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DETAILED FINDINGS

Benchmark Intelligence Report:

Global Tax Management

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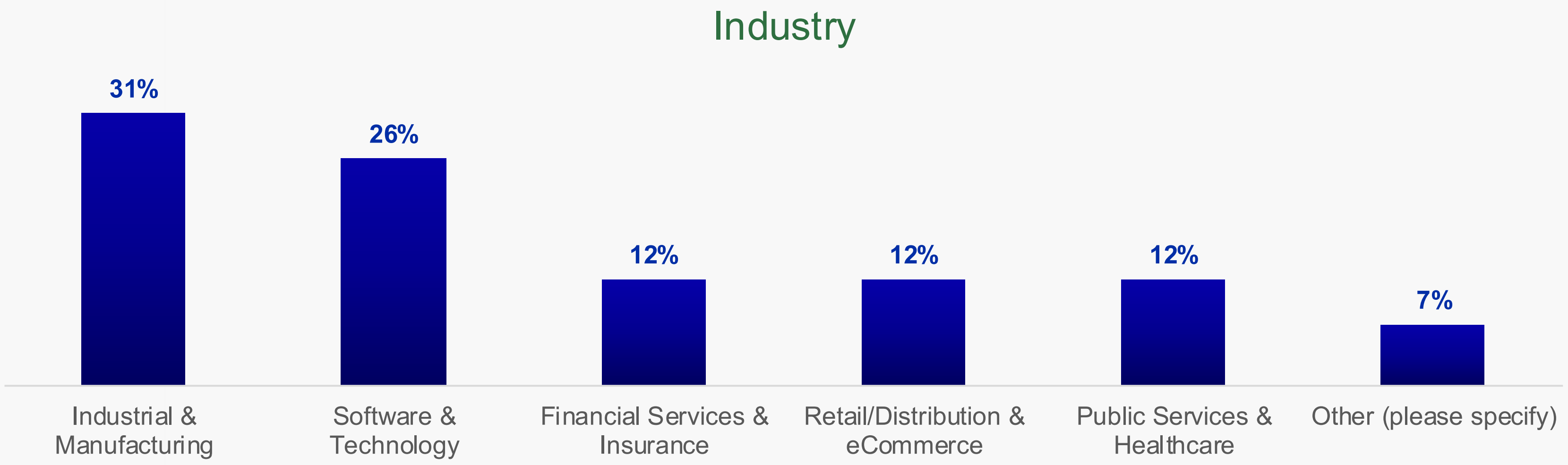
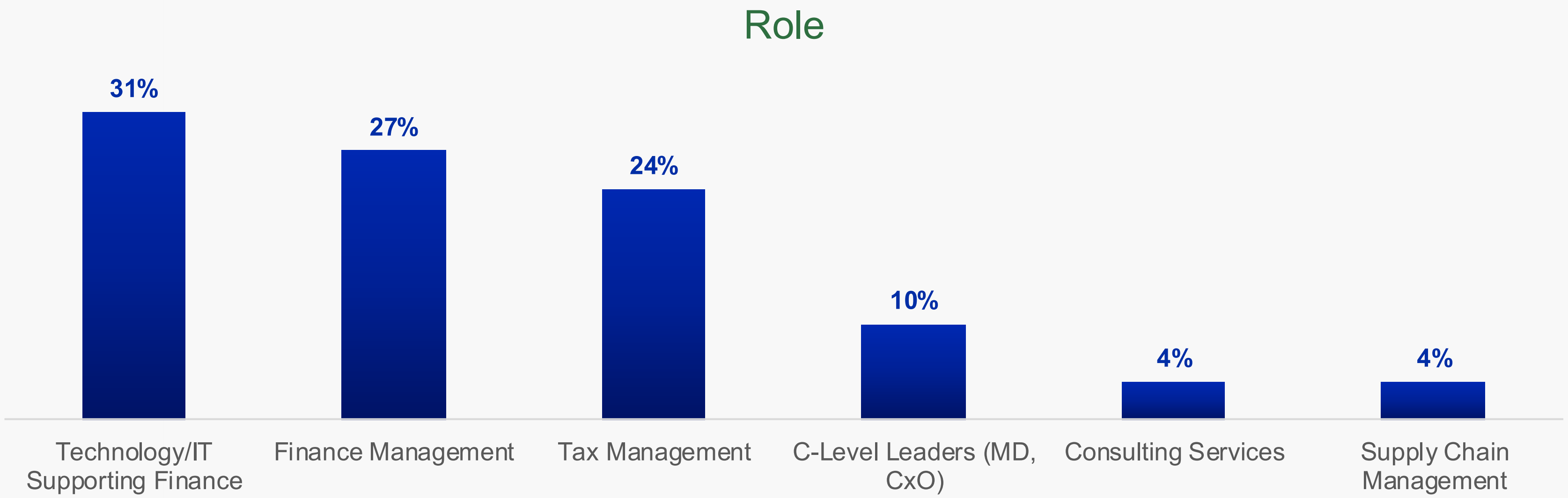
Industry and Role

Between February and June 2026, SAPinsider surveyed its' community to gain deeper insights into how global tax professions are responding to the biggest challenges impacting their businesses and SAP systems. This report explores how leading enterprises are responding to these challenges, their use of AI and automation, and the technologies and strategies enabling smarter, more agile global tax operations.





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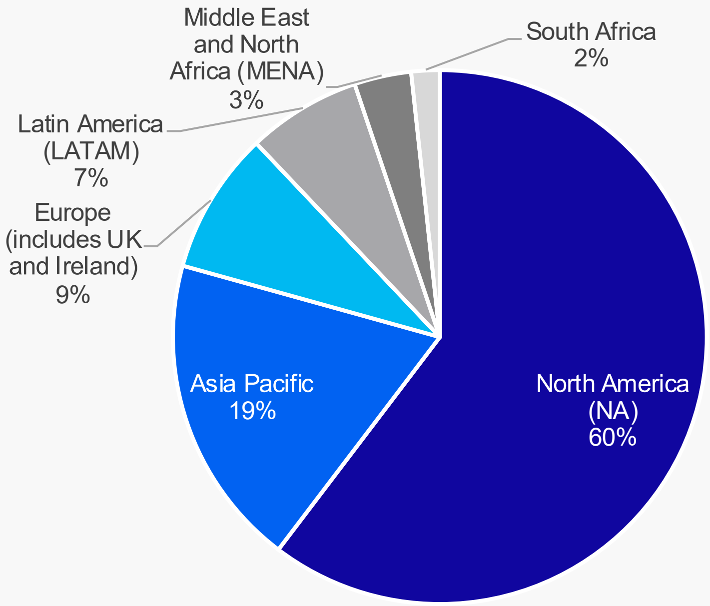
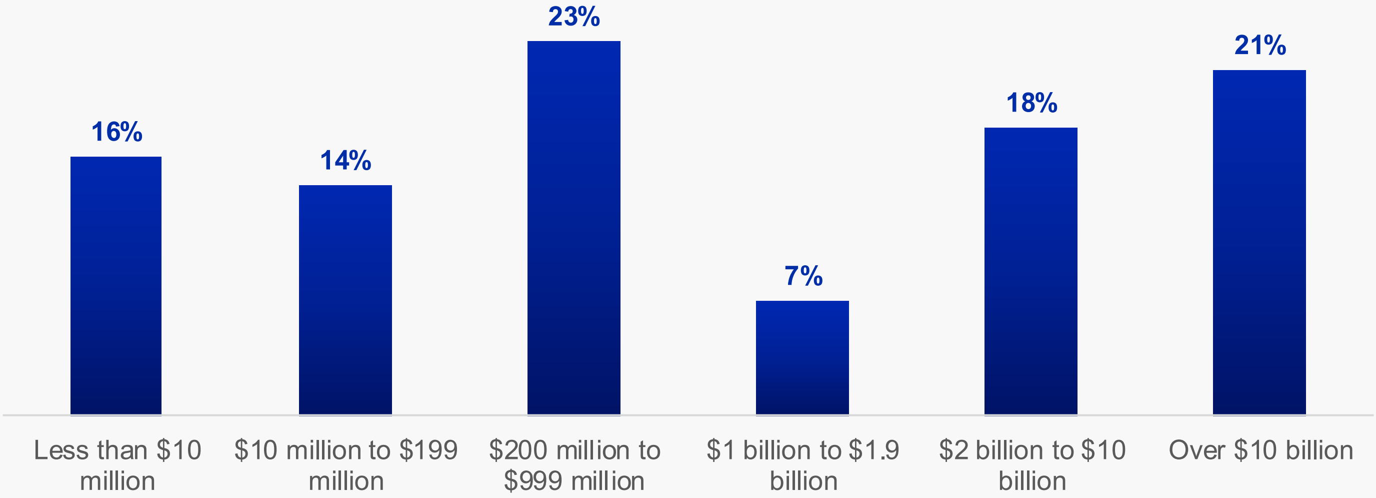
Region and Revenue

