



PwC's Inaugural Global Reframing Tax Survey

March 2025



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Foreword

Globally, a confluence of megatrends (led by AI and climate change) is forcing companies to reinvent their business models and transform their operations. And any kind of strategic transformation, new way of working or new revenue stream comes with tax implications. Simply put, if CEOs are going to lean into reinvention, they need tax executives at the table.

The good news from our inaugural PwC Global Reframing Tax Survey is that many C-suite executives already see tax playing a significant role in strategic business decisions. What also emerges, however, is a picture of tax functions stretched to capacity by increasingly complex compliance obligations, resource constraints and a deluge of data. In its current form, the typical tax function will not be able to deliver on its transformative potential.

We hope this report will open a conversation and present a way forward for businesses to act on two fronts. First, finding ways to alleviate pain points and equip the tax function with the skills, expertise and technology it needs to optimise day-to-day operations. And second, making sure that tax can play a strategic, value-creating role in the reinvention journey to come.

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Tax at the table: Navigating complexity and delivering transformation

PwC's Global Reframing Tax Survey reveals the critical role of tax in business strategy, and highlights potential actions for realising its full potential.

“A smooth sea never made a skilled sailor,” said US president Franklin D. Roosevelt. If true, tax leaders will emerge stronger from the current squall of regulatory change, new technology and rising business expectations. Navigating the sea of change is stretching many tax professionals to their limits even as it creates opportunities for them to add value in new ways.

To provide a comprehensive view of the opportunities and challenges facing tax executives worldwide, PwC's inaugural Global Reframing Tax Survey draws on survey responses from 1,205 executives across 47 countries, supported by qualitative interviews. More than 80% of survey respondents work in the tax or finance function.

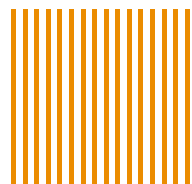
The overarching picture that emerges is one of tax leaders caught between multiple competing priorities as they respond to demands for greater efficiency, strive to play a strategic role in business reinvention, and deal with once-in-a-generation changes in the global corporate tax environment.

Among the key findings:

- **Only 43% of respondents feel they are well-placed to deal with the impact of regulatory change.** And change is on the way: 91% of large organisations anticipate that Pillar Two regulations will have an impact on their business.
- **Sixty-six percent say their tax function plays a significant role in influencing strategic business decisions.** However, C-suite executives are more likely to believe this is the case than heads of tax.
- **Ninety-five percent say they have a skills gap in their tax function.** Knowledge of AI, specialised tax expertise and data analysis are the most critical skills needed to fill this gap.
- **GenAI is already having an impact**, with 56% of respondents saying that they've seen concrete benefits from its use, and more than 80% expecting this technology to transform tax planning and strategy in the next three years.
- **Eighty percent are comfortable with the idea of outsourcing at least some of their tax activities in the next three years**, and many are already working with external advisers.

This report is structured around four themes that shed light on what it means, these days, to be a tax executive, the challenges they face and how these might be resolved.

Section 1 provides an overview of some of the main pressures on the tax function. Sections 2, 3 and 4 each examine one element of a potential solution: Skills; technology; and an operating model that combines resources in new ways.





SECTION 1: Tax under pressure

What?	So what?	Now what?
<p>The survey finds:</p> <p>Only 43% say they can deal with the impact of regulatory change.</p> <p>Tax is expected to be strategic, but only 27% of those in the tax function think they are indeed playing a leading role.</p> <p>Initiatives aimed at transforming the tax practice are twice as likely to be focused on efficiency and cost reduction than on better tax management.</p>	<p>In PwC's experience:</p> <p>The tax function is stretched by resource constraints, mounting regulatory pressure and the expectation to contribute to strategic business decisions.</p> <p>In a sea of regulatory and strategic change, tax executives are finding tactical solutions for day-to-day pain points to ease a sense of overwhelm.</p>	<p>Organisations can:</p> <p>Focus on the business case for tax to transform.</p> <p>Boost efficiencies in day-to-day tax operations through the right skills, expertise and technology.</p> <p>Involve the tax function in strategic decision-making.</p>

New legislation and compliance obligations are a major challenge for tax executives. For example, more than 90% of survey respondents at large organisations say that Pillar Two will have an impact on their business. Yet less than half (43%) feel well-placed to handle regulatory change.

Staying current with the nuances of Pillar Two, which is being enacted through national legislation in more than 140 countries, is a task itself. Even more daunting is the volume and granularity of data required for Pillar Two tax calculations: more than 270 distinct data points for every constituent entity, of which there can be hundreds in truly global companies.

Based on our work with clients, only about half of this granular data is currently held in companies' central systems. The rest must be tracked down, verified, and combined from applications and spreadsheets throughout the enterprise. In the words of one interviewee: "The additional tax we need to pay under Pillar Two is not the burden. The burden is the paperwork and the tracking."

What's more, Pillar Two is not the only major regulatory change facing tax leaders. Around half of respondents (46%) expect sustainability to result in greater tax complexity as organisations navigate the complex web of incentives, tariffs, and other instruments enacted by governments looking to promote or protect climate-friendly industries.

Just as the external tax environment is becoming significantly more complex, so is the organisational context in which tax executives work. Ninety percent of survey respondents say their organisation is currently undertaking a strategic business transformation or is planning to do so. Equally, 90% say the tax function is involved—as one would hope, given that most transformations have significant tax implications.

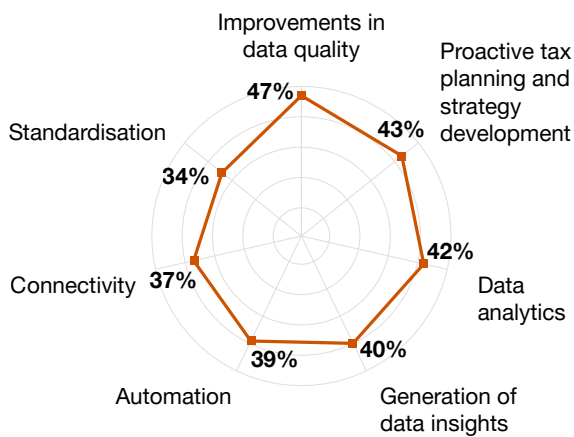
Whether tax is playing a leading role in these initiatives is less clear. A majority of executives in general management and strategy roles think so (56% and 54%, respectively) but this falls to only 27% among tax professionals themselves. Similarly, there is a perception gap about whether the tax function plays a significant role in strategic decisions, with 63% of C-suite executives believing that it does, versus only 51% for heads of tax.

