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Global Perspectives: Unpacking Deloitte's 2026 Tax Policy Survey

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Carrie Falkenhayn: From Deloitte Tax, welcome to the Tax News and Views podcast. In this series, we talk to specialists from Deloitte about the latest business issues. I'm Carrie Falkenhayn, your host for Tax News and Views. And today, we're discussing global tax policy, and what tax and finance leaders should be watching as we move through 2026 especially around topics like transparency, sustainability, digitalization, and trade as they continue to evolve in very fast-moving ways. I'm joined today by two great guests. First, I have Amanda Tickel. She is Deloitte's global leader for tax policy. And we also have Jeff Kumar. He is from Deloitte's Washington National Tax Office. Amanda and Jeff, I'm so glad you're both here today. And just to frame the conversation, over the past year, we've seen disruptive shifts in global tax policy, as jurisdictions focus on balancing inconsistent global rules in a digital-first operating environment, as well as significant geopolitical tension. And so, in Deloitte's 2026 Global Tax Policy Survey which was, fielded from January through March of this year, where more than 1,000 tax director and finance executives from across 28 jurisdictions gave us some very helpful snapshots of what's top of mind for them. So, Amanda, I'm going to start with you. Given this level of change, what's the primary issue keeping tax leaders up at night right now?

Amanda J Tickel: Hello, Carrie, and thanks for hosting us today. Well, the one big message that came through in our survey is complexity, and this is across all the themes, all regions of the world, all sectors. Tax leaders are telling us complexity in the tax system is their biggest issue. Now, we think this is being driven by a number of factors. The first is tax authorities being innovative, frankly. There are many new taxes, new levies, changes in tariff policy, new incentives, and this is all layering in the system and adding to the complexity. On top of that, we have a real drive to reporting and transparency. And then, of course, a whole new international tax system in the form of Pillar 2, with the complexities that's bringing. So, if you think of those three drivers, it's probably not surprising that complexity is coming out number one, and the expectation is that there'll be more to come.

Carrie Falkenhayn: And is this complexity simply a reflection of the fact that the modern world is a complicated place, or are we getting more data as the result of something like AI or other sophisticated reporting methods?

Amanda J Tickel: I'd say you're right on both counts, Carrie. There's certainly a built-in and unavoidable level of complexity inherent in any multi-jurisdictional tax system, isn't there? But I think the fact is, most governments find it really hard to repeal taxes, so over time, we get this substantial layering effect. But some of it does definitely stem from policy choices which can deliver, you know, these really burdensome processes. And I think there's a quest for more and more information from tax authorities around the world, and coupling that with technology that tax authorities are now using, they are just asking for more and more data. But I do think there's a balance here that needs to be found between that finding, requesting, reporting data, because it costs business money, time and money need to actually do this, so there does need to be a clear case for it, otherwise it's going to be a productivity drain.

Jeff Kummer: And to that point, I would add that I think we do continue to see national and multinational efforts to simplify and modernize tax systems, and to provide some certainty to global tax regimes. In the survey, for example, while 88% of respondents expect to pay more tax under the Pillar 2 Inclusive Framework. Ongoing implementation of the side-by-side safe harbor simplifications resulted in a majority of respondents seeing less complexity over time. So, there is a trade-off of perhaps more tax paid, but more simplification and certainty to work with. And if one digs a little deeper, Carrie, into the survey data at that nearly 90% number, we can see that the percentage of respondents that believe they will pay only marginally more tax, rather than meaningfully or significantly more tax, is actually much higher in the 2026 survey compared to those results from the 2025 survey. So again, respondents seem to think that some additional tax will potentially be paid. It is less than the amount of tax than was thought a year ago.

Carrie Falkenhayn: So, there is some ground for optimism here. What are other themes that are coming out of the survey this year?