Respondents were primarily from North America with the next largest respondent group being from Asia Pacific followed by Europe, Latin America, MENA, and South Africa.

Nearly half the respondents (46%) came from organizations with annual revenues above the $1 billion mark. With a balanced mix of respondents across both mid-market and large enterprises, the findings reflect tax technology and compliance priorities across a broad maturity spectrum, yet are still relevant for organizations managing complex, multi-jurisdictional footprints and have scale-driven pressure to industrialize global tax management.



Revenue



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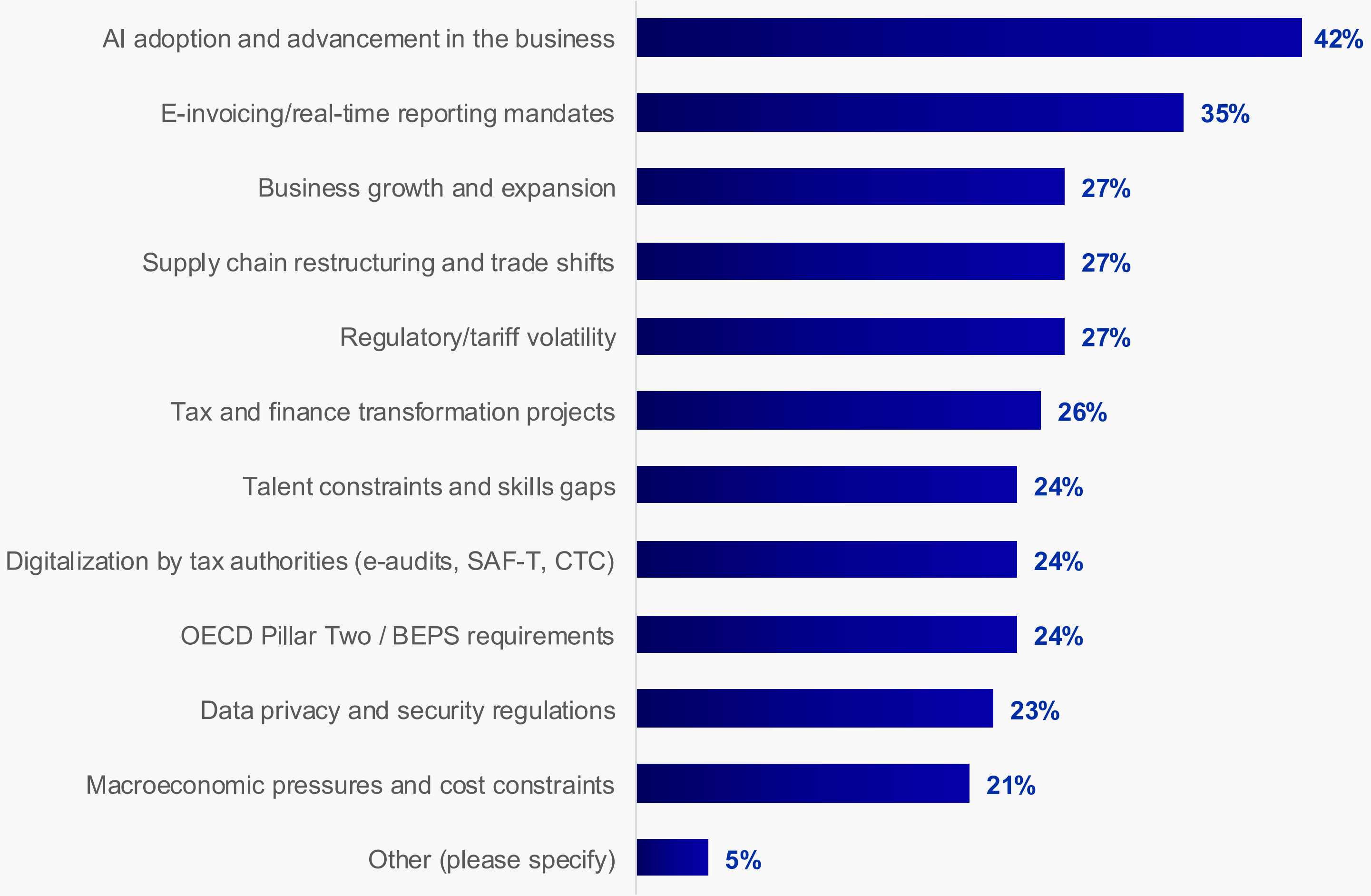
Strategic Foundation

Tax agendas are being shaped most strongly by forward-looking change forces rather than by traditional, static drivers alone. This is evidenced by the importance of the AI adoption, e-invoicing and real-time reporting mandates, and broader business growth focus areas. At the same time, regulatory complexity (Pillar Two/BEPS, digital audits, SAF-T/CTC), volatility in tariffs and supply chains, and ongoing finance transformation projects create a backdrop in which tax must both keep pace with new rules and actively support strategic business shifts. Talent constraints and data/privacy demands round out the picture, implying that successful tax strategies will require not just new technology but also stronger governance and upskilling so teams can safely operationalize AI and digital reporting at scale.

