



ENERGY AND NATURAL RESOURCES

Tax Technology

KPMG LLP

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Houston, Texas
May 12 – 13, 2009

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Concurrent Session IV-B

10:15 a.m. – 11:45 a.m.

Leading Practices for Reducing Tax Risks and Costs through Technology Integration and Automation

KPMG Moderator: Brad Brown, Partner, *KPMG LLP*

Patricia A. Galbraith

Director, State and Local Taxes, *Entergy*

Tom DeGeorgio

U.S. Country Tax Manager, *Shell Oil Company*

Dave Shea

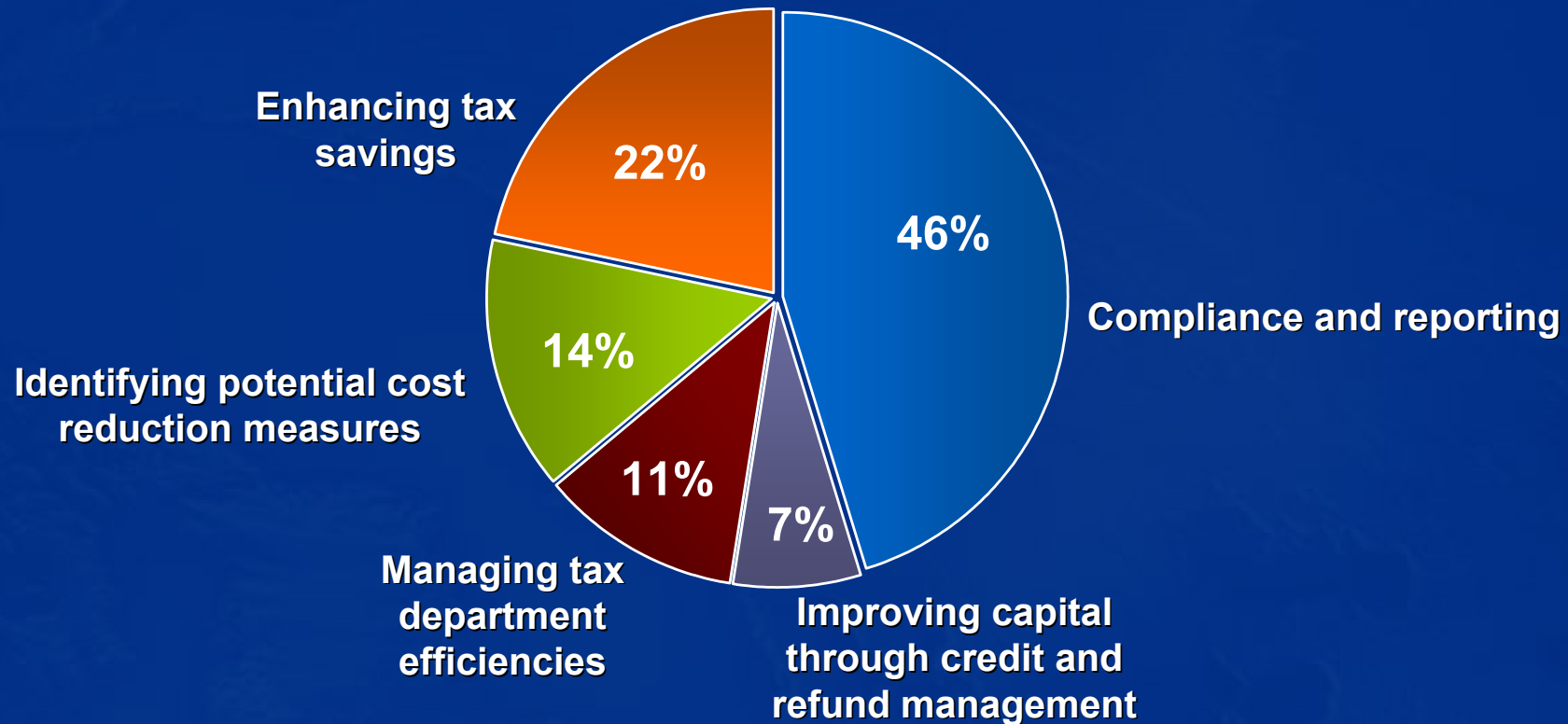
President and Chief Executive Officer,
CORPTAX, LLC

Dwayne Van Wieren

Partner, *KPMG LLP*

Technology and Tax Function Objectives

Tax Governance Institute Survey March 2009



Poll results 607 respondents. Survey results may not total 100% due to rounding

What is the role of technology and process in supporting critical tax objectives in the current environment?

