

# How AI like ChatGPT might transform **tax consulting.**

Industry 4.0: The influence of  
digitalization in tax consulting



# ChatGPT



## Examples

"Explain quantum computing in simple terms" →

"Got any creative ideas for a 10 year old's birthday?" →

"How do I make an HTTP request in Javascript?" →



## Capabilities

Remembers what user said earlier in the conversation

Allows user to provide follow-up corrections

Trained to decline inappropriate requests



## Limitations

May occasionally generate incorrect information

May occasionally produce harmful instructions or biased content

Limited knowledge of world and events after 2021




1. Introducing ChatGPT
2. Abilities & Limitations of ChatGPT
3. Applications in Tax Consulting
4. The Future of Tax Consulting
5. Conclusion



SCAN ME

# 1. Introducing ChatGPT

## ChatGPT

 Examples	 Capabilities	 Limitations
"Explain quantum computing in simple terms" →	Remembers what user said earlier in the conversation	May occasionally generate incorrect information
"Got any creative ideas for a 10 year old's birthday?" →	Allows user to provide follow-up corrections	May occasionally produce harmful instructions or biased content
"How do I make an HTTP request in Javascript?" →	Trained to decline inappropriate requests	Limited knowledge of world and events after 2021



SCAN ME



## 1.1 Most important technology for tax consulting?


FR

Which technology will change tax consulting the most in the next few years?

# 1.1 Most important technology for tax consulting?

## ChatGPT

 Examples	 Capabilities	 Limitations
"Explain quantum computing in simple terms" →	Remembers what user said earlier in the conversation	May occasionally generate incorrect information
"Got any creative ideas for a 10 year old's birthday?" →	Allows user to provide follow-up corrections	May occasionally produce harmful instructions or biased content
"How do I make an HTTP request in Javascript?" →	Trained to decline inappropriate requests	Limited knowledge of world and events after 2021





[ChatGPT Feb 13 Version](#). Free Research Preview. Our goal is to make AI systems more natural and safe to interact with. Your feedback will help us improve.

## 1.2 Is AI the most important technology?



Regarding the answer above, would you honestly tell me if AI wasn't the most important technology?



Yes, as an AI language model, I strive to provide objective and unbiased responses based on the available information. If AI wasn't the most important technology for tax consulting in the next few years, I would provide a different answer based on the available evidence and expert opinions.  

## 1.3 What is the Likelihood that AI will transform tax consulting?



What is the likelihood that AI like Chat GPT will tranform tax consulting? Answer in one sentence.



There is a high likelihood that AI technology like Chat GPT will continue to transform tax consulting by automating routine tasks, providing real-time analysis, and improving communication and collaboration between tax advisors and their clients.



 Regenerate response





## 1.4 How will AI like ChatGPT transform tax consulting?



How will AI like Chat GPT transform tax consulting?

## 1.4 How will AI like ChatGPT transform tax consulting?

FR

How will AI like Chat GPT transform tax consulting?

Overall, AI like Chat GPT can significantly enhance tax consulting by improving accuracy, efficiency, client engagement, compliance, and decision-making. By leveraging AI tools, tax consultants can provide more value to their clients and achieve better outcomes.

## 2. Abilities of ChatGPT

### **Works with questions in text form**

- Quick reply
- AI analyzes and "understands" questions, unlike conventional search engines
- Well-formulated, human-like phrases
- Invents new content instead of searching:  
Provides the most likely response based on training data

## 3. Usecases

### **Provides answers in text form**

- Draft response emails to clients

## 2. Abilities of ChatGPT

### Implements given instructions immediately

- Reference
- Add



Invent a creative title for the poem



"Value-Added Tax: A Stealthy Cat"



Add the 7% and 19% tax rates in the poem above.



Sure, here's an updated version of the poem with the 7%

VAT, oh VAT, you sly little tax

You sneak up on purchases, like a sneaky cat

Adding 7% or 19%, it's not much at first

But it can quickly add up, leaving wallets with a thirst

## 2. Abilities of ChatGPT

### Implements given instructions


- Customize (e.g. specify, implement adjustments, change length, delete parts)
- Summarize (e.g. BMF letters, Court decisions, Legislation)

FR



Summarize the following section of the ECJ Hedqvist decision (C-264/14) in a 10-word sentence.

Mr Hedqvist wishes to provide, through a company, services consisting of the exchange of traditional currency for the 'bitcoin' virtual currency and vice versa.

According to the order for reference the 'bitcoin' virtual currency is used, principally, for payments made between private individuals via the internet and in certain online shops that accept the currency. The virtual currency does not have a single issuer and instead is created directly in a network by a special algorithm. The system for the 'bitcoin' virtual currency



Mr Hedqvist wants to exchange traditional currency for bitcoin services.



🔄 Regenerate response

[ChatGPT Mar 14 Version](#). Free Research Preview. Our goal is to make AI systems more natural and safe to interact with. Your feedback will help us improve.

## 2. Abilities of ChatGPT

### Implements given instructions

- Elaborate



The European VAT (Value Added Tax) system is a consumption tax that is applied to goods and services across the European Union (EU). The VAT rates and regulations are harmonized across the EU, with the standard VAT rate ranging from 17% to 27% depending on the country, and certain goods and services being exempt or subject to reduced rates.



Elaborate



The European VAT system is a tax on the consumption of goods and services in the European Union. The system is based on the principle of value-added tax, which means that tax is applied at each stage of production and distribution, based on the value added by each stage.



Each EU country is required to apply a minimum standard VAT rate of 15%, but the actual rate may vary from country to country, with the current rates ranging from 17% to 27%. Certain goods and services, such as healthcare and education, may be exempt from VAT, while others may be subject to reduced rates.