Forces Shaping 2026-2028 Tax Agenda



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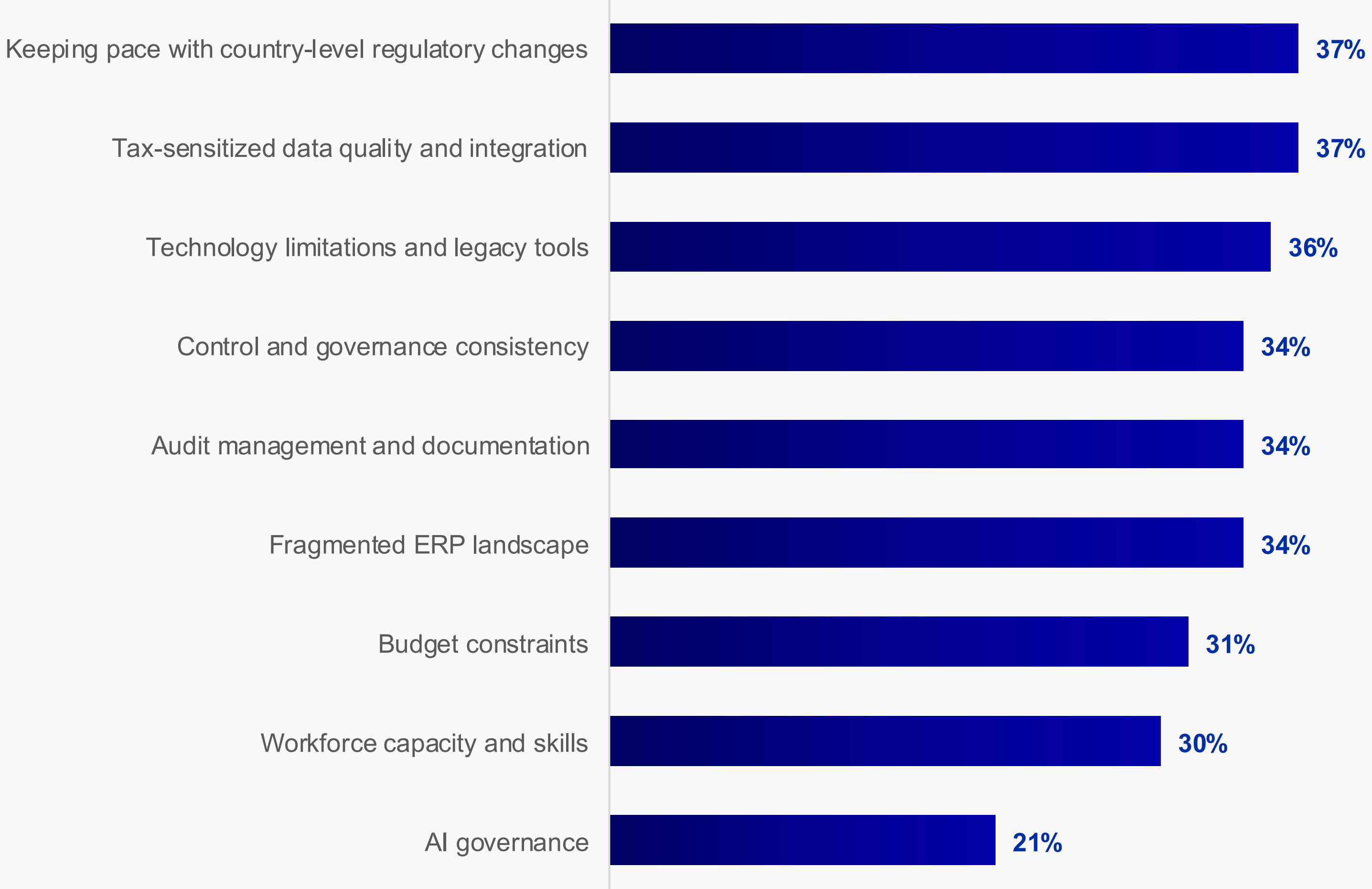
Strategic Foundation

Global tax teams are wrestling most with foundational system and data issues such as fragmented ERPs, legacy technology, tax-sensitized data quality, and the pace of country-level regulatory change. Workforce capacity, skills, and budget constraints sit close behind, highlighting that even when leaders know what they need to do, limited resources and competing priorities often slow progress on modernizing controls, documentation, and governance frameworks. AI governance is already a notable challenge, but at lower levels than data and integration problems, suggesting that for many organizations, getting the underlying tax architecture and information flows right is still the prerequisite to safely scaling AI-driven automation and analytics.

Top Operational Challenges Today



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Strategic Foundation

Global tax functions are clearly prioritizing automation and standardization, with the highest focus on automating high-volume processes and deploying global process templates underpinned by cleaner master data. At the same time, one-third of respondents are moving toward AI- and analytics-enabled tax engines and Centers of Excellence, signaling a shift from reactive compliance to an integrated, insight-driven operating model that can support evolving mandates such as e-invoicing and real-time reporting. Pillar Two readiness and outsourcing rank lower, suggesting that while new regulations and external partners matter, tax leaders and their SAP and technology partners see the biggest near-term value in building scalable, in-house digital capabilities that can flex across jurisdictions and future rule changes.

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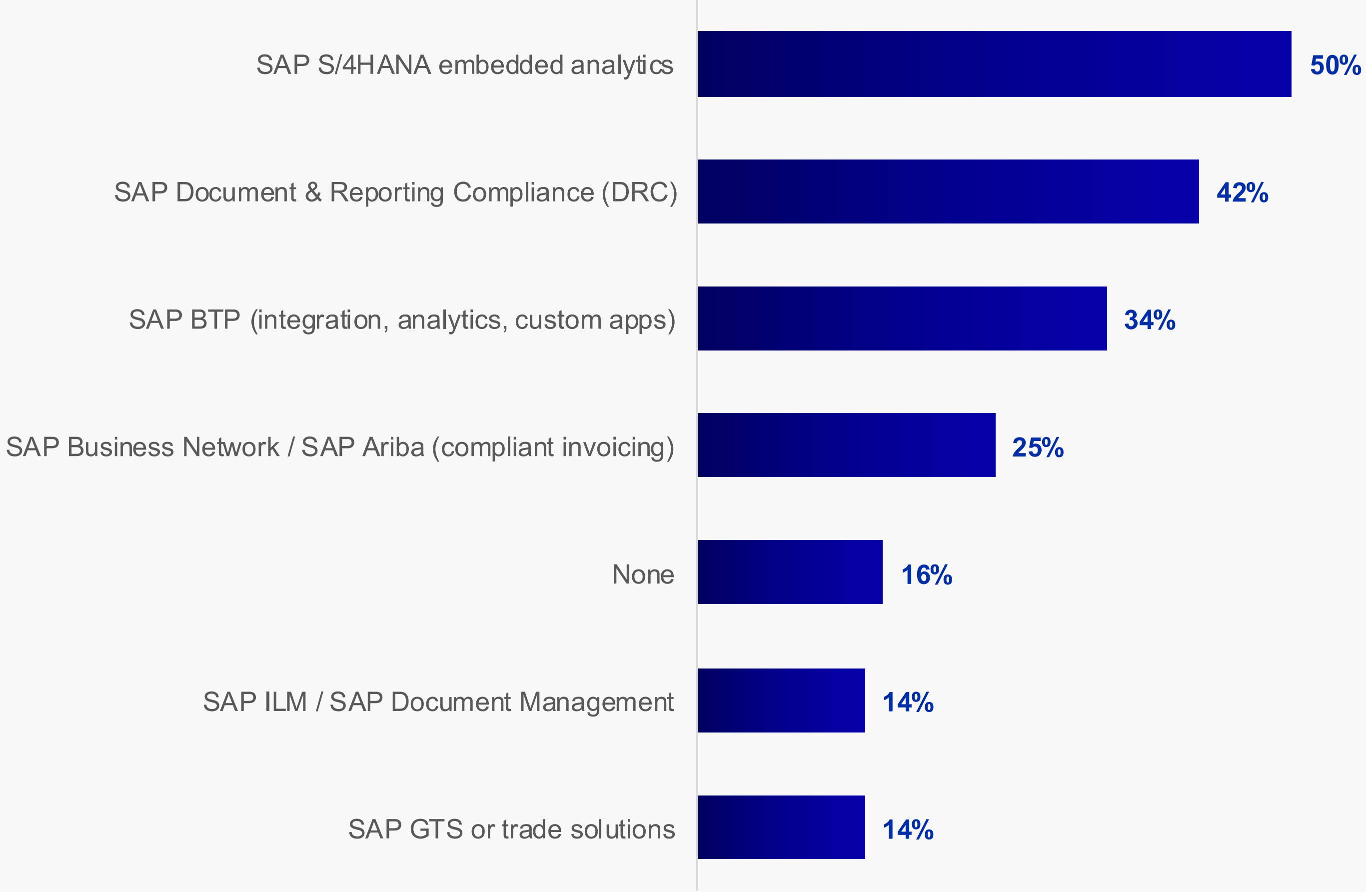
Solutions in Scope

Tax and finance teams are doubling down on core SAP platforms as the foundation for compliance, with half of respondents prioritizing SAP S/4HANA embedded analytics and a strong plurality leaning into SAP Document & Reporting Compliance for e-document and statutory reporting. Growing interest in SAP BTP signals a push toward more integrated, extensible tax architectures where partners can deliver specialized engines, custom apps, and advanced analytics without compromising the S/4HANA core. Lower near-term focus on GTS, ILM, and even "none" suggests that while some organizations remain early in their SAP tax journey, the center of gravity for the next 24 months is clearly on real-time reporting, embedded analytics, and platform-based innovation that can absorb rapidly changing e-invoicing and digital reporting mandates

