



# How the Tax Department is Changing: Automating the Tax Workflow

September 5, 2024

Bloomberg Tax

# Speakers

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# Agenda



**Review traditional deliverable-centric approach**



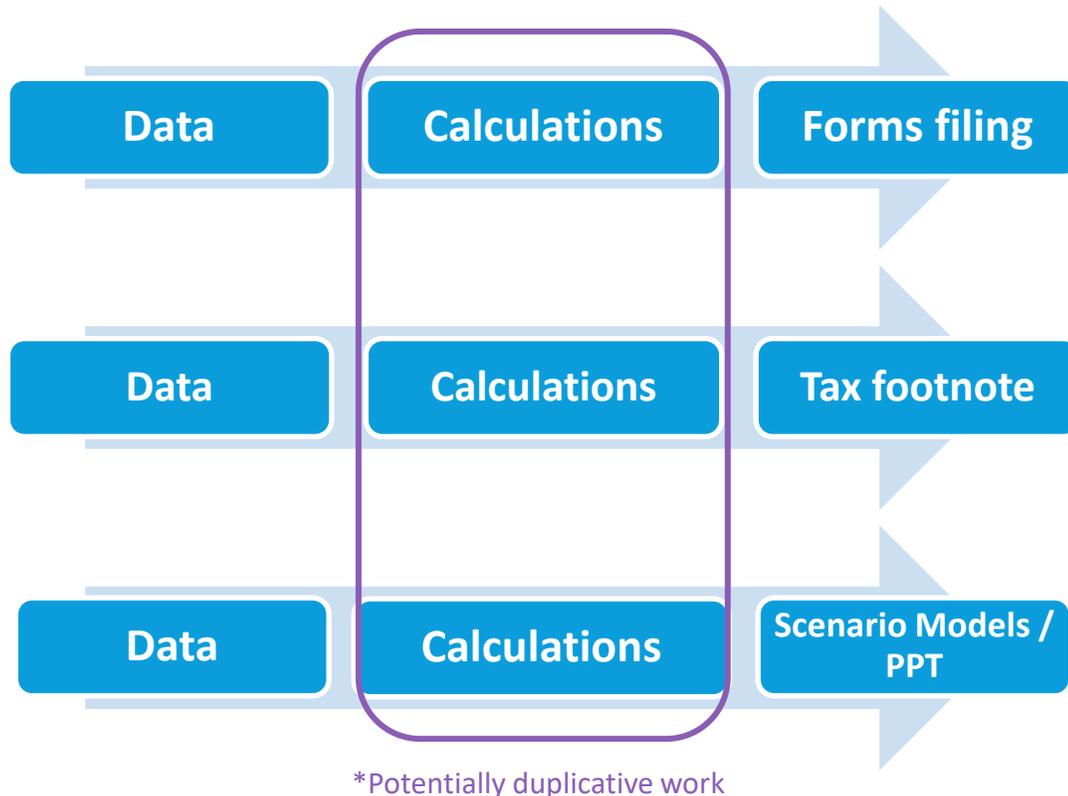
**Demonstrate the value of a workflow-centric approach**

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

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

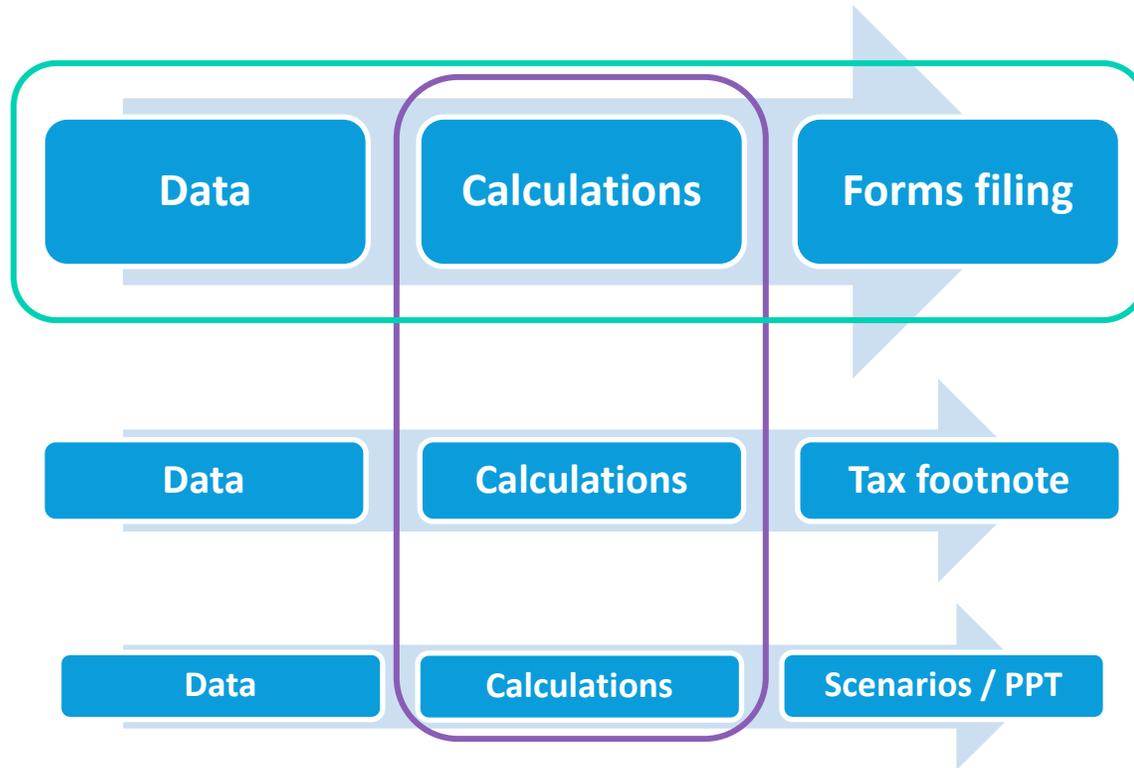
- A. Just one
- B. 2 – 5
- C. 5 – 10
- D. Greater than 10

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



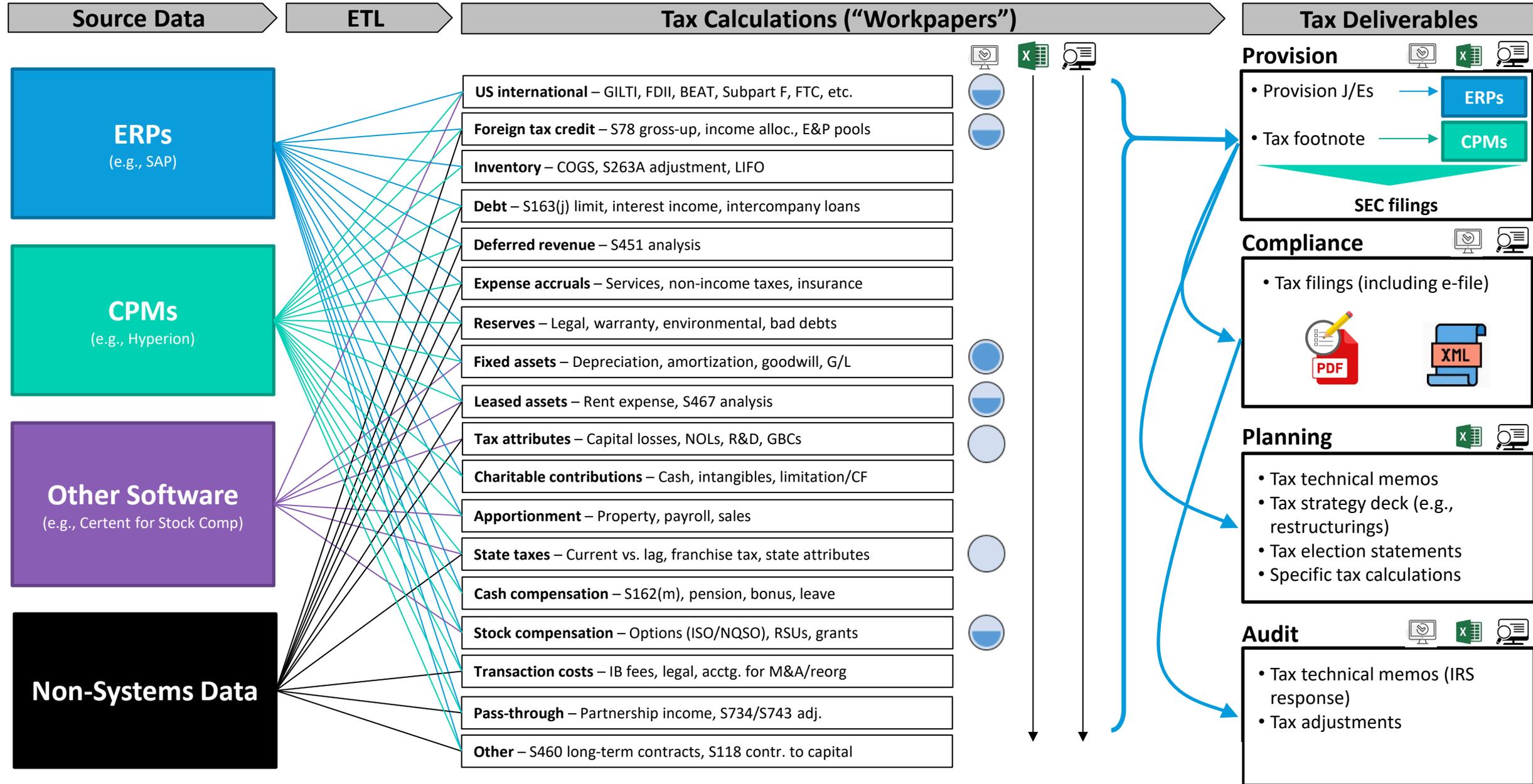
- Focusing only on the end-result makes it harder to improve the entire *workflow*
- Data and calculations are often used in silos but power all deliverables
- This creates duplicative processes and calculations that require additional review for each workflow