Amanda J Tickel: Well, another key area was digitalization. I mean, no good podcast is complete without discussing AI and the digital world we're all in now, but this was really interesting, because 85% of tax and finance leaders think that AI is going to bring benefits to the tax function. I think that's really interesting and important. So, we looked at, three aspects of digitalization. There was AI and tax compliance. The extent to which tax administrations are using digital methods, and the move to e-invoicing around the world. And there was a real common thread through these, so the strongest positive statements were about using AI in tax compliance, but I would say that there were notable statements coming out around the lag in achieving the benefits, and that's because of the complexity and costs in the short-term implementation phases. So obviously, you know, adopting new tech can be costly, and, you know, what you've got to do is keep today's tax systems and processes working while you work out what your future function is going to look like. So, there's this two-track approach in the meantime, which can be quite, difficult to manage and, potentially quite costly, but of course, beneficial in the long run.

Carrie Falkenhayn: Jeff, do you have an example of that in the U.S?

Jeff Kummer: I do, Carrie. As an example, just take one of those. Let's look at e-invoicing for a moment. You know, overall, U.S. respondents in the survey were about evenly split between those expecting simpler tax compliance and those respondents expecting more compliance complexity. So, on one hand, there are benefits to be gained here, including streamlined invoicing processes and better cash flow management. But the biggest issue continues to be the need for significant upfront investment. In other words, those initial costs in software are needed in order to get to those digital compliance benefits. On AI, of course, a very hot topic continues to be in the US. We see a similar picture. When it comes to the use of AI in tax compliance, there are lots of benefits that are continually being identified every day. But there are lingering doubts about implementation, and more concern, particularly recently, about usage costs. As well as the inherent complexity in moving to those new automated systems.

Amanda J Tickel: Yeah, Jeff, and I'll just add in, maybe to complete the set, that on tax administration and how that is digitalizing, this is interesting, because you know, tax authorities around the world are moving at different speeds in the way that they're using both technology and some advanced AI, actually. And this is great in terms of adoption and hopefully making things more efficient and effective in the way tax is managed but can be quite challenging for taxpayers because of the different ways tech is being adopted. And, the different speeds. So, the OECD has been doing a lot of work on this, and they have an ambition for, which is known as Tax Administration 3.0, and that is that there's going to be a world where tax just happens. But I think what the surveys told us when you dig into the detail is that a lot has to happen before tax just happens. But we're on the right path to getting there, according to the OECD.

Carrie Falkenhayn: We've talked about complexity, and we've talked about the balance between costs and benefits around digitization. Are there any other key themes or surprises?

Amanda J Tickel: I would flag one more, and that, I think, is an area that's going to be increasingly important, and that is tax incentives. So, across several areas, we are seeing cited, the use of more tax incentives and reliefs to shape policy outcomes that governments want to achieve. Now, this could be around attracting investment or retaining investment in a market, it could be around talent. We actually saw, percentage-wise, 38% of respondents expected to see new incentives in future, on top of all the ones already available. And 57% expect those existing incentives that are out there at the moment, to remain really valuable. So, it was showing us that this is definitely a changing area and a growing area, to look out for.

Jeff Kummer: And Amanda, just to pick up on one of those points that you made, incentives are also beginning to feature more and more in the evolving global mobility landscape, where 57% of respondents reported seeing an increased use of tax incentives that are designed to attract foreign talent.

Carrie Falkenhayn: And what do you draw from this?

Tickel, Amanda J: The big point for me is that as the use of incentives expands and they become a bigger factor, influencing those decisions around investment and location and mobility, as you raised, Jeff, you know, business needs to be really plugged in to what is on offer and where and what's coming. I think it's also a point where tax leaders just can't afford to think in a silo, so industrial policy, like giving incentives, is definitely on the rise in this day and age, but it can have real knock-on effects. For instance, taking big subsidies upfront in a project could, down the pipe, give you a restriction in M&A activity or pitching for government projects, for instance, especially the case in Europe. So, I really think a holistic view around, you know, the whole incentive and subsidy landscape, extremely important, very influential financially, but needs to be thinking all the way down the life cycle of the business.