Against this background, what steps are companies planning to make tax more effective? Almost half (47%) of survey respondents say that improving data quality is a priority for the next three years, with similar proportions saying that the tax function will need to become more proactive (43%) and better at analytics (42%).

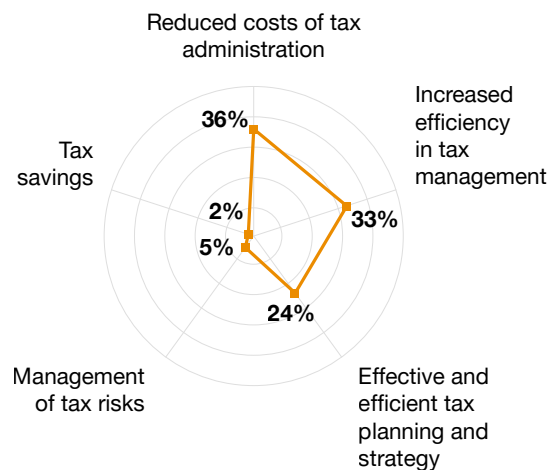
Yet when asked about the biggest potential benefits of tax function transformation, the most popular answers are lower costs in tax administration and increased efficiency in tax management. More effective tax planning and strategy comes a distant third. The message: many business leaders continue to see tax primarily as a cost centre, as opposed to a strategic capability with transformative potential.

Figure 1. Most initiatives aimed at transforming the tax function are focused on cost reduction and efficiency, which are unlikely to deliver the improvements required for the future

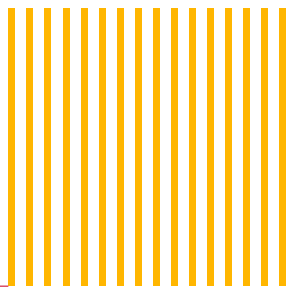
What are the key process improvements that will need to be made in your tax function over the next three years?



What would be the biggest benefit of tax function transformation?



Data source: PwC's Inaugural Global Reframing Tax Survey, March 2025





Your next move

The confluence of organisational and regulatory change visible in the survey data represents a 'new normal' for tax leaders. As PwC's latest [Annual Global CEO Survey](#) confirms, more than 40% of CEOs globally believe their company will no longer be viable in ten years' time if it continues on its current path. For most companies, there is no viable alternative to ongoing business model reinvention and organisational transformation.

While the pace of change is a challenge for tax leaders, it is also an opportunity to establish tax as a must-have contributor to strategic decisions. From our work with clients, we see that working through the tax implications of new ventures can potentially [increase profits by two to ten percentage points](#). There is also less likelihood of disputes with tax authorities if the tax function is involved at a high level. These alone should be powerful incentives for CEOs and CFOs to add tax to their reinvention toolkit.

As we describe below, creating a fit-for-the-future tax function requires complementary moves relating to skills, technology and the operating model. A good first step is to take a hard, objective look at the tax function's book of work and decide which day-to-day activities are relevant and efficient. If they are not relevant, discard them. If they are relevant, then make them more efficient. Realising efficiencies across people, processes and technology can free up capacity to focus on the bigger picture and strategic business transformation.

“We’re on a journey to elevate our tax function. The end point is a back office that handles all the transactional tasks so our top talent can think, can connect with external providers, and can bring in new ideas. I think we’re more than halfway along on that journey.”



SECTION 2: Get serious about skills

What?	So what?	Now what?
<p>The survey finds:</p> <p>Almost all respondents report a skills gap in their tax function, with more than half describing it as 'very wide'.</p> <p>Recruitment needs are almost evenly split between tax expertise and tech/AI skills, highlighting the dual focus required to bridge this gap.</p>	<p>In PwC's experience:</p> <p>Tax expertise alone is no longer sufficient. The modern tax function requires professionals who are tech-savvy, skilled in data analysis and capable of leading change.</p> <p>The gap in AI and data skills risks leaving tax functions unprepared to handle increasing regulatory complexity and to leverage automation.</p>	<p>Organisations can:</p> <p>Assess existing skills and identify gaps.</p> <p>Look at skills needed for tax expertise as well as technology use, data analysis, change management and communication.</p>

Almost all survey respondents (95%) say they have a skills gap in their tax function, with more than half (55%) describing the gap as very wide. The top three skills needed for the future are knowledge of AI (42%), data analytics (40%) and specialised tax expertise (40%.) In other words, many (perhaps most) tax functions are grappling with significant gaps in both traditional tax expertise and in emerging skills.

But while most leaders recognise that they have a problem, far fewer appear to be addressing it. Less than one third of survey respondents say they are upskilling existing staff (32%) or hiring new talent (29%) to prepare the tax function for the future. The danger, once again, is that reluctance to invest in tax may prevent the function from delivering on its transformative potential.

Against this background, tax leaders themselves may need to hone their influencing and change management skills, not only to guide their teams through transformation and technology adoption but also to advocate more effectively for tax across the organisation. In today's environment, agility is critical, and the skills required of tax leaders extend beyond tax expertise.