# 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

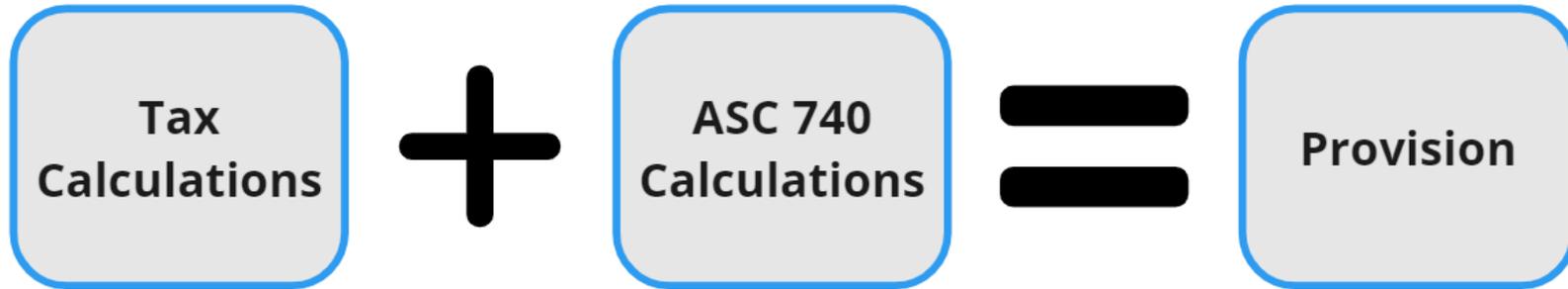


# Existing Tax Professionals' Workflow



**How do you think about the tax provision process?**

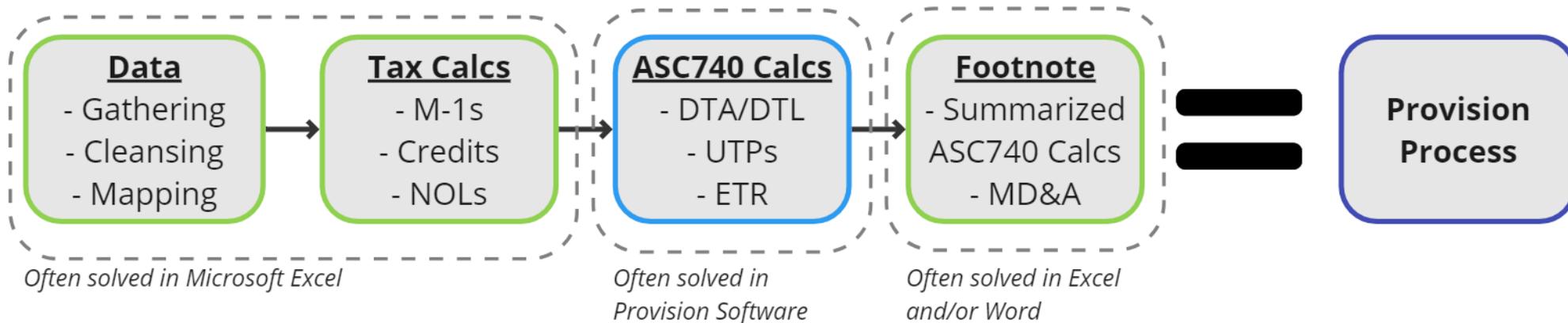
# How do you think about the tax provision process?



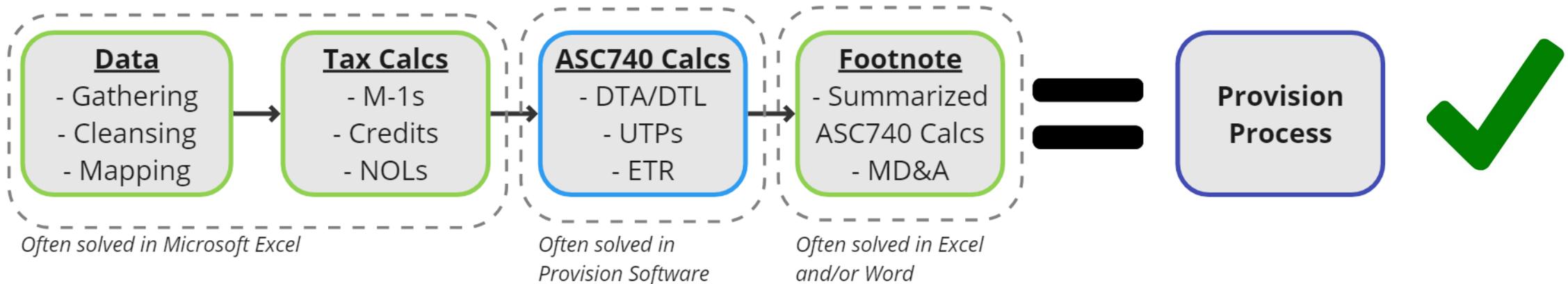
# How do you think about the tax provision process?



# How do you think about the tax provision process?



# How do you think about the tax provision process?

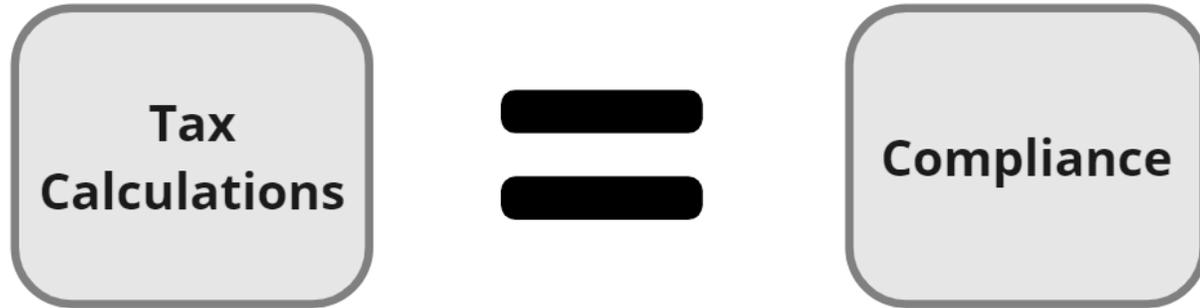


**What percentage of compliance form calculations would you estimate you do NOT maintain a supporting workpaper for?**

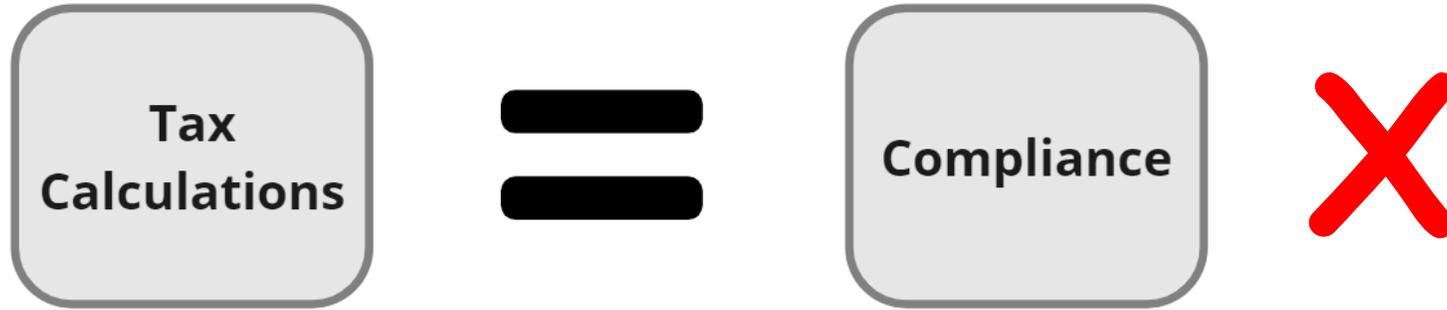
- A. < 5%**
- B. 5-10%**
- C. 10-20%**
- D. > 20%**

**How do you think about the compliance process?**

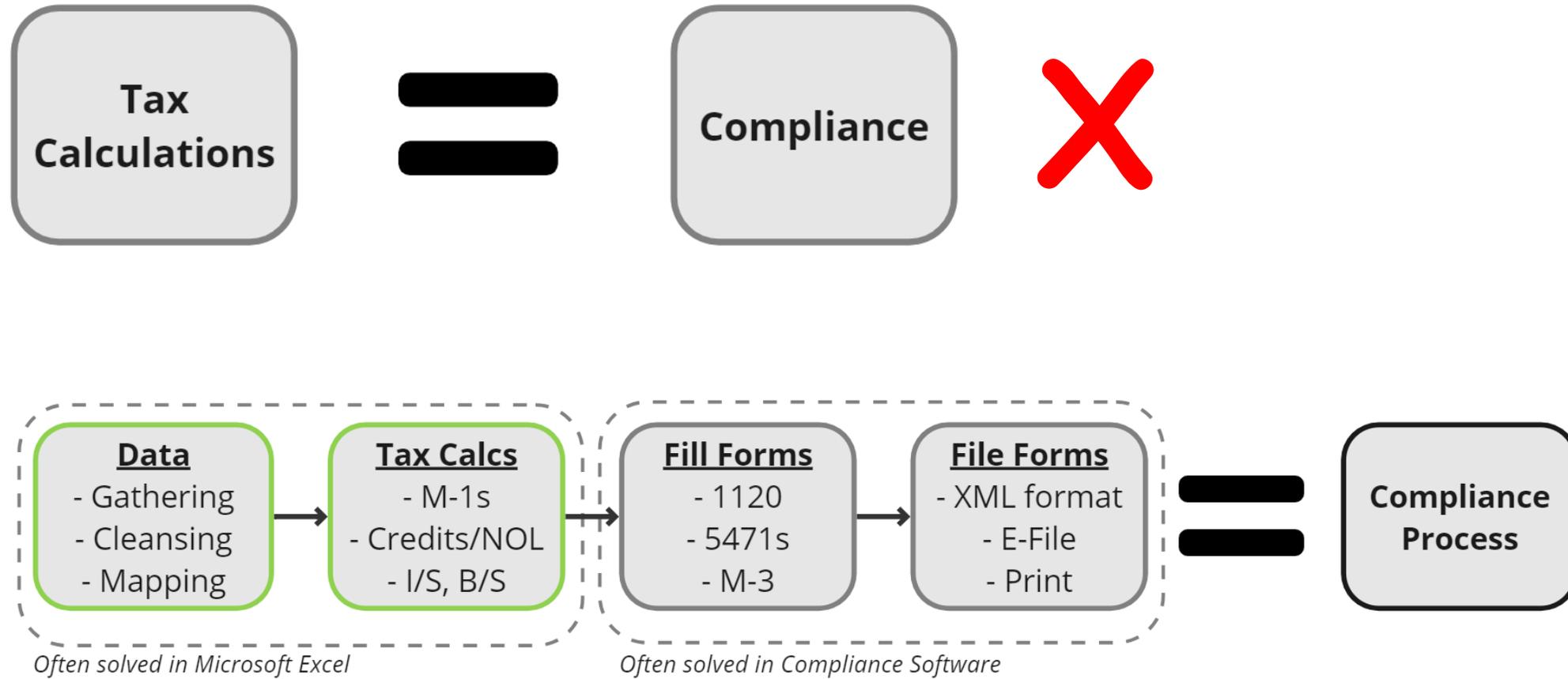
# How do you think about the compliance process?



