



TTN Americas Conference 2025

April 4, 2025

The use of Generative AI tools in the Tax Profession
Spanish Tax Authorities approach



01

How does AI impact the tax profession

How does AI impact the tax and accounting profession

The adoption of digital tools powered by artificial intelligence (AI) is accelerating rapidly in the tax and accounting profession. Although, according to last surveys*, tax practitioners are feeling increasingly optimistic about AI's future impact on our profession, but is this really true? Do we tax advisors consider AI a friend, a fear or an enemy?

A bit of the scene setting:

- The potential of generative AI is barely even known yet but its use and application by the tax profession will likely be permanent, substantial and transformational.
- Bill Gates has commented that ChatGPT is as "...fundamental as the creation of the microprocessor, the personal computer, the internet and the mobile phone."
- It is too early to predict whether ChatGPT will retain its title as the market leader in this field as the pace of progression of generative AI technology is simply breathtaking. Nowadays there are alternative interesting options (Harvey, CoCounsel, Copilot, Casetext)

As we look ahead 2025 and beyond, us tax and accounting professionals will need to consider how generative AI will transform our workflows and the services we provide.

Introducing AI in our workflows

Perhaps the biggest driver of AI is efficiency. Currently, the most common uses of AI-powered automation are drafting emails and correspondence, reviewing documents, summarizing information, managing large data sets, and conducting more technical tax research.

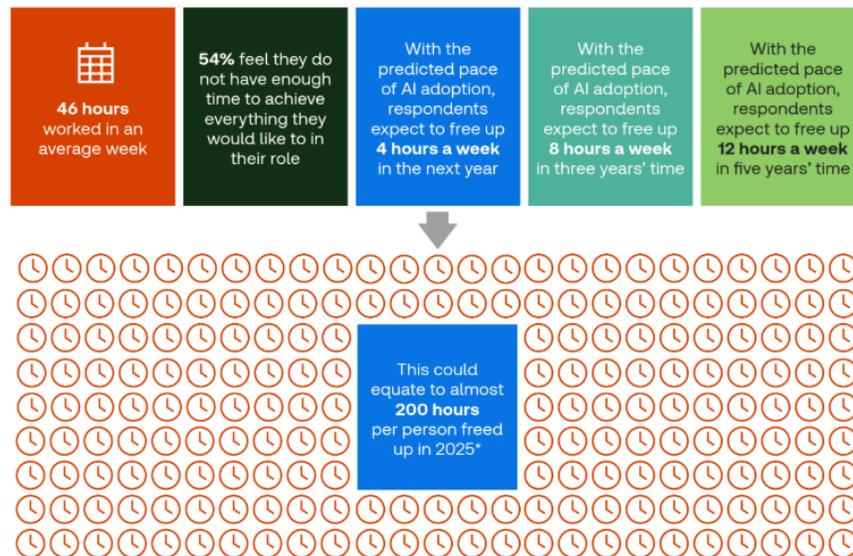
Other reasons why tax and accounting professionals should consider incorporating AI into their workflows. These capabilities include:

- Data entry
- Document generation and summarization
- Fraud detection.
- Forecasting

How does AI impact the tax and accounting profession

Thanks to capabilities like these, AI is projected to **dramatically increase efficiency for tax and accounting professionals.**

The respondents in the Future of Professionals Report* predict that AI could free up four hours per week within one year. Their projections increase to eight hours per week in three years, and 12 hours per week in five years.



How might professionals use those extra hours?

- Work-life balance as the main area where they'd devote more of their time.
- High added value and strategic work.
- Training
- That said, finding and maintaining that work-life balance may become more challenging as it is believed that the same or higher portion of work matters will be brought in-house from external contractors within the next five years.

How to incorporate AI tools successfully into our firms? These are some **key best practices**:

- Invest in training.
- Prioritize data security.
- Stay informed on compliance.

Impact on clients

One of the most powerful arguments for incorporating AI technology into tax and accounting workflows is the benefits it can provide to clients, such as faster response times and more insightful analysis, especially when tax laws can be ever-changing.

These are selling points aimed at enhancing Client Services with IA:

- **AI to Provide Real-Time Responses:**
 - Immediate access to information and support at the Client's convenience.
 - Address urgent queries promptly, provide updates on the status of reports, and offer guidance on financial matters, thereby improving client satisfaction and strengthening client relationships.
- **Customized Financial Reports:** including detailed analyses, forecasts, and recommendations that align with the client's financial goals and objectives.
- **Strengthen customer relationships:** AI can help us to offer proactive and personalized services. From chatbots engaging prospective clients by providing instant answers to questions to automatically generating client letters with simple explanations of tax situations.
- **Offer better client-oriented advice:** AI could be used to “help draft emails in tax technical areas that explain these matters in layman's terms.