The VAT system is designed to be harmonized across the EU, which means that the rules and regulations governing VAT are generally the same in each country. This is intended to make it easier for businesses to operate across borders, as they only need to deal with one set of VAT rules instead of multiple rules in different countries.

Businesses that sell goods or services across EU borders are subject to VAT, but there are special rules for small businesses and certain types of goods and services. VAT returns must be filed regularly and the tax must be paid to the relevant tax authority.

## 2. Abilities of ChatGPT

### Individual tax consulting

- Can solve simple tax cases.



Please reconsider your answer and take into account the so-called "family home clause" under Section 13 (1) sentence 1 4c ErbStG.



You are correct, I apologize for my oversight. The "family home clause" under Section 13 (1) sentence 1 4c ErbStG provides for an exemption from inheritance tax for the family home of the deceased person if certain conditions are met.



In order to qualify for the exemption, the following conditions must be met:

- The property must have been the primary residence of the deceased person at the time of their death.
- The property must be inherited by the spouse, civil partner, child, stepchild, or grandchild of the deceased person.
- The heir must use the property as their primary residence for at least 10 years after the date of inheritance.

If these conditions are met, the family home is exempt from inheritance tax, regardless of its value.

Therefore, if A meets the conditions of the "family home clause" and the property is considered the family home, then she would not have to pay inheritance tax on the property. However, if the property does not meet the conditions of the "family home clause," then A would have to pay inheritance tax on the taxable amount, as calculated in my previous answer.



## 2. Abilities of ChatGPT

<https://www.bmf-steuerrechner.de/ekst/eingabeformekst.xhtml?ekst-result=true>



### EINKOMMENSTEUERBERECHNUNG

#### Ihre Eingabedaten

zu versteuerndes Einkommen (zvE): 50.000,00 Euro

Persönliche Verhältnisse: alleinstehend

Berechnungsjahr: 2023

Ergebnis der Berechnung der Einkommensteuer 2023

#### Tabelle Allgemeine Besteuerungsmerkmale

Ergebnis	Betrag	Durchschnittsbelastung
Einkommensteuer	11.343,00 Euro	22,69 %
Solidaritätszuschlag	0,00 Euro	0,00 %
Summe	11.343,00 Euro	22,69 %

#### Formel nach §32a EStG

Alternative	zu versteuerndes Einkommen	Formeln
a)	bis 10.908 Euro	$ESt = 0$
b)	von 10.909 Euro bis 15.999 Euro	$ESt = (979,18 * y + 1.400) * y$ $y = (zvE - 10.908) / 10.000$

## 3.1 Status quo of digitalization in tax compliance

**Tax compliance includes**

- Tax returns
- Accounting
- Balance sheets



## 3.1 Status quo of digitalization in tax compliance

### Tax compliance requires

- Precise knowledge of the current legal situation, in particular the decisions of the Federal Fiscal Court and the letters of the Federal Ministry of Finance.
- Processing of large amounts of data in accordance with the current legal situation.
- Each individual transaction must be correctly stated in the mandatory format (e.g. VAT return) in the required position (e.g. Line 12) and within a specified deadline (e.g. 10.04.2023).





## 3.1 Status quo of digitalization in tax compliance

### Today's Tax compliance software (e.g. DATEV)

- Aims to assist humans to perform these activities more quickly. Human users are
  - enabled to receive and process large amounts of data electronically,
  - accept booking suggestions,
  - provided with valuable overviews and calculations and
  - reminded of deadlines.
- Each individual transaction must be correctly stated in the mandatory format (e.g. VAT return) in the required position (e.g. Line 12) and within a specified deadline (e.g. 10.04.2023).



### 3. Status quo of digitalization in tax consulting

- Tax consulting is
  - Complex: very comprehensive, regulations change frequently.
  - time-consuming,
  - error-prone,
  - rule-based,
  - number-based,
  - repetitive process,
  - associated with liability matters.



### 3. Status quo of digitalization in tax consulting

**Tax consulting is complex.**

- Very comprehensive,
- Regulations change frequently.

=>

- time-consuming,
- error-prone,
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- number-based,
- repetitive process,
- associated with liability matters.





# How AI like Chat GPT might Transform Tax Consulting

- As technology advances, the way we do tax consulting is also evolving. Artificial Intelligence (AI) and natural language processing (NLP) are becoming increasingly important in the field of tax consulting.
- Technology is enabling us to provide **faster** and **more accurate advice** to our clients.



