



How IT, Tax, and Finance Misalignment is Putting Revenue at Risk

Research-backed guidance for organisations ready to turn compliance into a competitive advantage

Introduction

Across the globe, e-invoicing mandates and real-time reporting frameworks now determine whether transactions can proceed, not just how they are recorded. In this environment, compliance is no longer a downstream obligation but a blocking condition of doing business and a direct determinant of revenue continuity.

Many organisations are not structured to meet this reality. When scoping new Enterprise Resource Planning (ERP) or finance technology implementations, the requirements of the Tax and Compliance function (referred to throughout this paper as “Tax”) are frequently overlooked. As a result, responsibility for compliance remains fragmented across IT, Tax, and Finance.

Systems are implemented without shared ownership, regulatory requirements surface too late, and data is governed inconsistently. The result is risk that embeds itself into the way the business operates and performs, rather than remaining a simple invoicing problem that can be corrected after the fact.



In this environment, compliance is no longer a downstream obligation but a blocking condition of doing business and a direct determinant of revenue continuity.

Sal Visca,
Chief Technology Officer at Vertex

Research among 1,050 senior IT, Finance, and Tax leaders reveals how wide the divide between these functions has become and what it is costing:

52%

of organisations frequently consult IT and 49% consult Finance on decisions about tax technology systems, while Tax is often forgotten at 37%.

31%

say poor collaboration leads to data challenges, with another 31% citing wasted spend or poor ROI and 31% pointing to reduced business agility.

94%

of respondents expect closer collaboration, yet only 12% have fully achieved end-to-end integration.

73%

cite transaction volumes and 72% cite data volumes as the most concerning issues for global organisations.

The gap between intent and execution is where the true cost of weak collaboration accumulates. This paper examines where that gap is widest, why it persists, and what closing it requires – so organisations can reduce risk and turn compliance into a source of competitive advantage.

Table of contents

04. Methodology

05. The case for early collaboration

Why indirect tax compliance requires IT, Tax, and Finance to work together from the start

07. The cost of late collaboration

The business impact when Tax and Finance requirements surface too late

08. Ownership ambiguity and downstream risk

From unclear accountability to addressing organisational challenges

11. AI and the governance imperative

Why emerging technology is amplifying the cost of misalignment

13. The regional picture

The divide across markets

15. The path forward

What good looks like, and how to get there

17. Conclusion

Research methodology

The *How IT, Tax, and Finance Misalignment Is Putting Revenue at Risk* research was conducted on behalf of Vertex by Censuswide. An online survey took place in January 2026, capturing the views of 1,050 senior decision-makers across IT, Tax, and Finance functions. Respondents represented organisations with annual revenues ranging from \$100 million to over \$1 billion USD, across industries including manufacturing, retail, technology, healthcare, financial services, professional services, legal, and others.

The purpose of the research was to examine how IT, Tax, and Finance functions collaborate on indirect tax compliance and tax technology, assess current levels of alignment, and identify the challenges and opportunities organisations face as technology and mandates evolve. In particular, the study explores where misalignment between Tax, Finance, and IT creates friction in tax technology decision-making, implementation, and governance. It aims to highlight opportunities for improved collaboration.

Category	Details
Sample size	1,050 respondents
Regions	UK (250), US (250), France (100), DACH (250), Nordics (100), Benelux (100)
Company size	\$100M-\$1B, \$1B+ revenue
Industries	Manufacturing, Retail, Technology, Healthcare, Financial Services, Professional Services, Legal, and 5+ other sectors



The case for early collaboration

Why indirect tax compliance requires IT, Tax, and Finance to work together from the start

Tax technology is unlike most enterprise systems. It requires continuous adaptation to regulatory change, complex real-time data flows, and integration with core financial infrastructure that most legacy architectures were not designed to support. Much of this must be managed by IT, but the challenge in implementing and operating a tax system is not just technical complexity; it is organisational alignment. When IT, Tax, and Finance approach these systems without shared understanding of requirements, roles and ownership, the conditions for failure are established before a single configuration decision is made.