Challenges and concerns with IA in the tax profession

While AI has many advantages, **it also presents concerns specific to the tax & accounting services industry.** These are mainly:

1.- Data security: while our firms build up their capacity to use AI, we must incorporate ongoing security measures throughout the entire process of building and launching AI solutions to keep data safe, maintain privacy and avoid misuse of information.

2.- Accuracy: Firms should develop policies around the use, review and editing of content that AI creates to ensure that the information is accurate and relevant.

On the contrary, AI enhances accuracy with the Automation of Routine Tasks such as data entry, document review, and tax calculations. This automation speeds up tax processes and minimizes errors, allowing tax professionals to focus on strategic activities.

3.- Liability: Inaccuracies can have impacts beyond damage to the advisor's professional reputation. Inaccurate or unfair outputs may cause faulty financial reporting, potentially leading to serious financial and legal consequences and opening firms to potential liability issues.

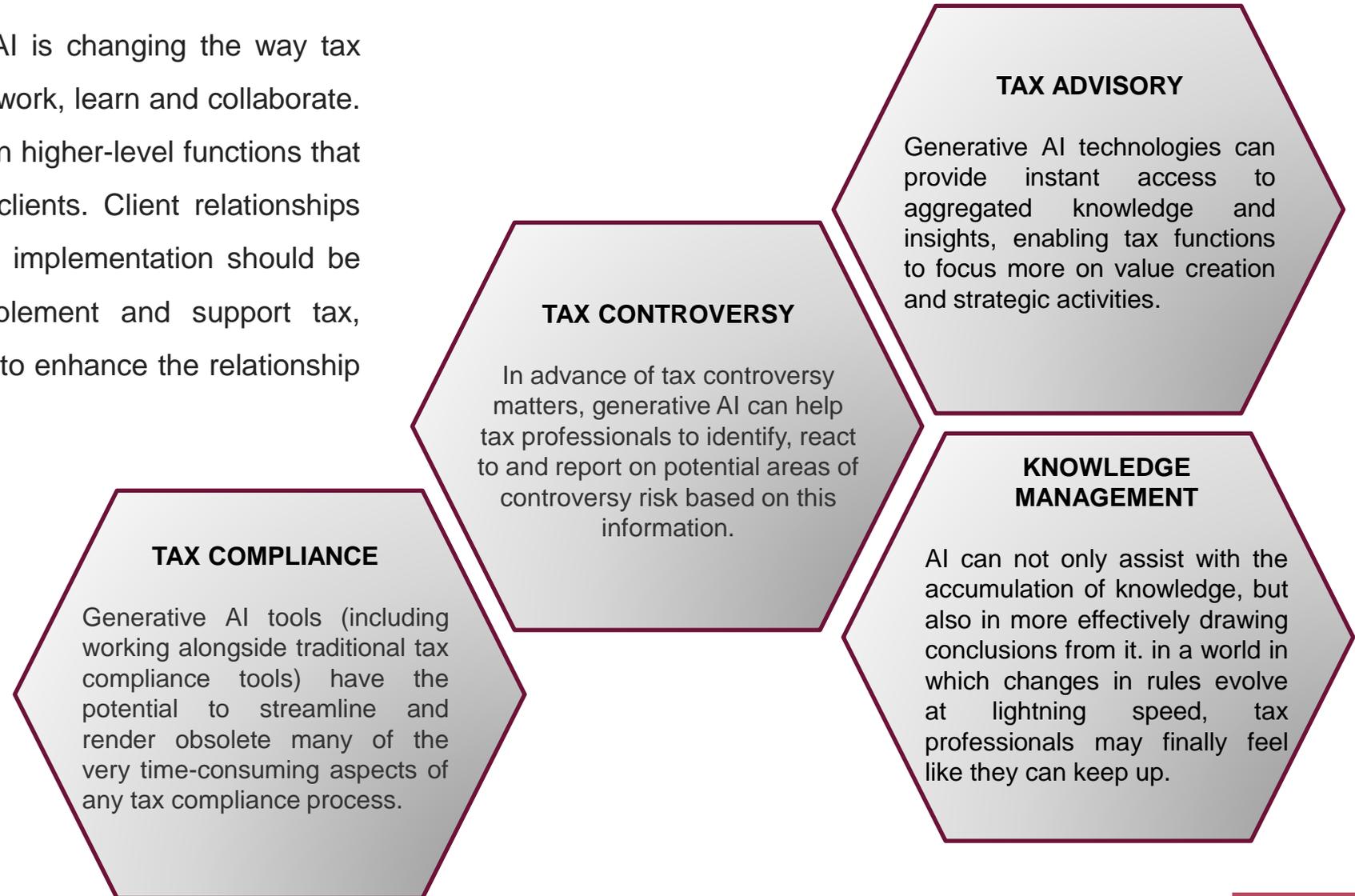
On the contrary, AI can play a major role in the reduction of Human Error avoiding compliance issues.

