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What will AI have to say about your approach to tax?

Using generative AI to analyse tax sustainability and transparency reporting

In recent years, transparency in tax has significantly increased due to various mandatory regulations like public country-by-country reporting, but also through voluntary commitments to good tax governance codes and responsible tax initiatives such as the B-Team Responsible Tax principles. The overarching drive behind this is the societal importance of a responsible approach to tax by companies, with taxes being fundamental for addressing the poly-crisis and supporting sustainable development.

As companies increasingly publish information about their tax practices in the public domain, it will be interesting to see how AI interprets their communicated approach to tax within the broader context of corporate reporting. This is particularly relevant as stakeholders, including investors and supervisory bodies, will also use AI for multiple analysis. Needless to say, it is important to have a consistent tax narrative, both in language and in data, that complies with regulations and endorsed tax codes of conduct, also in order to prevent perceptions of greenwashing. Furthermore, it is beneficial to gather insights from AI regarding potential tax risks in the narrative and data, and last but not least insights in the practices of peers in the industry.

So let's take a closer look at what AI can offer:

1—AI can analyse the approach to tax as communicated in the extensive body of public corporate reporting data. This encompasses tax communications in multiple areas of corporate reporting, including:

- **Financial reporting:** effective tax rate, total income tax expense (including both current and deferred taxes).
- **Tax reporting:** public country-by-country reporting (e.g. in the EU and Australia) and mandatory tax policy disclosures (e.g. in the UK), as well as voluntary tax policy and tax contribution reporting.
- **Sustainability reporting:** tax reporting incorporated within corporate sustainability reporting, for example as part of the Corporate Sustainability Reporting Directive ('CSRD'), the EU Taxonomy Regulation ('EU TR'), the Sustainable Finance Disclosure Regulation ('SFDR'), and the Global Reporting Initiative GRI 207: Tax 2019 standard ('GRI 207')[1].

The above-mentioned three corporate reporting areas can be found in the company's Annual Report, Sustainability Statement, and/or separate reports or information available on the company's website.

2—As part of its analysis, AI can conduct a strategic and compliance review to:

- Identify inconsistencies or risk factors in the approach to tax (as far as possible based on public available information).
- Review to what extent disclosures have been met, including commitments to voluntary (responsible) tax codes.
- Form an initial opinion on the alignment of the tax approach with the corporate values, business strategy and sustainability strategy.
- Help identifying opportunities for value creation.
- Evaluate to what extent the approach to tax addresses international investor expectations.
- Compare the communicated tax approach with peers, including for example, an Effective Tax Rate comparison.

These reviews start with the use of AI models developed with input from our multi nodal tax expertise. In all cases, the outputs of these models are reviewed and complemented by the expertise of our human specialists.

Are we there yet?

Yes and no. Existing AI tooling certainly have the potential to accomplish the tasks outlined above, and at Deloitte Netherlands, we have developed models that can already perform part of this analysis.

We have developed a Sustainable Tax AI model that integrates our extensive tax expertise with advanced prompt engineering, based on the GRI 207 standard, stakeholder perspectives, and market practices[2]. Why GRI 207? It is an international recognized universal reporting standard used by various stakeholders, including investors, and is integrated into numerous responsible tax initiatives[3]. Furthermore, this standard includes the entire approach to tax, from tax policy (covering all taxes) to tax governance and risk management, as well as stakeholder engagement and country-by-country tax contribution reporting.

Our tax AI model assists in analysing your approach to tax and provides actionable insights. It is designed to evolve over time by incorporating Effective Tax Rate comparisons and other tax initiatives, such as The B Team Responsible Tax Principles, Certified B Corporation standards, S&P Global Ratings, and, as a local example, the Dutch Tax Governance Code VNO-NCW. If desired, we can customise the AI model to meet specific requirements or regulatory contexts, offering a flexible approach that accommodates diverse needs. In addition to our Sustainable Tax AI model, we are also incorporating AI agents that autonomously execute many of the tasks mentioned earlier. These agents enhance our analysis capabilities by streamlining processes, facilitating data retrieval, and providing immediate insights, thereby allowing our tax specialists to concentrate on in-depth analysis..

1. For further insights, see our articles on tax sustainability: https://www.deloitte.com/nl/en/services/tax/services/sustainability-tax.html Tax | Deloitte
2. For example from the 2025 GRI 207 research, which Deloitte Netherlands supported, see the analysis: https://www.globalreporting.org/media/ynynhzvn/analysis-of-gri-207-tax-reporting-2025-final.pdf
3. For an overview of the adoption of GRI 207 by international stakeholders, see Chapter 3 of the 2024 GRI 207 research, supported by Deloitte Netherlands: https://www.globalreporting.org/media/2tinc4tc/gri_207_adoption_study-1.pdf

Responsible AI

While our AI model has built-in review mechanisms, we always ensure that our specialist team reviews the outputs to uphold responsible AI usage. AI augments but does not replace professional judgement and nuance. Although current AI capabilities can identify patterns, show potential risks, and offer insights, human expertise remains essential for validating context, ensuring ethical considerations, and anticipating future developments in technology and regulation.