When Tax and Finance are not involved from the outset, critical requirements go unspecified: how the tax engine connects with the ERP, where data originates and how it is transformed, and how regulatory updates are absorbed without disrupting live processes. Finance inherits the consequences: delayed accounts payable and receivable, interrupted invoice-to-cash flows, and cash flow volatility. IT inherits the technical debt. A tax system added after core architecture is fixed creates structural limitations that post-implementation optimisation cannot fully resolve.

The integration imperative

Asked to identify their top priorities for implementing new tax technologies, compliance and integration concerns are the most prominent drivers cited by all respondents. Notably — while other areas such as security, cost, and speed also were featured — IT, Tax, and Finance were united in these priorities. But without shared ownership of tax technologies across IT, Tax, and Finance, achieving these compliance and integration goals will be more challenging, time consuming, and costly.

Top priorities when implementing new indirect tax technology

Priority	Global %	Finance %	Tax %	IT %
Being future-ready for new regulations	34%	34%	47%	33%
Data compliance	32%	32%	37%	30%
Achieving a single source of truth	30%	29%	32%	30%
Integration with ERP and other core systems	29%	29%	34%	28%
Financial compliance	29%	28%	31%	30%

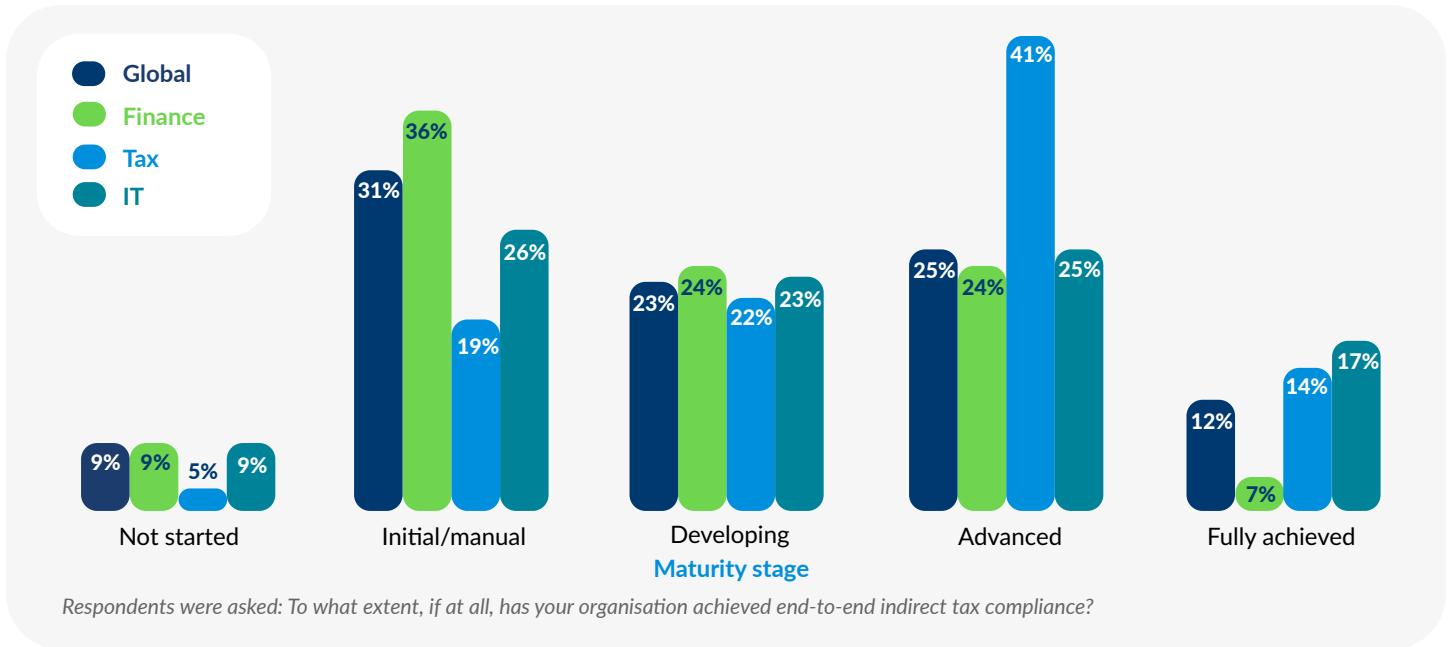
Respondents were asked: When implementing new indirect tax technology, what are your department's top priorities, if any?