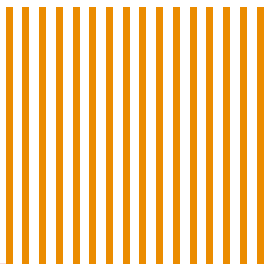
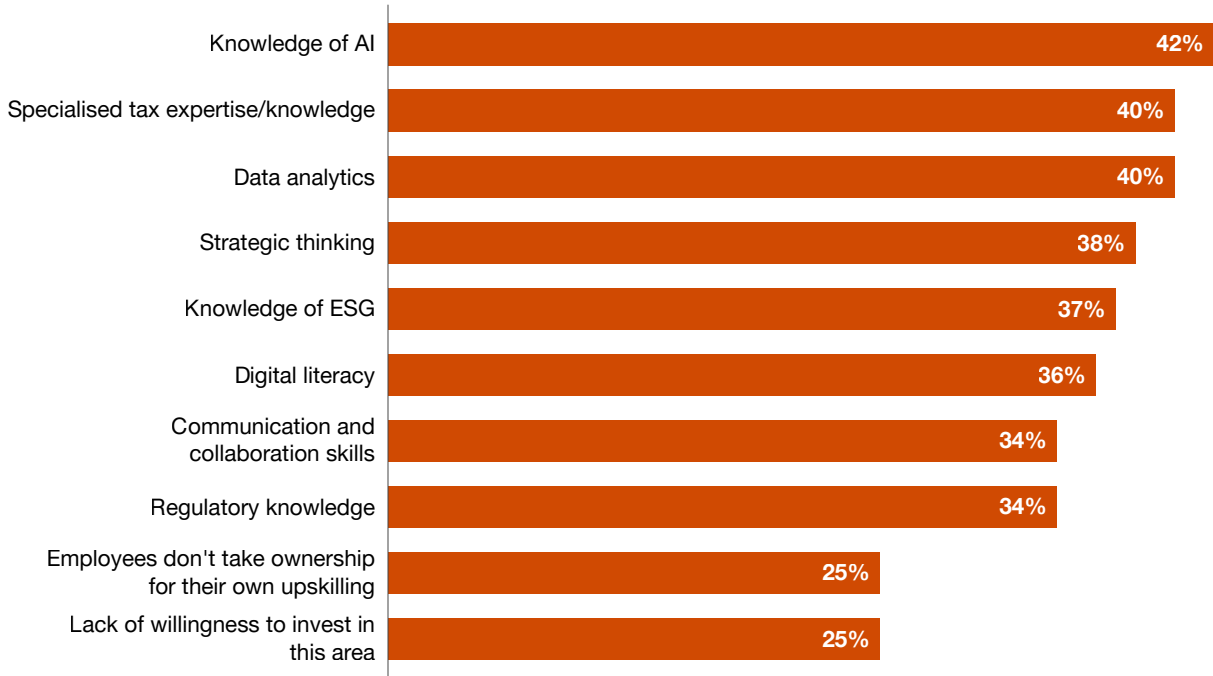
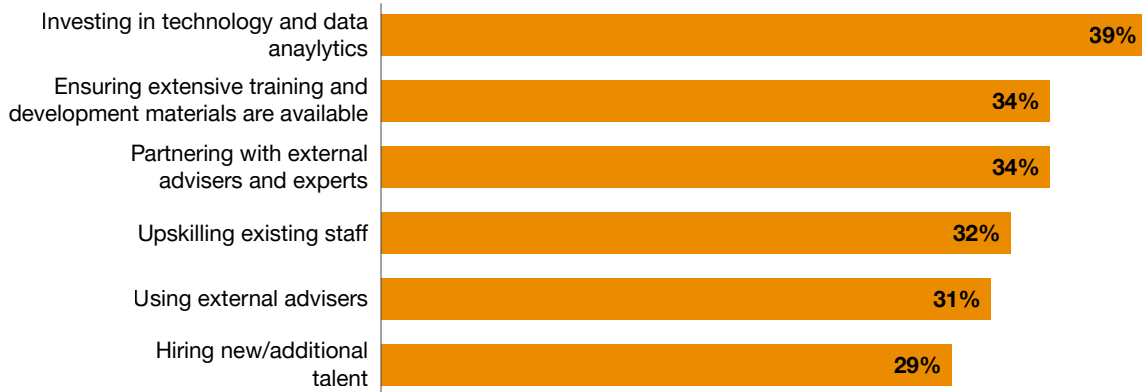


Figure 2. Technology know-how is as important as tax expertise; companies are investing accordingly

What are the three most critical skills you need in your tax function for the future?



How are you preparing your tax team for the future?



Data source: PwC's Inaugural Global Reframing Tax Survey, March 2025

Your next move

The rapid rise of AI has transformed the skills landscape, and organisations must adapt quickly. PwC's [AI Jobs Barometer](#) shows that AI is already driving a productivity revolution, with growing demand for data scientists, technology specialists and strategic leaders. In addition, PwC's [Global Workforce Hopes and Fears Survey](#) finds that many employees are eager to upskill, recognising the potential of tools such as GenAI to increase their efficiency at work.

Action to address the tax function skills gap starts with a comprehensive skills audit, focusing on both technical and leadership capabilities. Once a baseline has been established, leaders can invest in upskilling programs for AI, data science and stakeholder engagement. They can also start to rebalance recruitment efforts to meet both immediate and long-term needs, prioritising candidates with AI expertise, data analytics skills and strategic thinking.

“The talent pool coming now won’t be your traditional finance and accounting people. It will be more around people who are into software, AI, technology.”

“If tax just highlights problems, it doesn’t really help. We’re still in the process of changing that mindset within the function.”



“Rarely does the tax function tell us, ‘If you do X, you’ll end up paying Y.’ Typically, they only give qualitative reasons why something may or may not be a good idea. But qualitative reasons don’t work themselves into a business case.”

“We are looking to bring in people who have a tax background but also have an affinity for technology. When we select new hires now, we really look for this combination.”



