



From Velocity Comes Value

What is It?

Tax Data Analytics combines tax context & knowledge, large sets of data, and new technologies such as visualization tools to generate insights and deeper understanding. Tax analytics can help an organization's tax function make smarter, real-time decisions to improve business performance and drive strategy.

How Does it Work?

Tax Data Analytics is a process that includes collecting, transforming, cleaning, modeling tax data, and enriching the data with a tax knowledge base for understanding and applicability. One or more analytic tools are used to enable the visibility, accessibility, manipulation and discoverability of the data. Analyses are generally of 4 types:

- Descriptive – what is happening in the business
- Diagnostic – why is it happening
- Predictive – what's likely to happen
- Prescriptive – what should be done.

What is the Competition Doing With It?

Vertex's competitors are including Tax Analytics in their product offerings or describing solutions to provide insight into a company's tax data and enable decision-making: [Avalara content-data-and-insights](#), & Sovos describe VAT analytics with an ERP [data-analytics-critical-component-vat-compliance](#). Others, such as [Thomson Reuters](#), [Deloitte](#), and [PWC](#) talk about the importance of analytics and offer developing solutions with their clients to take into account the wide variety of data, systems, and tools that can be available and applied to create a valuable resource.

What is the Potential Intersection With Tax?

The use of tax data analytics is becoming an increasing necessity as tax authorities and boards demand effective risk management, are looking to understand more context, and are looking to gain insights from their data so that action can be taken. Tax data analytics can be used to: Identity, resolve, and prevent issues – applying data analytics to solve data quality problems, identify business process exceptions that are not currently being identified, and enable the tax department to respond to business changes more rapidly; provide insights into the health, quality, and context of tax data to the business; provide analytics and tax context that can be correlated with other business analytics to drive out new insights and improve