# How AI like Chat GPT might Transform Tax Consulting

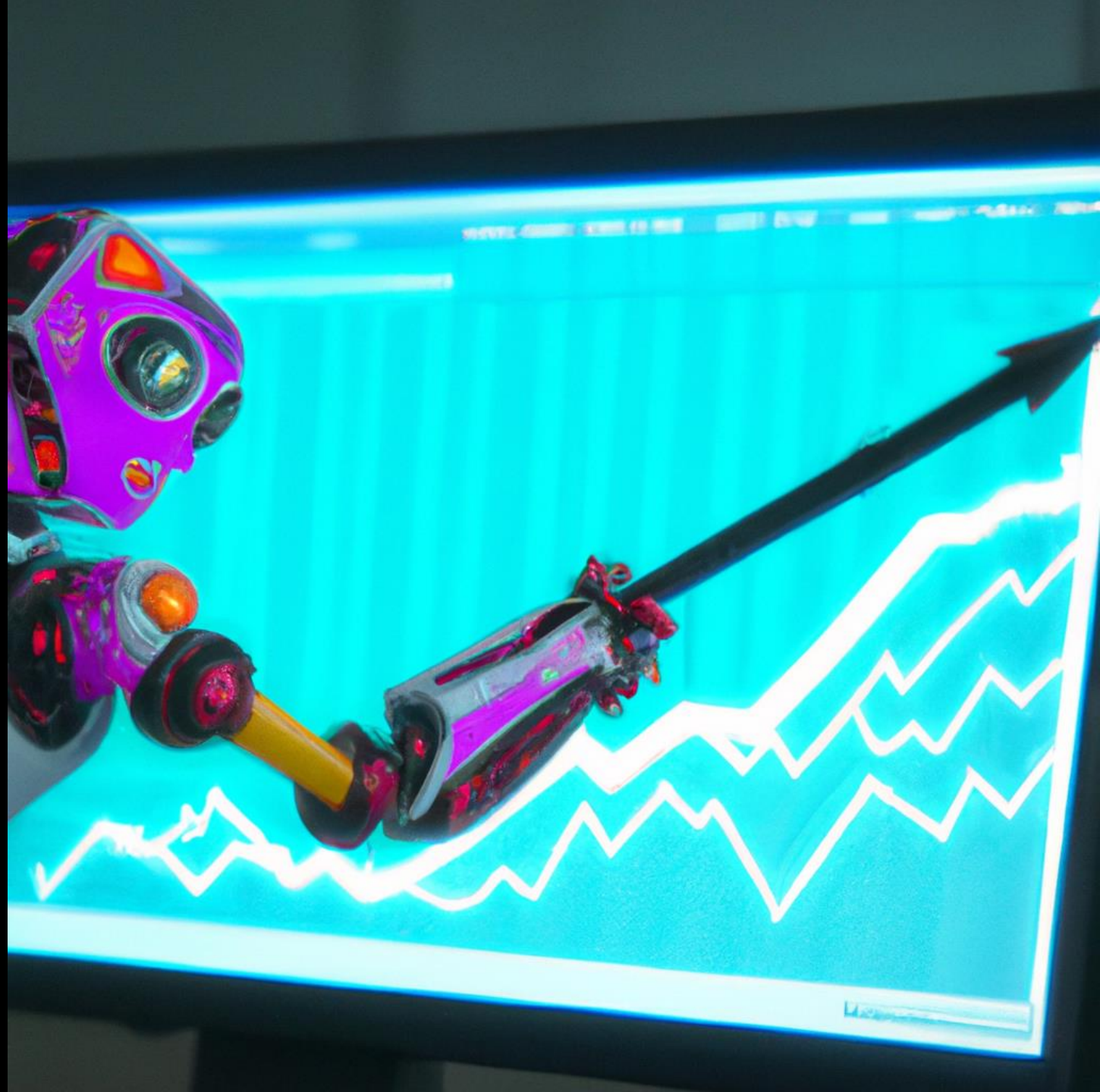
- AI like Chat GPT can be used to quickly generate complex documents, from **tax returns** to **tax advice documents**, making the tax consulting **process more efficient** and **easier to manage**.





# The Benefits of AI in Tax Consulting

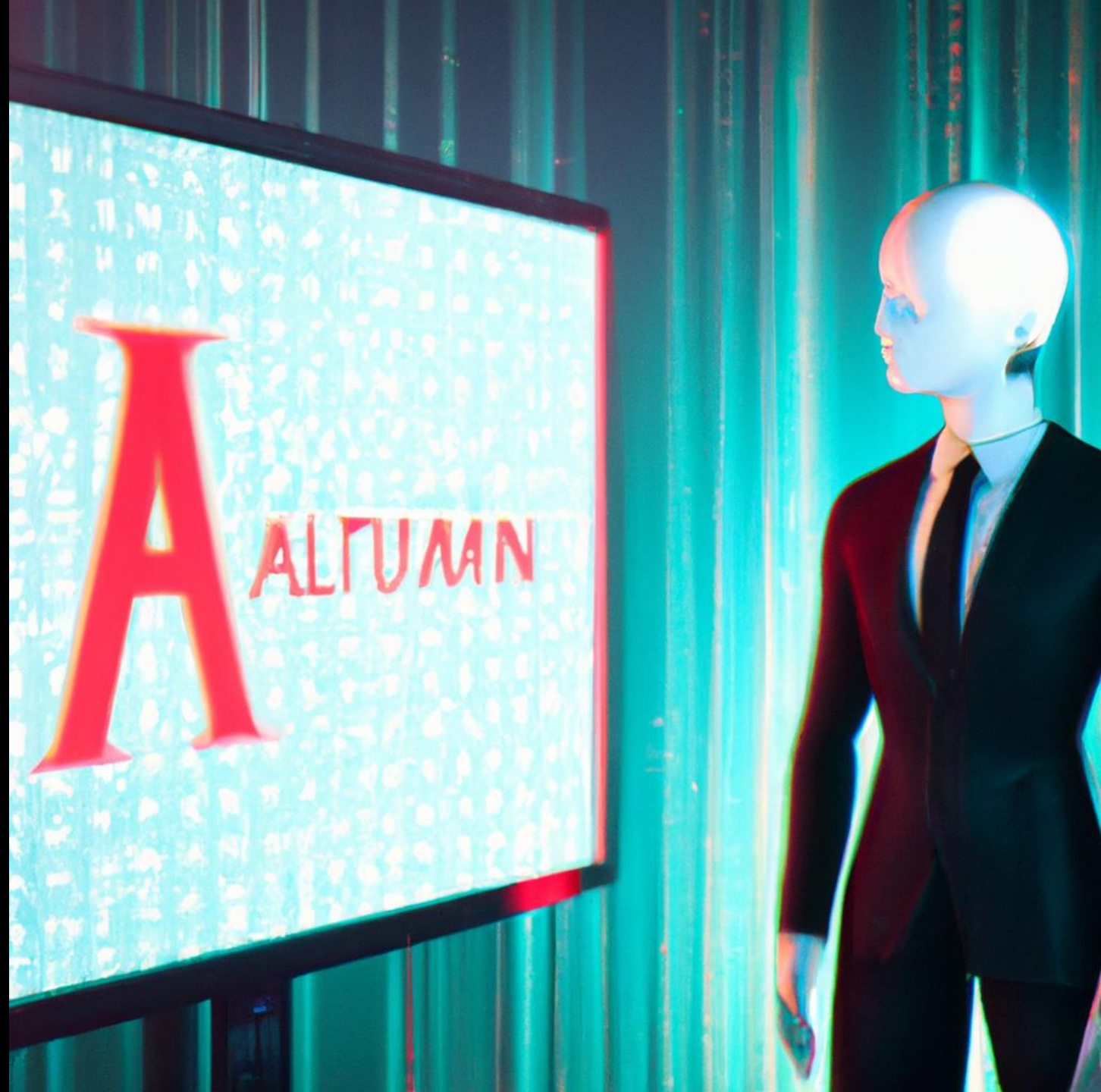
- AI can help tax consultants to automate mundane tasks and provide more accurate advice. It allows them to quickly analyze data and identify opportunities that would not have been possible without these technologies. AI can also provide more personalized advice to clients, as it can detect patterns and trends that would have been overlooked by humans.
- AI can help to streamline processes and reduce costs, as well as improve accuracy and efficiency. This can lead to better customer service and more satisfied clients.