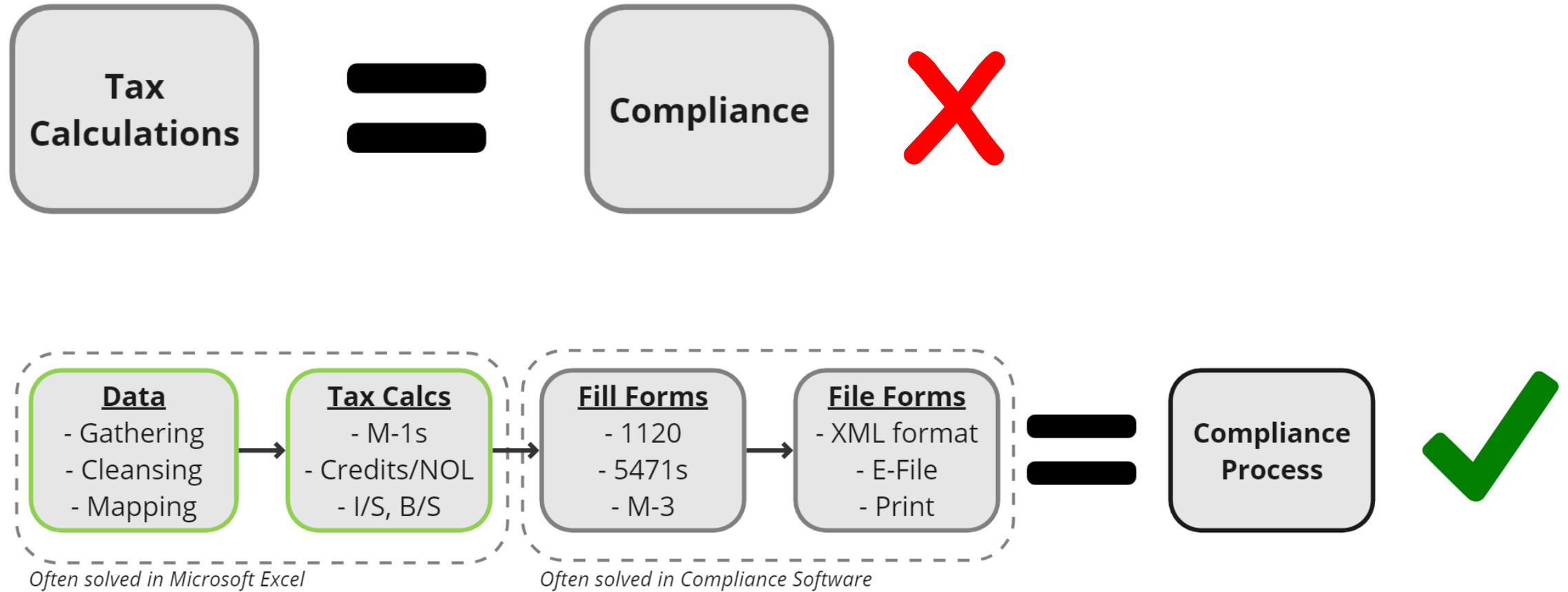
# How do you think about the compliance process?



# 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

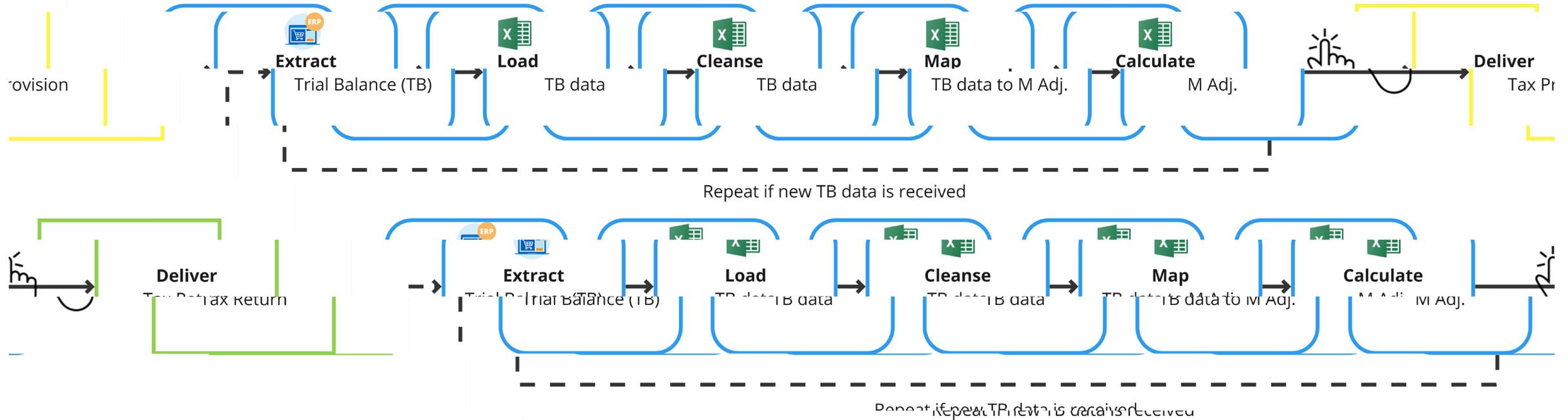
# Workflow 1:

## Basic M Adjustments for provision and compliance



# Current state

Workflow 1: Basic M Adjustments for provision and compliance

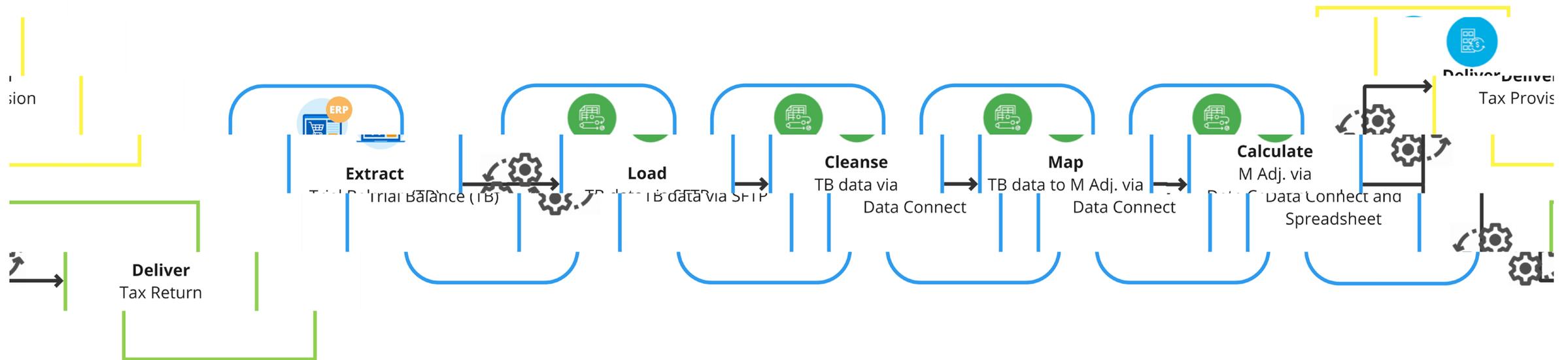


**Pitfalls:**

- 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](#)

