

How Agentic AI Can Improve Efficiency in Tax Preparation & Tax Operations

A practical executive guide to identifying high-value AI opportunities, estimating business impact, and introducing governed automation without treating AI as a substitute for professional judgment.

Where AI can create value

- Document intake and classification
- Prior-year return comparison
- Tax workflow checklists
- Client Q&A; and missing-document follow-up
- Human review before filing or consequential actions

A bottom-line framework

Evaluate AI projects using measurable operating variables: staff hours spent on repetitive work, cycle time, error/rework rate, missed follow-ups, conversion or collection rate, and the cost of delays. Establish a baseline before deployment, then compare pilot results against that baseline.

Measure	Example calculation
Labor capacity	Hours saved per month x loaded hourly cost
Throughput	Additional completed cases/tasks/claims/opportunities per period
Rework	Baseline correction cost - post-pilot correction cost
Revenue opportunity	Incremental qualified volume x observed conversion x contribution margin

Good first projects

Start with a bounded workflow that has clear inputs, outputs, owners and approval points. Prefer tasks where results can be reviewed before they affect customers, money, filings, security settings, clinical decisions, or other consequential operations.

Governance and safeguards

Use role-based access, minimum necessary data access, audit logs, source attribution where appropriate, prompt/input filtering, secure secret handling, testing, escalation paths and human approval for consequential actions. Industry-specific legal, regulatory, privacy and professional obligations still apply.

ARC2 implementation path

ARC2 can demonstrate relevant workflows through ProTaxAgent(TM) / TaxPal(TM). A typical engagement moves from discovery and baseline measurement to a controlled simulation, pilot, validation, human approval design, deployment and ongoing measurement.

Questions to ask before buying AI

- Which workflow is consuming the most expensive repetitive labor?
- What measurable baseline will define success?
- What data may the AI access, and what must remain restricted?
- Which outputs require a human professional to approve them?
- How will errors, exceptions and uncertain answers be escalated?
- Can the vendor demonstrate the workflow before production deployment?

Next step: visit [ARC2 Technologies](#) and open the AI Business Education Center to take the AI Opportunity Assessment and explore industry demonstrations.

Educational material only. Examples and calculations are planning frameworks, not guarantees of savings, revenue, profit, compliance, legal outcomes, tax outcomes, clinical outcomes, investment results, or security. Results depend on workflow, data quality, implementation, adoption and operating conditions.