# GPT Tax Consulting Benefits

GPT can help tax consultants save time by automating mundane tasks. GPT can also help reduce errors by providing accurate advice and insights. GPT can also help tax consultants to better understand their clients' needs and provide tailored advice.

GPT can also help tax consultants to stay updated on the latest tax laws and regulations. GPT can help tax consultants to better analyze data and provide insights that can help clients make more informed decisions. GPT can also help tax consultants to better manage their workload and prioritize tasks.

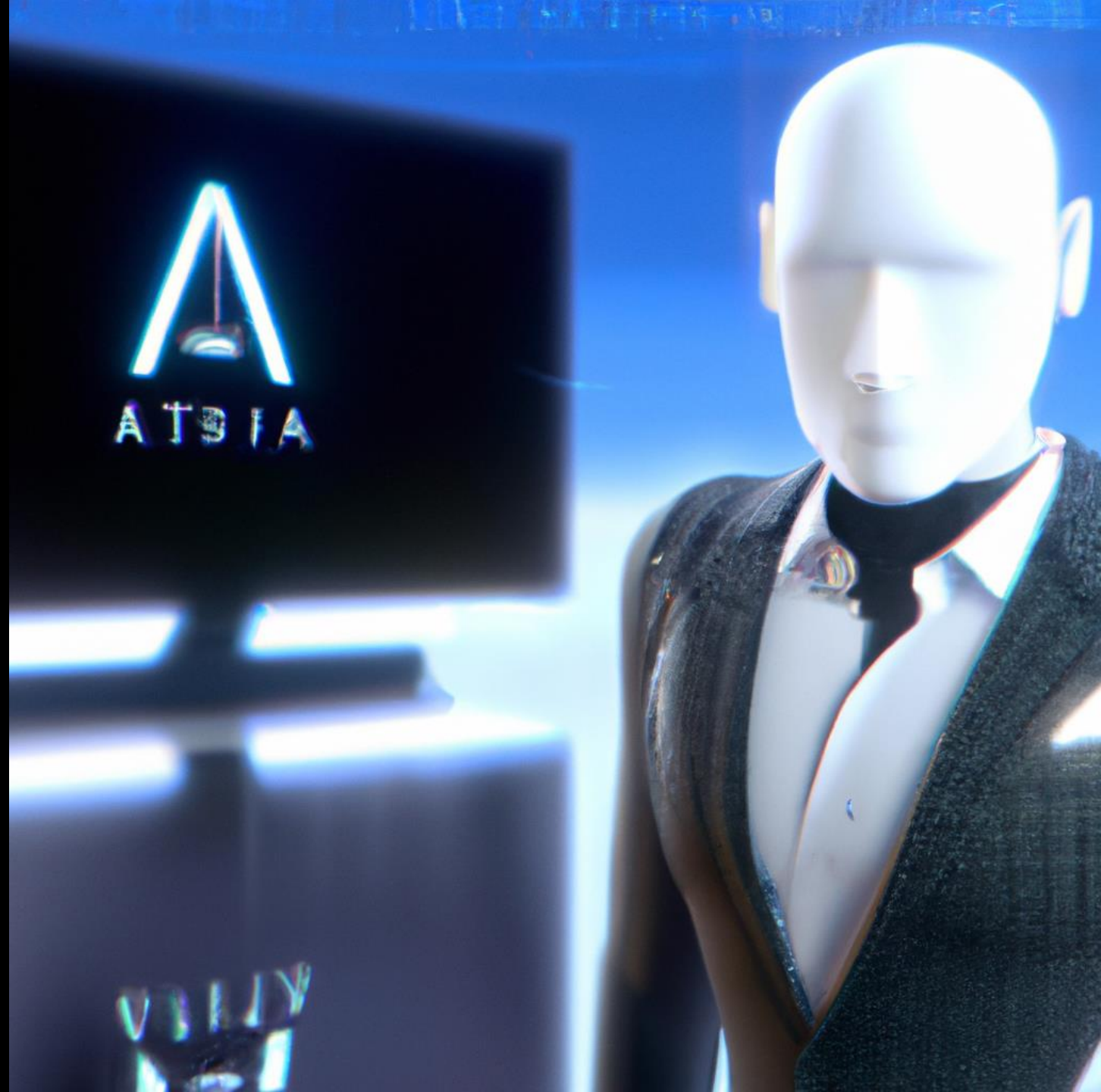




# GPT Tax Consulting Use Cases

GPT can be used to automate mundane tasks such as tax return preparation, data entry, and document management. GPT can also be used to provide advice and insights based on the data collected from clients.