Technology Trends

- ◆ **Recent McKinsey analysis⁽¹⁾ has identified these trends:**
 - CFO Involvement in Information Technology
 - Pressure on Information Technology Budgets
 - Uncertain Costs and Returns from Information Technology Projects
 - Regulatory Pressures
 - Offshoring and Outsourcing Shifts

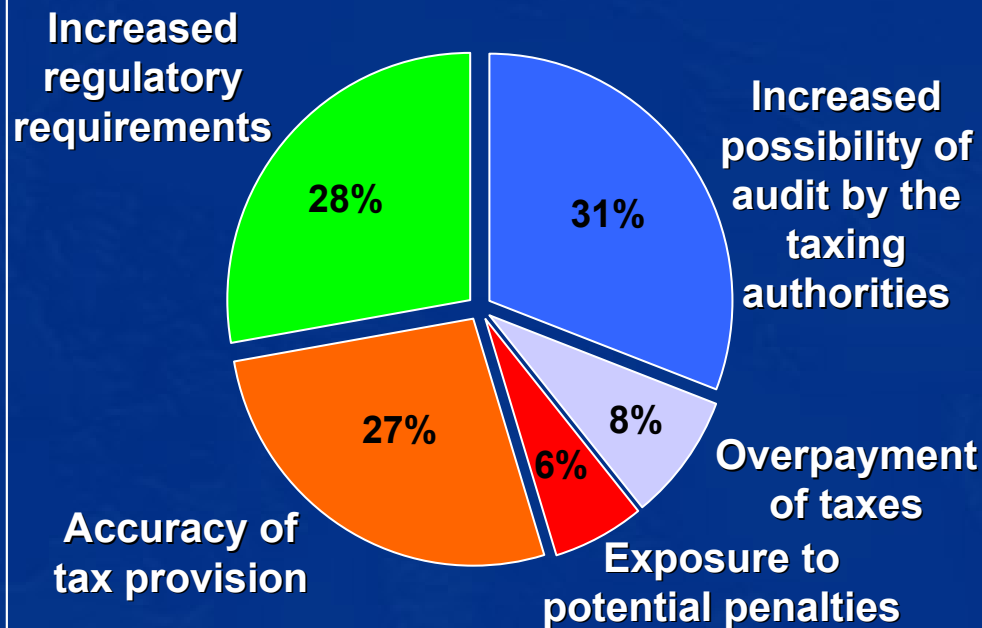
To what extent have you or do you expect to experience these trends as impacts on tax technology?

(1)The McKinsey Quarterly, February 2009, “Five trends that will shape business technology in 2009”

Technology and Tax Risk Management

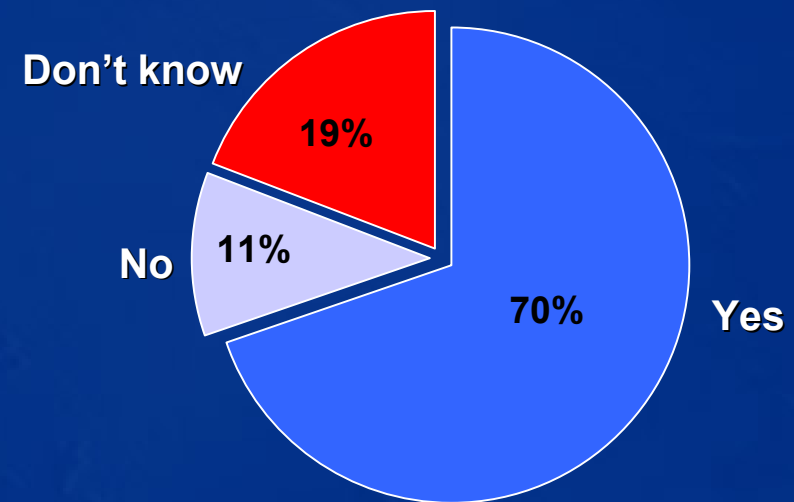
Tax Governance Institute Survey March 2009

What is the most significant tax risk facing your company today?