Only 12% of organisations have achieved full end-to-end integration globally. More revealing is the divergence in how functions assess their own maturity. Tax rates its integration progress more optimistically than IT which is a perception gap that is itself a governance risk. When the function responsible for compliance believes integration is more advanced than the function responsible for architecture, the gaps that drive cost go unexamined.

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Current levels of tax technology integration



The master data problem

Master data – the foundational records covering customers, suppliers, products, and locations – is typically governed for operational purposes, and not designed with tax compliance in mind. However, ERP-tax engine integration relies on master data because the tax engine calculates tax based on the jurisdiction codes, tax classifications, customer, entity, and location data passed from the ERP. If that master data is incomplete, inconsistent, or misaligned, even a well integrated tax engine will return incorrect or rejected tax outcomes. Strong integration therefore depends as much on governed, accurate master data as on the technical connection itself.

Only 37% of organisations are very confident in their master data quality for tax purposes. Finance experiences this most directly. Errors surface during invoicing and reconciliation, producing rejected invoices, delayed payments and cash flow disruption. Under e-invoicing mandates, these failures block transactions in real time rather than being correctable downstream.

Less than half of organisations use a central master data registry. Instead, data quality is managed in fragments; IT maintains technical consistency, Tax compensates with manual checks, and Finance absorbs the errors that slip through. Other practices used for data accuracy are often a workaround, not a complete solution.

Practices used to keep master data accurate

Practice	% Using
Central master data registry	48%
Automated validation rules	39%
Change control processes	38%
Scheduled data audits	37%
Pre-submission validation	36%
Real-time dashboards / alerts	33%

Respondents were asked:

- Which, if any, practices are in place to keep e-invoicing/e-commerce master data accurate during changes?
- How confident, if at all, are you that your organisation’s master data is complete and consistently maintained across ERP and other systems?

The cost of late collaboration

The business impact when Tax and Finance requirements surface too late

When Tax and Finance are brought into technology projects after architecture decisions have been made, the cost does not stay contained. It spreads into extended timelines for IT, missed compliance deadlines for Tax, and financial volatility for Finance. The root cause is consistent: the right people were not involved early enough.