SECTION 3. Harness AI and automation

What?	So what?	Now what?
<p>The survey finds:</p> <p>Fifty-six percent have seen benefits from the use of GenAI.</p> <p>More than 80% expect GenAI to transform tax planning and strategy in the next three years.</p>	<p>In PwC's experience:</p> <p>As more organisations turn to AI and automation to support the tax function, it's clear there is no one-size-fits-all solution for tax reporting and compliance.</p> <p>This makes a technology ecosystem key.</p>	<p>Organisations can:</p> <p>Define priorities and use cases: Identify specific operational pain points that AI can address, such as automating compliance tasks or forecasting tax liabilities.</p> <p>Adopt a technology ecosystem: Implement AI solutions that can integrate with existing systems to deliver measurable value.</p> <p>Upskill teams for AI: Equip the tax professionals with the knowledge and tools needed to maximise AI's potential for the tax function, while managing associated risks.</p>

Automation and AI, particularly GenAI, are starting to transform the tax function, offering opportunities to streamline operations and improve compliance. Survey responses confirm that GenAI is already having an impact, with 56% of respondents reporting tangible benefits from using GenAI and 47% saying that leveraging new technology in the tax function is a top priority.

Looking further ahead, more than 80% expect GenAI to transform tax planning and strategy in the next three years. A lower (but still significant) 60% think that automation and GenAI will revolutionise tax compliance and reporting processes.

That said, these are early days and adoption remains uneven, with challenges including trust, data readiness and defining clear use cases. While most respondents are using GenAI in some capacity today, there's no standout use case. When asked which specific areas of the tax function they expect to be significantly transformed by GenAI in the next three years, answers are spread widely.

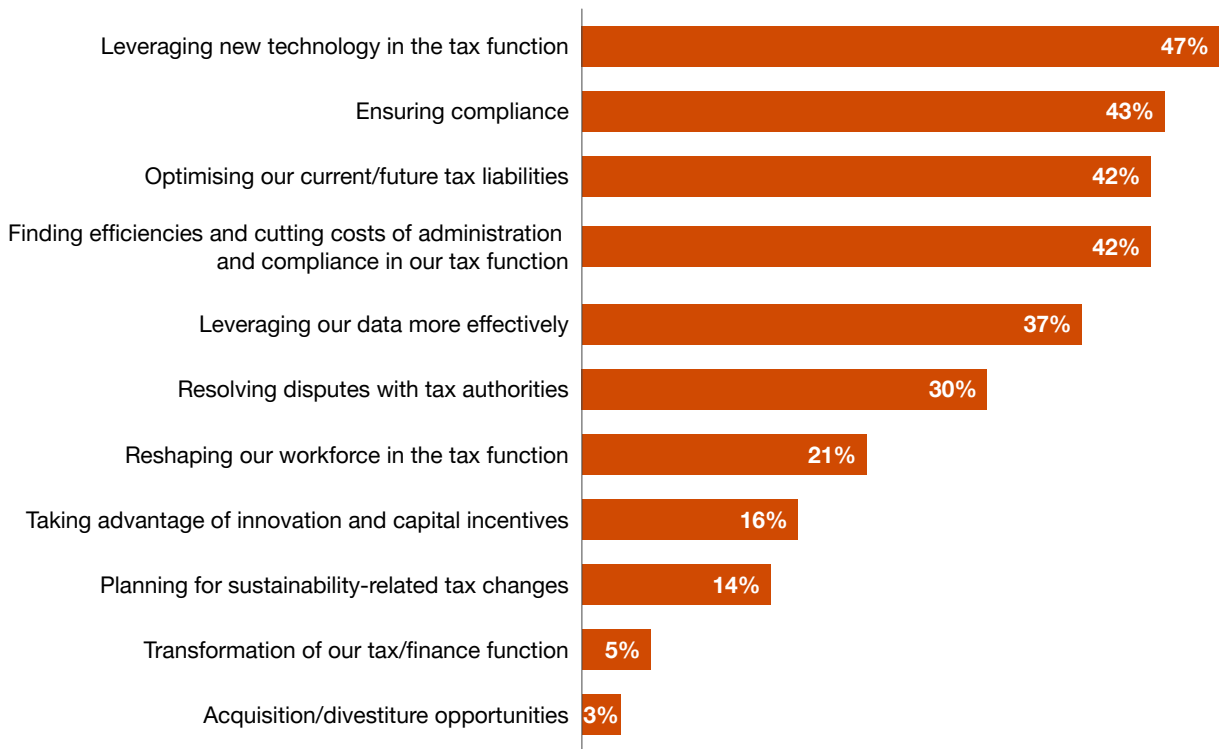
Interviews confirm that many executives remain wary of GenAI even as they recognise its potential. In the words of one finance executive: "We're hesitant to implement something that is not completely bulletproof."

Such doubts are legitimate at this early stage of GenAI’s development. However, we expect them to ebb as organisations gain more experience with the technology and move from using it for generic tasks to addressing specific needs relevant to the tax function. Moving forward, only advanced technologies such as AI can provide tax executives with the leverage they need to form strategic insights and act as highly valued business partners in their organisations. Human capital alone will not be able to deal with the increasing volume of data that the tax function is required to process and interpret.

Indeed, scarcity of skilled labour may partly explain why respondents in the Middle East (87%), South America (86%) and Europe (81%) are more likely to be investing significantly in automation of tax processes and systems than their counterparts in North America (65%) and Asia–Pacific (59%).

Figure 3. The tax function needs to transform by investing in tech and other areas

What will be the three most important priorities of your tax function in the next three years?