Poll results 544 respondents

Does your company's leadership view tax risk management as an integral part of the organization's enterprise-wide risk management policy?



Poll results 613 respondents

Are tax risk management concerns driving changes in the use of technology?

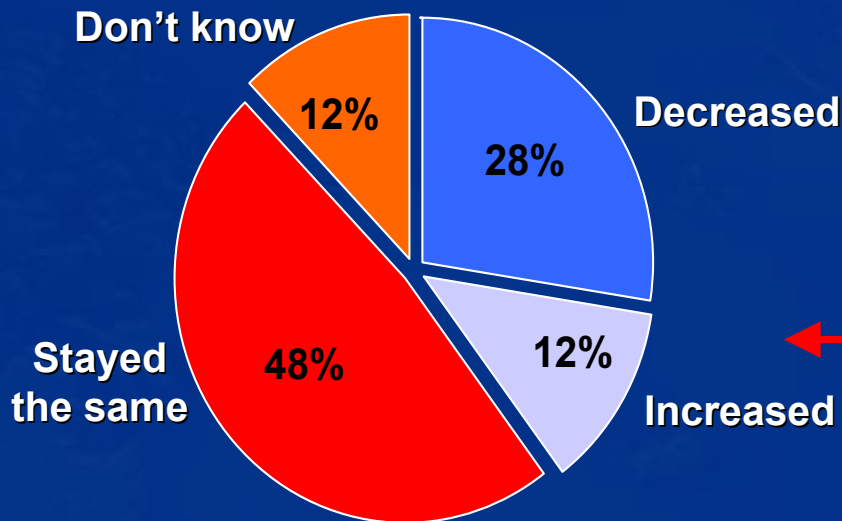
Headcount Constraints

How may headcount constraints impact technology initiatives?

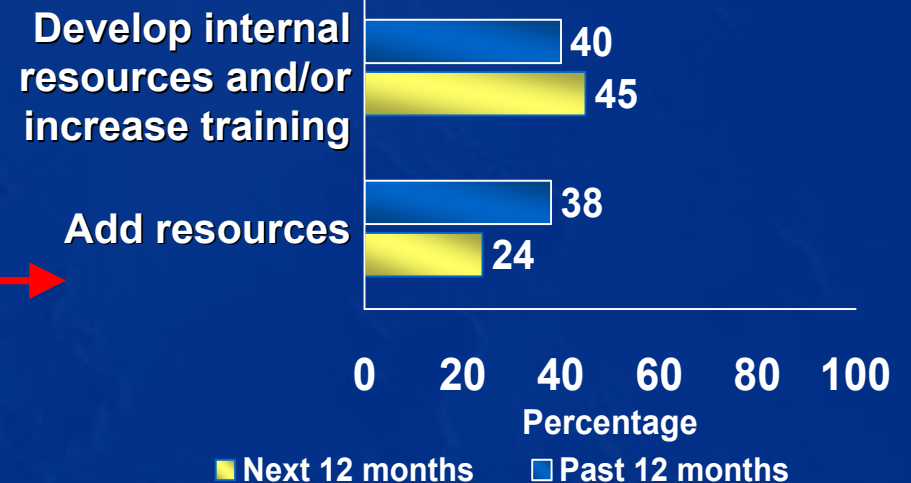
Tax Governance Institute Survey
March 2009

KPMG 2008 Tax Department Survey

During the past 6 months, your company's resources have increased, decreased, stayed the same?



