

# Understanding & Applying AI in Tax Administration

Duration: 16 hours

## Audience

Tax Domain Professionals

## Course Objectives

- Understand core AI concepts and their relevance to tax administration.
- Identify potential AI use cases within the tax domain.
- Recognize the ethical, legal, and governance challenges of AI in tax.
- Understand key principles for responsible AI implementation.
- Gain exposure to practical AI tools and their potential applications.

## Course Agenda

### Module 1: Foundations of AI in Tax (Approx. 4 hours)

- **1.1 Understanding AI & Generative AI:**
  - What is AI? Core Concepts Explained.
  - The Rise of Generative AI (GenAI) and its Significance.
  - Fine-Tuning vs. Prompting Overview (Contextualized for Tax).
- **1.2 AI in the Tax Context:**
  - Historical Perspective: AI in Tax & Customs.
  - Demystifying AI: Common Myths vs. Reality in Administration.
  - Key AI Technologies Overview (ML, NLP, Vision, Expert Systems).
- **1.3 Demos & Case Study:**
  - *Demo:* Exploring GenAI Capabilities (Using tools like NotebookLM for document analysis/synthesis with internal guidelines/knowledge).
  - *Case Study:* Reviewing early AI applications in tax (e.g., initial expert systems for risk).

## **Module 2: AI Use Cases & Opportunities in Tax (Approx. 4 hours)**

- **2.1 Identifying AI Applications:**
  - Understanding the "AI Use Case" Concept.
  - Established Use Cases (Risk Management, Audit Selection, Profiling, Refund Assessment).
  - Emerging Use Cases (GenAI for Staff Productivity, Taxpayer Service Enhancement, Content Creation).
- **2.2 Practical Demonstrations:**
  - *Demo:* Building a Simple Custom Chatbot for Internal Tax FAQs (using Microsoft Copilot Studio or similar low-code platform).
  - *Demo:* Automated Data Extraction from Tax Documents (using Azure Language Service & Power Automate or equivalent).
- **2.3 Systemic Impact & Case Study:**
  - How AI Affects Taxpayers, Practitioners, and Fraudsters.
  - *Case Study:* In-depth look at an AI application for Taxpayer Risk Profiling – Benefits, Data Needs, Potential Issues.

## **Module 3: Responsible AI: Governance, Ethics & Risk (Approx. 5 hours)**

- **3.1 Ethical & Legal Landscape:**
  - Principled Concerns: Bias, Simplicity, Transparency, Privacy, Accountability.
  - Navigating Legal Requirements & Recent Regulations.
- **3.2 Frameworks for Responsible Use:**
  - 10 Actions to Promote Responsible AI in Your Administration.
  - The Importance of Human Oversight (HITL/HOTL).
  - Introduction to AI Risk Assessment Methodology.
- **3.3 Responsible AI in Practice:**

- *Demo*: Illustrating Responsible AI features (e.g., tools for detecting bias in data, model explainability features – conceptual demo using platform examples).
- *Case Study*: Applying the Risk Assessment checklist to a proposed AI use case OR Analyzing an ethical dilemma scenario.

#### **Module 4: Implementing AI in Tax Administration (Approx. 3 hours)**

- **4.1 Strategic Planning & Policy:**

- Developing an AI Strategy aligned with Admin Goals.
- Key Elements of an Effective AI Policy.

- **4.2 Introduction & Management:**

- Lifecycle for Introducing AI Use Cases.
- Key Implementation Considerations (Data Readiness, Staff Skills, Change Management).

- **4.3 Wrap-up & Next Steps:**

- Course Recap: Key Takeaways.
- Future Outlook & Open Questions.
- *Case Study/Discussion*: Outline first steps for adopting a specific AI tool (e.g., GenAI support for staff) within the administration.