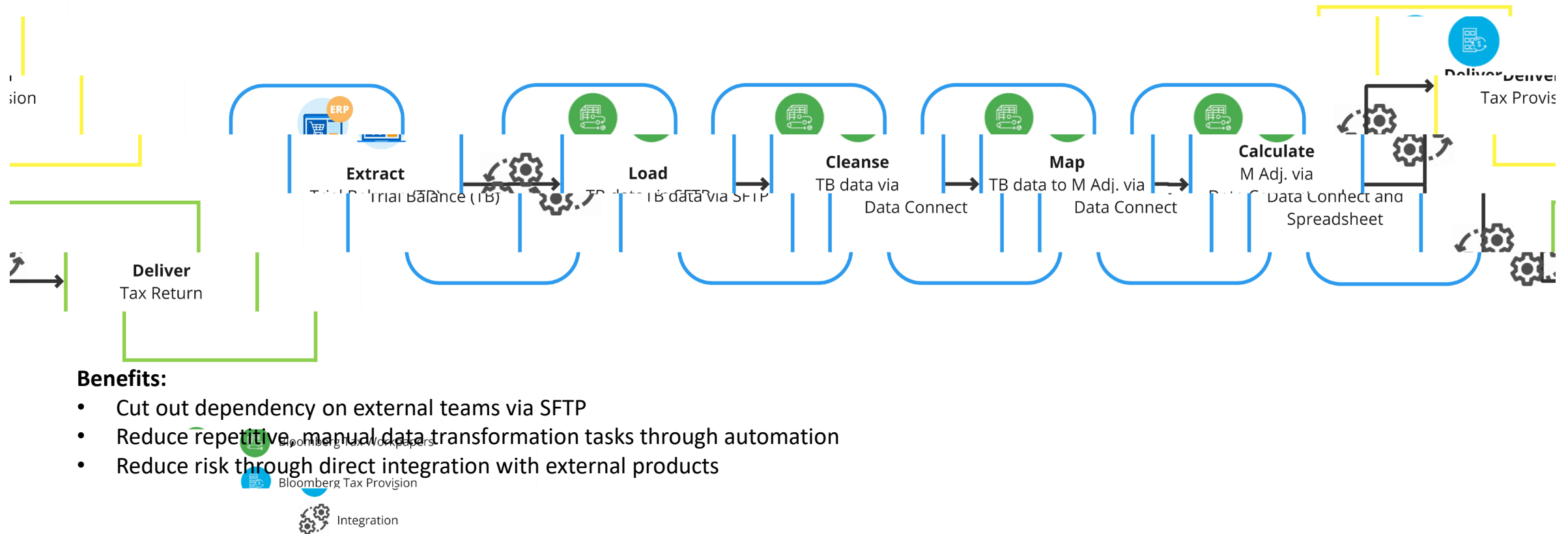


Pitfalls:

- Time-consuming to repeat data prep and review steps
- Error-prone to enter calculations into deliverables manually

Future state

Workflow 1: [Basic M Adjustments for provision and compliance](#)

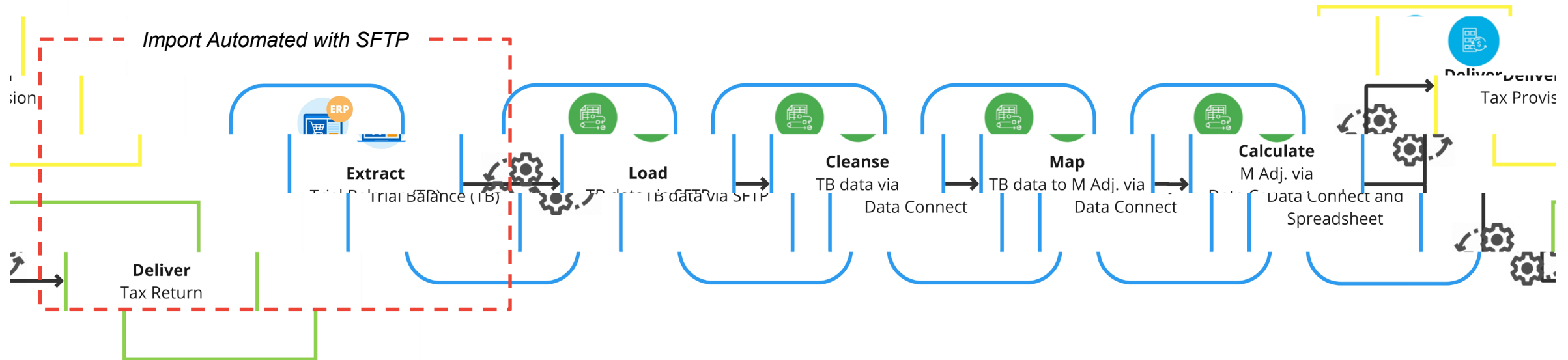


Benefits:

- Cut out dependency on external teams via SFTP
- Reduce repetitive manual data transformation tasks through automation
- Reduce risk through direct integration with external products

Future state

Workflow 1: [Basic M Adjustments for provision and compliance](#)



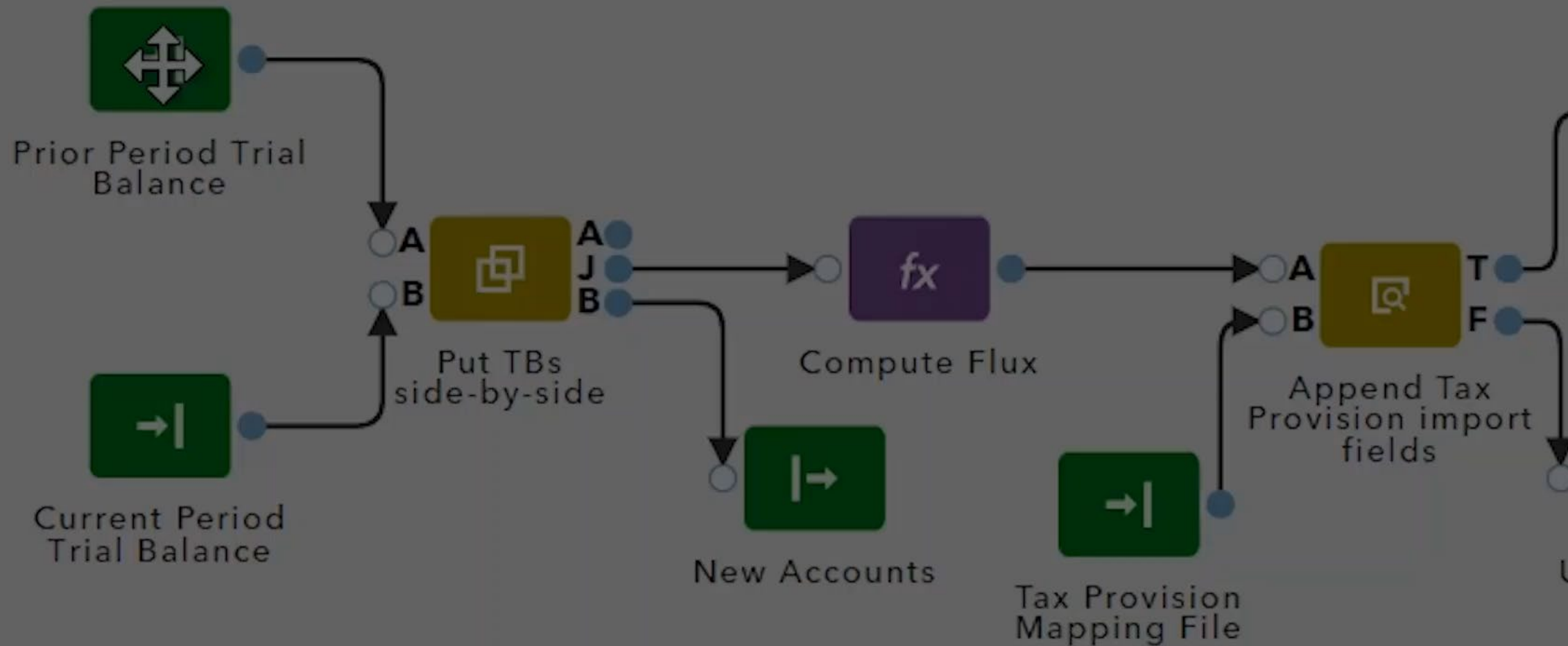
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Bloomberg Tax Provision