Data source: PwC’s Inaugural Global Reframing Tax Survey, March 2025

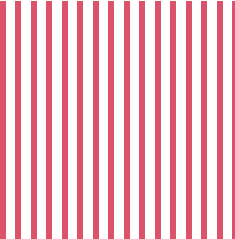
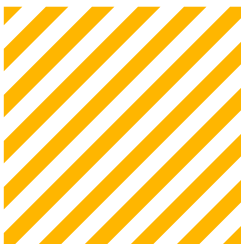
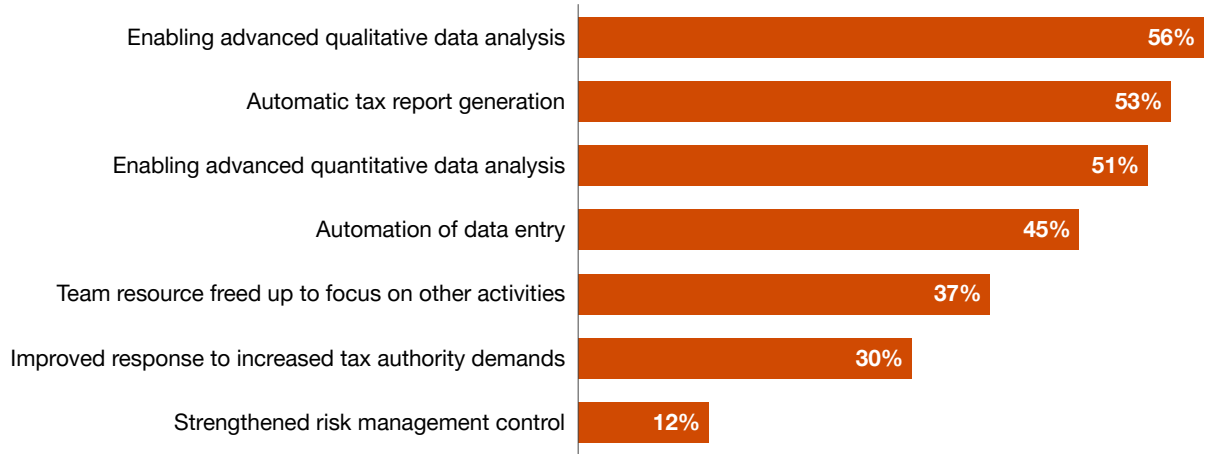
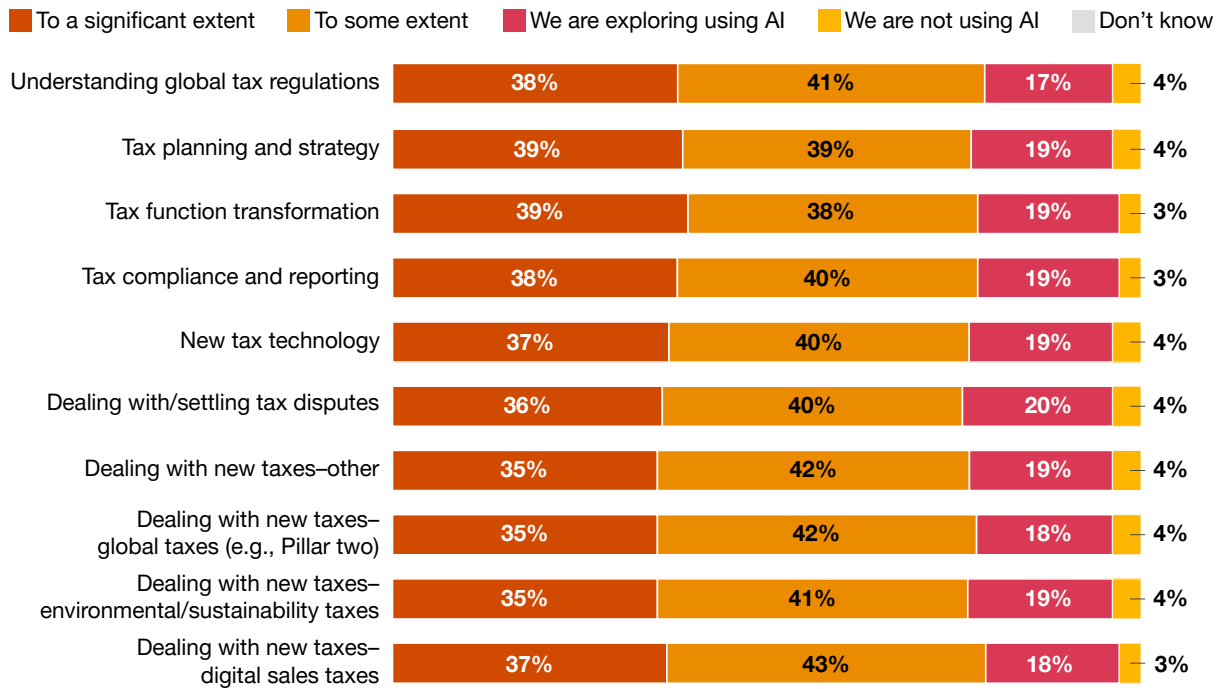


Figure 4. Most clients are already using GenAI in some capacity, but there's no standout use case for GenAI at the moment

What significant, actual benefits have you seen being delivered by GenAI in these areas of tax?



In which areas of tax function do you expect GenAI to drive significant transformation in the next three years?



Note: Percentages shown may not total 100 due to rounding.
Data source: PwC's Inaugural Global Reframing Tax Survey, March 2025



Your next move

New tools and AI applications are coming to market at a dizzying rate. Consequently, many tax executives are wondering which way to turn and in what technology to invest. In this fast-moving landscape, perhaps the most important move is to get the tax function ready to benefit from whatever new tools are introduced in future. Specifically, organisations can:

- **Build data readiness:** Ensure tax data is high quality, structured and accessible to maximise AI's effectiveness. After all, AI outputs are only as good as the data upon which they are based.
- **Invest in AI and GenAI pilots:** Start with small, high-impact projects to test AI's capabilities, such as automating compliance workflows or generating predictive insights. Regardless of the technology, the focus should be on matching specific needs with targeted solutions.
- **Foster trust and governance:** Implement responsible AI practices to address stakeholder concerns around accuracy, compliance and ethical risks. This includes upskilling colleagues to understand the strengths, weaknesses, limits and guardrails required for new technology.

“I’m struggling with the fact that I don’t have enough people. I can imagine that 50% of the jobs could be supported with AI tools in the near future.”