SAP Solutions in Scope for Tax & Compliance in the Next 24 Months



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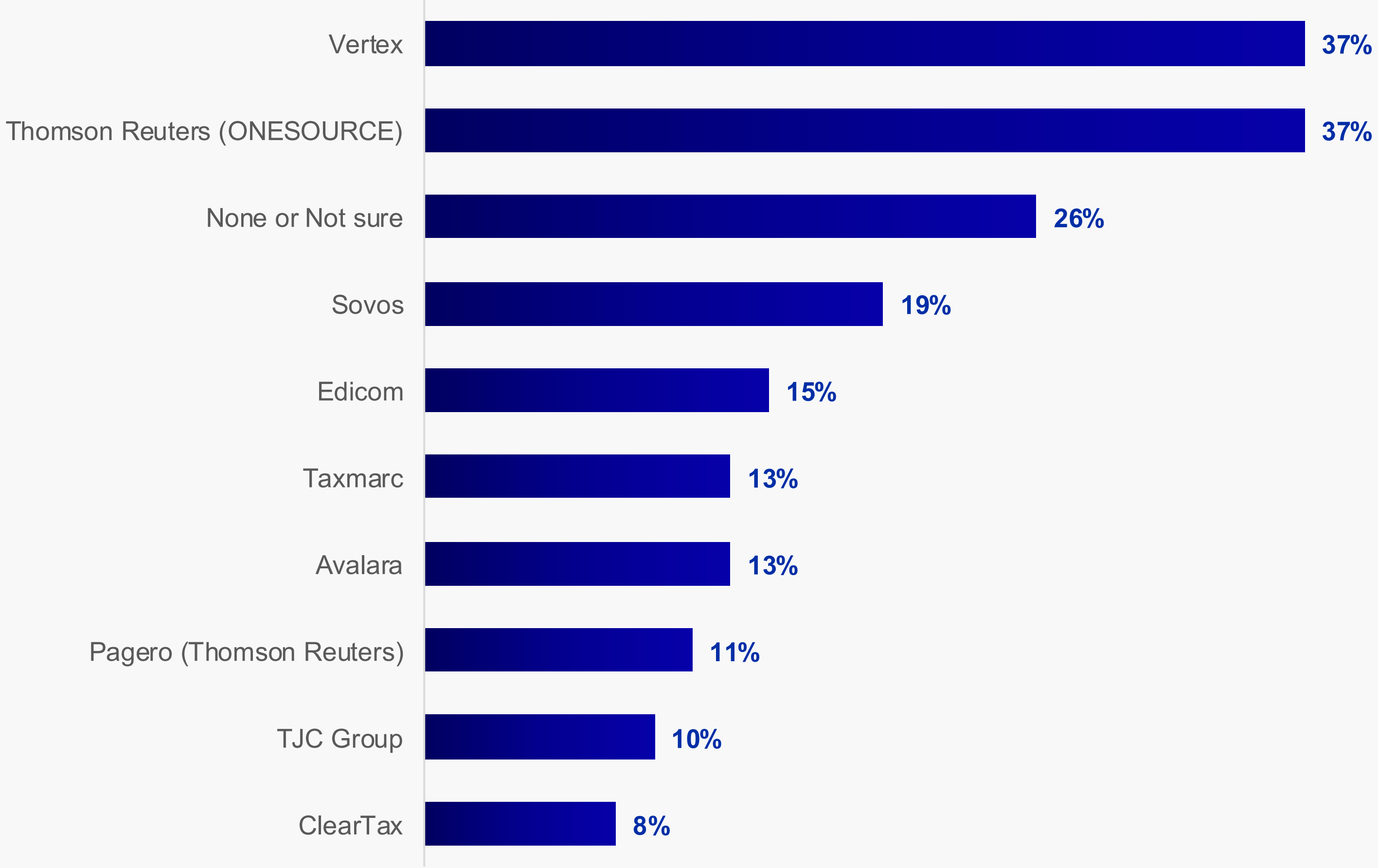
Solutions in Scope

Global tax teams on SAP are gravitating toward a small set of scale players, with Vertex and Thomson Reuters ONESOURCE emerging as the dominant third-party tax engines in the landscape. At the same time, the relatively high share of “none or not sure” and the long tail of e-invoicing and niche providers such as Sovos, Edicom, Pagero, and regional specialists indicates that many organizations are still experimenting with point solutions or have not fully rationalized their tax technology stack. For SAP partners, this underscores a near-term opportunity to standardize integrations and architectures around a few strategic engines while also helping less mature customers move from fragmented or opaque setups toward clearly governed, SAP-aligned tax platforms.

Third-Party Solutions, Tax Engines, or Add-Ons Integrated with SAP



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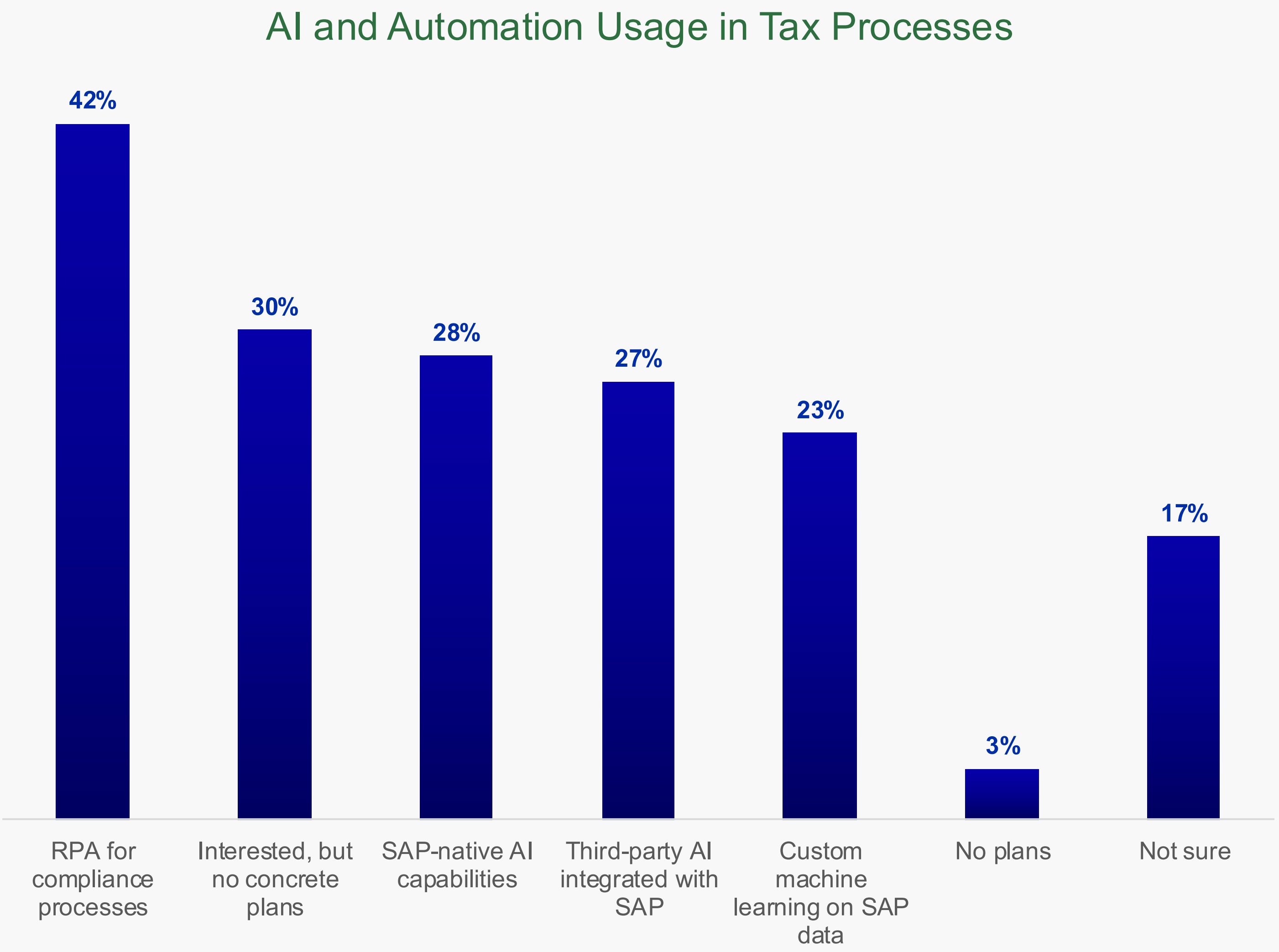
AI & Automation