GPT can also be used to analyze data and provide insights that can help clients make more informed decisions. GPT can also be used to provide personalized advice to clients based on their individual needs and financial goals.



# AI Applications for Tax Consultants

Tax consultants are increasingly turning to AI applications to help them better manage their business and client data. AI can provide a more efficient, cost-effective way of managing data and improving accuracy. AI can also help tax consultants to more accurately assess tax liabilities, identify potential deductions, and provide more accurate advice to clients.

AI applications for tax consultants can include automated tax return processing, automated tax advice, automated tax audits and compliance, and automated tax planning. Automated tax return processing can help tax consultants to quickly and accurately process tax returns, saving time and money. Automated tax advice can provide clients with more accurate advice,





# Automated Tax Return Processing

Automated tax return processing is a key AI application for tax consultants. AI can help to quickly and accurately process tax returns, helping to save time and money. AI can also help to identify errors and discrepancies in tax returns, helping to improve accuracy and reduce potential penalties. Automated tax return processing can also help to streamline the filing process, making it easier for tax consultants to manage their client's taxes. AI can also help tax consultants to better manage their client's data. AI can help to organize and store data in a secure, efficient manner, making it easier for tax consultants to access and manage their client's information. AI can also help tax consultants to identify potential deductions and credits, helping to reduce their client's tax liability.



# Automated Tax Advice

Automated tax advice is another key AI application for tax consultants. AI can provide more accurate and up-to-date advice to clients, helping them to save money and avoid potential penalties. AI can also help to identify potential deductions and credits that the client may be eligible for, helping them to reduce their tax liability. Automated tax advice can also help to streamline the advice process, making it easier for tax consultants to provide timely advice to their clients.

AI can also help tax consultants to better manage their client's data. AI can help to organize and store data in a secure, efficient manner, making it easier for tax consultants to access and manage their client's information. AI can also help tax consultants





# Automated Tax Audits and Compliance

Automated tax audits and compliance is another key AI application for tax consultants. AI can help to quickly and accurately identify errors and discrepancies in tax returns, helping to reduce potential penalties. AI can also help to identify potential deductions and credits that the client may be eligible for, helping them to reduce their tax liability. Automated tax audits and compliance can also help to streamline the audit process, making it easier for tax consultants to stay compliant with tax laws and regulations. AI can also help tax consultants to better manage their client's data. AI can help to organize and store data in a secure, efficient manner, making it easier for tax consultants to access and manage their client's



# Automated Tax Planning

Automated tax planning is another key AI application for tax consultants. AI can help to quickly and accurately plan and manage their client's taxes, helping to save time and money. AI can also help to identify potential deductions and credits that the client may be eligible for, helping them to reduce their tax liability. Automated tax planning can also help to streamline the planning process, making it easier for tax consultants to provide timely advice to their clients. AI can also help tax consultants to better manage their client's data. AI can help to organize and store data in a secure, efficient manner, making it easier for tax consultants to access and manage their client's information. AI can also help tax consultants to identify potential deductions and credits,

