



# Tax Enterprise Services

Turn your ERP migration into an opportunity for tax.

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# KPMG Tax Enterprise Services

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Your enterprise resource planning (ERP) platform is the central nervous system of your organization connecting everything from financial transactions to supply chain, HR, and sales control. Given that the **tax department one of the largest consumers of data** in an organization, it plays a crucial role in the functionality and efficiency of an ERP system.

**Incorporating tax** aspects into the planning and implementation process upfront is **essential to optimize the ROI** on your ERP upgrade or migration.

# SAP S/4HANA Migration

## Countdown to 2027: Get Tax a seat at the table earlier

Ensure that Tax is involved in the decision-making and planning process before you transition to a new ERP platform.

SAP, a leading ERP solutions provider, is phasing out support for their legacy platform by 2027, prompting companies to migrate to either the cloud-based solution, S/4 HANA, or an alternative ERP platform. Regardless of the platform chosen, integrating tax requirements from the start of the migration is critical to ensure automation, data quality, control, and efficiency.

Our formal alliance with SAP opens up exciting opportunities for our clients to tap into SAP's leading technologies and innovations. Together, we can empower your business to embark on a transformative journey, leveraging SAP's expertise to drive growth and success.



Broad tax transformation demands a dedicated tax integration team. Our solution will help bridge the gap between tax and the system integrator ("SI") to define and implement a tax sensitized ERP system and tax efficient operating model.

## Creating enterprise value from S/4HANA tax transformation



Improve accuracy and  
reduce tax compliance risk



Optimize tax operations  
and cost



Identify tax credits  
and incentives



Enhance tax planning and  
decision making



# Early Collaboration: the Key to ROI on your ERP program

Direct involvement and early collaboration between tax and other business stakeholders can generate enterprise-wide value and cash tax savings that may offset the ERP program implementation cost. **The importance of early collaboration between tax and other business stakeholders in ERP implementation is underscored by several key factors:**

## Enterprise Risk

New tax laws and regulatory requirements are elevating enterprise risk, which is further compounded by manual processes and the lack of tax data in legacy ERP systems.

## Tax Data

ERP transformation provides a significant opportunity to enhance tax data, leading to downstream process efficiencies, better alignment between tax and key business partners, and operational cost reductions.

## Tax Credits and Incentives

Many jurisdictions offer R&D tax credits and incentives to encourage companies to invest in technology initiatives, such as ERP upgrade programs.

## Tax Planning

Proper integration of tax considerations within the ERP allows the tax function to identify and implement tax-planning strategies, improving the effective tax rate and after-tax cash flows.



## Giving tax a seat at the table

Tax, being one of the largest users of ERP within organizations, often rely on custom workflows and offline models to harness data for tax function processes. Yet, ERP migrations are often led by finance and IT departments, and inadvertently overlook the tax department causing increased risk, missed potential credits and incentives, and increased operating costs.



# Building a Comprehensive Tax Roadmap for Your ERP Migration

## Building a Comprehensive Tax Roadmap for Your S/4HANA Migration

The migration to S/4HANA will impact all areas of tax within your organization. As you draft your tax roadmap, consider the following areas through a holistic and integrated approach:

### Indirect Tax

Automate indirect tax requirements, including integrations to third-party tax engines, through various ERP options.

### Transfer Pricing

Legal entity P&Ls with the ability to segment by product, trading partner or business functions.

### Direct Taxes and Fixed Assets

Mitigate risk and enhance efficiency in direct tax compliance and reporting processes through a tax-integrated ERP and EPM design.

### Withholding Tax

Automate the calculation of withholding tax at the transaction level to reduce operational overhead and avoid liability for under withholding.

### Trade and Customs

Automate the trade compliance process to mitigate compliance risk, penalties, and fines.

### R&D and Other Credits

Claim R&D tax credits, state incentives, and credits for ERP implementations.

### Value Chain Management

Improve after-tax cash flows which can help gain an incremental source of funding for the ERP implementation.

### Global Mandates

Accelerate assessment of the effects of CAMT, BEPS 2.0 Pillar 2, PCbCR, FASB, and more through enhanced tax sensitization.

### Global Mobility

Assess and adapt mobility processes to optimize the system and related mobility workstreams.

# Optimize Your ERP Migration with KPMG Tax Enterprise Services

## Optimize Your ERP Migration with KPMG Tax Enterprise Services

KPMG Tax Enterprise Services takes a holistic approach to your tax target operating model, considering all tax areas impacted by ongoing finance transformations and ERP migrations. Leveraging our proven methodology, assets, and pre-built accelerators, we streamline and tax-sensitize your processes to reduce compliance risk and inform strategic decisions.

TES will help clients understand and demonstrate their status as key stakeholders in the implementation journey, clarifying the risks and opportunities presented by an ERP migration, and helping to ensure that the transformation aligns with business objectives and broader organizational goals.

### Our Strategic Alliance Partners

With our strategic alliances with industry leaders like SAP and IBM, we are committed to driving innovation and excellence in your finance transformation and ERP migration journey.

## Our teams will

Collaborate with the implementation team or “system integrator” of your choice, ensuring that your tax business requirements are represented in the ERP design across all tax value areas to....

- Build a tax-centric business case through a holistic analysis of your process, technology, and business model.
- Identify tax requirements for each functional area.
- Prioritize functional areas through a detailed assessment and discussions with key stakeholders.
- Socialize and integrate to the broader migration stakeholders and roadmap.
- Design and develop your desired operating model, including a detailed transformation roadmap, implementation steps, project plan, and timeline.
- Implement the new operating model with a change management plan.



# Meet the Team: Making Your Migration Efficient, Seamless, and Tax Smart

**Our team of professionals will guide you in designing and implementing an optimized tax operating model that generates business value while managing tax data, reputation, and compliance risk.**

With industry-leading tax and system expertise, we will champion tax requirements in your broader ERP program migration. Regardless of your chosen system integrator, our proven methodologies, deep tax expertise, and expansive alliance ecosystem will support you at every step of your digital transformation migration.

## **Let's start the conversation**

Connect with our team to learn how you can change your ERP system into a game changing tax function

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