Automation is leading AI in tax, with RPA already in active use at more than four in ten organizations while concrete adoption plans for AI remain comparatively nascent. Interest levels in SAP-native AI, third-party AI, and custom machine learning are all clustered in the high-20s to low-20s, indicating experimental activity but also a lack of clear winners on where AI should "live" in the SAP tax stack. The combination of a sizable "interested, but no concrete plans" segment and very few respondents with "no plans" suggests that over the next 24 months partners will need to help tax leaders move from pilots and curiosity toward defined AI roadmaps that extend—rather than simply replace—existing RPA and automation investments.



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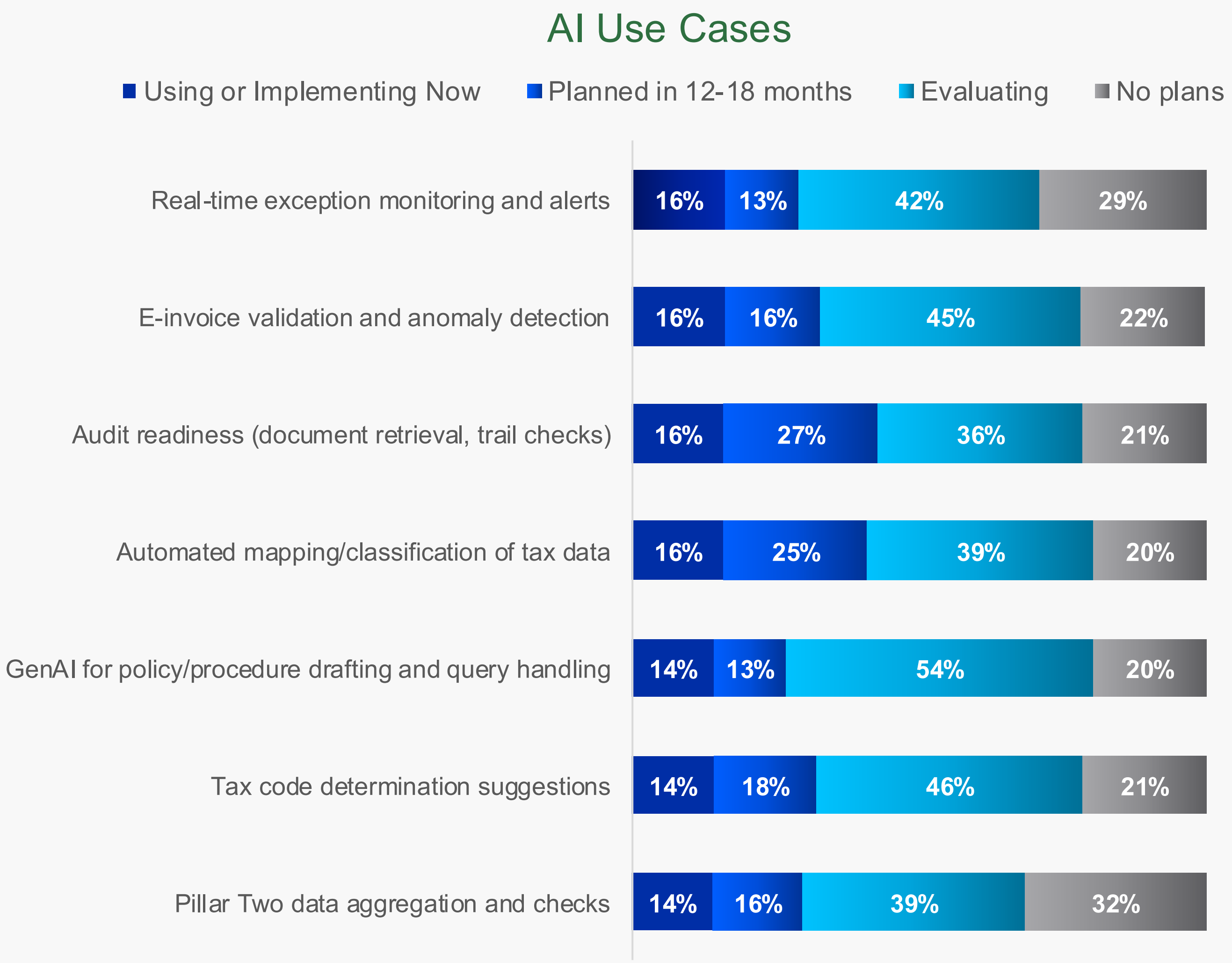
AI and Automation

Tax teams are still in an evaluation-heavy phase for most AI scenarios, with roughly four in ten respondents assessing use cases like Pillar Two data checks, e-invoice validation, and real-time exception monitoring while only mid-teens percentages have moved into active deployment. Early implementations are clustering around foundational control areas—automated mapping and classification of tax data, audit readiness, and exception alerting—suggesting that organizations want to stabilize data quality and evidencing before scaling more advanced or regulatory-specific AI. Meanwhile, strong evaluation interest but relatively low "no plans" rates for GenAI drafting, tax code suggestions, and scenario-specific tools like Pillar Two signal a fast-follow wave where, as platforms like SAP Joule mature, partners will be asked to operationalize these assistants inside day-to-day global tax workflows rather than as stand-alone experiments.