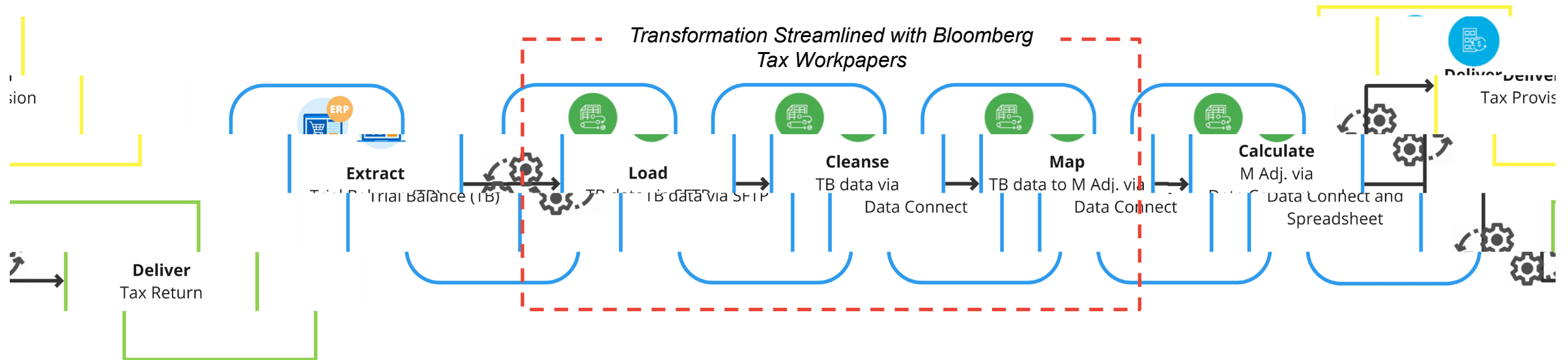


Integration



Future state

Workflow 1: [Basic M Adjustments for provision and compliance](#)

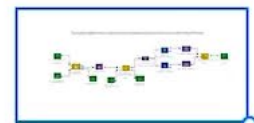
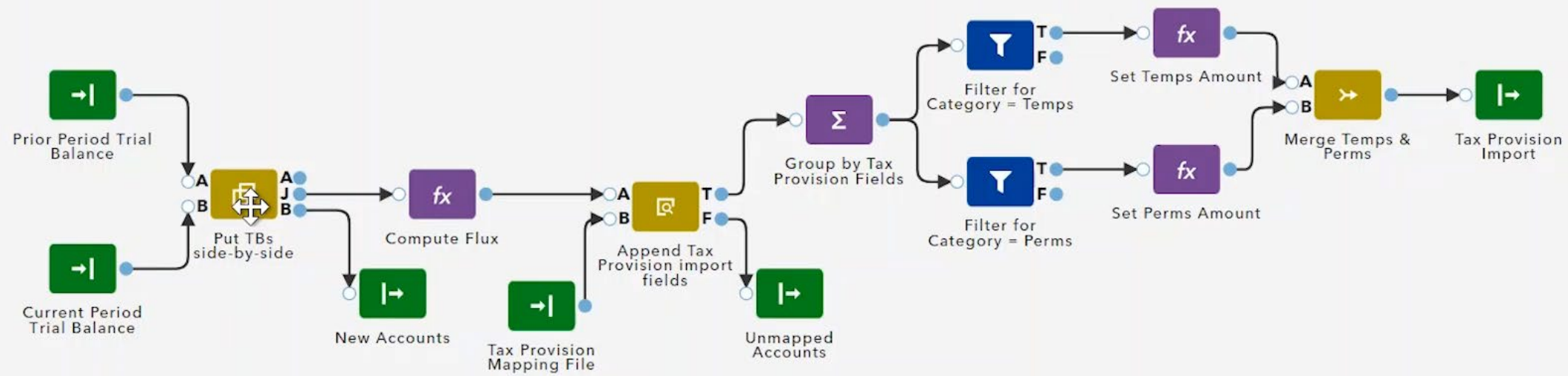


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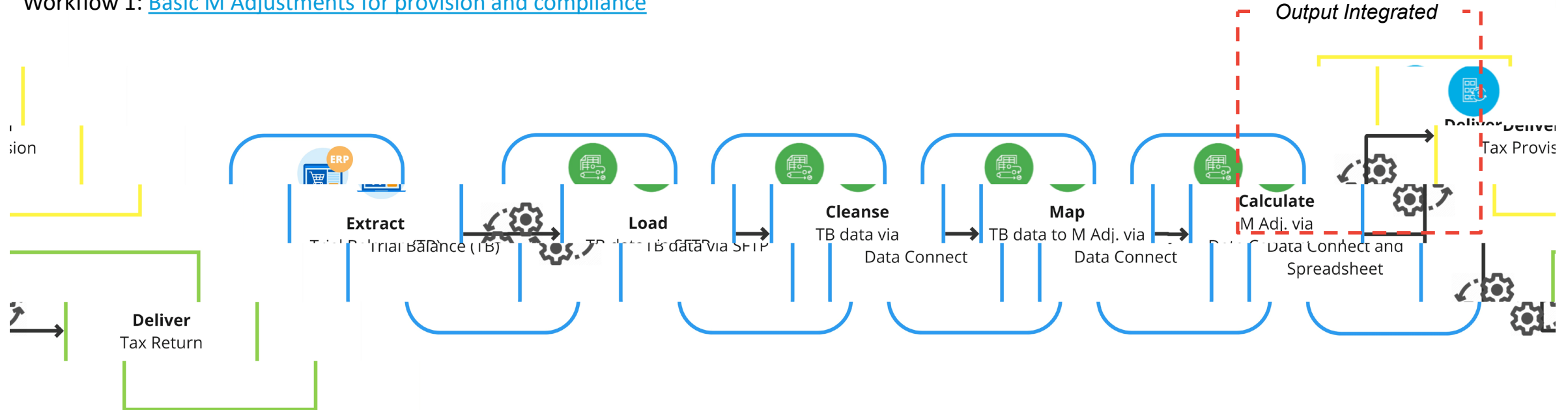


This template highlights how you might calculate basic M adjustments & format them for import into Bloomberg Tax Provision.