Have you made any of the following personnel changes in your tax provision function in the past 12 months? Do you plan on making any of the following changes over the next 12 months



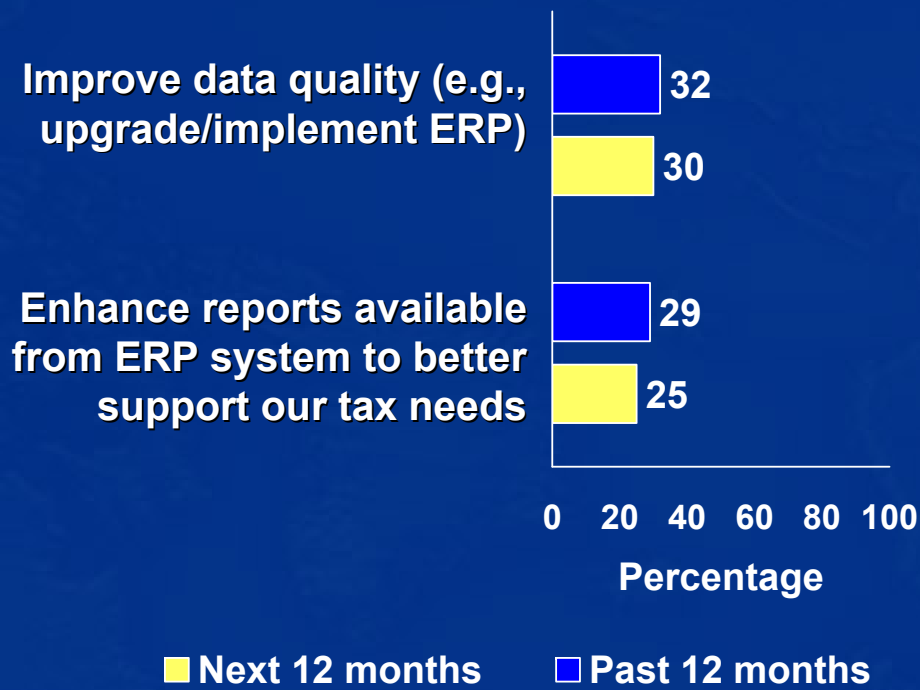
Poll results 690 respondents



Tax Sensitization of ERPs

KPMG 2008 Tax Department Survey

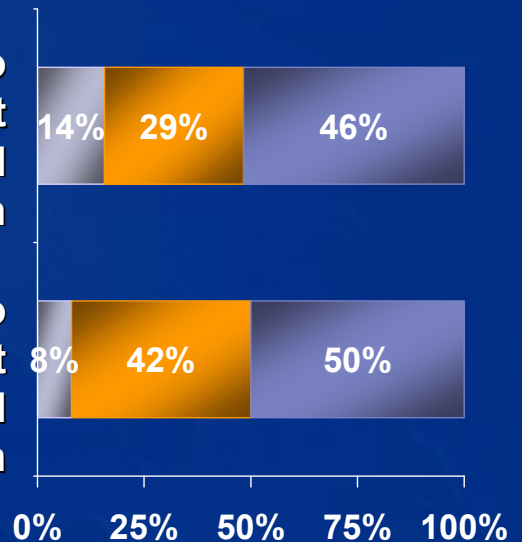
Have you made any of the following technology changes in your tax provision process in the past 12 months? Do you plan on making any of the following changes over the next 12 months?



KPMG 2006 Tax Department Survey

Among Those Who Were Asked For Input On An ERP Implementation/Revision (2005 n=12, 2006 n=28)

