

TAXATION INSIDE-OUT

READER POLL RESULTS:

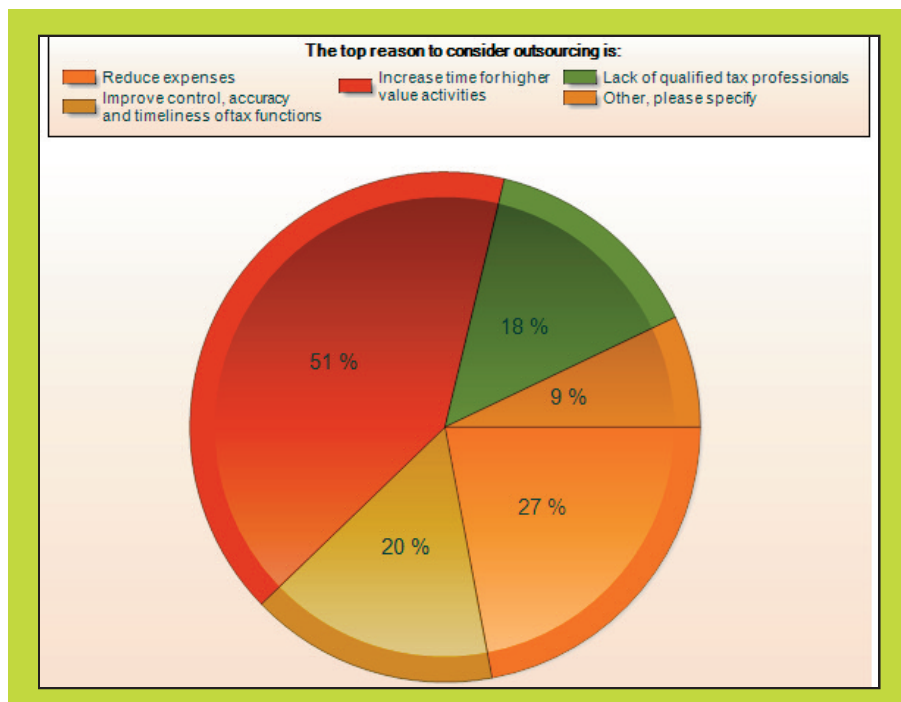
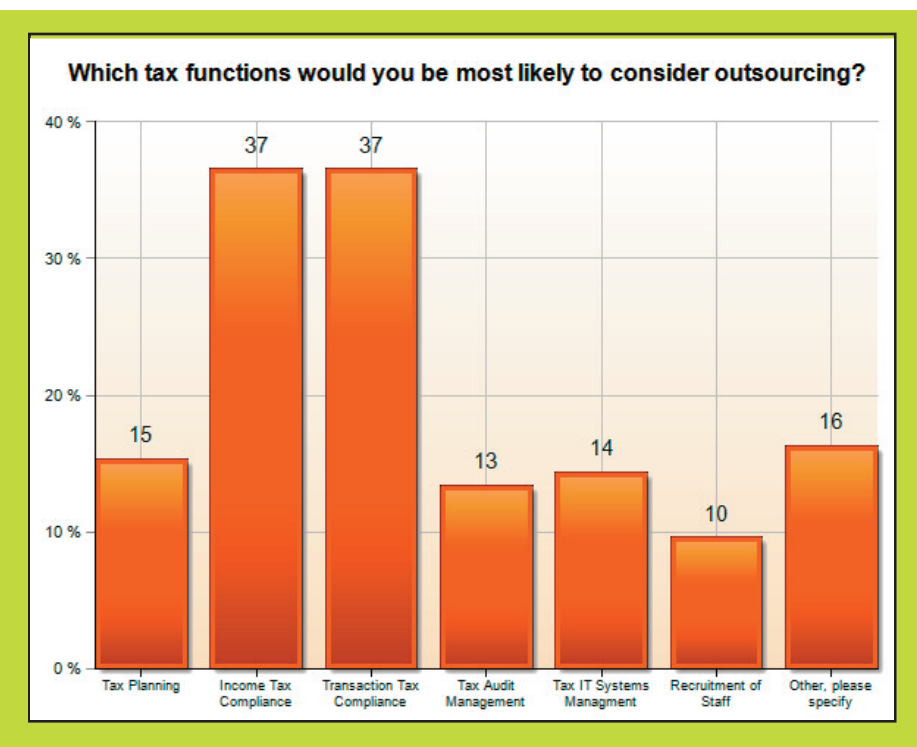
TAX FUNCTIONS - OUTSOURCING AND THE ECONOMY

In the February edition of AICPA Corporate Taxation Insider, Vertex and AICPA surveyed more than 100,000 corporate tax and accounting professionals on how their organizations view outsourcing of the tax functions in light of the economy. Respondents were asked to select the best answer for each question and provide additional feedback regarding each topic question.