Future state

Workflow 1: [Basic M Adjustments for provision and compliance](#)

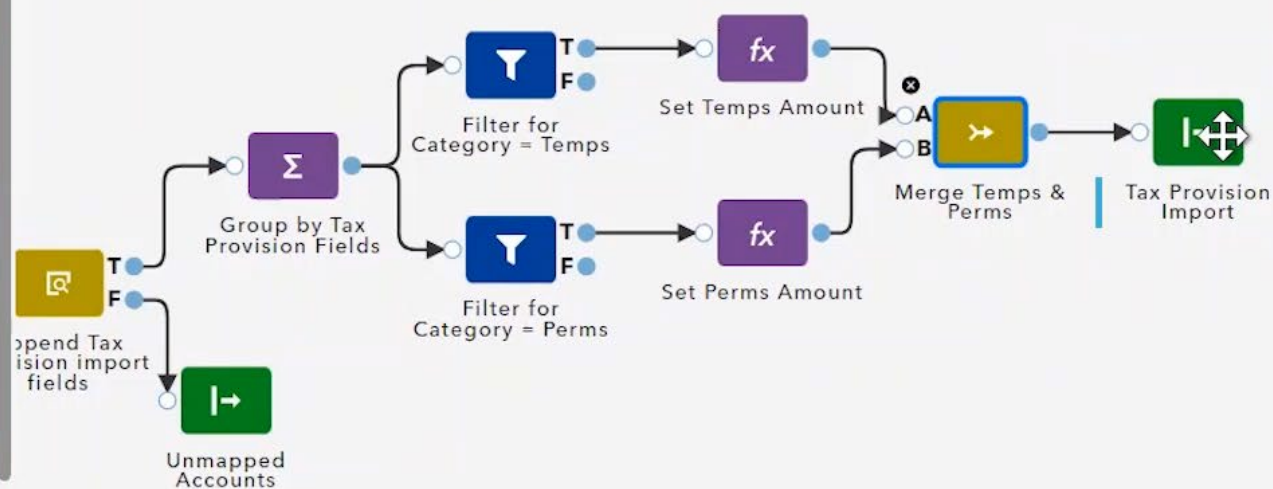


Benefits:

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the basic M adjustments & format them for import into Bloomberg Tax Provision.



Preview Output (showing 1 of 1 records)

	Data Type	Return Name	Year End	Entity	Screen	Category	Description	
1	Amounts Upload	2023 Federal Return	12/31/2023	VA Company 1	ignored	Temps	Federal Detail Line	ign

Step Name

Merge Temps & Perms

Map the fields between the two inputs. The values in the mapped fields will be combined into a single column. The column headings will be drawn from Input A.

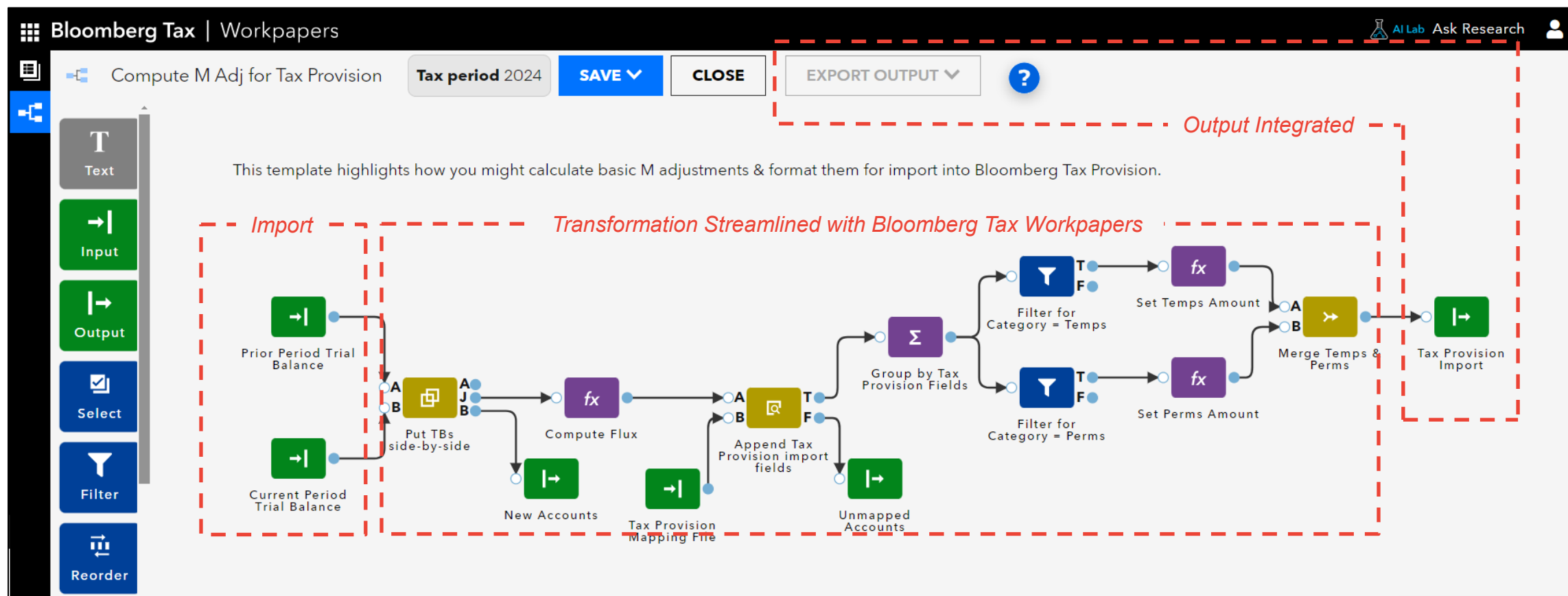
Input A (Set Temps Amount)

Data Type	▼	Data Type	▼	🗑
Return Name	▼	Return Name	▼	🗑
Year End	▼	Year End	▼	🗑
Entity	▼	Entity	▼	🗑
Screen	▼	Screen	▼	🗑
Category	▼	Category	▼	🗑
Description	▼	Description	▼	🗑
C/NC	▼	C/NC	▼	🗑
Deferred Column	▼	Deferred Column	▼	🗑
UTB Column	▼	UTB Column	▼	🗑
Amount	▼	Amount	▼	🗑
Workpapers	▼	Workpapers	▼	🗑

PREVIEW

Future state

Workflow 1: [Basic M Adjustments for provision and compliance](#)



Tax Professionals' Workflow Powered by Bloomberg Tax



Workflow 2:

Depreciation for provision and compliance

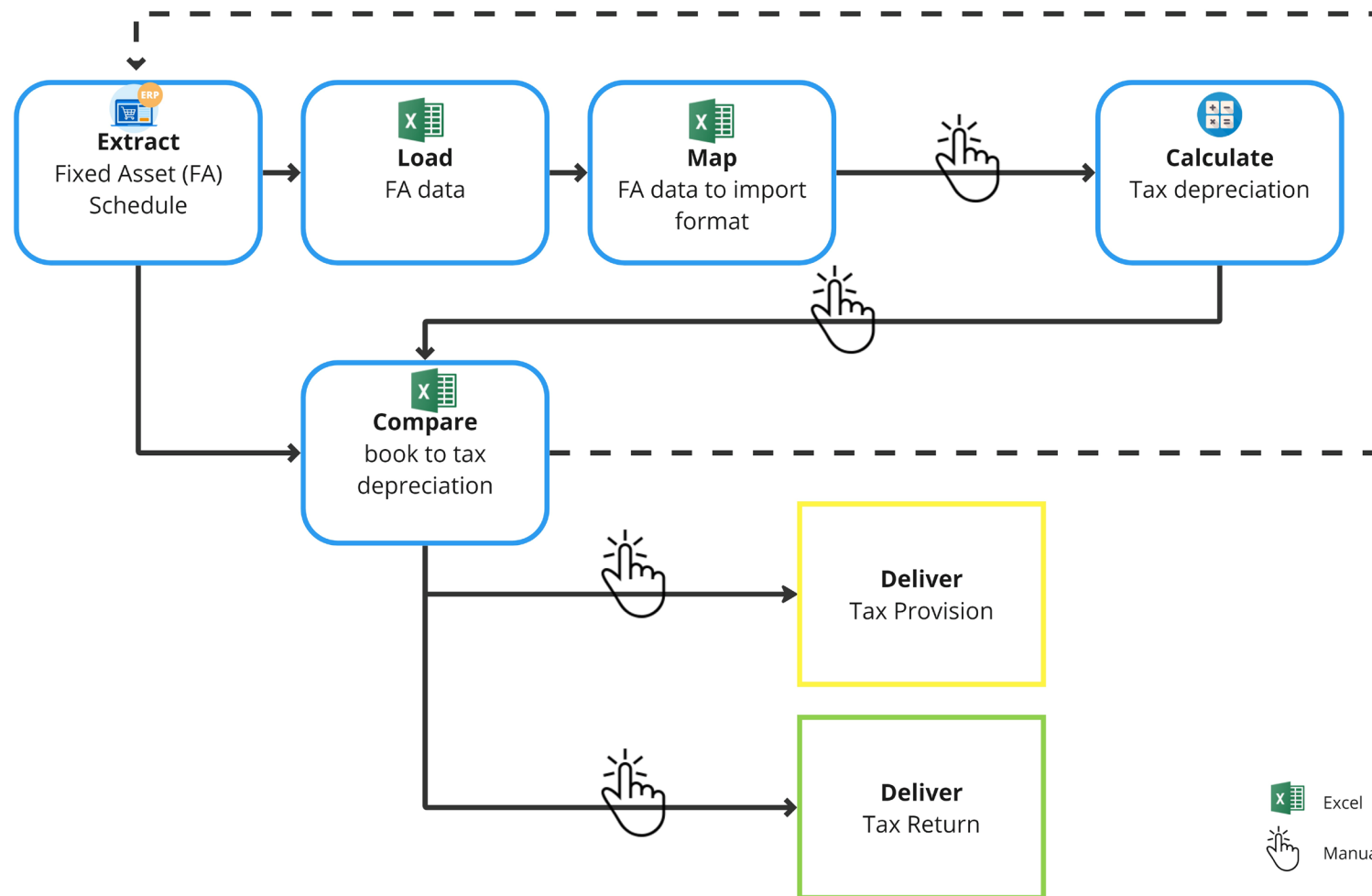


Current state

Workflow 2: Depreciation for provision and compliance

Pitfalls:

- Time-consuming to repeat data prep and review steps when data changes
- Manual data movement between multiple products introduces risk



Current state

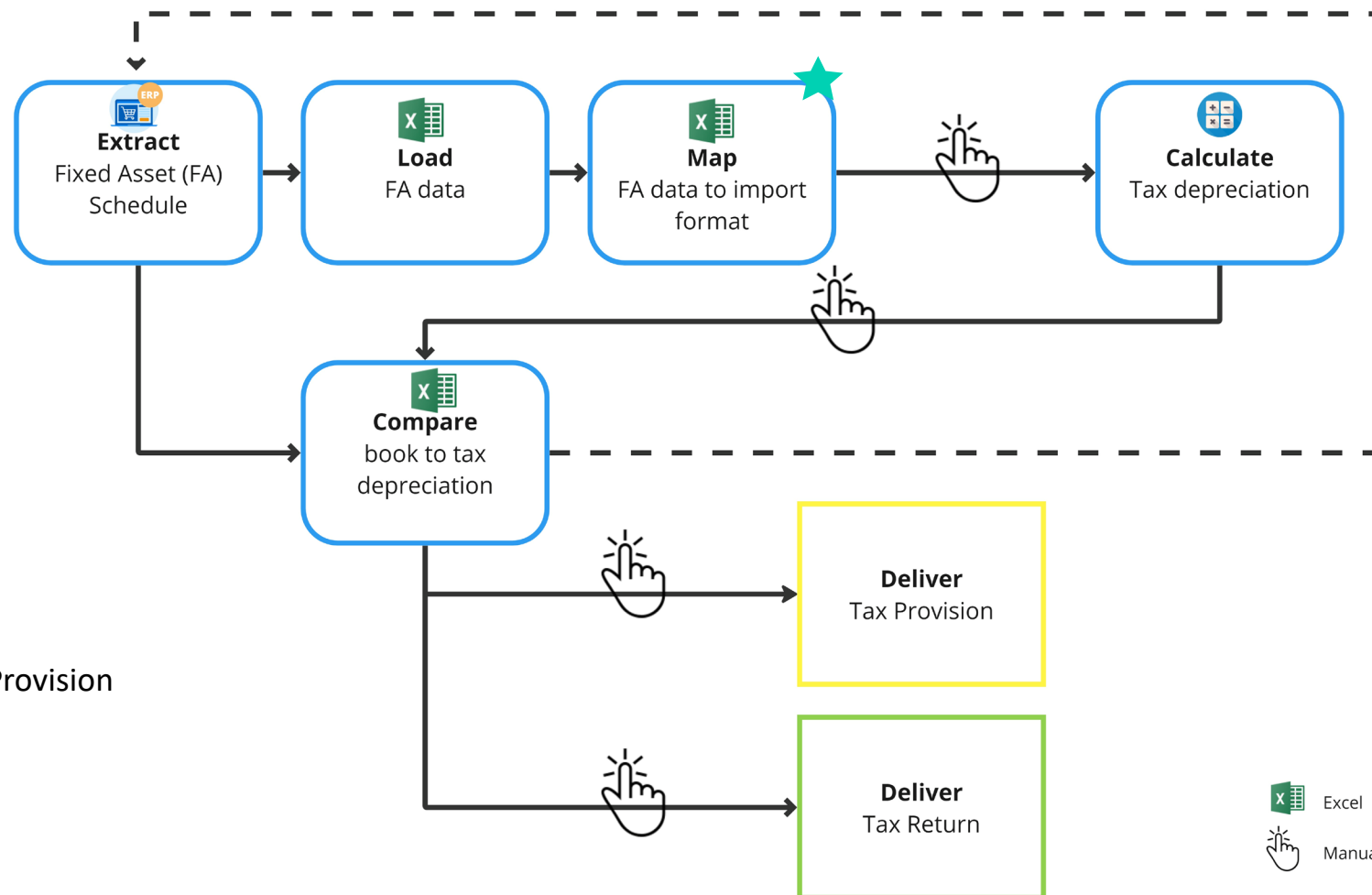
Workflow 2a: [Depreciation for provision and compliance](#)

Challenges with Data-In

- Data Normalization – Different ERP source data is not standardized
- Layering In Tax-Specific Data
 - E.G. Cost Segregation, Repairs, Luxury Auto, etc
- Manual data movement between multiple products introduces risk
- Data Validation