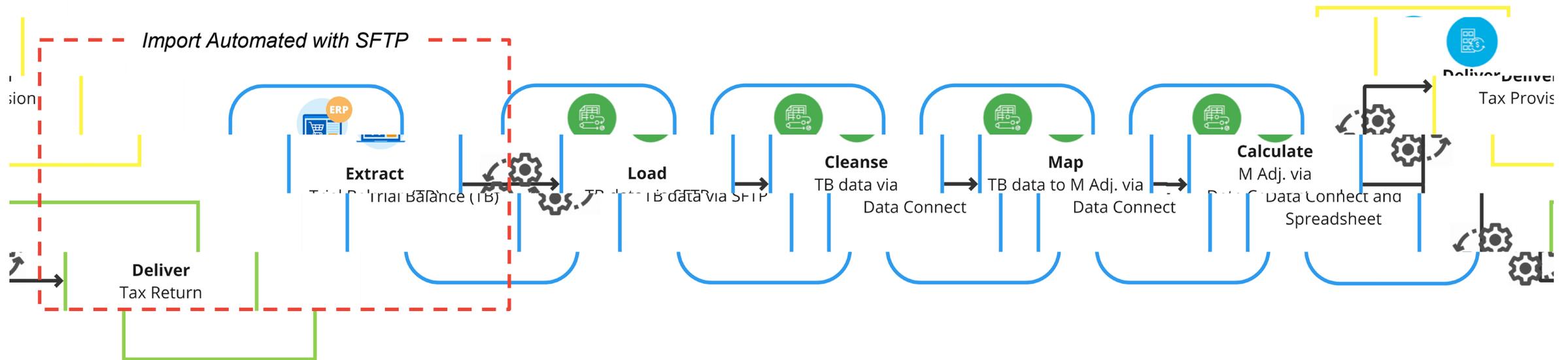


## Benefits:

- 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

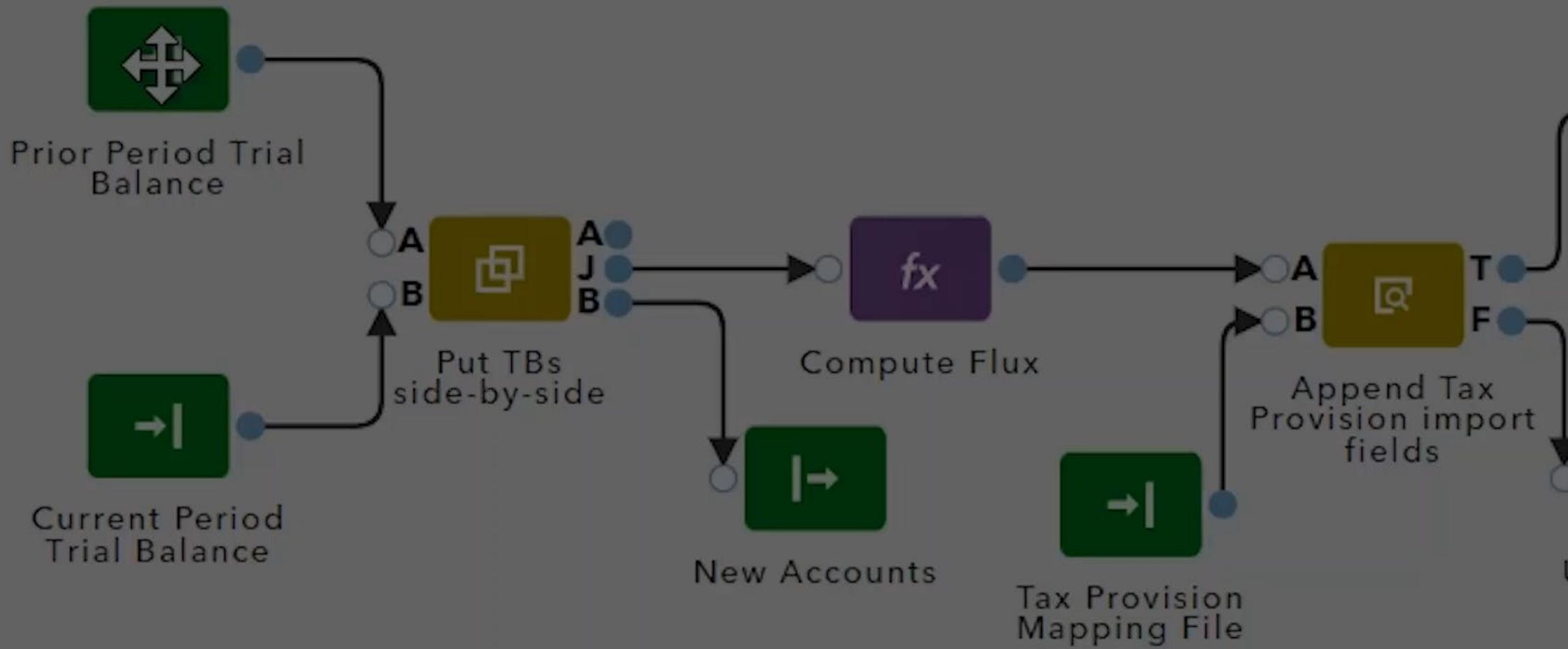
Workflow 1: [Basic M Adjustments for provision and compliance](#)



## Benefits:

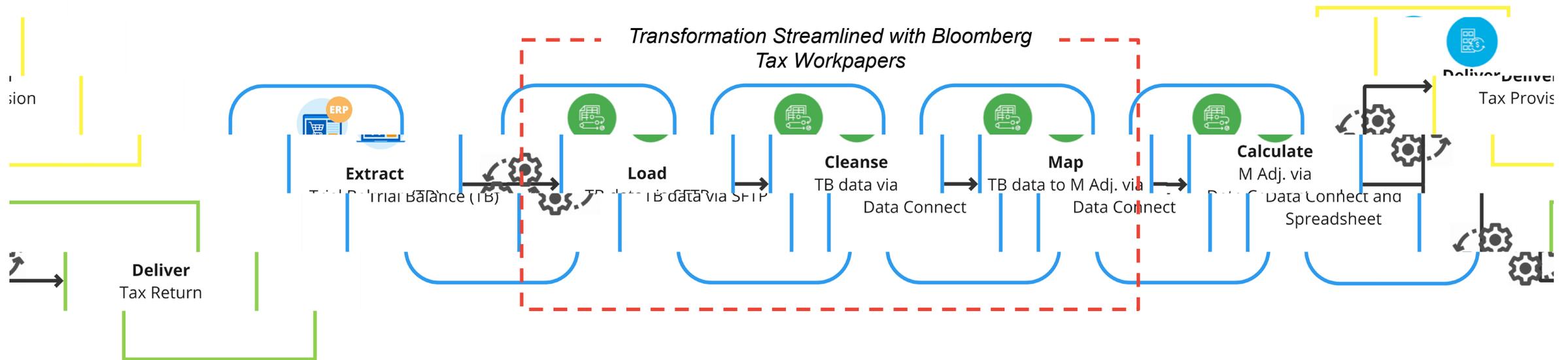
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# Future state

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

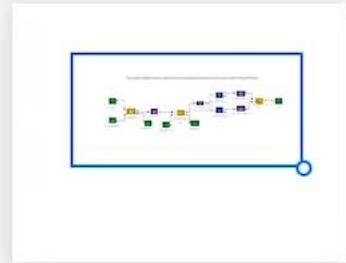
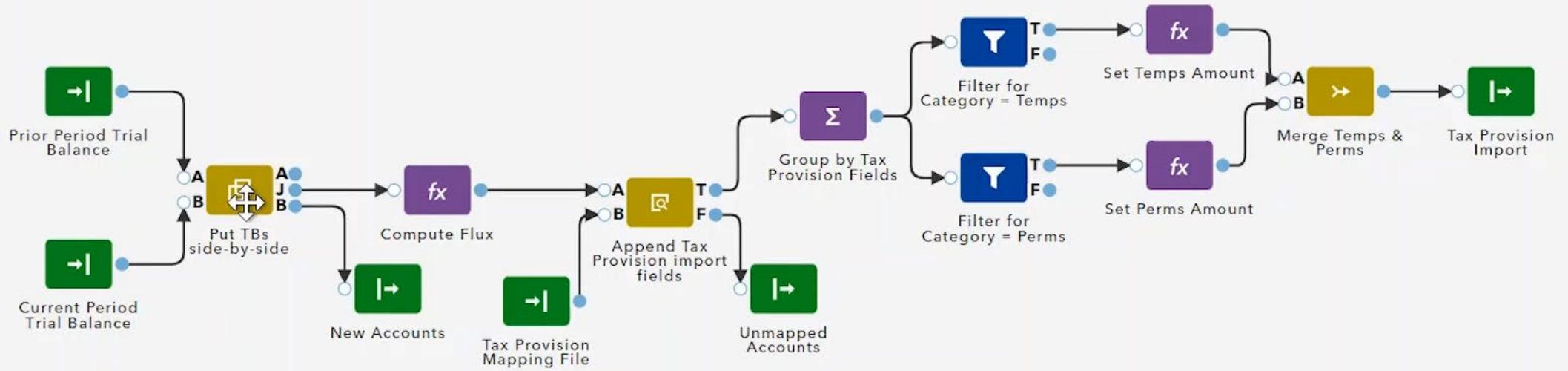


## Benefits:

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

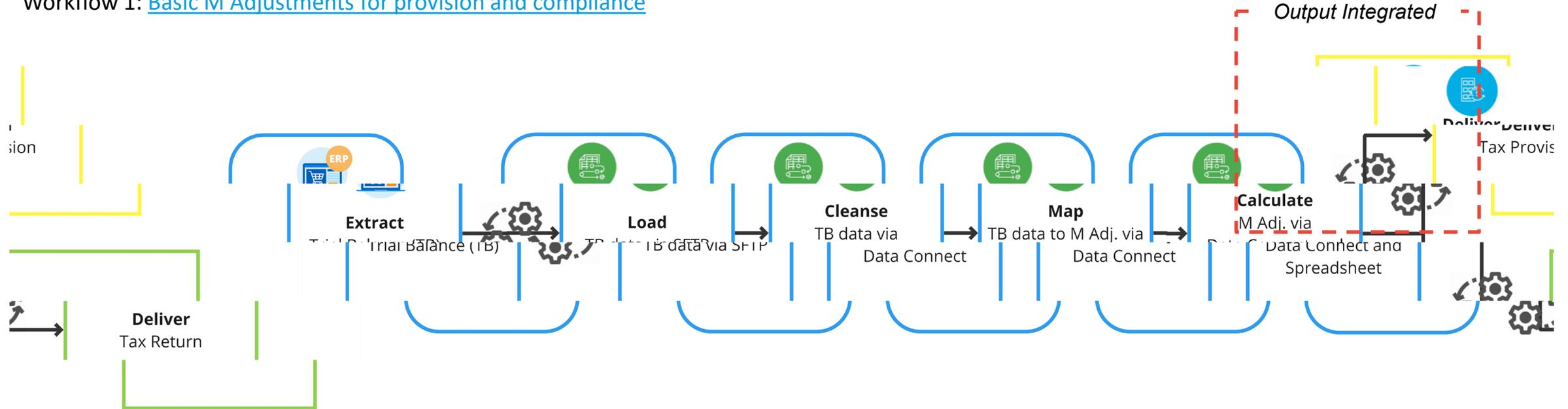


This template highlights how you might calculate basic M adjustments & format them for import into Bloomberg Tax Provision.