SECTION 4: Revisit the tax operating model

What?	So what?	Now what?
<p>The survey finds:</p> <p>Eighty percent are comfortable with the idea of outsourcing at least some of their tax activities in the next three years.</p> <p>Organisations are increasingly working with external advisers to manage complexities of new regulation and technology.</p>	<p>In PwC's experience:</p> <p>Tax executives increasingly use external providers to address immediate needs while maintaining control over strategic priorities.</p> <p>The model for outsourcing has shifted from a binary one (of either fully in-house or outsourced) to a wide and flexible spectrum of options.</p>	<p>Organisations can:</p> <p>Assess the skills, technology and processes they have in place to cope with current and future needs.</p> <p>Then balance what they need against the capabilities they can hire, buy or develop.</p>

AI and other advanced technologies can be used to cut costs. Or they can be used to rewire functions and tasks, boost productivity and pursue growth through operating model transformation. The same is true for managed services partnerships (MSPs.) In fact, [PwC research](#) finds that companies using MSPs to close capability gaps tend to outperform those using MSPs mainly to cut costs.

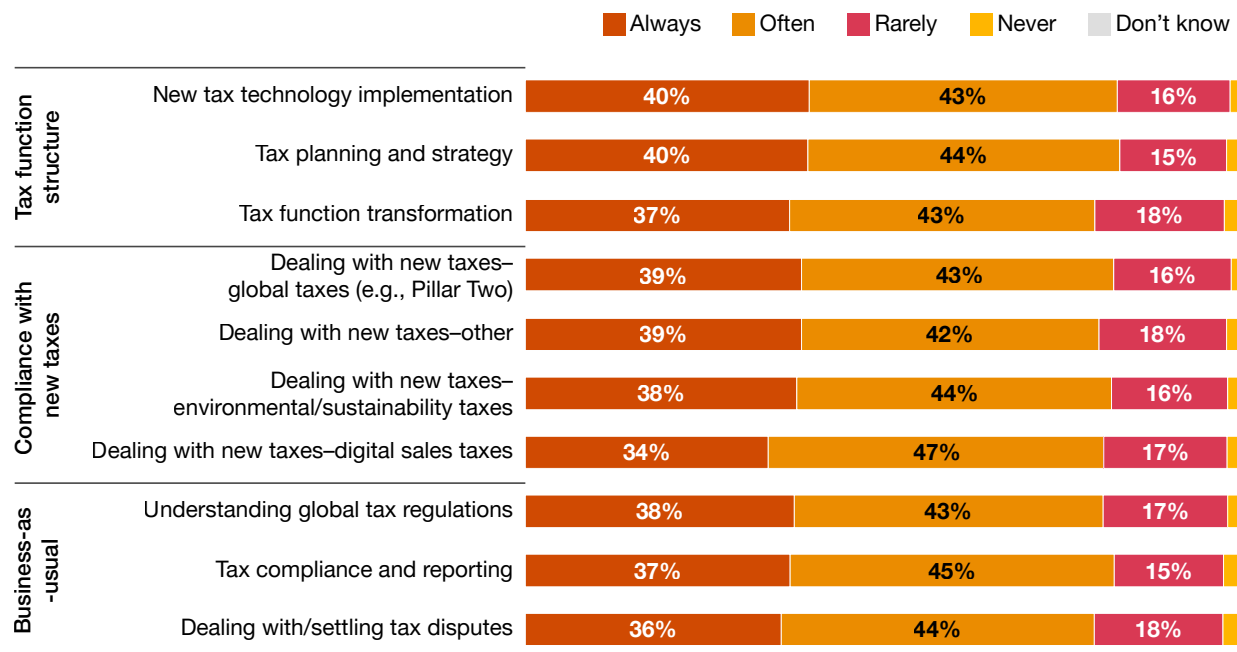
This is an area in which tax leaders are often well ahead of colleagues in other business functions. More than 80% of survey respondents say they already use external support for most tax activities, with around half doing so always. Reasons for outsourcing include:

- Access to new skills: External advisers bring expertise in AI, data analytics and ESG compliance.
- Staying ahead of regulatory change: For instance, 52% of organisations are engaging external advisers to prepare for Pillar Two implementation.
- Leveraging new technology: Outsourcing helps accelerate the adoption of new tools without overburdening internal teams.

The question for tax executives is whether more could be done to optimise operating models in the light of major changes in compliance obligations and the imperative for in-house professionals to focus on supporting reinvention and transformation across the business. In our advisory work, we find that MSPs architected several years ago may no longer represent the best-available solutions.

Figure 5. More than 80% of clients already use external support for most tax activities, with around half doing so always

How frequently do you use external support for the following tax activities?



Note: Percentages shown may not total 100 due to rounding.
Data source: PwC's Inaugural Global Reframing Tax Survey, March 2025

Your next move

Optimisation of the tax operating model starts with an honest assessment of the skills, expertise, processes and technology that the organisation has available to meet current and future needs. Based on this assessment, tax leaders can then engage in fact-based conversations with providers about what's needed to fill gaps across people, technology and processes.

The model for external support has evolved in recent years from a simple binary—either fully in-house or fully outsourced—to a broader spectrum of options. For example, an organisation might choose to buy certain skills for a limited period or leverage certain processing capacities to enhance overall capabilities.

This evolution gives tax leaders considerable freedom to select, based on their constraints, from the best that different providers and advisers can offer. Conversely, to guard against complexity, there can be advantages to consolidating with a single managed services partner under a shared risk model.

“Future tax compliance is not really a big concern internally. I know that professional firms will invest, from their perspective, to keep up with the most advanced trends and the most recent regulations.”

“We don’t want to hire someone full-time to manage new legislation because we know that, initially, when legislation is implemented or becomes effective, there is a heavy workload, but when it becomes business as usual, you don’t need the extra headcount.”



Conclusion

Regardless of sector or geography, the coming decade will bring an upsurge in business innovation and a reconfiguration of industries. As they navigate these changes, C-suite leaders need tax at the table to inform strategic decisions and optimise operations. Absent tax input, profit margins and returns on capital will suffer, lengthening the odds of success for the business as a whole.

This much we know. What's less clear is how each organisation can create a tax function that can deliver on its transformative potential at a time of tight resource constraints and massively increasing complexity in day-to-day operations. There is no prototype answer. Informed by responses to our Global Reframing Tax Survey, reflecting on these questions may help leaders clarify their path forward:

- Does our team have the right blend of tax, technology and data expertise to deal effectively with regulatory change and new compliance obligations?
- Do we have a plan to harness AI and other automation technologies in ways that not only improve efficiency but also help our people play a strategic role?
- Are there additional capabilities or processes that could be augmented or fulfilled by service providers?
- As leaders, are we doing enough to upskill and prepare ourselves and our tax teams for changes to come?