Challenges with Data-Out

- Aggregation for Specific Purpose – Tax Forms vs Provision
- Multiple Jurisdictional Requirements
- Identifying Outliers or Mistakes

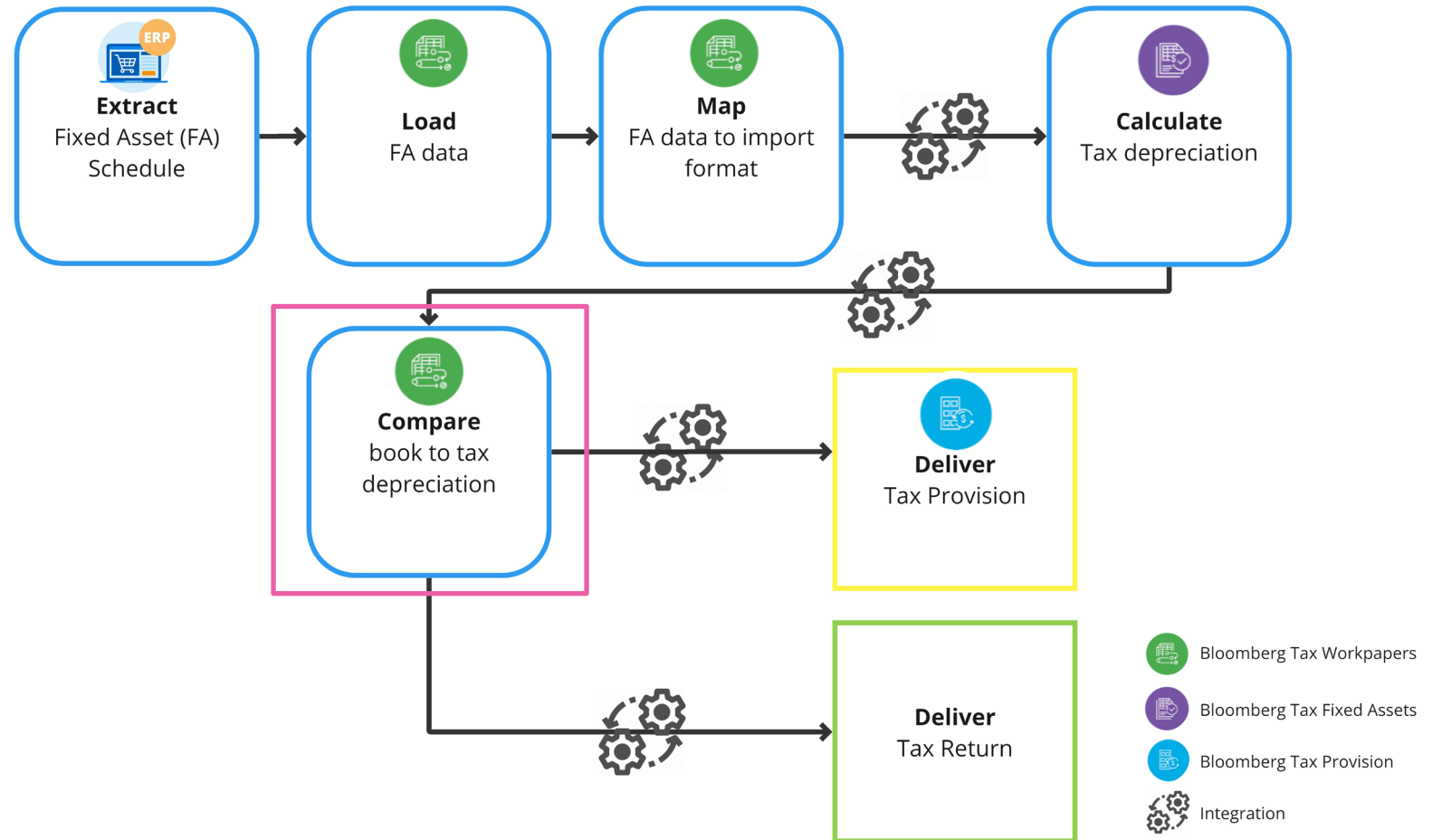


Future state

Workflow 2: Depreciation for provision and compliance

Benefits:

- Gain more reliable, up-to-date data vs. relying on SALY amounts
- Reclaim time for higher-value activities