# Future state

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

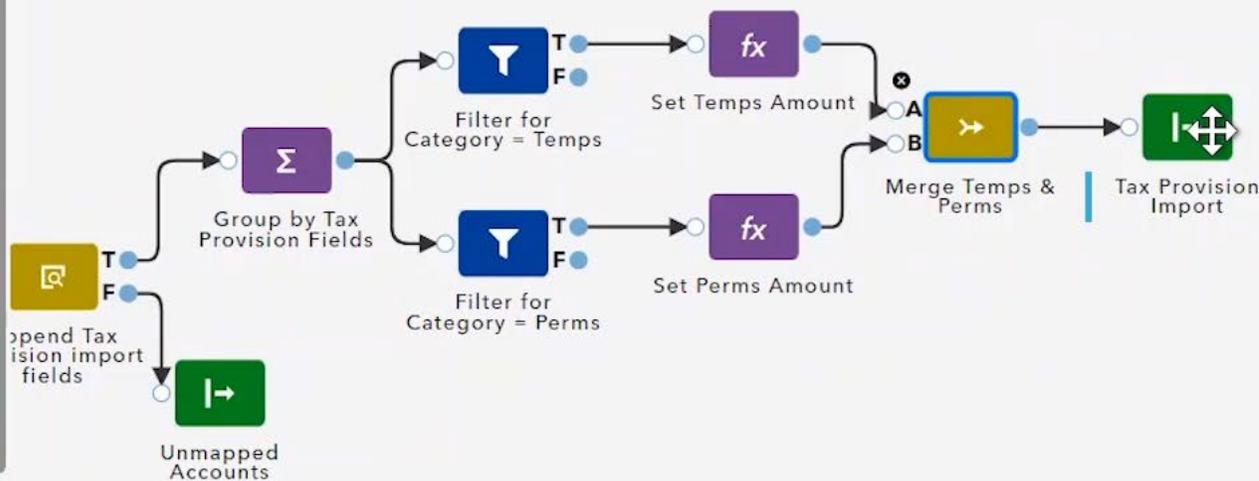


**Benefits:**

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



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



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)

Input B (Set Perms 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	▼

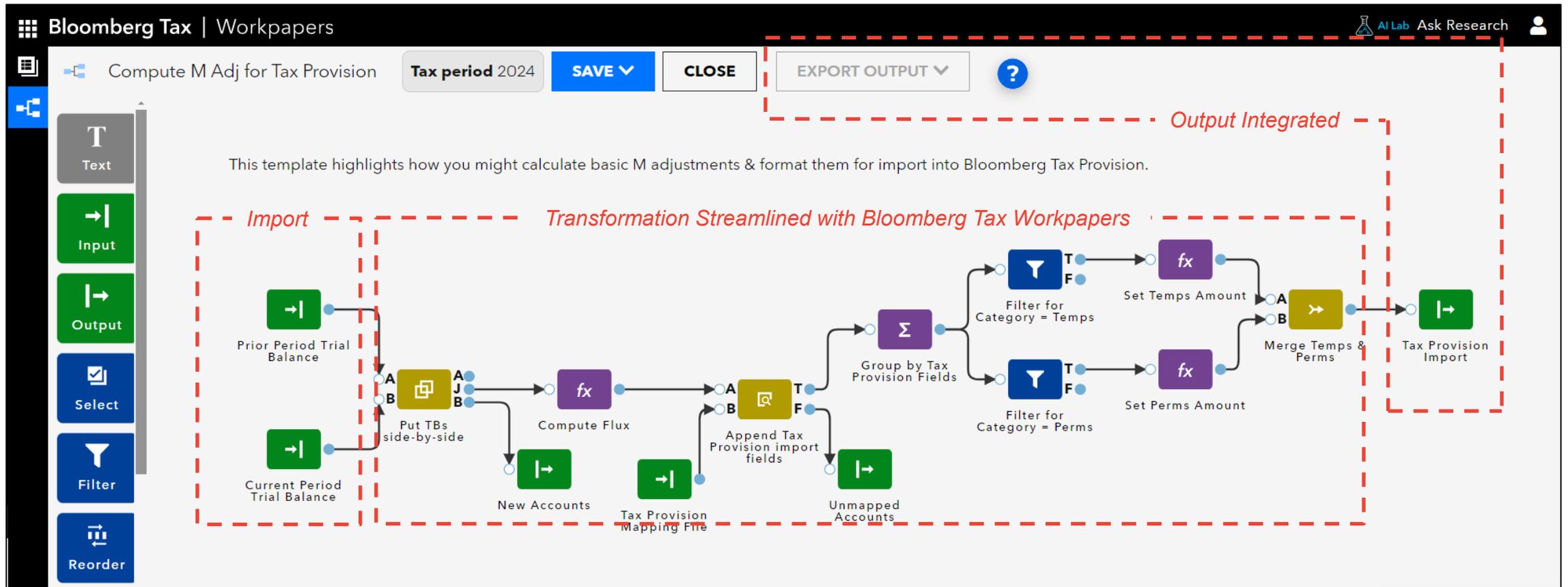
Preview Output (showing 1 of 1 records)

	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

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

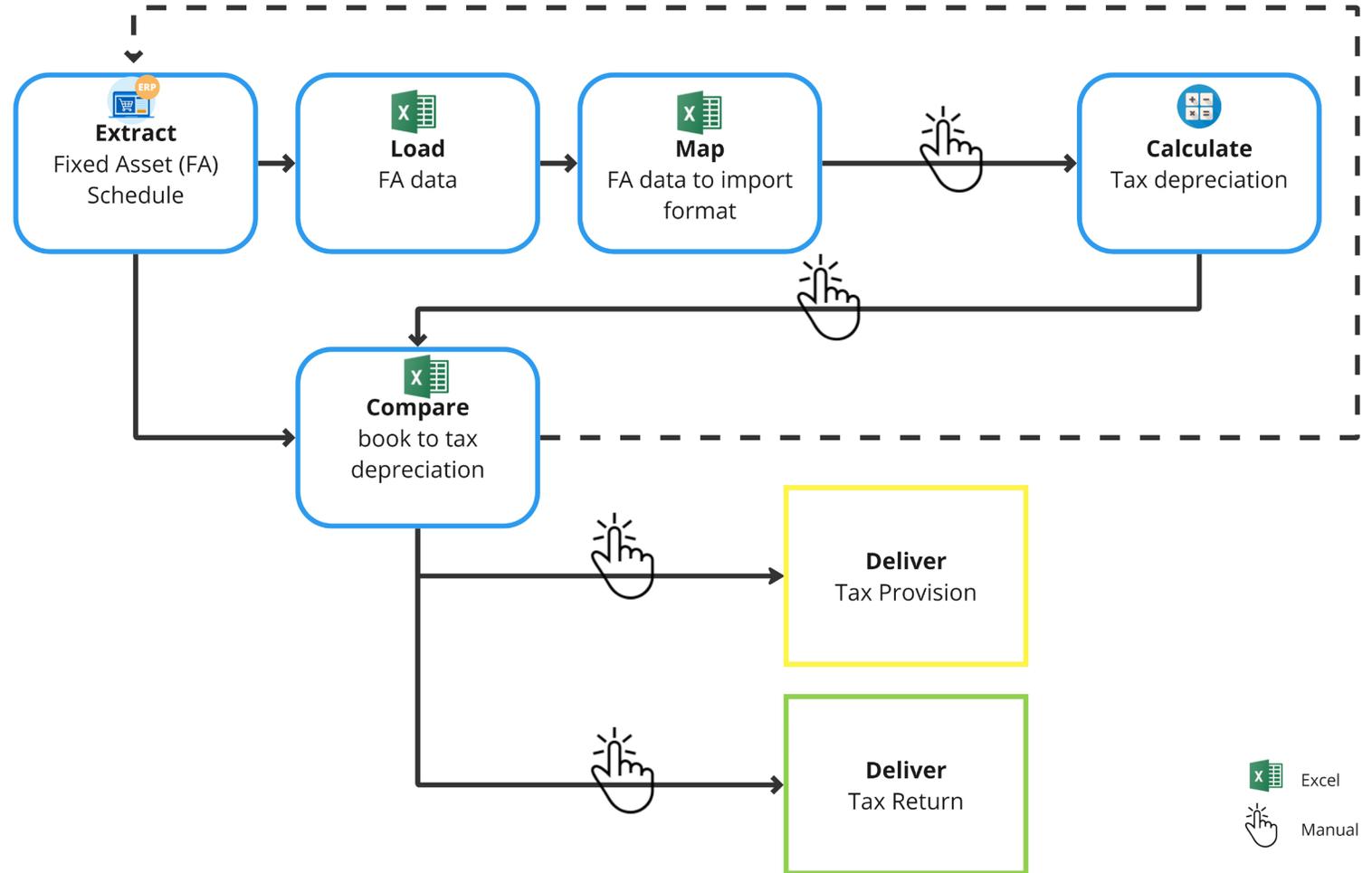


# Current state

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

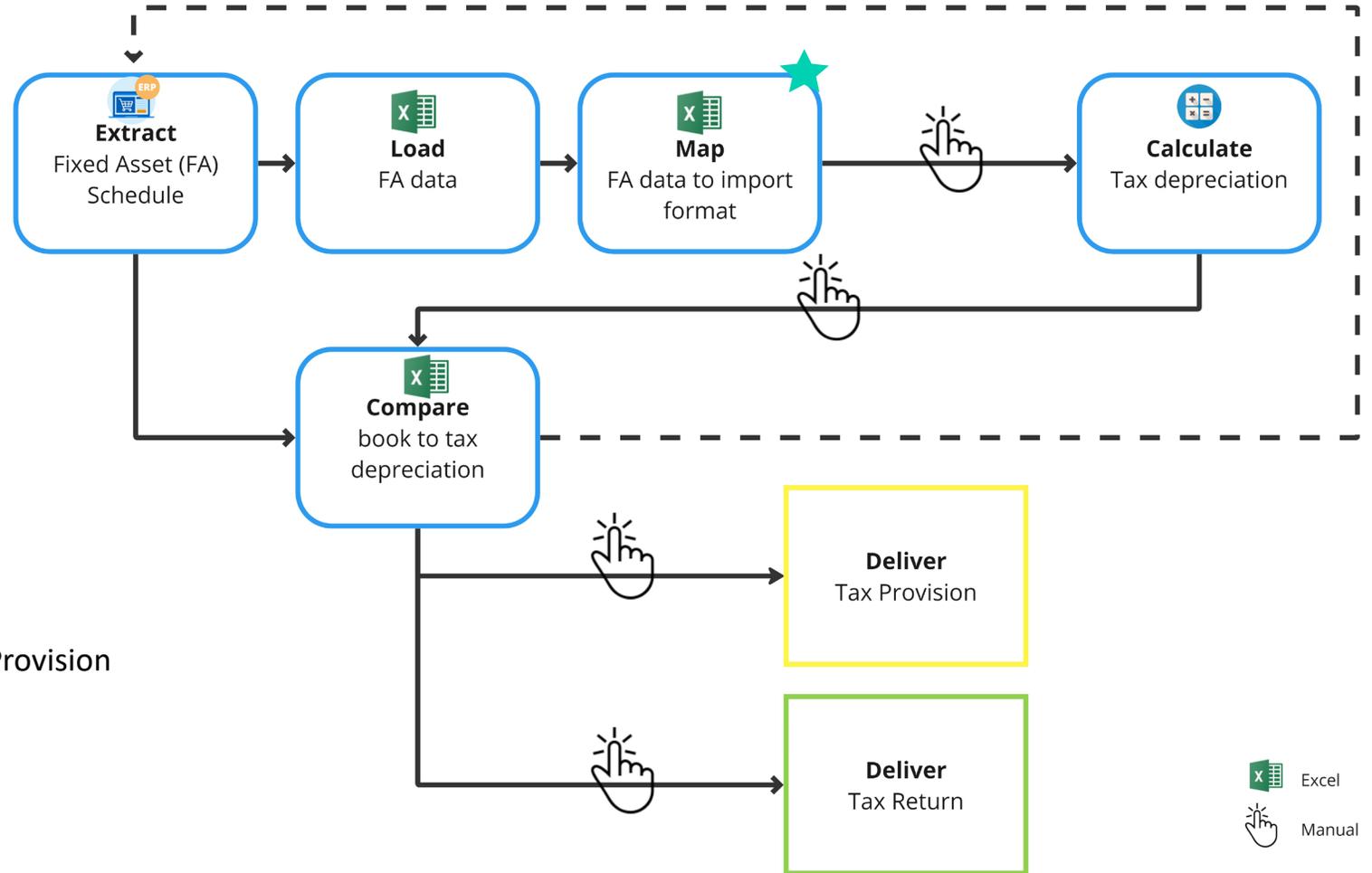
Workflow 2a: [Depreciation for provision and compliance](#)