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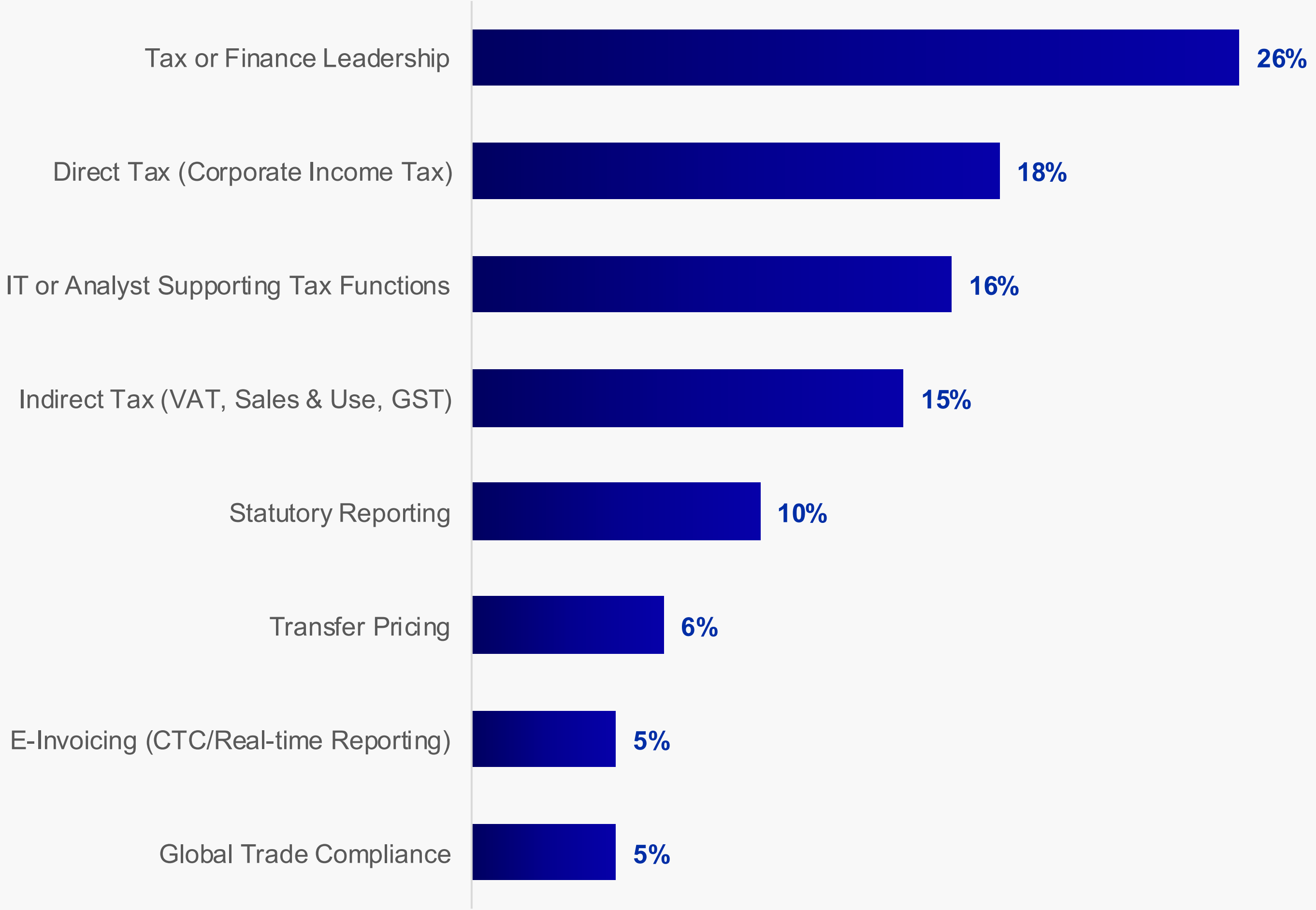
Respondent Grouping

With over a quarter of respondents identifying their primary tax domain as tax or finance leadership, and another third spread across direct tax and IT/analyst roles, many respondents are likely thinking in terms of multi-jurisdiction risk, ERP transformation, and operating-model design rather than single-process optimization. The presence of sizeable indirect tax and statutory reporting cohorts means day-to-day compliance, error reduction, and audit defensibility will still heavily shape priorities, but typically framed through the lens of how technology and process changes scale globally. Smaller groups in global trade, e-invoicing, and transfer pricing indicate that specialized domains are represented but not dominant, so the overall agenda is likely to emphasize integrated platforms, standardized controls, and cross-functional coordination between tax, finance, and IT rather than very narrow regime- or country-specific issues.

Primary Tax Domain



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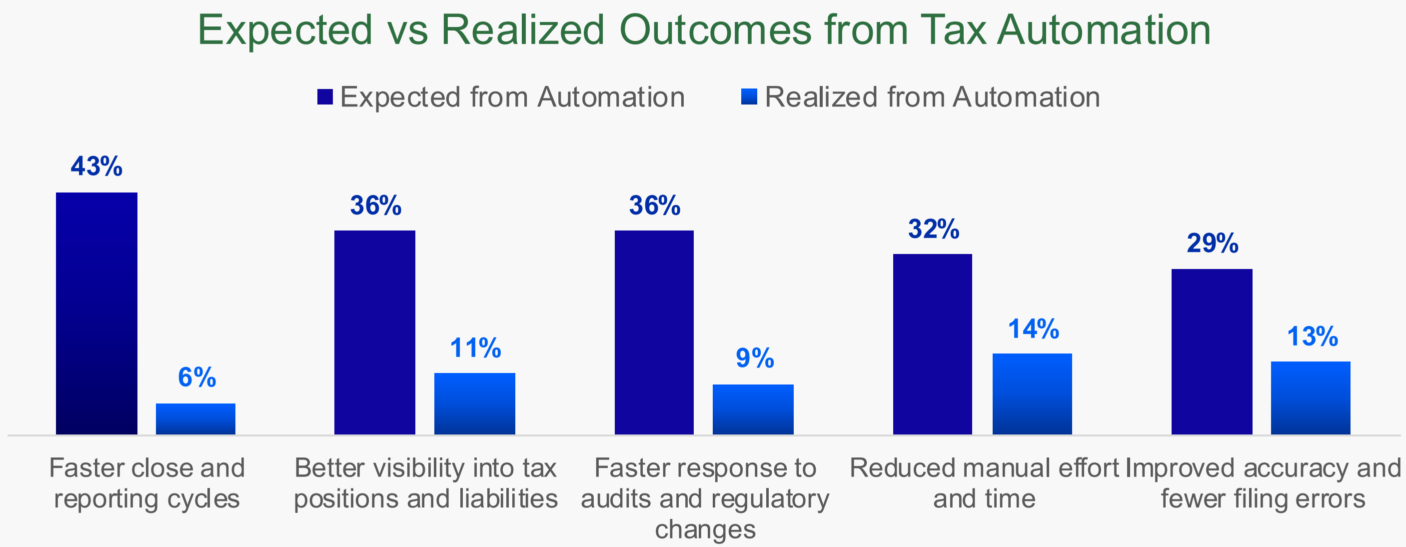
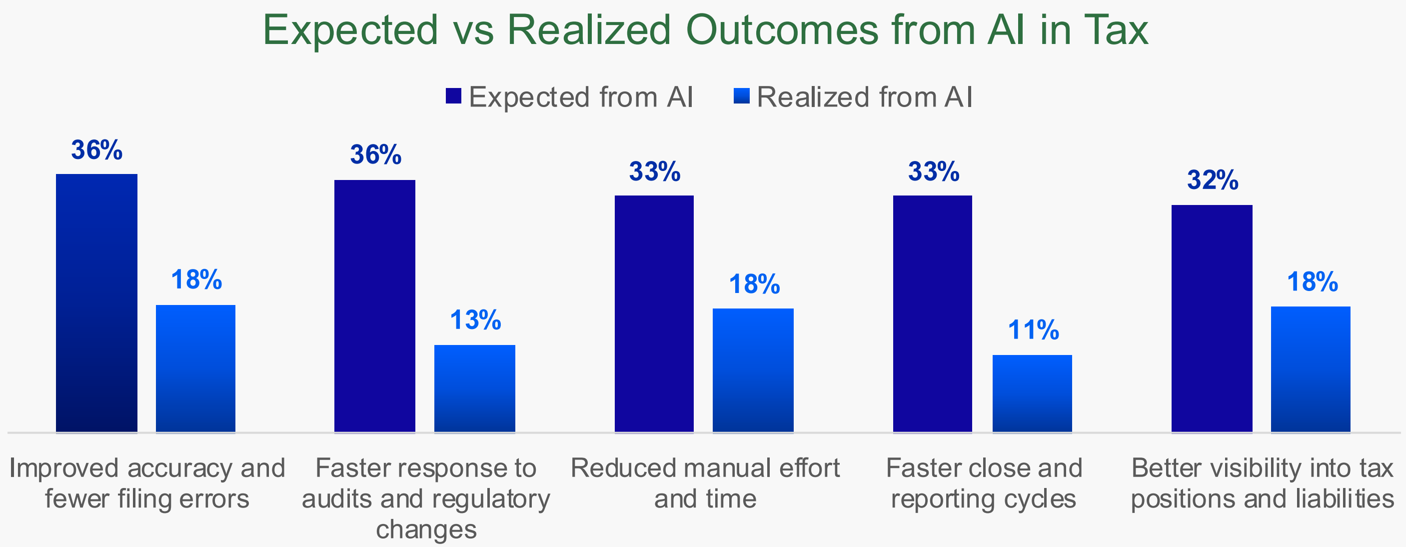
AI and Automation Outcomes