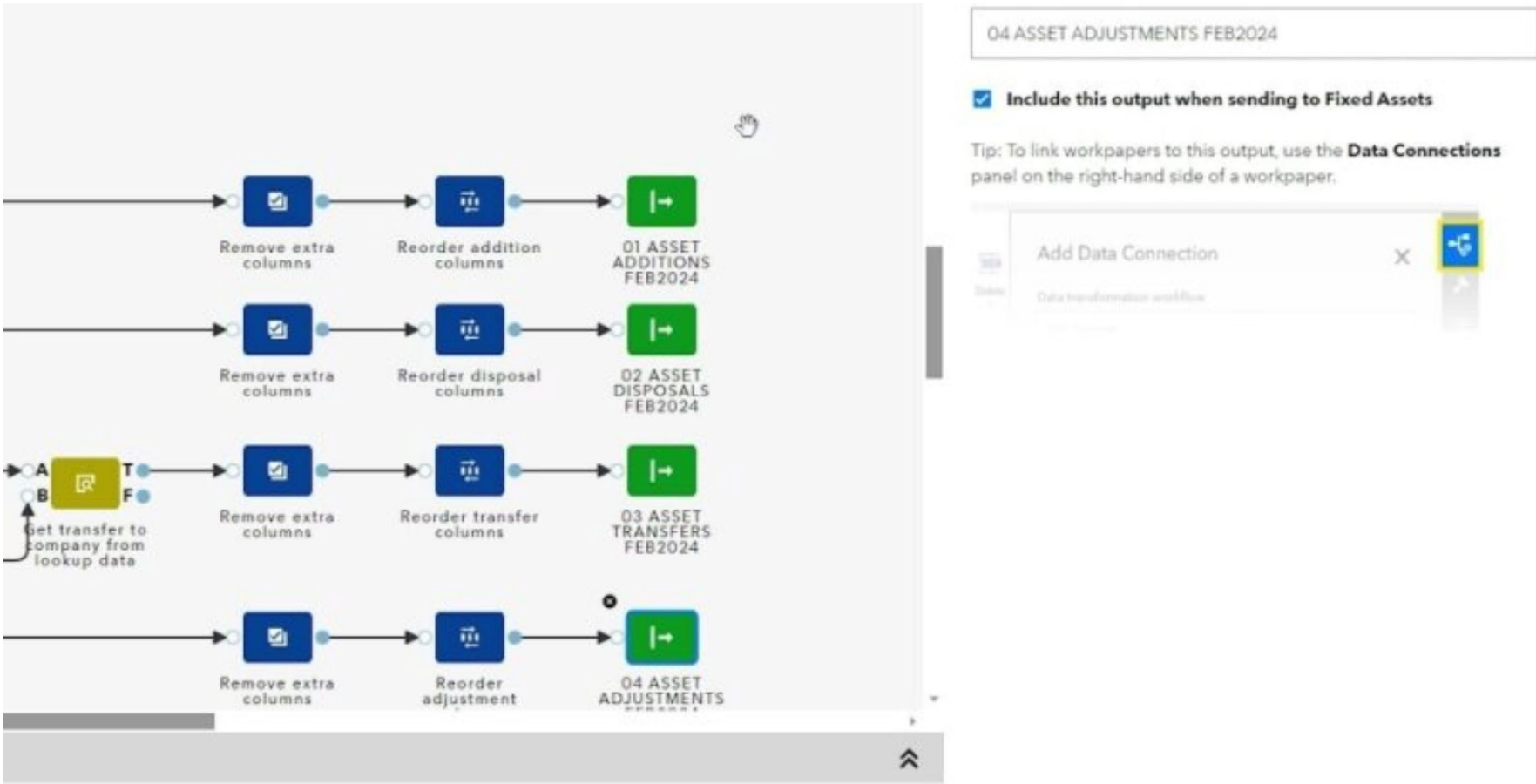


Tax Professionals' Workflow Powered by Bloomberg Tax



Future state

Workflow 2: Depreciation for provision and compliance



Future state

Workflow 2: Depreciation for provision and compliance

Workflows

Reconciliation

Job Runs

Workflow Manager

Lookups

Need help? ▾

Export Test - started 8/29/2024 2:00:03 AM

Export

Run Type: Scheduled

Description:

Download Files

View Files

Job Finished

The export job has completed. The files are ready to download.

Output Files (2)

Export Test 2024_08_29 06-02-08 detail.csv

Count of Records: 0

Export Test 2024_08_29 06-02-08 summary.csv

Count of Records: 0

Properties

Focus Period: Jul 1, 2024 - Aug 31, 2024

Grouping Level 1: EntityName

Grouping Level 2: AssetType

Company: 1030

Data Gathered

Data Processed

Job Finished

Output Files (2)

Output files are created by the workflow, based on the given input files and properties for the job.

Download

<input type="checkbox"/>	Name	File Type	File Size	Last Modified
<input type="checkbox"/>	Export Test 2024_08_29 06-02-08 detail.csv	Export	0 B	08/29/2024 2:02 AM
<input type="checkbox"/>	Export Test 2024_08_29 06-02-08 summary.csv	Export	0 B	08/29/2024 2:02 AM

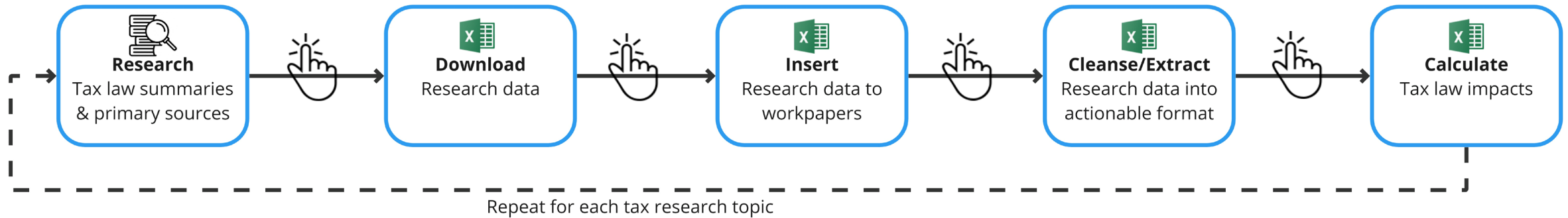
Workflow 3:

Keeping calculations up-to-date based on tax law changes



Current state

Workflow 3: [Keeping calculations up-to-date based on tax law changes](#)

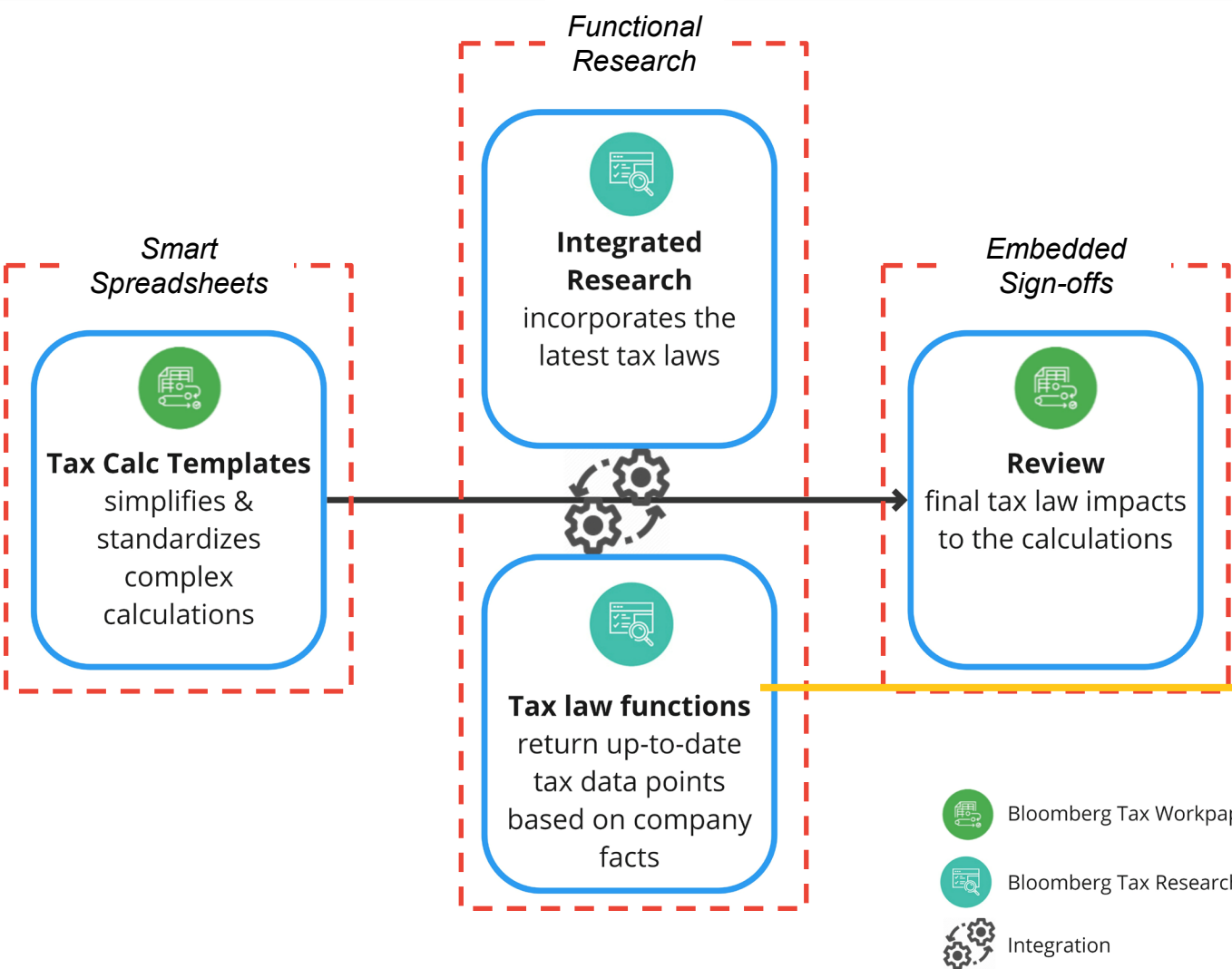


Pitfalls:

- Time-consuming to repeat research, extraction, prep and review steps
- Can easily miss tax law updates that occur after the date of data pull
- Error-prone to manually convert written tax law into calculations

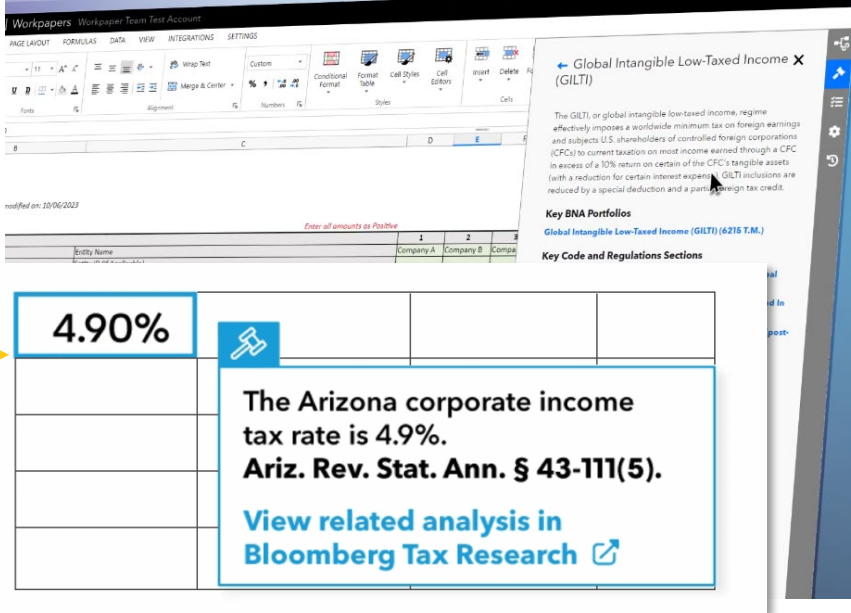
Future state

Workflow 3: [Keeping calculations up-to-date based on tax law changes](#)



Benefits:

- Ensure calculations reflect the most recent tax law
- Document relevant research without needing to leave your workpapers
- Shift from a preparer to reviewer mindset



Clipboard Paste Font: Tahoma 11 Bold Italic Underline Text Alignment: Wrap Text Percentages: % 0.00 0.0 Conditional Format Format Table Cell Styles Cell Editors Insert Delete Format Cells: Sum Fill Sort & Filter Find

F9 =STATEAPPORTION(F56,Instructions & Notes!\$C\$17,"sales")

	Federal	Alabama	Alaska	Arizona	Arkansas	California	Colorado	Connecticut	Delaware	District of Columbia	Florida	Georgia	Hawaii	Idaho	Illinois
WEIGHTING															
Sales weighting	(For Reconciliation Purposes Only)	100.00%	33.33%	Taxpayer election	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	50.00%	100.00%	33.33%	100.00%	100.00%
Property weighting		0.00%	33.33%	Taxpayer election	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	25.00%	0.00%	33.33%	0.00%	0.00%
Payroll weighting		0.00%	33.33%	Taxpayer election	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	25.00%	0.00%	33.33%	0.00%	0.00%
FACTOR															
Sales factor		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Property factor		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Payroll factor		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
APPORTIONMENT FACTOR		0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
SALES WITHIN															
Gross Receipts		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends								n/a	-	-	n/a	n/a			n/a
Interest								n/a	n/a	-	n/a	n/a			
Rents															
Royalties															
Proceeds from capital/ordinary gains												n/a			
Other income															
Sales adjustment															
Total Sales Within		-	-	-	-	-	-	-	-	-	-	-	-	-	-
SALES EVERYWHERE															
Gross Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	n/a	-	-	n/a	n/a	-	-	n/a
Interest	-	-	-	-	-	-	-	n/a	n/a	-	n/a	n/a	-	-	-
Rents	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Royalties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from capital/ordinary gains	-	-	-	-	-	-	-	-	-	-	-	n/a	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Throwout rule adjustment	n/a	-	-	n/a	n/a	-	-	n/a	n/a	-	-	n/a	-	-	-
Sales adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Sales Everywhere	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROPERTY WITHIN - BOY															
Land															
Buildings															
Furniture and fixtures															
Leasehold improvements															
Machinery and equipment															
Inventory															
Other real or tangible assets															
Government property															
Construction in progress															
Total Property Within - BOY		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Annual Rent															
8X		8	8	8	8	8	8	8	8	8	8	8	8	8	8
Annual Rents for Property Factor (8X) Within		-	-	-	-	-	-	-	-	-	-	-	-	-	-
ACCUMULATED DEPRECIATION WITHIN - BOY															
Buildings															
Furniture and fixtures															
Leasehold improvements															
Machinery and equipment															
Inventory															
Other tangible assets															

Tax Professionals' Workflow Powered by Bloomberg Tax

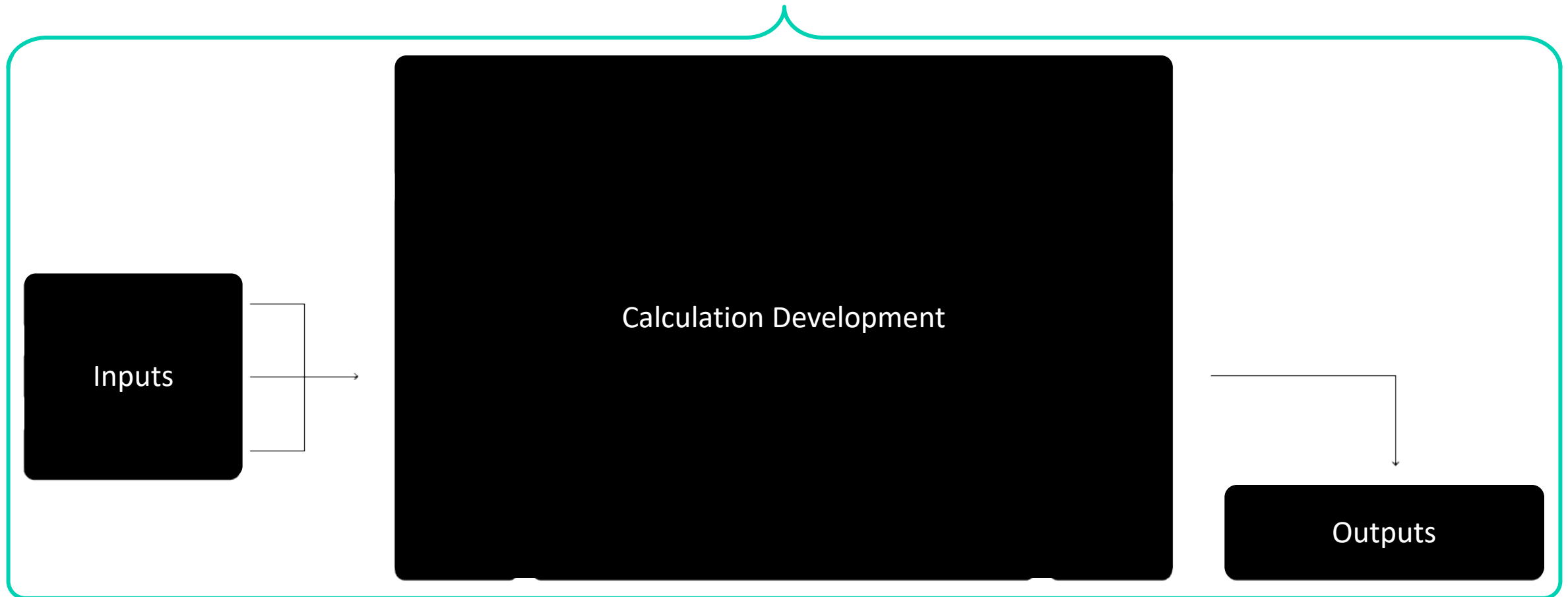


Now what?