## 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

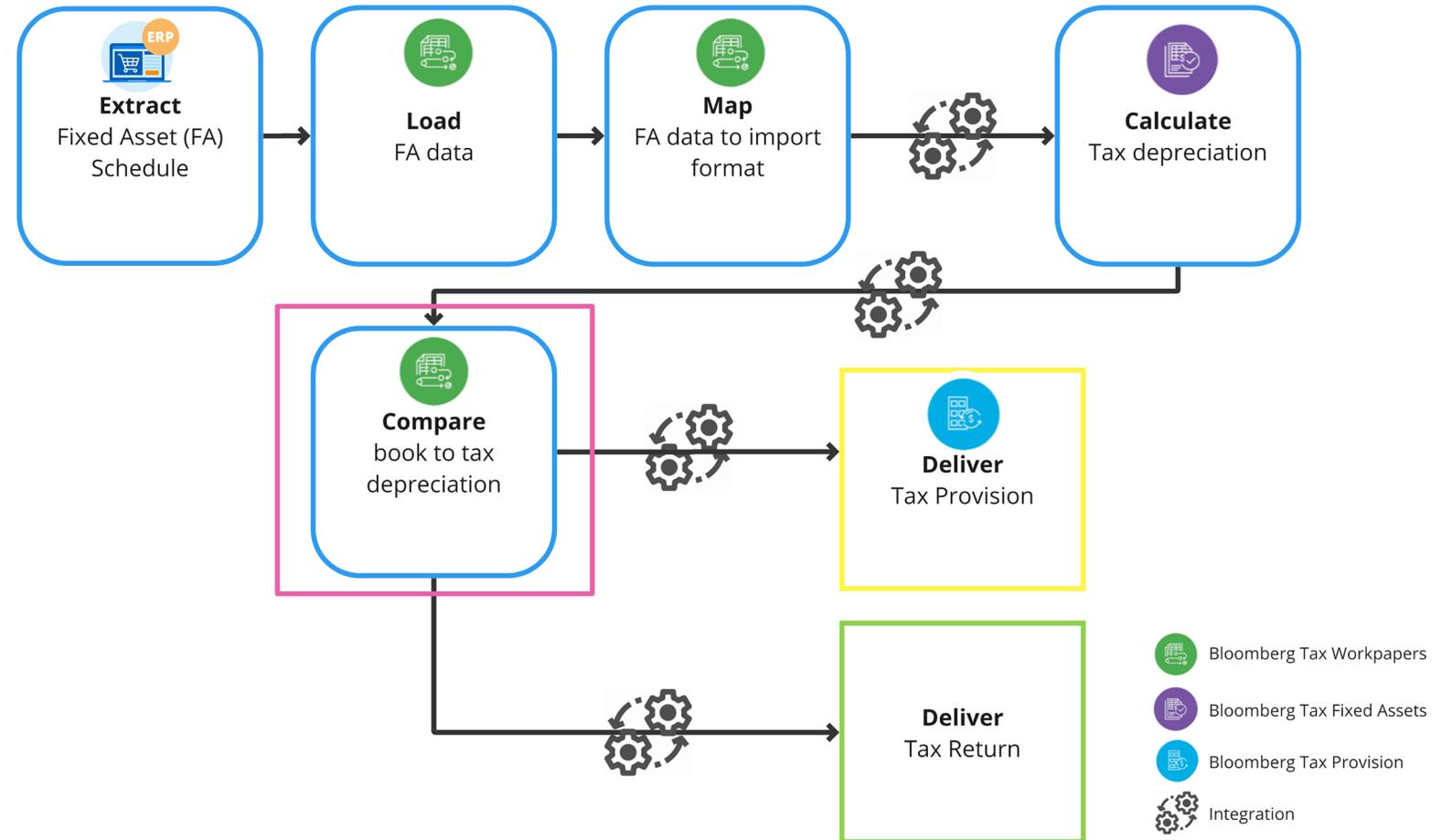


# Future state

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

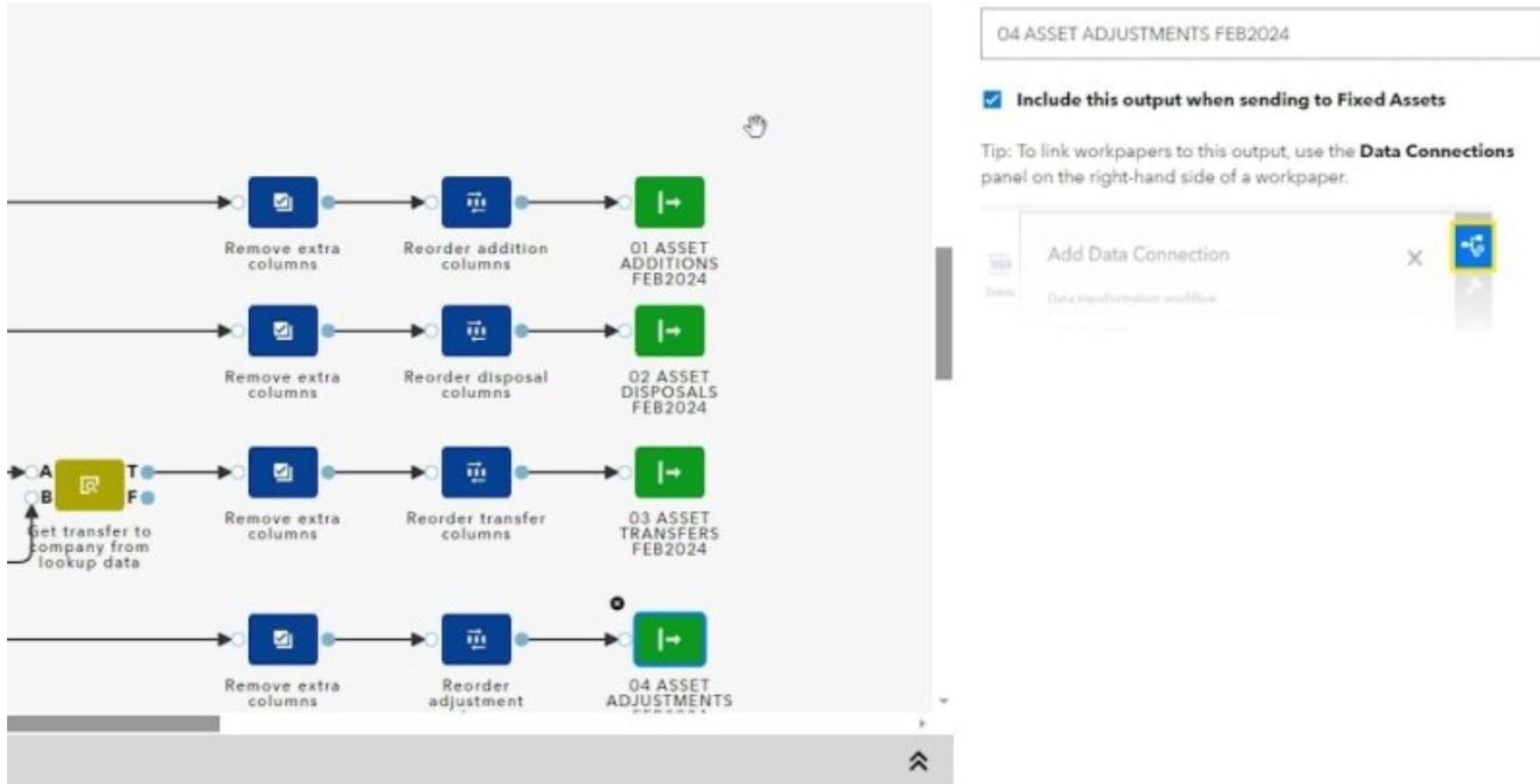


## Tax Professionals' Workflow Powered by Bloomberg Tax



# Future state

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



# Future state

## Workflow 2: Depreciation for provision and compliance

The screenshot displays the Bloomberg Tax Workflow Automation interface. At the top, the navigation bar includes 'Workflows' and 'Reconciliation' tabs, with 'Workflows' selected. Below this, there are sub-tabs for 'Job Runs', 'Workflow Manager', and 'Lookups'. The main header shows the job title 'Export Test - started 8/29/2024 2:00:03 AM' and buttons for 'Download Files' and 'View Files'. The job status is 'Export' with a 'Run Type' of 'Scheduled' and a 'Description' field. A progress bar shows three steps: 'Data Gathered', 'Data Processed', and 'Job Finished', all marked with green checkmarks. A summary box on the left indicates 'Job Finished' and lists two output files: 'Export Test 2024\_08\_29 06-02-08 detail.csv' and 'Export Test 2024\_08\_29 06-02-08 summary.csv', both with a count of 0 records. Below this, a table lists the output files with columns for Name, File Type, File Size, and Last Modified.