Carrie Falkenhayn: Okay, let's shift to sustainability. In this year's survey, did you see signs of any movement, or maybe lack of movement, towards more globally consistent, sustainable tax policies?

Jeff Kummer: Well, Carrie, sustainability is certainly an interesting area. While some responses indicated that it may be a fading priority, for some, the majority of leaders surveyed still considered it to be a top agenda item within their overall tax strategy planning. And just when you dig down to those numbers a little bit deeper in the survey, you find some interesting variations as well. In North America, for example, Canada in particular showed much stronger interest as compared to Latin America.

Amanda J Tickel: Yeah, thanks, Jeff, and to circle back to that topic we just covered, the other really key issue we see in sustainability is, you know, how far businesses are making use of the available tax incentives to offset the investment that they're making, or encourage the investment they're making. And, you know, globally, this broke down to 34% saying they're already accessing incentives in this area, and, but 59% saying they're still exploring them, so it's obviously, still a hot topic.

Carrie Falkenhayn: So, we've got complexity, digital and incentives as key drivers, and this echoes some of the conversations I've had with tax leaders about ongoing legislative and regulatory change in the global tax landscape. Their primary concern is not necessarily the amount of tax paid, but the need for greater certainty and consistency in national tax laws so they can plan effectively over a longer time horizon
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Amanda J Tickel: Yeah, I'm not surprised. That really resonates, Carrie, and actually, the respondents to our survey said the same. What we asked them about which elements of the tax system have got the greatest bearing on decisions to invest in a jurisdiction, and top of that poll was tax stability and certainty, and this was chosen by 29% from quite a long list of options. And significantly higher than overall tax burden, as a comparison. That was chosen by, around half, at 15%.

Carrie Falkenhayn: I get the feeling that we've only scratched the surface on what's coming through in the survey. What are some key takeaways that you would share with clients in terms of shaping a strategy in the months to come?

Jeff Kummer: Well, thanks, Carrie. A couple of observations, I think, as we close here. I think, first and foremost, is the scale of policy changes we are seeing globally. Tax leaders must be prepared and engaged with the C-suite, board and audit committees, and their external service providers. Also, the number of taxing jurisdictions where you have to track and assess reporting responsibilities and tax liabilities has increased significantly in recent years. And it's just not at the national level when we are seeing this. In the U.S, for example, the action is now at the state level, as individual states' budgetary limitations and policy choices can require companies to consume significant time and resources, tracking new and updated tax law changes. The adoption of AI continues to be uncharted territory as well, with significant potential cost savings, but also consequences from a tax perspective, as there is little uniformity or regulatory frameworks across the various tax systems of different countries. And perhaps one final point, another area that the survey highlighted is the significant change in global trade and tariff policy. The emergence of new trade deals, the impact of increased tariffs, and the ongoing negotiations among major trading partners have introduced further shifts to supply chains and business strategies for multinational companies.

Amanda J Tickel: I would agree, great summary, Jeff. I'd just add that this rise in industrial policy interventions by governments around the world, and how that manifests itself in the form of incentives is really critical for tax and finance leaders now. You know, and plus, keeping abreast of all these new reporting requirements, and some of the announcements coming out of the OECD and the UN here. Actually, should probably make this point, the UN is really releasing some proposals this summer, to provide guidance on how to tax cross-border services. So, you know, we'll be watching how countries respond to that, and what the impact is on businesses.

Carrie Falkenhayn: Well, Amanda and Jeff, thank you so much. This has been fascinating. I only wish we had more time. For our listeners, if you'd like to actually review the survey, go to Deloitte.com and search on 2026 Global Tax Policy Survey. You'll get it all there. You can also, connect directly with Jeff or Amanda via LinkedIn. We hope you're able to join us next time, and until then, continue to be well, everyone. Take care.