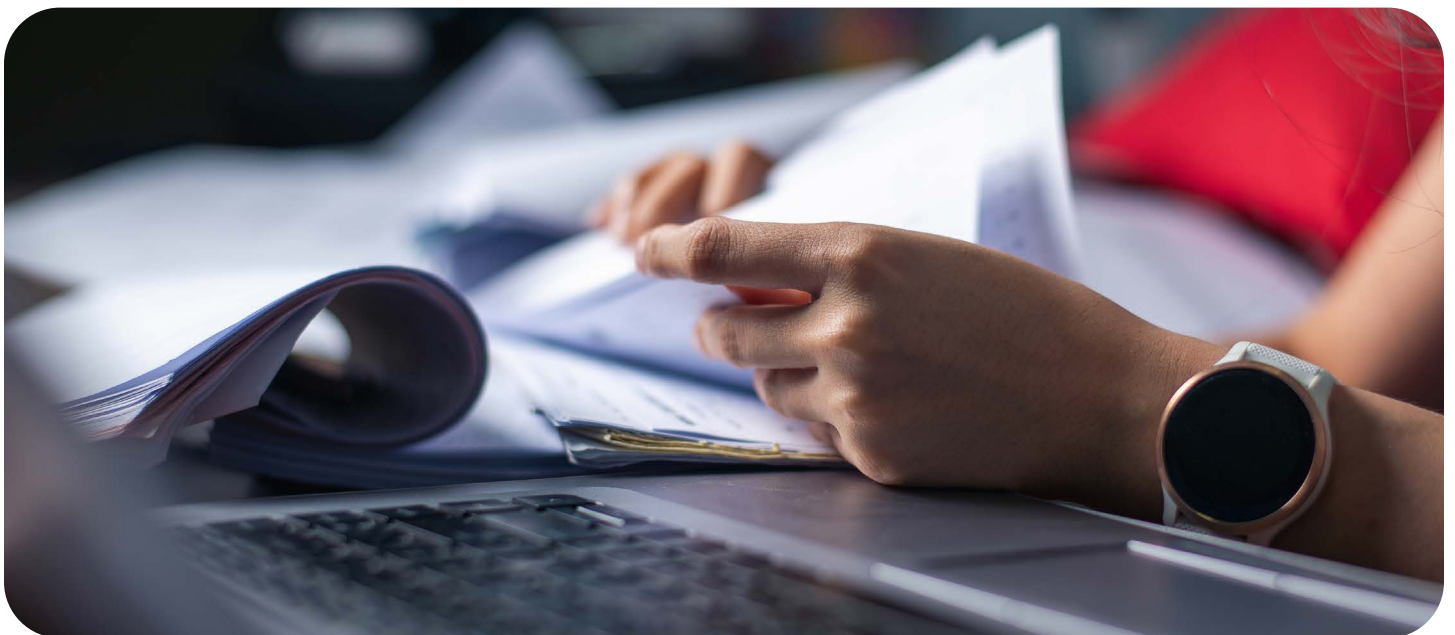
The cost lands differently across functions. Tax bears the largest share of compliance exposure; 41% cite increased compliance risk as a direct consequence of poor collaboration, compared to 24% of IT. The pattern repeats on e-invoicing challenges (42% Tax vs. 28% IT) and reduced business agility (42% Tax vs. 31% IT). Finance experiences it as commercial disruption through wasted spend, invoice rejection and working capital strain. IT inherits the technical debt. All three functions are paying a price, but not the same one. The individual pressures they feel reveal why all three need to be involved from the start.

The perception gap compounds the problem. 92% of IT leaders rate collaboration as strong, compared to 85% of Finance leaders and 83% of Tax leaders who say the same.

The impact of poor collaboration between IT, Tax, and Finance

Impact	Global %	Finance %	Tax %	IT %
Data migration challenges	31%	31%	39%	30%
Wasted spend / poor ROI	31%	31%	29%	31%
Reduced business agility	31%	29%	42%	31%
E-invoicing / CTC challenges	30%	29%	42%	28%
Increased compliance risk	26%	27%	41%	24%

Respondents were asked: How, if at all, has the current way IT, Finance and Tax collaborate on implementing indirect tax technology impacted your business?



Ownership ambiguity and downstream risk

From unclear accountability to addressing organisational challenges

Consultation without ownership creates ambiguity, and that ambiguity becomes operational risk. IT is consulted on decisions about tax technology systems (including system selection, implementation, and configuration) 52% of the time, but Tax is consulted only 37% of the time, creating an expertise gap. Finance sits at 49%, involved nearly as often as IT, but is not always equipped to provide the tax-specific input that would make that consultation meaningful. The result is tax compliance projects delivered by functions that lack the context to scope them properly, producing systems that work technically but fail operationally. Sustainable tax technology governance requires explicit, not assumed, ownership.

Who owns what in tax technology



IT owns

System architecture and integration design; ERP and data pipeline connectivity; infrastructure, security, and platform performance



Tax owns

Tax logic, rules, and compliance requirements; jurisdiction-specific configuration; regulatory change monitoring and sign-off



Finance owns

Cash flow and financial reporting requirements; downstream transaction impact assessment; invoice-to-cash flow oversight; ROI and cost governance



Shared

Project scoping and requirements definition; go-live readiness and testing; ongoing governance, change management, and AI framework oversight

Looking ahead to projects planned in the next three years, Tax involvement is expected to increase by only one percentage point, when compared with projects completed in the last three years. At that trajectory, the gap will not close on its own. Furthermore, involvement is improving unevenly: IT consultation rises from 50% to 52% (+2pp) and Finance from 47% to 49% (+2pp), while Tax only moves by one percentage point.

The problem intensifies at scale. Among organisations with over \$1 billion in revenue, the IT-Tax consultation gap reaches 17 percentage points. More systems, more jurisdictions and more stakeholders mean that unclear ownership does not stay contained; it amplifies across every integration point and every regulatory change.