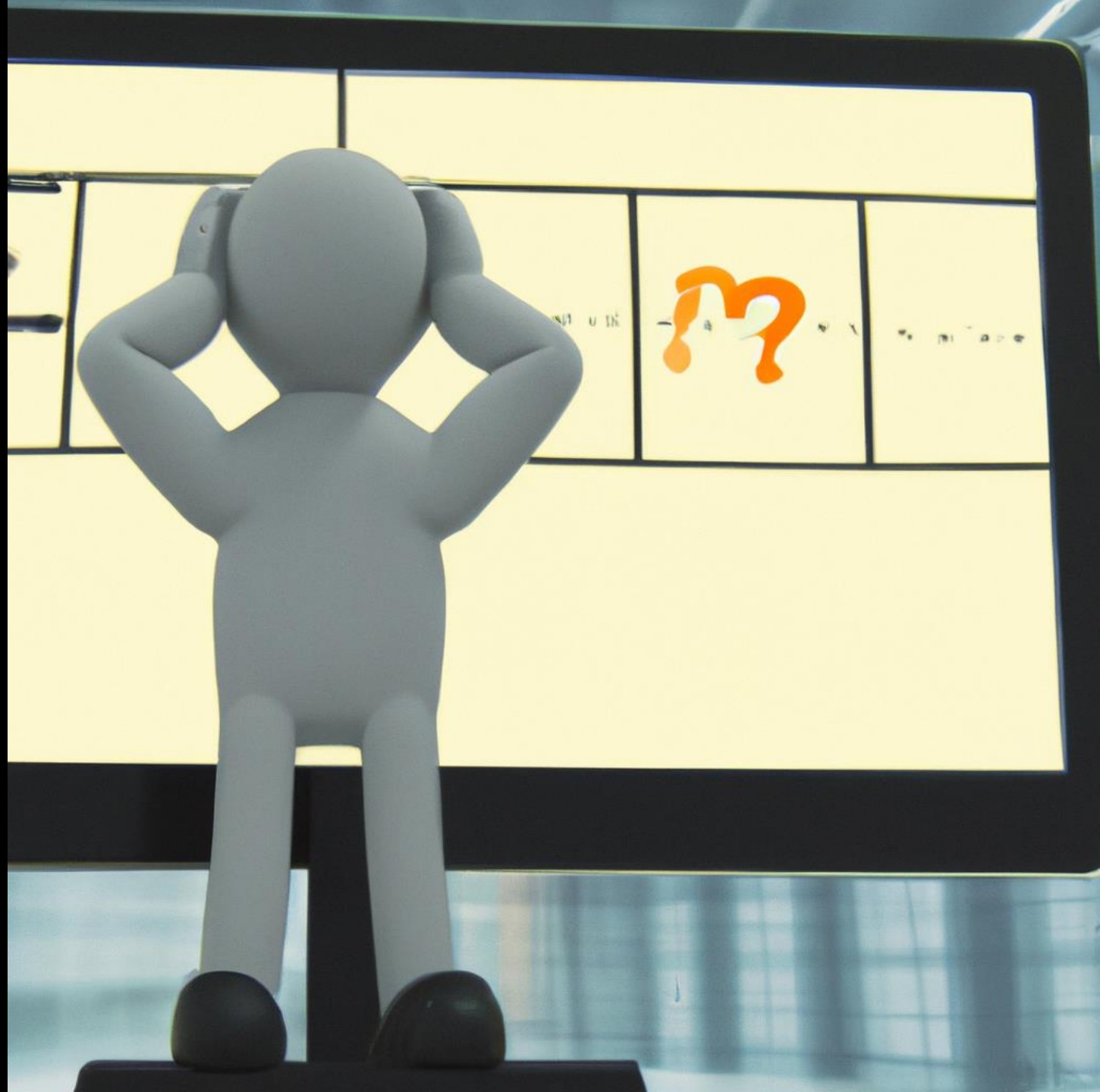




# The Challenges of AI in Tax Consulting

- AI can be a double-edged sword. It can provide great benefits, but it can also be difficult to implement and maintain. AI systems require a lot of data to work properly, and this data must be accurate and up-to-date. AI systems can also be expensive to build and maintain, and they can be difficult to integrate with existing systems.
- Another challenge is the lack of trust in AI. Many people are still hesitant to trust AI systems and may be unwilling to use them. This can be a barrier to adoption, and it is important to educate people on the benefits of AI and the potential risks.

AI applications are becoming increasingly popular among tax consultants, as they provide a more efficient, cost-effective way



# GPT Tax Consulting Challenges

One of the biggest challenges with GPT is that it can be difficult to trust the advice given by the system. GPT can provide accurate advice, but it is still important for tax consultants to verify the advice given by the system.

GPT is also limited by its ability to understand complex tax laws and regulations. GPT can provide advice based on its understanding of the laws, but it is still important for tax consultants to verify the accuracy of the advice given by the system.





# The Future of Tax Consulting

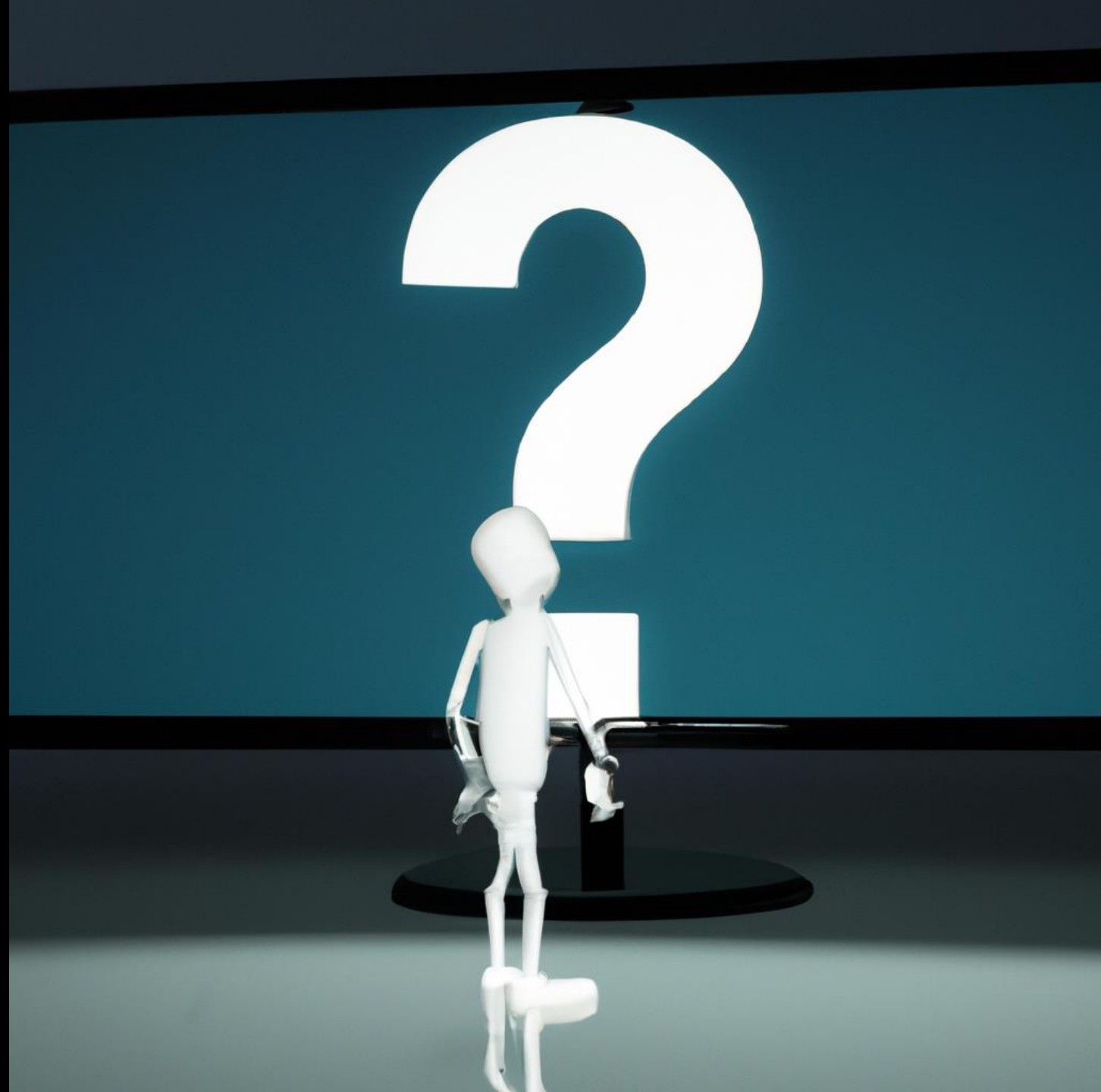
The future of tax consulting is uncertain, but it is clear that AI and other technologies are here to stay. It is important to embrace these technologies and use them to our advantage. We must also be mindful of the potential risks and ensure that we are using these technologies responsibly.