Perhaps counterintuitively, we see tax as well placed to set the transformation standard for the rest of the business. Operationally, it's a discrete function, well-suited to pilot projects. By testing, learning and scaling across AI, automation, upskilling and outsourcing, tax leaders can blaze a trail—and reframe tax for the future.



APPENDIX

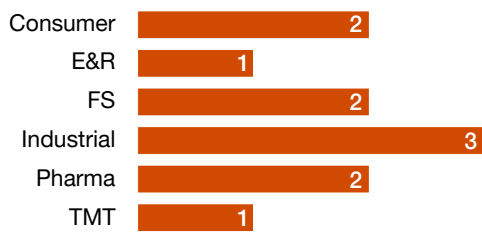
Survey demographics and methodology

The survey comprised a quantitative survey of 1,205 senior buyers of tax advisory services complemented by qualitative interviews with 11 senior tax advisory buyers who had been directly involved in the purchase of tax advisory services in the last year.

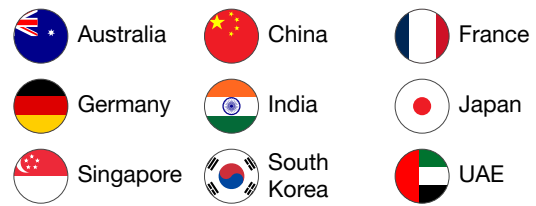
The survey and interviews spanned respondents from a range of sectors, functions, locations and organisation sizes. Themes covered included changes relating to strategic business transformation, GenAI, governance and risk management, tax compliance and staffing.

Figure 6. Qualitative interviews

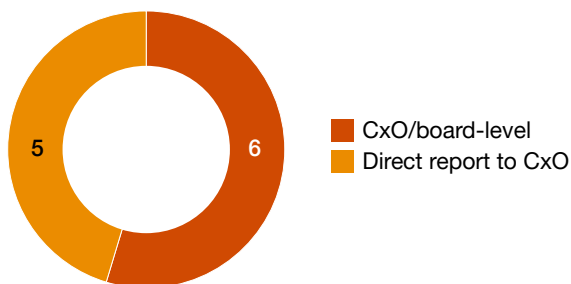
Sector



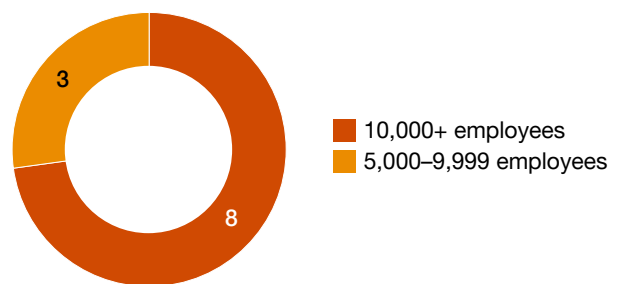
Country



Seniority



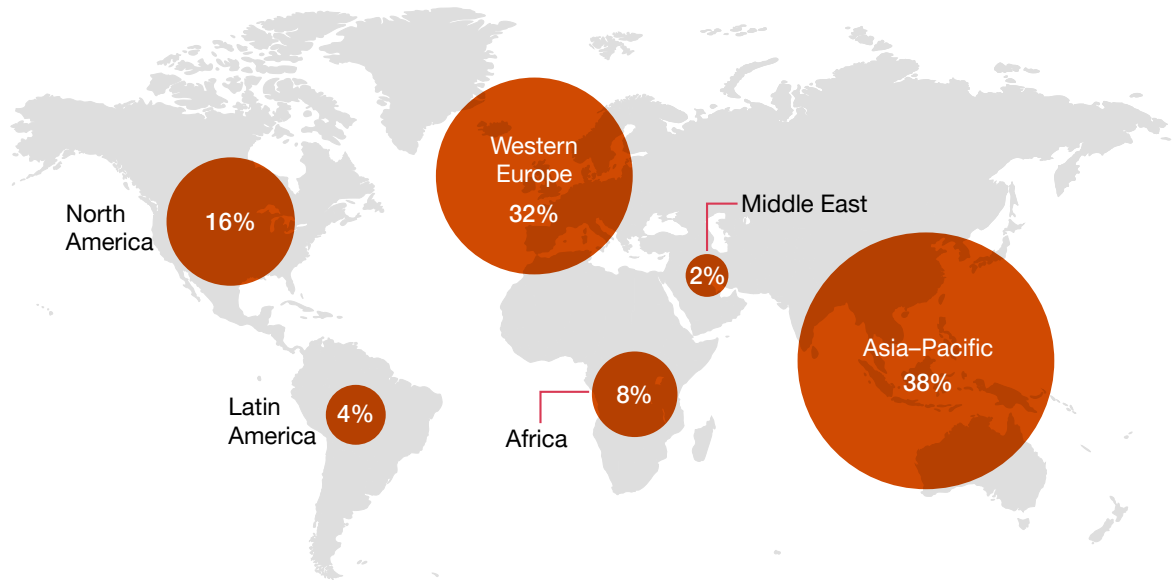
Organisation size



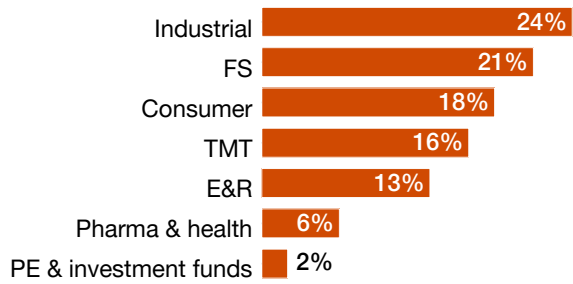
Note: For each qualitative interview, 11 interviews were held.
Data source: PwC's Inaugural Global Reframing Tax Survey, March 2025

