

IBM and the EY Organization Debut Artificial Intelligence–Powered Global Tax Compliance Solutions

IBM's technology coupled with the EY organization's deep domain experience reimagines the role of artificial intelligence in the evolving tax compliance landscape



Armonk and New York, May 1, 2025 –IBM (NYSE: [IBM](#)) and the EY organization continue to build upon their multiyear alliance, today announcing the availability of EY.ai for tax, built with IBM watsonx. The alliance couples watsonx, IBM's portfolio of artificial intelligence (AI) technologies, with the EY organization's deep domain experience to address the largest challenges facing tax departments.

EY.ai for tax, built with IBM watsonx, is powered by open-source AI models, including IBM Granite, to help organizations automate tax compliance and streamline global data management. With this announcement, IBM and the EY organization are helping clients address their limited resources, multiple enterprise resource planning (ERP) systems across client environments, talent shortages and complex regulations by creating novel generative AI solutions that multiply productivity.

“Our professionals are extending beyond world-class tax technical knowledge and combining their experience with emerging technologies that can produce highly effective outcomes for our clients,” said **Martin Fiore, EY Americas Deputy Vice Chair – Tax**. “The success of the alliance has been proven with the deployment of EY.ai for tax, built with IBM watsonx, with the IBM tax department. We flipped the long-held view of tax as an administrative function to a value creation function for businesses with AI-enabled solutions that are highly cost effective and performant all while prioritizing governance and trust.”

The three initial AI-enabled tax solutions include:

- **Intelligent Tax Data Lake:** Leveraging IBM watsonx.data, watsonx.ai and open-source models, the solution gathers, enriches and consolidates the required transaction data from numerous sources for tax filings. For IBM's own tax department, the solution's built-in data controls and reconciliation checkpoints streamline data consolidation from 36 sources and help produce higher quality data, automating a manual process.
- **Detect and Correct with Business Documents:** Using watsonx.ai and IBM Research's open-source toolkit Docling, the solution extracts data from unstructured invoices to compare and correct ERP data for tax determinations and filing. The

solution enables IBM to dramatically increase the number of source documents reviewed, automating previous manual processes.

- **Withholding Tax Determinations:** Built with watsonx.ai, the solution automates the monthly process of determining the correct withholding tax rate that should be applied to individual transactions. IBM tax professionals now leverage the solution to more quickly and accurately evaluate thousands of intercompany transactions.

The solutions are currently in use by IBM's Tax Department to automate previously manual, time-consuming processes, and the solutions are expected to save tens of thousands of hours annually. By streamlining tax compliance with AI, IBM is on track to exceed its goal of automating 80% of its foreign tax compliance. Prioritizing security and trust, these solutions help safeguard sensitive tax data to help avoid potential negative consequences, such as costly penalties and reputational damage.

"We manage massive volumes of granular data from disparate sources to file thousands of tax returns across hundreds of legal entities worldwide. By combining EY domain expertise in tax and IBM's AI technology, we were able to transform the way our tax department handles global tax compliance, freeing up the team to focus on more strategic work," said **IBM Vice President and Chief Tax Officer Kanthi Morrissey**.

IBM and EY teams are working to further enhance these solutions and to expand them to other tax processes with an eye towards further re-use and applications. For more information on these solutions, visit https://www.ey.com/en_us/tax/ey-ai-tax-ibm-watsonx.

About EY

EY exists to build a better working world, helping create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

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