The tax consulting industry is changing and will continue to do so in the future. It is important to stay ahead of the curve and be prepared for the changes that are coming. Investing in skills and technologies now will help to ensure that you are ready for the future.



# Conclusion

AI and other technologies are transforming the tax consulting industry, and it is important to be open minded and embrace these changes. Investing in skills and technologies now will help to ensure that you are ready for the future. It is also important to be aware of the potential risks and use these technologies responsibly. The tax consulting industry is changing and will continue to do so in the future. It is important to stay ahead of the curve and be prepared for the changes that are coming. Investing in skills and technologies now will help to ensure that you are ready for the future.





# Conclusion

GPT can be a powerful tool for tax consultants to automate mundane tasks, provide accurate advice, and analyze data. GPT can also help tax consultants to better understand their clients' needs and provide tailored advice.

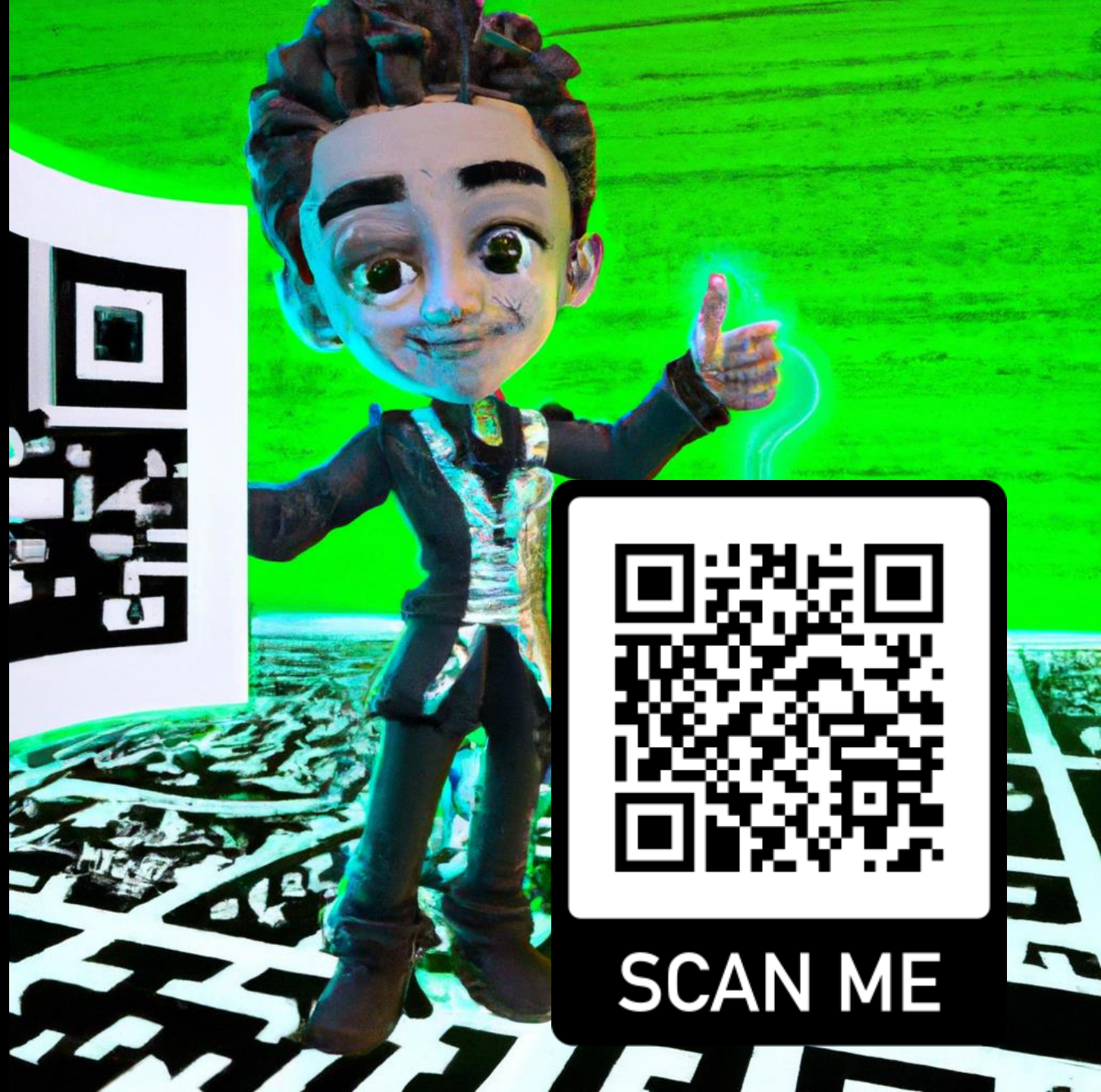
However, it is important for tax consultants to understand the limitations of GPT and verify the advice given by the system. GPT can be a powerful tool for tax consultants, but it is still important for tax consultants to use their expertise and experience to provide the best advice to their clients.