2006 Extent to which tax's input was incorporated into ERP system



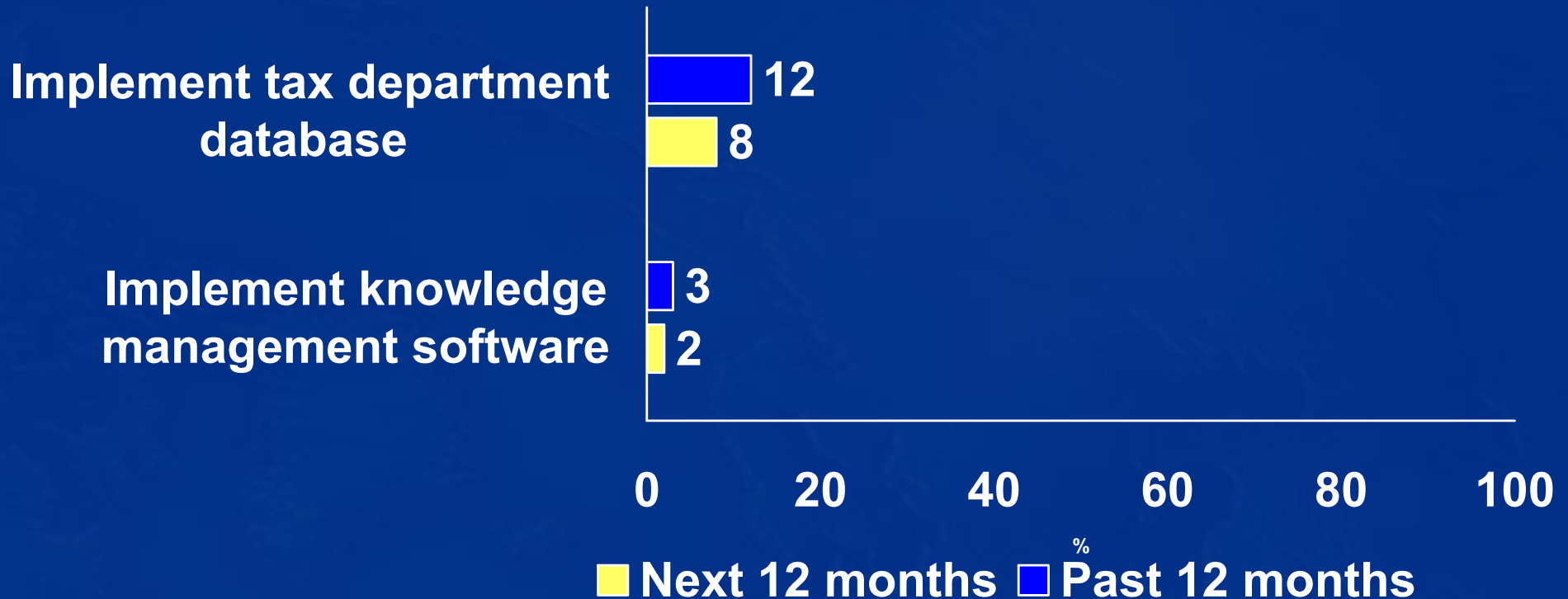
2005 Extent to which tax's input was incorporated into ERP system

Should tax sensitization of ERP be a focus area?
What have your experiences been in this area?

Tax Data Warehouse

KPMG 2008 Tax Department Survey

Have you made any of the following technology changes in your tax provision process in the past 12 months? Do you plan on making any of the following changes over the next 12 months?



