

# CTA Address: Impact of AI on Tax

## Briefings



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The rise of artificial intelligence (AI) will ‘inevitably’ have an impact on the world of tax, but human users will still be needed to oversee the technology, said speakers at this year’s CTA Address.

The event on 5 June was chaired by CIOT President Charlotte Barbour, with the main speaker Conrad Young CTA, former Chief Digital Officer at Deloitte and Chair of the Advisory Board at the Oxford Internet Institute. The other panellists, also CTAs, were Bivek Sharma, Chief Technology Officer for PwC UK, and Shan Sun, Tax Technology lead at Deliveroo.

Conrad said revenue authorities are looking to acquire more data from taxpayers and intermediaries, use AI to analyse and scrutinise that data and use digital channels to transform interactions with taxpayers. French authorities used AI to uncover 140,000 undeclared swimming pools in the country in 2023, amounting to €40 million in tax. On the other hand, the Dutch government resigned after 20,000 families were wrongly accused of child benefit fraud, in part due to flawed investigations aided by AI.

Within the tax services market, an influx of AI providers could affect the status quo, with taxpayers moving away from established bodies to new services. Conrad warned that AI could 'be the end' of billing 'by the hour' and some other commercial models.

Bivek said that AI is moving so quickly that businesses need to take a look at where it will end up in the future, rather than how it is now. He said he knows one tax professional who initially thought AI 'couldn't possibly do what I do' but who is now an ardent user. We are becoming 'augmented advisers', he concluded.

Shan said machine learning will always have errors and we must allow for that. AI will need to be monitored, but it is 'inevitable' that it will be largely monitored by other AI itself, due to the large data sets. On tax advice, there was agreement among panellists that 'some form of human in the loop' is needed to ensure accuracy, as AI can generate sensible sounding but wrong answers.

Watch the full address at: [tinyurl.com/CTA24-AI](https://tinyurl.com/CTA24-AI)