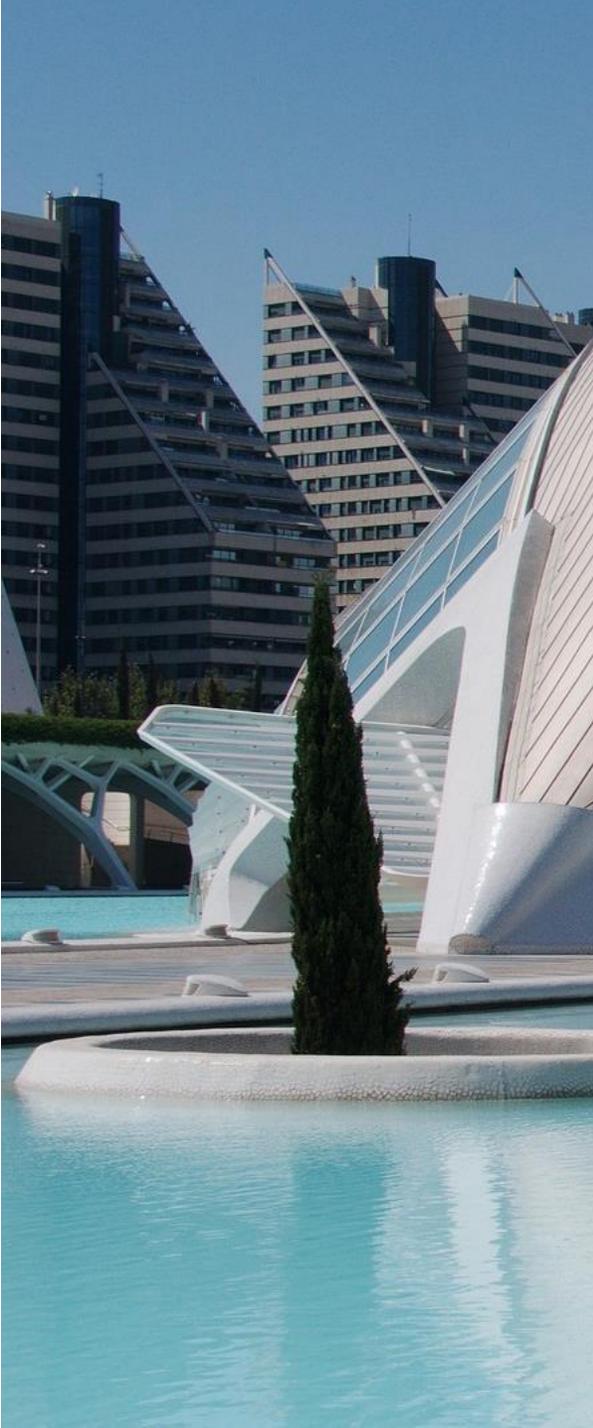
4.- Bias: Algorithmic bias may result in unfair outcomes, affecting certain individuals & businesses with unforeseen ethical and legal implications. Efforts must be made to identify and reduce biases in training data, algorithm design, and decision-making processes.



Areas of the tax function where generative AI can help most

The implementation of generative AI is changing the way tax and accounting professionals think, work, learn and collaborate. Professionals will be able to focus on higher-level functions that produce better outcomes for their clients. Client relationships are the core of the tax practice. AI implementation should be considered a viable way to supplement and support tax, accounting, and audit professionals to enhance the relationship and value provided to their clients.





02

Spanish Tax Authorities approach



The Spanish Government approved in May 2024 the Artificial Intelligence Strategy for the nation. It is a plan to position Spain in the development and application of AI thanks to an investment of 1.5 billion euros including the creation of [Agencia Española de Supervisión de la Inteligencia Artificial \(AESIA\)](#).