# 1. Welcome to the Future of Tax Consulting

- Tax consulting is rapidly evolving, and technology like AI and Chat GPT are leading the way.
- We all can benefit from these developments if we are open minded and see them as an opportunity.
- It is essential to invest time and energy to build and improve skills in this area to stay ahead of the curve.
- The first step is to actively try tools like Chat GPT.



## Recent Developments

- 14.03.2023: OpenAI releases GPT4
- 14.03.2023. Google adds GenerativeAI to workspaces
- 15.03.2023: Midjourney releases V5 (for all paid users)
- 16.03.2023: Microsoft releases an AI Copilot for the 365 suite
- 20.03.2023: Statement of the German Ethics Council "*Mensch und Maschine – Herausforderungen durch Künstliche Intelligenz*„
- 24.03.2023: OpenAI releases Plugins for Chat GPT



## 2.6 What should today's tax students focus on?

FR

What should today's tax students focus on? List three aspects in descending order and describe each in a sentence of no more than 10 words.



Today's tax students should focus on:



1. Developing skills in data analytics and AI for tax.
2. Building analytical and critical thinking skills for complex issues.
3. Understanding evolving tax laws and regulations.

 Regenerate response

|





## 2.7 How can universities support students in developing these skills?

### 3. Developing skills in data analytics and AI.



What should today's tax students focus on? List three aspects in descending order and describe each in a sentence of no more than 10 words.



Today's tax students should focus on:



1. Developing skills in data analytics and AI for tax.
2. Building analytical and critical thinking skills for complex issues.
3. Understanding evolving tax laws and regulations.

🔄 Regenerate response



## 5. Survey/Discussion



### How AI like ChatGPT might transform tax consulting.

Survey HS Augsburg

[In Google anmelden](#), um den Fortschritt zu speichern. [Weitere Informationen](#)

\* Erforderlich

How will AI transform tax consulting? \*

- ☐ A) AI will replace human tax consultants completely, making their jobs obsolete.
- ☐ B) AI will be a valuable tool and also create new job opportunities in tax consulting.
- ☐ C) AI will be a valuable tool for tax consultants, but traditional software like DATEV will not be affected.
- ☐ D) AI will have little to no impact on tax consulting, as human expertise will still be necessary.

Senden

[Alle Eingaben löschen](#)

## 6. References



## 2. Abilities of ChatGPT

### Verification

- Can verify the plausibility of simple tax cases.

FR

Is the following text plausible from a German taxlaw perspective:

Dear Mr. Maier, I regret to inform you that the tax rate on your dividend income in 2022 will be 70%.



No, the text is not plausible from a German tax law perspective. The maximum tax rate on dividend income in Germany is currently 26.375% for taxpayers subject to the highest tax rate. Therefore, a tax rate of 70% on dividend income in 2022 would be incorrect and much higher than the maximum rate allowed by German tax law.



## 2. Abilities of ChatGPT

### Works with questions in text form



Got any creative ideas for a for a poem on VAT?



Here's a creative idea for a poem on VAT:

VAT, oh VAT, you sly little tax

You sneak up on purchases, like a sneaky cat

Adding a percentage, it's not much at first

But it can quickly add up, leaving wallets with a thirst

You're a value-added tax, they say

But sometimes it feels like we're just giving away

Our hard-earned cash, to the government's hand

Leaving us with less, like grains of sand

Got any creative ideas for a for a poem on VAT?



All



Images



Videos



Shopping



News



More



Tools

About 5.870.000 results (0,54 seconds)



Jericho Writers

<https://jerichowriters.com> › 100-poetry-prompts

### 100 Poetry Prompts

Our list of 100 **poetry** prompts will help you start writing (which we **all** know is the hardest part)!

<https://jerichowriters.com> › 25-different-types-of-poems

### 25 Different Types Of Poems To Explore

There's more than one way to write a **poem**! Our list of 25 different types of **poems** will inspire you and better your writing.

## 2. Abilities of ChatGPT

### Provides answers in text form

Please prepare an email reply to this:



Dear X,

Further to Y' introductory email, I am hoping you might be able to assist us with a query on German income tax law.

We have been contacted by a company who we licence calendar designs to about changes in German income tax law. They have advised that payment exceeding the threshold of €5.000,00 will be taxed 15,825% prior to payment being made. We do anticipate the royalties due on these licenced designs to exceed this threshold in the year so would like to explore options to minimise this deduction.

Are you able to offer any advice or assistance in this matter please?

Kind Regards  
Z



Dear Z,

Thank you for your email and your interest in our services. I am happy to assist you with your query on German income tax law.

Regarding the changes in German income tax law, it is correct that payments exceeding the threshold of €5,000 will be subject to a withholding tax of 15.825% prior to payment being made. However, there are ways to minimize this deduction, such as applying for a reduced withholding tax rate based on a tax treaty or submitting a certificate of tax residence.

To provide you with more specific advice on your situation, I would need further information about your company and the licensing arrangement. If you could provide me with more details, I would be happy to discuss your options and assist you in minimizing the withholding tax deduction.

Please let me know if you have any further questions or would like to schedule a call to discuss this matter further.

Best regards,

X