The functions being consulted on tax technology decisions

Department	Future projects	Past projects	Change
IT	52%	50%	+2pp
Finance	49%	47%	+2pp
Tax	37%	36%	+1pp

Respondents were asked:

- Looking ahead, if your organisation is planning a digital transformation project in the next 3 years, which, if any, teams do you believe are being consulted about their technology needs?
- Looking back, if your organisation has completed a financial digital transformation project in the last 3 years, which, if any, teams do you believe were consulted about their technology needs?

The potential impact of technology and integration failure is reflected in high levels of concern across teams when facing challenges from transaction volume, data volume, and complexity, and other compliance issues, to trade and supply chain disruption.

Tax teams' concerns are focused on compliance issues, which are significantly higher than IT across almost every risk category. The most striking gaps are on increasing data volume (Tax 83%, IT 70%), regulatory and tax changes (Tax 80%, IT 67%) and pace of digital transformation (Tax 76%, IT 64%). As a result, tax teams absorb upstream compliance risk, with failures emerging as rejected transactions, blocked revenue, and heightened audit exposure.

The only category where IT expresses more concern than Tax is digital transformation pace. This suggests that IT is focused on the speed of technology change with regards to tax and compliance, while Tax has a broader overview, including regulations and data management. This asymmetry helps explain why systems are built to technical specifications that do not account for all compliance requirements.

Levels of concern across key operational, data and regulatory challenges by function

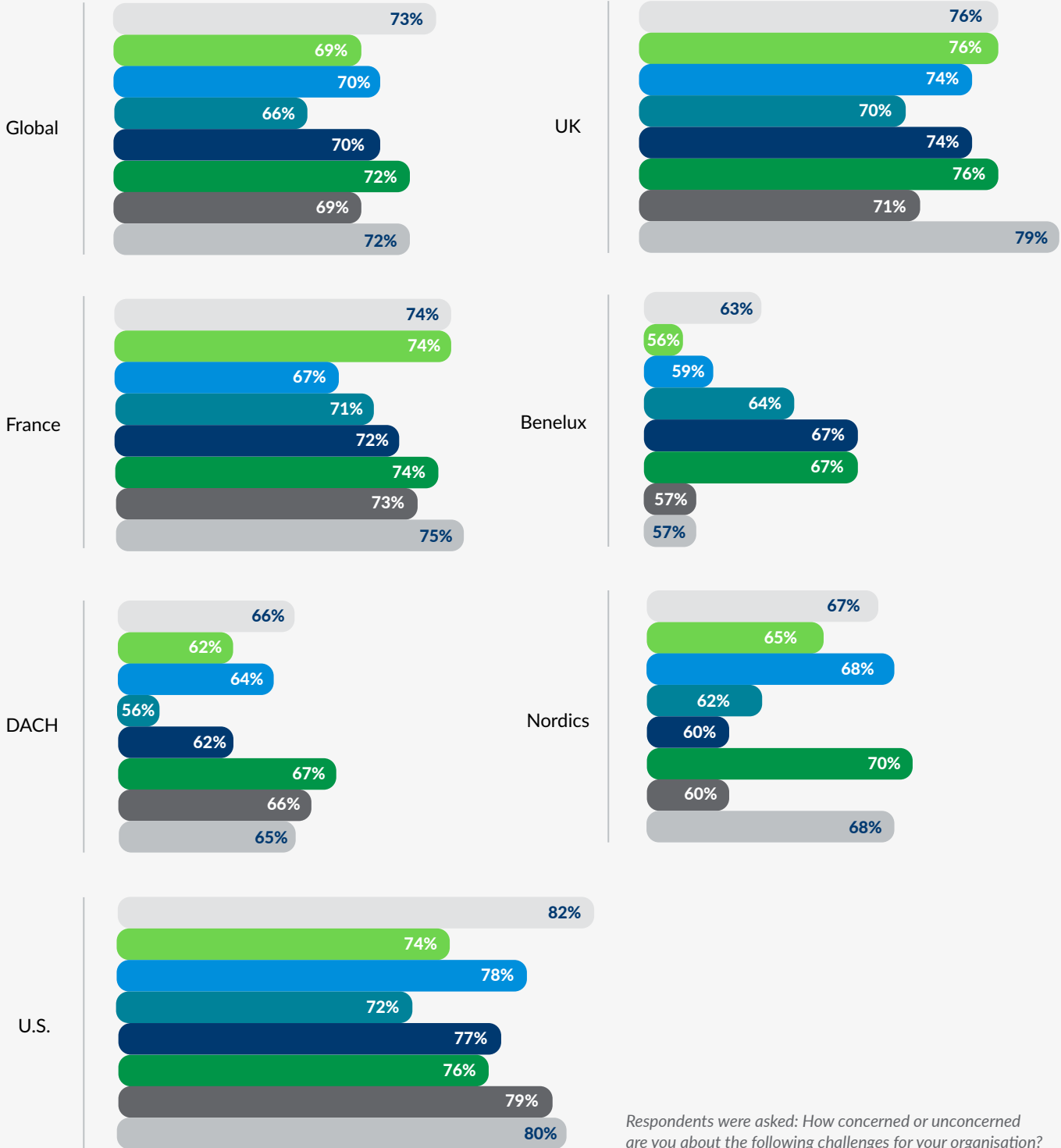
Concern area	Global %	Finance %	Tax %	IT %	IT-Tax gap
Increasing data volume	72%	73%	83%	70%	-13pp
Regulatory / tax changes	70%	71%	80%	67%	-12pp
Growing transaction volumes	73%	75%	76%	70%	-6pp
Data complexity	70%	71%	76%	68%	-9pp
Peak period management	69%	71%	64%	67%	3pp
E-invoicing / CTC mandates	72%	74%	76%	70%	-6pp
Supply chain disruption	66%	68%	69%	63%	-6pp
Digital transformation pace	69%	72%	76%	64%	-12pp