Also in 2024, the **Spanish Tax Agency published an AI strategy 2024-2027**, which includes commitments to:

- 1.- **Align AI use with the agency's principles and regulatory framework,**
- 2.- **Prioritize service improvement and administrative efficiency and adhere to equity and objectivity.**
- 3.- **Emphasize on a responsible, human-centric approach to AI.**

Key features:

- A commitment to the use of AI with intensity in the **provision of services of information and assistance to taxpayers** and in the field of prevention, but also in the **fight against tax and customs fraud**.
- Management-driven strategy with the participation of the entire organization.
- **Human-centric approach:** Ensuring responsible, safe and ethical use of AI.
- **Protection of the rights of citizens, respect for the regulatory framework, application of ethical principles and values.**
- Human supervision of the development and use of AI systems ("**human in the loop**")-
- Commitment to the **provision of the necessary human and material resources, and training** of personnel for the proper use of AI.

Spanish Tax Authorities IA strategy

Taking into account that the Tax Administration is already working on the use of AI, it will be essential that tax professionals (and taxpayers) also have tools that allow them to defend their rights, while meeting the multitude of tax obligations with the security or at least the knowledge of possible risks. If we do not “play by the same rules” there will come a time (not too far away) when taxpayers will not be able to conveniently (and in a controlled manner) meet all tax obligations.

A critic vision of the Strategy:

There is a **lack of express mention of other guiding principles and citizens' rights** which, in our opinion, are already widely accepted and should also have been expressly recognized in this document. By way of example, the following may be cited:

- The **principle of transparency** together with the consequent right of explanation.
- The **principle of proportionality**, which ensures that AI tools are used only for the specific purposes for which they were created.
- The **principle of equity, non-discrimination and absence of bias** in the Tax Agency's relationship with taxpayers, ensuring that no automated decisions are made by the AI.
- The **taxpayer's right to challenge AI-based decisions** that he or she considers incorrect or unfair.

In addition, under the hypothesis of the need to use technology to comply with the objectives of preventing and combating tax fraud and praising the self-regulation that the AEAT is voluntarily developing in this area through the Strategic Plan 2024-2027, **we must advocate the development in Spain of a legal framework, mandatory and with the status of law, which specifically regulates the use of AI by the Tax Agency, which has not yet occurred.**



03

Tax Changes in Spain 2025

Tax Changes in Spain in 2025

Golden Visa scheme cancellation from April 2, 2025: Since 2013, the golden visa has offered a flexible residence option for third-country nationals who can make a substantial capital investment in Spain. **Already granted golden visas will remain valid** for the original term and can be renewed in accordance with the original provisions of the program (**only the real estate investor option**).

Proposal of Taxes on property purchases by non-EU residents: In January 2025, Spain's Prime Minister Pedro Sánchez proposed a 100% tax on property purchases by non-EU residents. The proposal is intended to address the country's housing crisis and make homes available to residents. **There is a long way to go before we know what will be presented to parliament and eventually turn into law (VERY UNLIKELY)**

Mbappé Law: New residents in Spain who establish tax residence in Madrid can benefit from a **deduction equal to 20% of their investments in the regional tax bracket of the personal income tax**. Since income tax rates in Spain are comprised of both regional and state rates, this new deduction can only apply to the regional Madrid half.

This tax deduction applies to securities representing the transfer of capital (such as bonds, fixed interest, etc.) or shares (except real estate companies).

Reduction in corporate income tax rates: Tax rates for SMEs have been gradually lowered.

- Entities with a net turnover of less than €1 million, for the tax base to €50,000, will see a reduction of 21% for the 2025 fiscal year, 19% for the 2026 fiscal year, and 17% for the 2027 fiscal year and onwards. For the excess over €50,000, the reduction will be 22% for the 2025 fiscal year, 21% for the 2026 fiscal year, and **20% for the 2027 fiscal year and onwards**.
- Entities with a **net turnover of less than €10 million** will have a reduced rate of **24% in 2025**, gradually reduced to **20% from 2029 onwards**.

Global Minimum Tax: A new Complementary Tax has been introduced to ensure that large groups with consolidated **revenues exceeding €750 million maintain a minimum global effective tax rate of 15%** wherever they operate in accordance with **OECD Pillar 2**.

The background of the slide is an aerial photograph of a city, likely Madrid, showing various buildings, streets, and green spaces. A semi-transparent red overlay covers the entire image. In the center, there is a white rounded rectangle containing the text.

**THANK YOU
FOR YOUR
ATTENTION**