The initial survey question asked respondents to indicate what percentage of their company's tax functions are currently outsourced. Sixty-two percent selected less than 10%. Of that 62 percent, 61 percent are decreasing dependence on outsourcing and 39 percent are increasing their dependence on outsourcing. Thirteen percent selected 11-30% (77 percent increase, 33 percent decrease), 17 percent selected 31-50% (53 percent increase, 47 percent decrease), and 9 percent selected over 50% (67 percent increase, 33 percent decrease).

When asked to indicate which tax functions would they most likely consider outsourcing, Income Tax and Transaction Tax Compliance came in above the others at 37 percent respectively. The remaining responders chose Other - with answers of none, payroll tax, exemption certificate compliance, and business licenses - at 16 percent, Tax Planning at 15 percent, Tax IT Systems Management at 14 percent, Tax Audit Management at 13 percent and Recruitment of Staff at 10 percent.

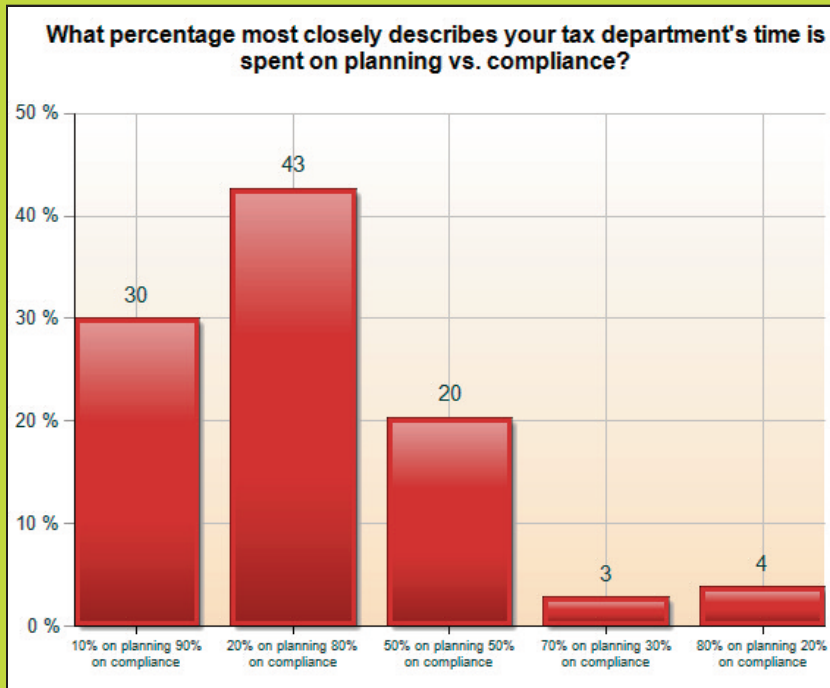
Survey responders then outlined the top reasons they would consider outsourcing. More than half, 51 percent, cited increase time for higher value activities, 27 percent



to reduce expenses, 20 percent to improve control of tax functions, 18 percent due to a lack of qualified tax professionals, and 9 percent (other) would outsource areas not of high value to the company, to overcome headcount constraints, or simply wouldn't consider outsourcing.

Lastly, the survey questioned what percentage closely describes the responder's tax department's time spent on planning versus compliance. Just under half, 43 percent, indicated 20% planning and 80% compliance. Following was 10% planning and 90% compliance (30 percent), 50% planning and 50% compliance (20%), 80% planning and 20% compliance (4 percent), and 70% planning and 30% compliance (3 percent).

Vertex Inc. is dedicated to providing accounting and corporate tax professionals with valuable industry information. We invite you to provide feedback on this survey, and also suggest topics for discussion. If you or someone you know is interested in participating as a guest writer to provide commentary on the subjects addressed in these surveys, please contact Brigitte Geiss, Vertex Inc., at brigitte.geiss@vertexinc.com.



Please participate in this month's survey where we ask your thoughts on tax provisioning:
[Sound Off: Examining Your Provisioning Process](#)

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