Respondents were asked: How concerned or unconcerned are you about the following challenges for your organisation?

Levels of concern around the key operational, data, and indirect tax challenges facing organisations varies significantly across markets. Across the board, respondents in the UK, U.S., and France reported higher concern than respondents in DACH, Nordics, and Benelux. Citing the highest levels of concern, respondents in the U.S.' concern levels were 7 percentage points higher than average (77% U.S. vs. 70% globally). Least concerned were respondents in Benelux, whose concern levels were 9 percentage points lower than average (61% Benelux vs. 70% globally). U.S. organisations' biggest concerns lie in issues of complexity (78%), volume (transactions 82%, data 80%) and pace (79%), further underscoring the need to get technology integration right from the start.

Levels of concern across key operational, data and regulatory challenges globally

- Growing transaction volumes
- Peak period management
- Data complexity
- Supply chain disruption
- Regulatory / tax changes
- E-invoicing / CTC mandates
- Digital transformation pace
- Increasing data volume



Respondents were asked: How concerned or unconcerned are you about the following challenges for your organisation?

AI and the governance imperative

Why emerging technology is amplifying the cost of misalignment

Technology is developing rapidly and organisations want to use this to their advantage. While organisations report benefits from AI-driven automation across a variety of business areas, there is much room for AI to deliver even further advantage; on average, 51% of respondents report currently benefitting from AI-driven automation, but a further 49% anticipate benefitting in the future. However, as technology becomes more automated and more intelligent, the cost of misalignment has the potential to rise too as issues may multiply mechanically. This shifts governance from a supporting concern to a structural requirement.