**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

**Progress:** 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 checked="" type="checkbox"/>	Export Test 2024_08_29 06-02-08 detail.csv	Export	0 B	08/29/2024 2:02 AM
<input checked="" type="checkbox"/>	Export Test 2024_08_29 06-02-08 summary.csv	Export	0 B	08/29/2024 2:02 AM

# Workflow 3:

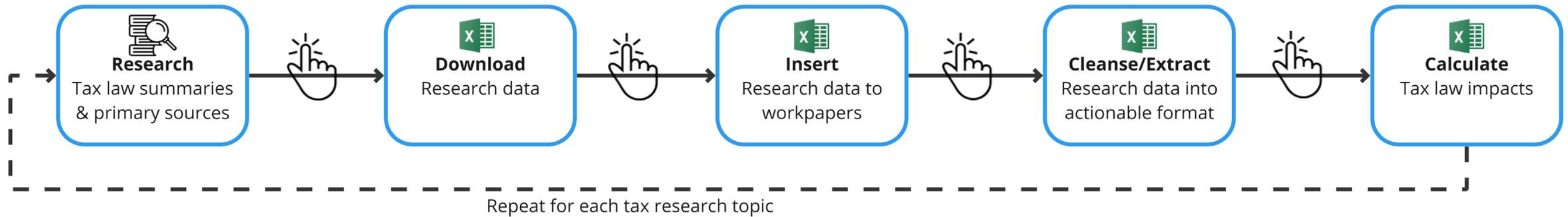
Keeping calculations up-to-date based on tax law changes



The screenshot shows an Instagram post from the account 'thebig4accountant'. The post features two images: the top one is a straight highway with two white trucks, and the bottom one is a complex multi-level highway interchange. The text 'the journal entry' is overlaid on the right side of the top image, and 'the supporting calculation' is overlaid on the right side of the bottom image. The TB4A logo is visible in the top left corner of the post.

# Current state

Workflow 3: Keeping calculations up-to-date based on tax law changes

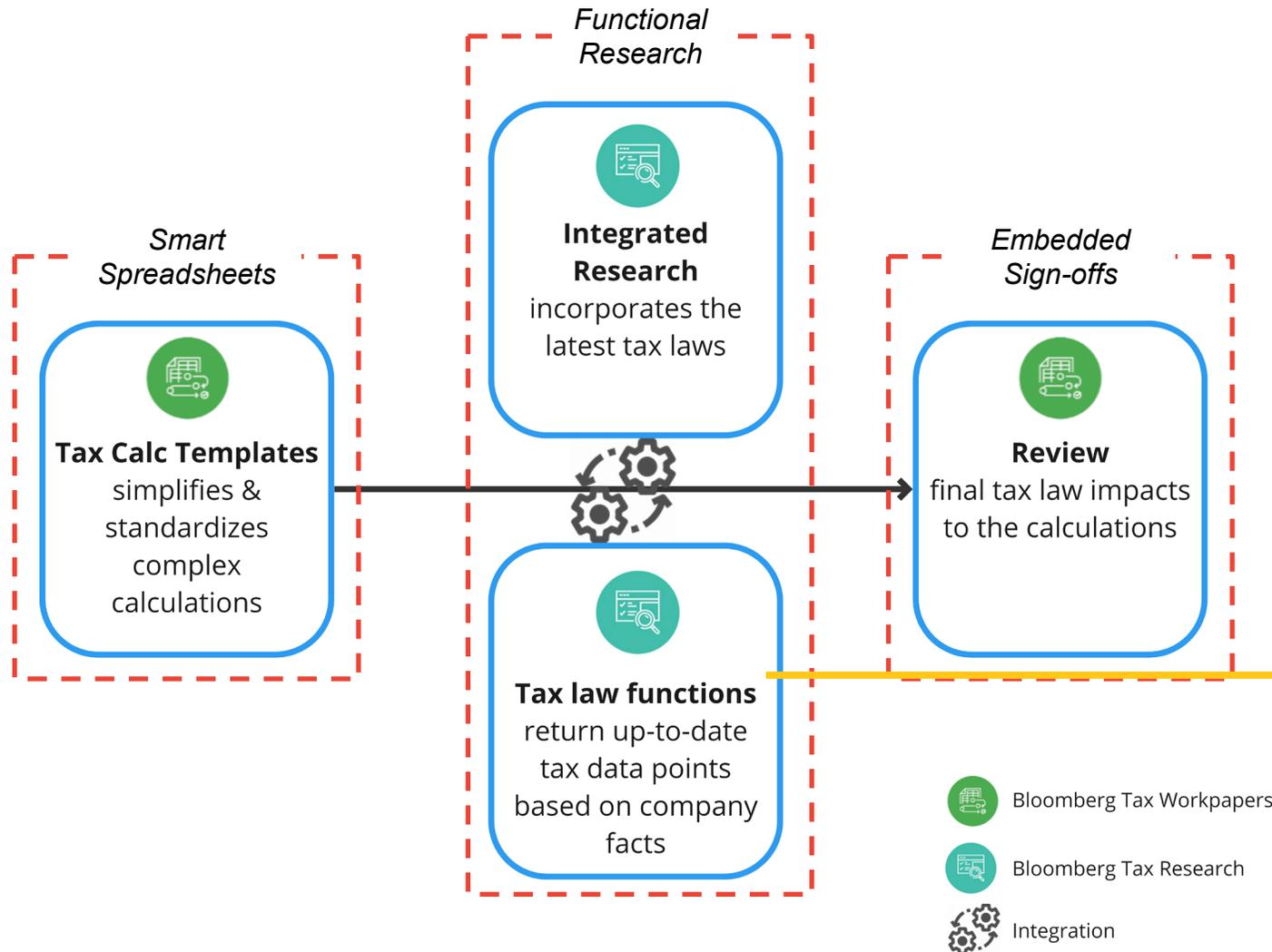


## Pitfalls:

- 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

Workpapers: Worksheet Team Test Account

Global Intangible Low-Taxed Income X (GILTI)

The GILTI, or global intangible low-taxed income, regime effectively imposes a worldwide minimum tax on foreign earnings and subjects U.S. shareholders of controlled foreign corporations (CFCs) to current taxation on most income earned through a CFC in excess of a 10% return on certain of the CFC's tangible assets (with a reduction for certain interest expense). GILTI inclusions are reduced by a special deduction and a partial foreign tax credit.

Key BNA Portfolios  
Global Intangible Low-Taxed Income (GILTI) (6216 T.M.)

Key Code and Regulations Sections

4.90%			

The Arizona corporate income tax rate is 4.9%.  
**Ariz. Rev. Stat. Ann. § 43-111(5).**

[View related analysis in Bloomberg Tax Research](#)

Clipboard: Paste, Undo, Redo

Font: Font Face (Tahoma), Size (11), Bold, Italic, Underline, Text Color, Background Color

Alignment: Left, Center, Right, Top, Bottom, Middle

Numbers: Percentage, Increase/Decrease, Clear

Styles: Conditional Format, Format Table, Cell Styles, Cell Editors

Cells: Insert, Delete, Format

Editing: Sum, Fill, Sort & Filter, Find

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

[Return to Overview](#)  
**State Taxable Income**  
**State Apportionment Summary by State**  
 Version 2.1 last modified on 08/09/2024

	Federal	Alabama	Alaska	Arizona	Arkansas	California	Colorado	Connecticut	Delaware	District of Columbia	Florida	Georgia	Hawaii	Idaho	Illinois
<b>WEIGHTING</b>															
<i>Sales weighting</i>	(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%
<i>Property weighting</i>		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%
<i>Payroll weighting</i>		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%
<b>FACTOR</b>															
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
<b>APPORTIONMENT FACTOR</b>		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%
<b>SALES WITHIN</b>															
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Sales Within</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>SALES EVERYWHERE</b>															
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Sales Everywhere</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>PROPERTY WITHIN - BOY</b>															
Land															
Buildings															
Furniture and fixtures															
Leasehold improvements															
Machinery and equipment															
Inventory															
Other real or tangible assets															
Government property															
Construction in progress															
<b>Total Property Within - BOY</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Annual Rent															
8X		8	8	8	8	8	8	8	8	8	8	8	8	8	8
<b>Annual Rents for Property Factor (8X) Within</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>ACCUMULATED DEPRECIATION WITHIN - BOY</b>															
Buildings															
Furniture and fixtures															
Leasehold improvements															
Machinery and equipment															
Inventory															
Other tangible assets															