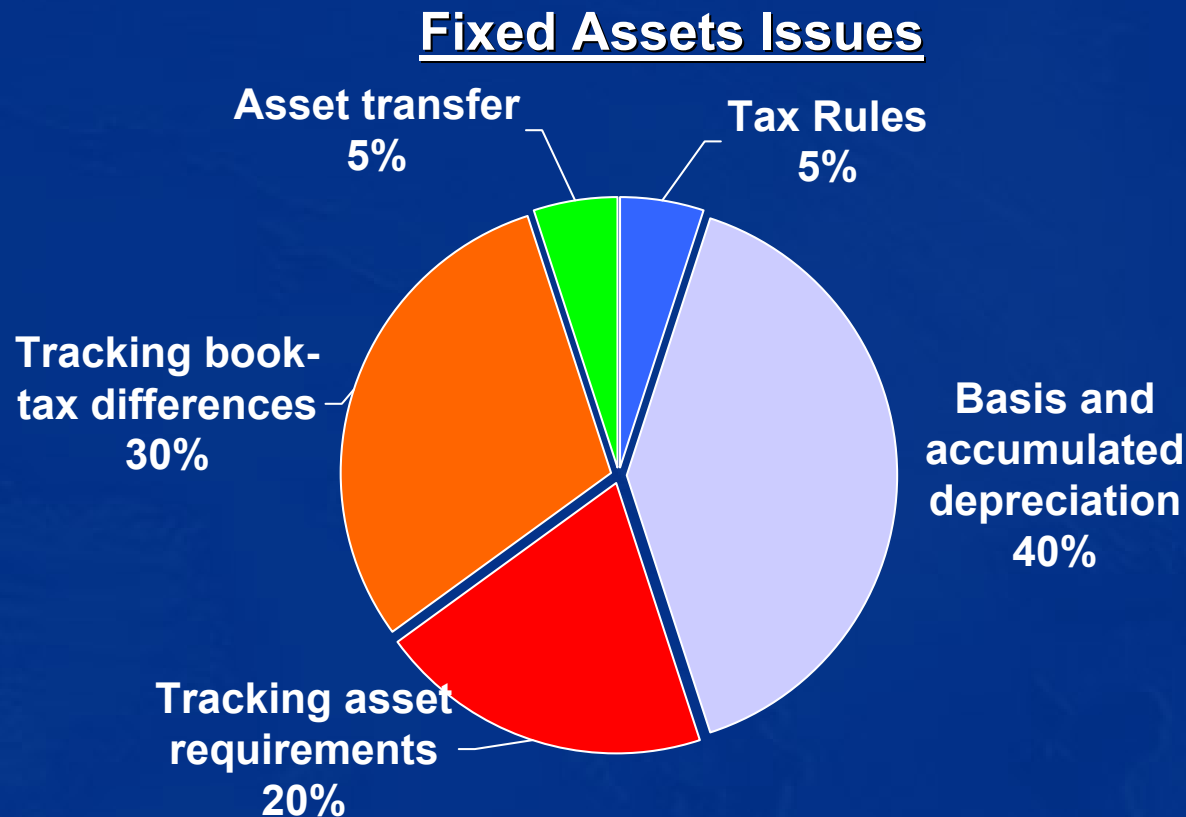
**Should a tax data warehouse be a focus area?
What have your experiences been in this area?**

Sales and Use Taxes

- ◆ At the 2008 conference 65% of respondents rated Sales and Use Taxes as being either a “medium” or “high” challenge
- ◆ 75% prepared Sales and Use returns manually
- ◆ Only 35% of respondents used any of the three leading bolt-on systems – SABRIX, TaxWare, or Vertex
- ◆ What issues have you faced, what projects have you pursued and what has worked related to sales and use taxes?

Fixed Asset Management

At the 2008 conference, 70% of respondents rated fixed asset management and tax depreciation as being either a “medium” or “high” challenge.



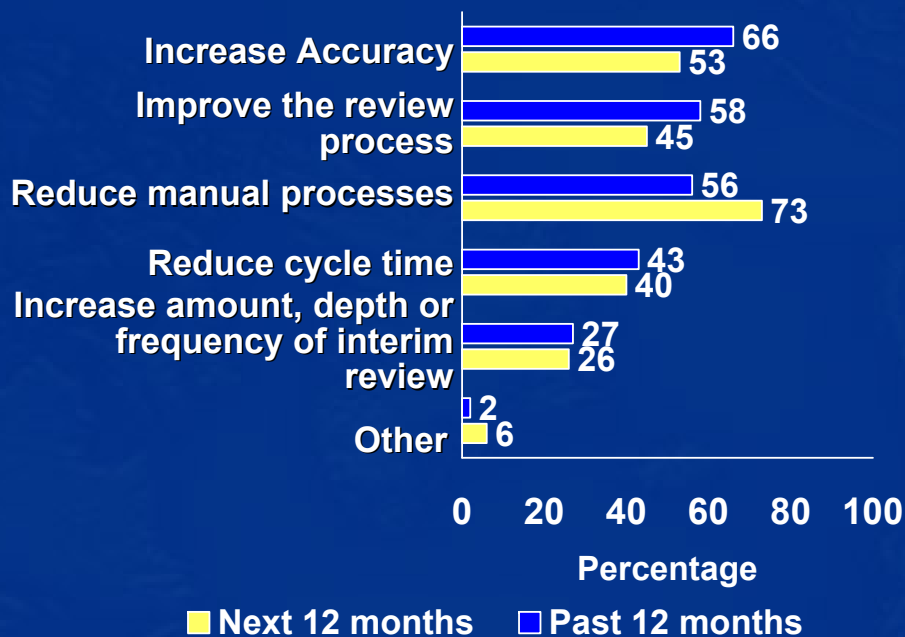
What issues have you addressed and how did you approach them?