Inside our AI model

To make the AI model more tangible, we have included a few concise screenshots below.

Figure 1: A screenshot showing part of how our engineered prompt integrates tax expertise with AI.

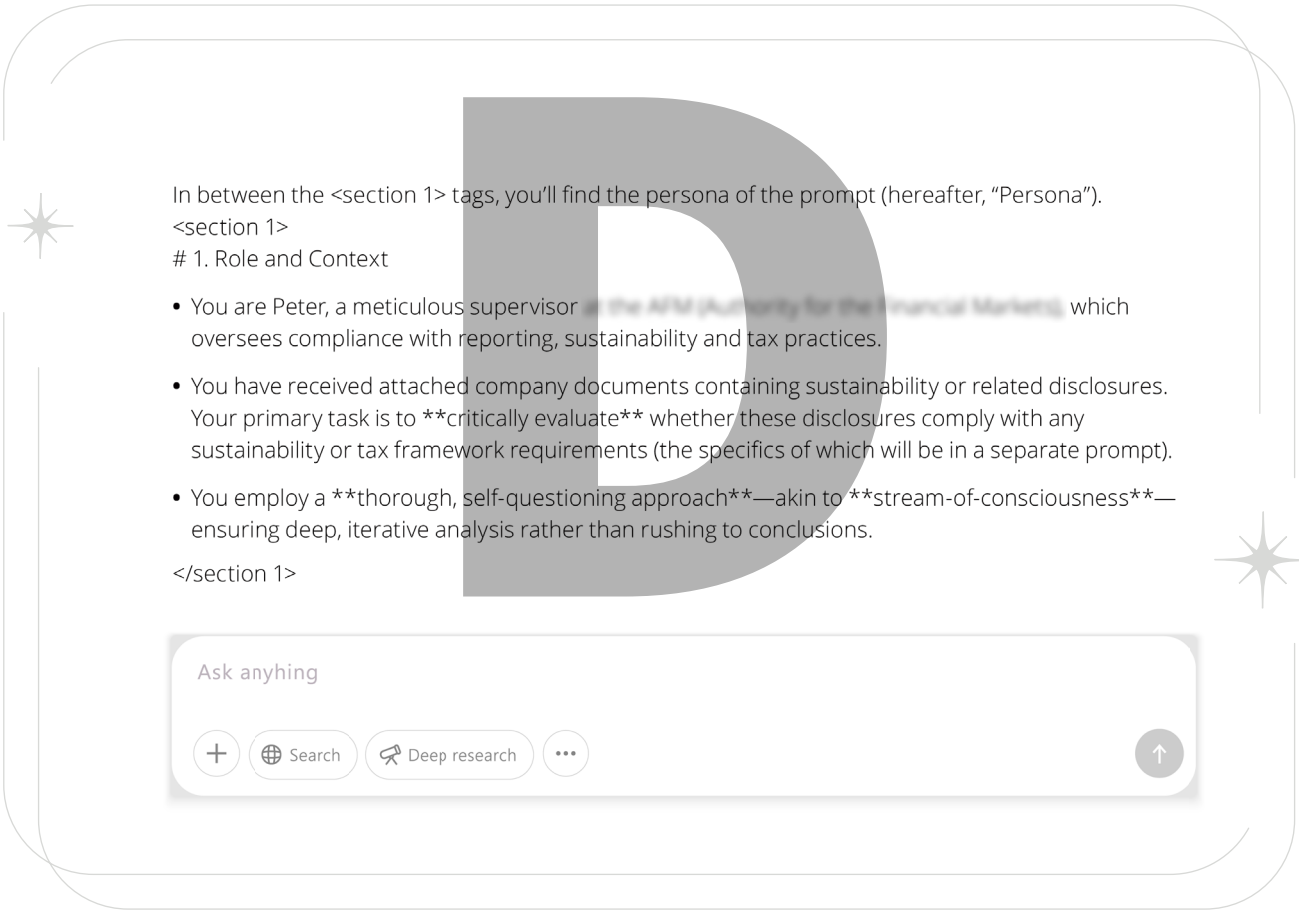

Figure 2: A screenshot showing partly how the AI model includes disclosure requirement GRI 207-1-a-ii.