## Tax Professionals' Workflow Powered by Bloomberg Tax

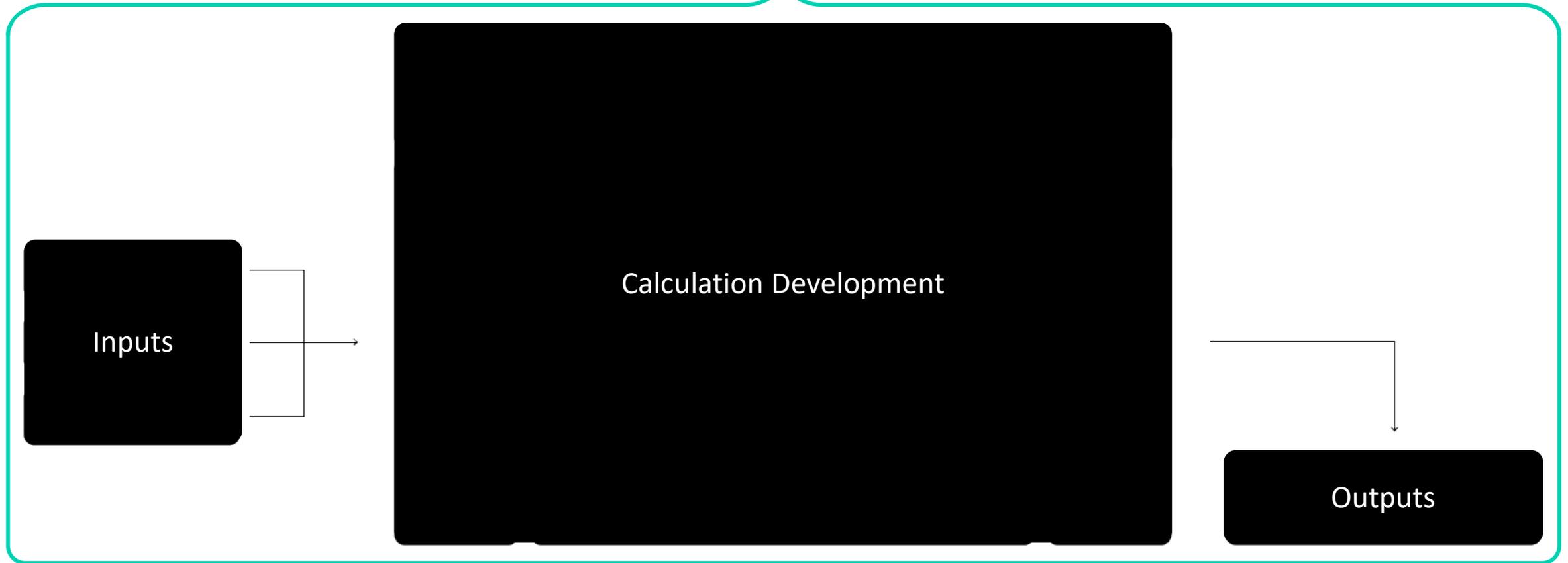


**Now what?**

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

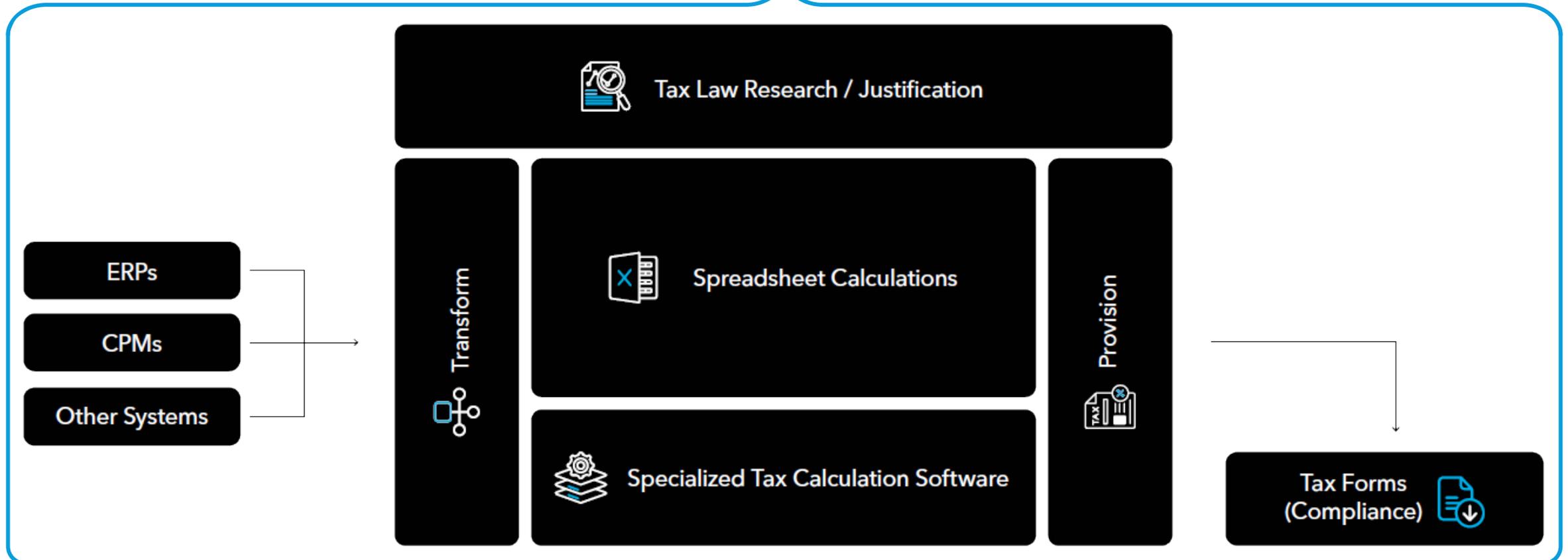
# A how-to guide for identifying opportunities for efficiencies within your own workflows

First, Pick a workflow – think small



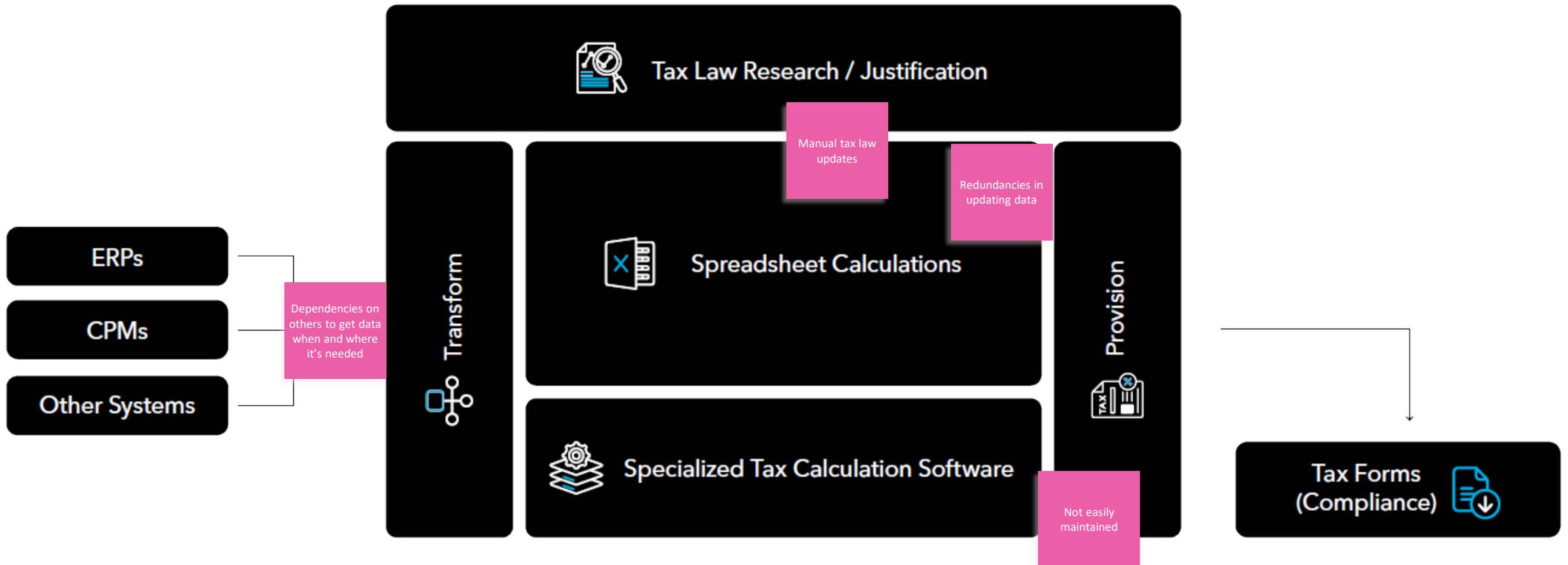
# A how-to guide for identifying opportunities for efficiencies within your own workflows

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



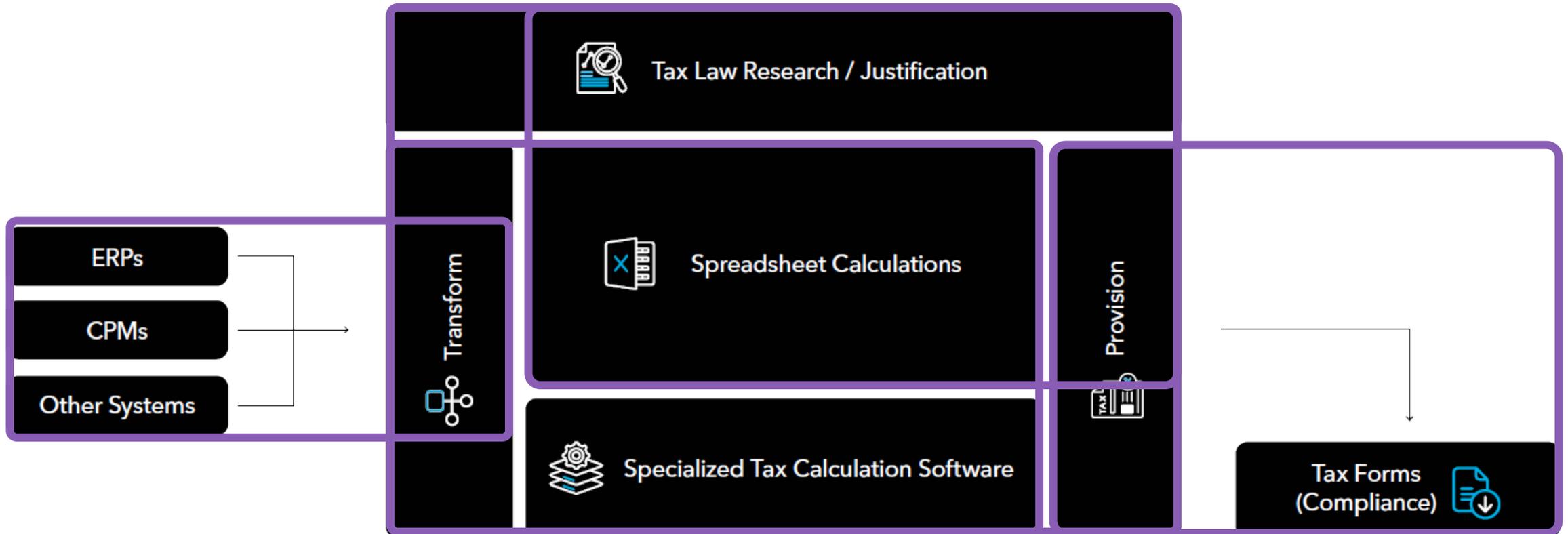
# A how-to guide for identifying opportunities for efficiencies within your own workflows

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](https://pro.bloombergtax.com)