Figure 7. Quantitative survey sample

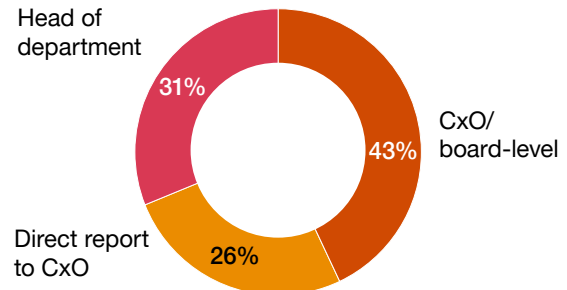
Region/country



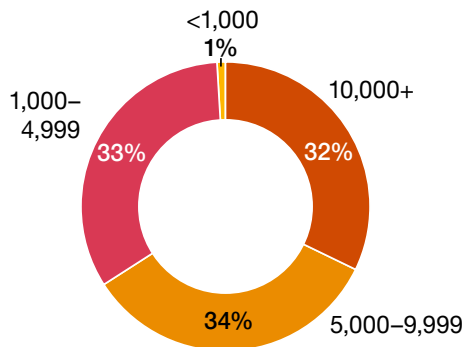
Sector



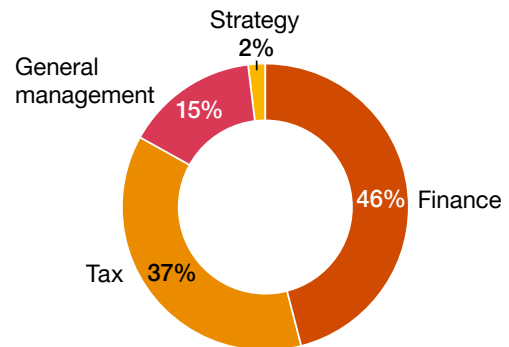
Seniority



Organisation size



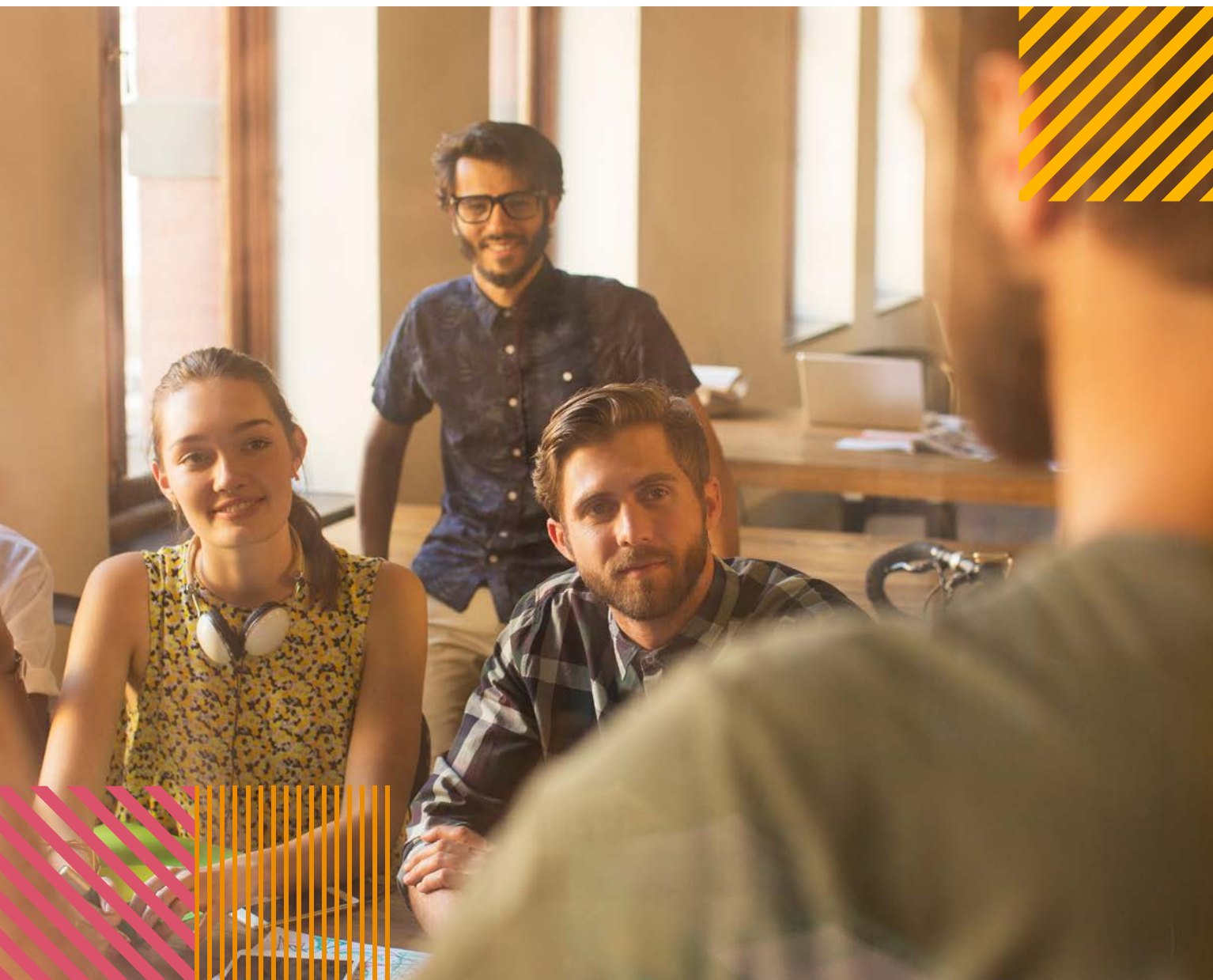
Function



Note: Surveyed 1,205 senior buyers of advisory services.
Data source: PwC's Inaugural Global Reframing Tax Survey, March 2025

PwC's Inaugural Global Reframing Tax Survey

pwc.com/reframing-tax



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