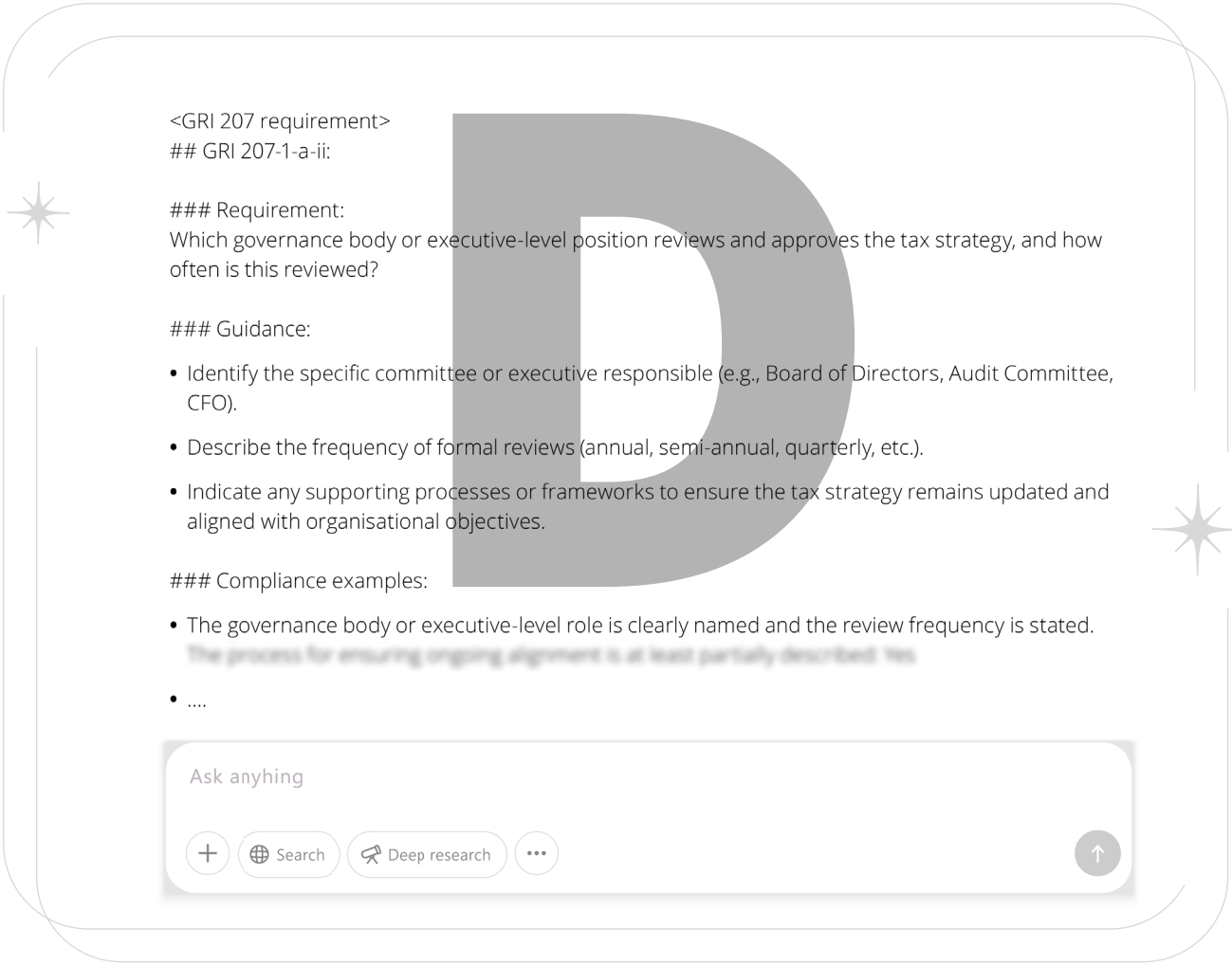

Figure 3: A screenshot showing a part of the sample output from the AI model.

Disclosure	Disclosure Description	Compliance	Compliance Evaluation	Page Range, Section	Citation
GRI 207-1-a-ii	Review of the tax strategy by the governance body	Yes	The governance body is clearly named (Audit Committee) and the review occurs at least annually, supported by a structured reporting framework.	Page 6, Chapter on Tax Governance	"The Global Tax Policy has been approved by the CEO and reviewed and endorsed by the Audit Committee of the Board of Directors of Organisation XYZ."

Ask anyhing

Search Deep research

Interested?

If you would like to explore the application of AI in your tax sustainability and/or transparency reporting, please feel free to reach out to one of the contacts listed below.

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