Planned Implementations of Leading Practices

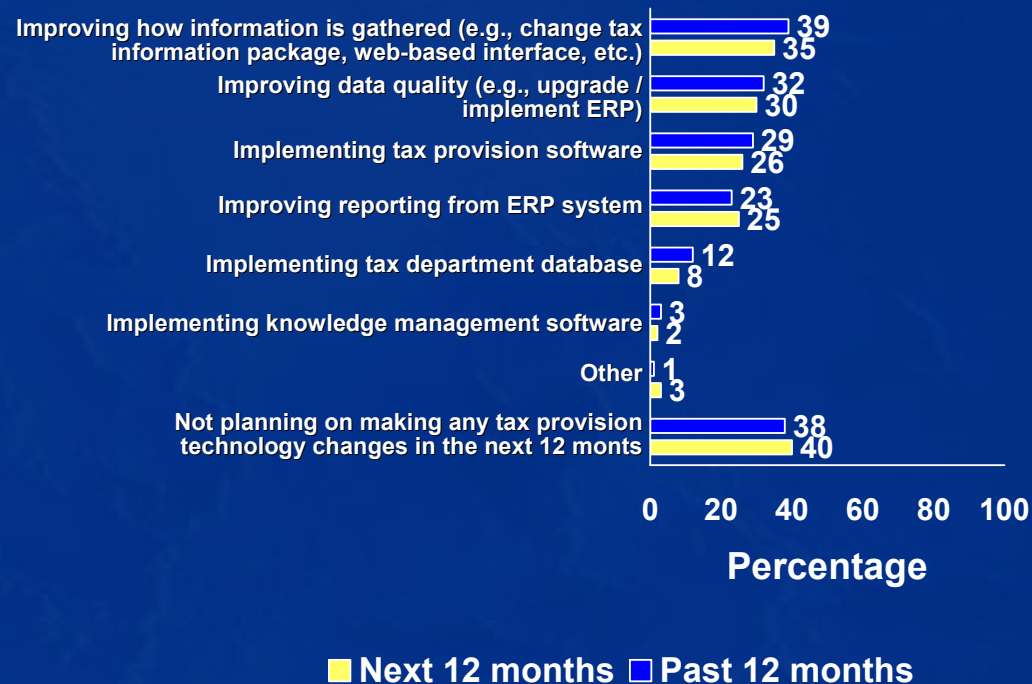
What impact do you expect the economic climate and constraints on headcount and technology to have on plans to implement leading practices?

KPMG 2008 Tax Department Survey

Which of the following were primary objectives of the process improvements during the past 12 months, and on which of these areas will your improvements focus over the next 12 months?



Have you made any of the following changes in your tax provision process in the past 12 months? Do you plan on making any of them over the next 12 months?



Getting Projects Off the Ground

- ◆ **What have you found to be the keys to getting tax process and technology project support and funding?**
- ◆ **How do you assess your return on projects?**
- ◆ **What role does the CFO play – is he or she a key stakeholder in gaining support?**

Closing Thoughts

Presenter's contact details

Brad Brown

KPMG LLP

(213) 593-6761

bradbrown@kpmg.com

us.kpmg.com

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