The data highlights a clear expectations–realization gap: tax teams see automation and AI as levers for faster closes, quicker audit response, and better visibility, but only about one-third to one-half of those expectations are currently being realized in practice across most outcome categories. Improvements in accuracy and reduced manual effort show the strongest realized benefits for both automation and AI, yet lagging gains around faster close cycles and audit responsiveness suggest that process bottlenecks, data quality, and integration issues still limit end-to-end impact. For global tax professionals, this underscores the need to treat tax technology programs as operating-model transformations rather than tool deployments, with clearer KPIs, governance, and change management to close the realization gap and prove value to finance leadership





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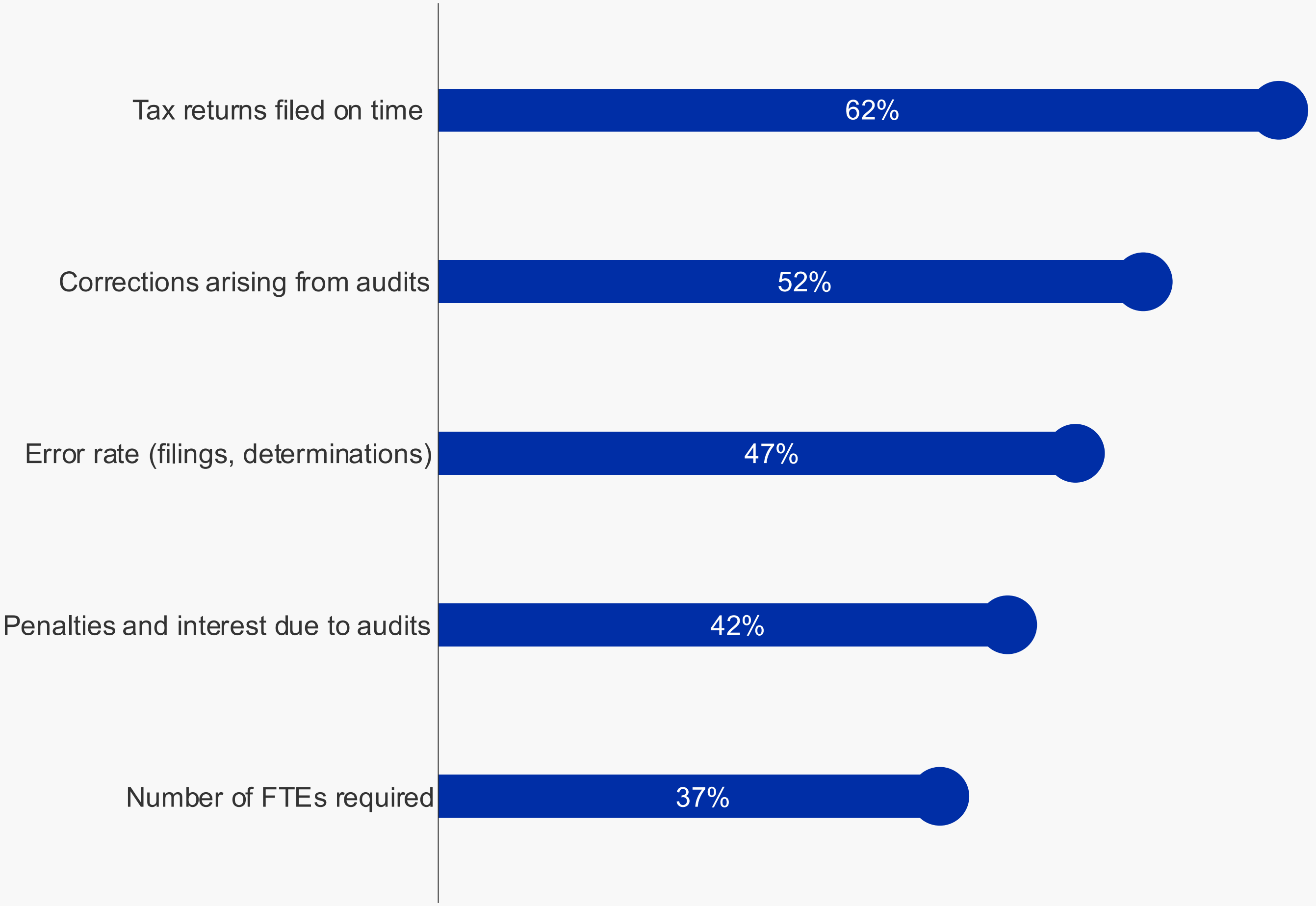
Measurement & Metrics

Core compliance outcomes dominate performance measurement for global tax teams, with on-time filing, audit corrections, and error rates all ranking ahead of penalties, interest, and resourcing metrics. This indicates that tax leaders are primarily focused on proving control and accuracy to regulators and auditors, treating penalty avoidance and FTE optimization as downstream consequences of getting filings, determinations, and workpapers right. For professionals and their SAP and technology partners, it reinforces that any tax technology or process change must clearly demonstrate how it improves timeliness and error reduction, and only secondarily how it reduces headcount or cost to serve.

Performance Metrics that Matter Most



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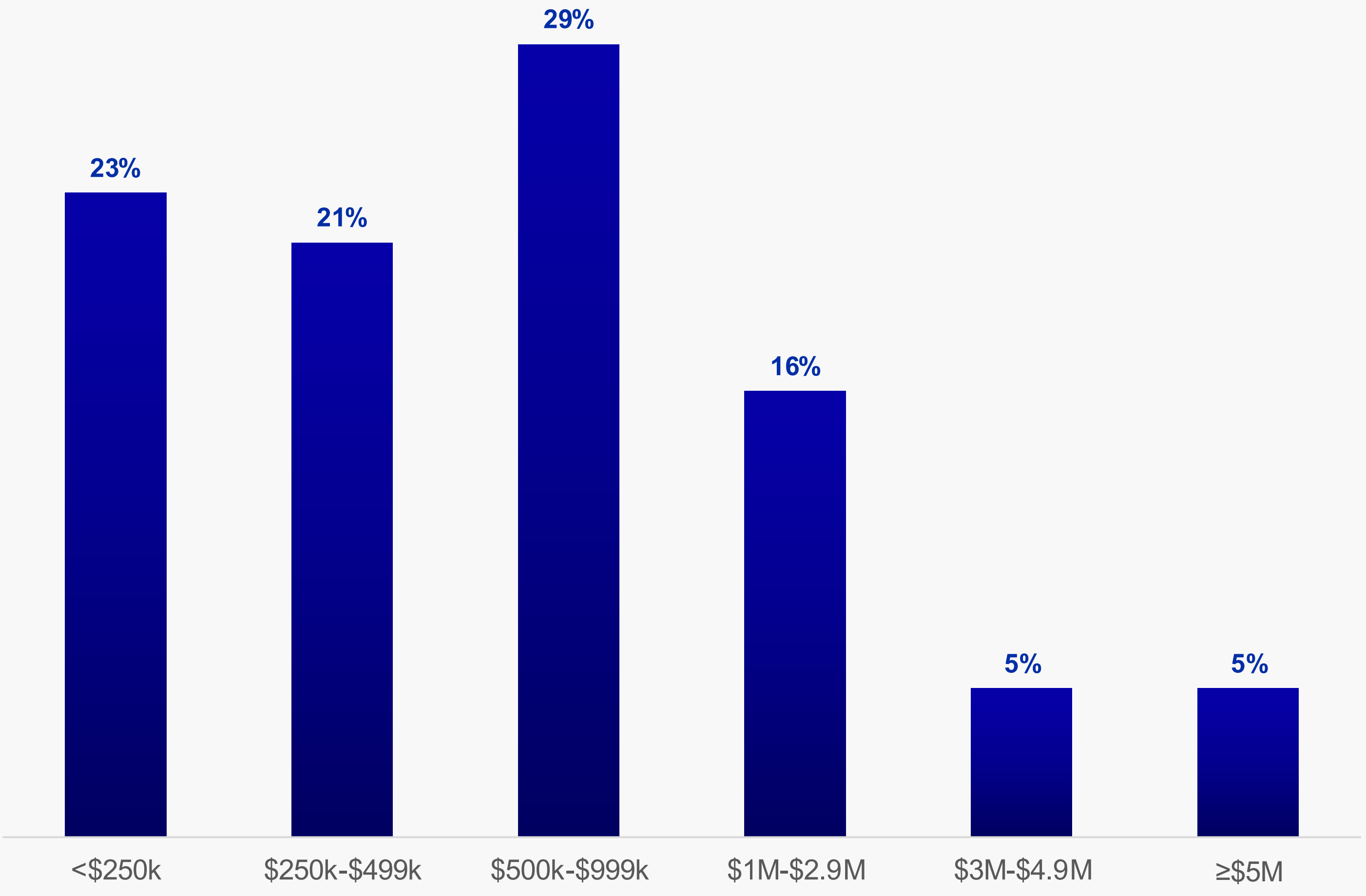
Budget and Expenditure