**How should you think about
incorporating automation in
your workflows?**

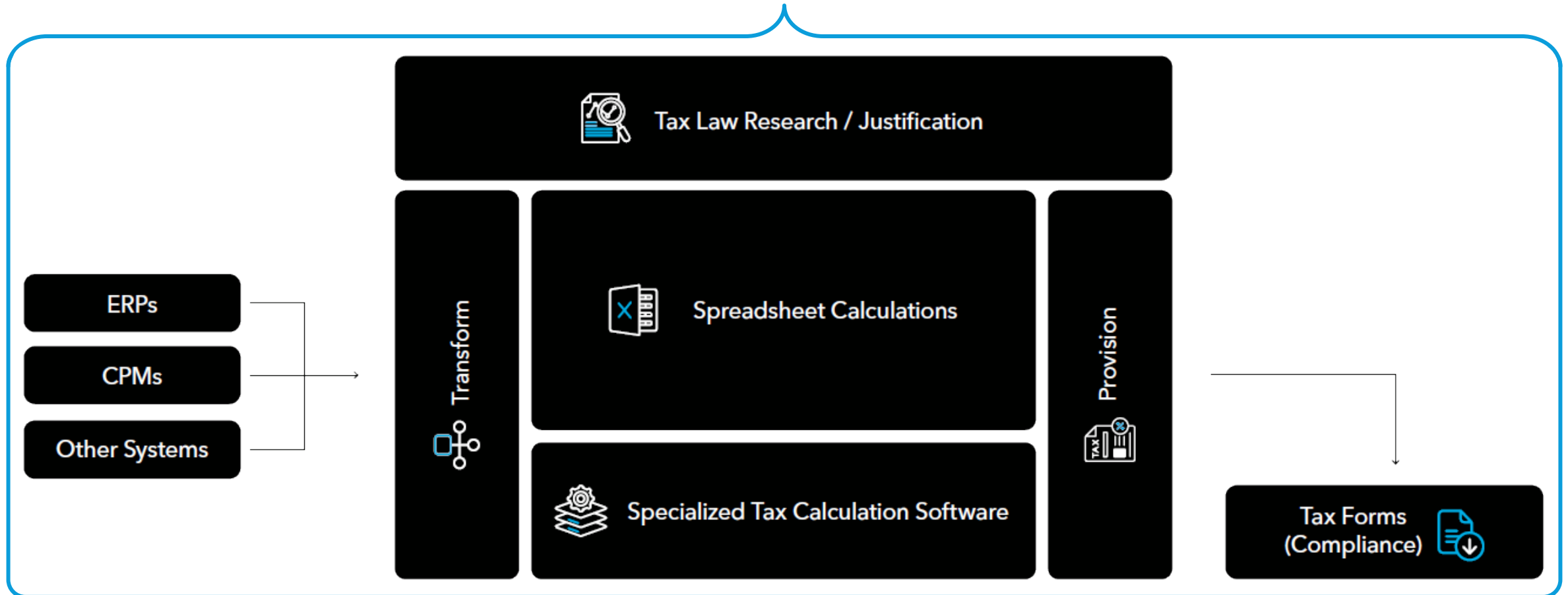
A how-to guide for identifying opportunities for efficiencies within your own workflows

First, Pick a workflow – think small



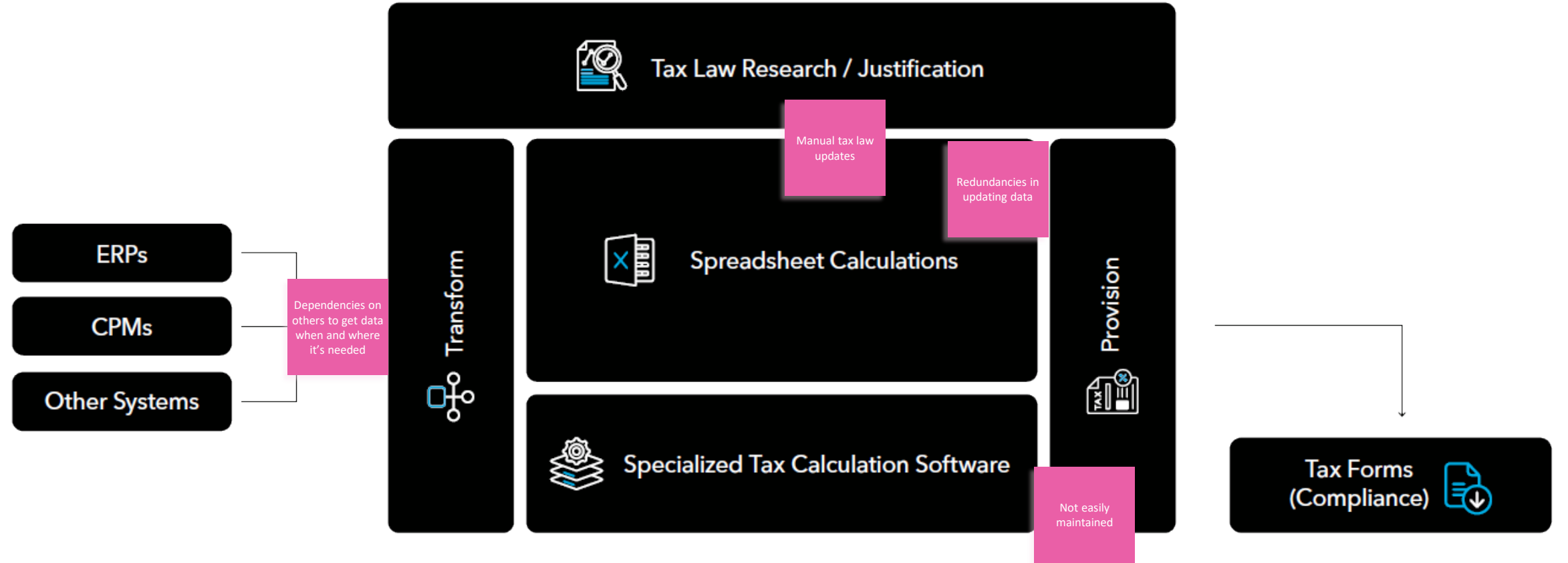
A how-to guide for identifying opportunities for efficiencies within your own workflows

Next, write down the steps taken to complete, including repetitive actions



A how-to guide for identifying opportunities for efficiencies within your own workflows

Highlight steps that are manual, repetitive, painful, error-prone, or time-consuming



A how-to guide for identifying opportunities for efficiencies within your own workflows

Brainstorm solutions to consolidate and streamline



Tax Professionals' Workflow Powered by Bloomberg Tax



Are you interested in learning more about how Bloomberg Tax solutions can enhance your workflow?

A. Yes. Definitely interested

B. Somewhat interested

C. Not interested

Q&A

To learn more about Bloomberg Tax, visit
pro.bloombergtax.com