Most respondents operate with mid-range tax technology budgets, with nearly three-quarters clustered between less than $250k and just under $1M annually, and the single largest group spending $500k–$999k. A smaller but significant cohort (about one in five) reports budgets above $1M, indicating a tier of larger or more complex enterprises that can fund broader platform transformations, while only a minority reach $3M or more in annual spend. For global tax professionals and solution providers, this implies that business cases and deployment models must be calibrated to a predominantly mid-market spending reality—emphasizing modular rollouts and measurable ROI—while still supporting a premium tier of customers pursuing large-scale modernization.

Annual Budget Range for Tax Technology and Compliance Operations



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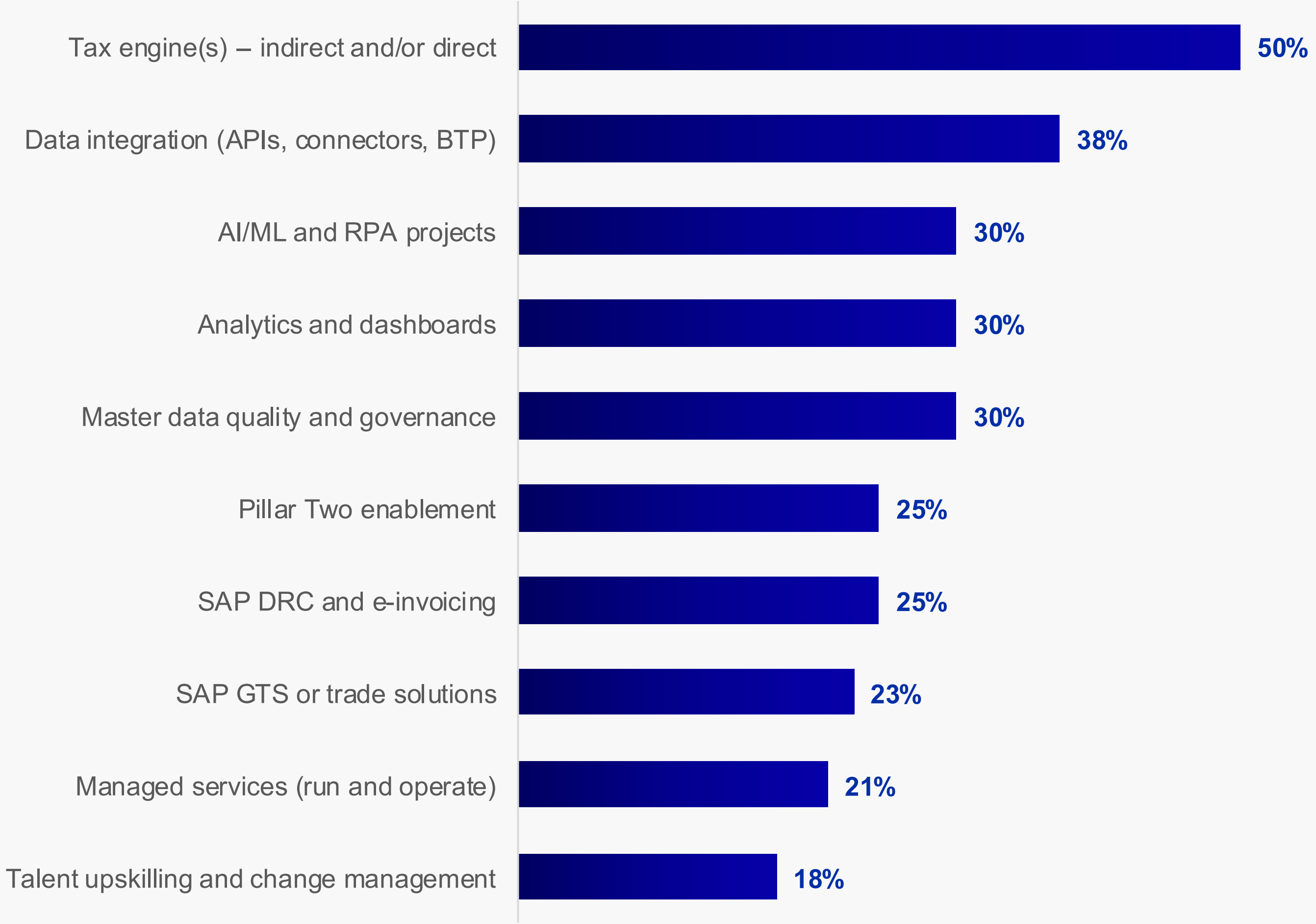
Budget and Expenditure

For tax leaders the biggest near-term investment focus is on modernizing core tax engines and strengthening data integration across SAP and third-party platforms, with half planning spend on indirect/direct tax engines and nearly four in ten prioritizing APIs, connectors, and BTP. At the same time, substantial planned investment in master data, analytics, and AI/RPA projects signals a shift toward a more insight-driven, automated tax operating model, where high-quality data and visualized KPIs underpin real-time compliance and scenario planning for mandates like Pillar Two and expanding e-invoicing. The relatively lower—but still material—spend on talent upskilling and managed services suggests that while organizations recognize the need for change management and external support, they are primarily betting on platform and architecture upgrades as the foundation for long-term resilience in global tax

Planned Spend Areas Over the Next 24 Months



DART
MODEL FRAMEWORK

Global Tax Management

DRIVERS

- AI Adoption and advancement in the business (42%)
- E-invoicing and real-time reporting mandates (35%)
- Business growth and expansion (27%)
- Supply chain restructuring and trade shifts (27%)
- Regulatory or tariff volatility (27%)

ACTIONS

- Automate high-volume processes (41%)
- Standardize processes with global templates (35%)
- Deploy artificial intelligence or machine learning and advanced analytics (33%)

REQUIREMENTS

- Tax returns filed on time (62%)
- Limiting corrections arising from audits (52%)
- Reducing error rates, e.g. filings and determinations (47%)
- Minimizing penalties and interest due to audits (42%)
- Reducing the number of FTEs required (37%)

TECHNOLOGIES

- Tax engines (50%)
- Data integration (38%)
- AI/ML and RPA projects (30%)
- Analytics and dashboards (30%)
- Master data quality and governance (30%)
- Pillar 2 enablement (25%)
- SAP DRC and e-invoicing (25%)
- SAP GTS or trade solutions (23%)
- Managed services (21%)
- Talent upskilling and change management (18%)

THANK YOU

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