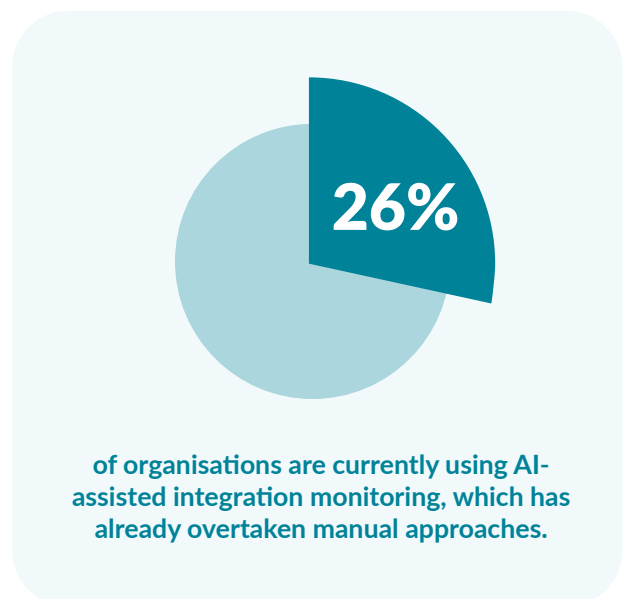
Business areas benefitting from AI-driven automation, now and in the future

Business area	Currently benefits	Would benefit in the future
Data reconciliation	51%	46%
Tax compliance and reporting	51%	48%
Financial forecasting and analytics	50%	51%
Fraud detection and risk management	53%	49%
Transaction classification / tax code assignment	51%	50%
Error detection and reconciliation	53%	50%
Real-time invoice validation	54%	48%
Data extraction from multiple systems	49%	51%
Document processing	50%	50%

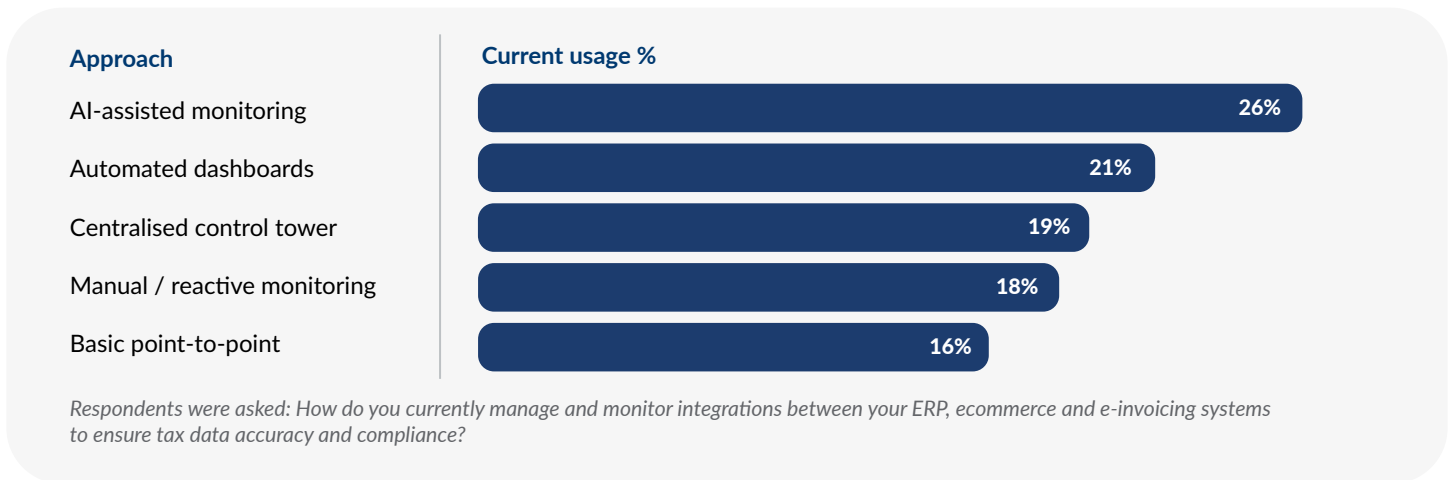
Respondents were asked: For each business area below, indicate whether it currently benefits from AI-driven automation in your organisation and/or would benefit in future.

AI-assisted integration monitoring has already overtaken manual approaches, with 26% of organisations currently using the new technology versus 18% that are still relying on manual or reactive methods. However, AI adoption does not equal governance. When AI tools are deployed without joint oversight, organisations risk embedding compliance logic that Tax has not validated into systems that IT cannot fully audit, at scale and speed.

As AI-driven tax technology increases, organisations face a structural choice: define ownership before deployment, or inherit a more sophisticated version of the fragmentation they already have.

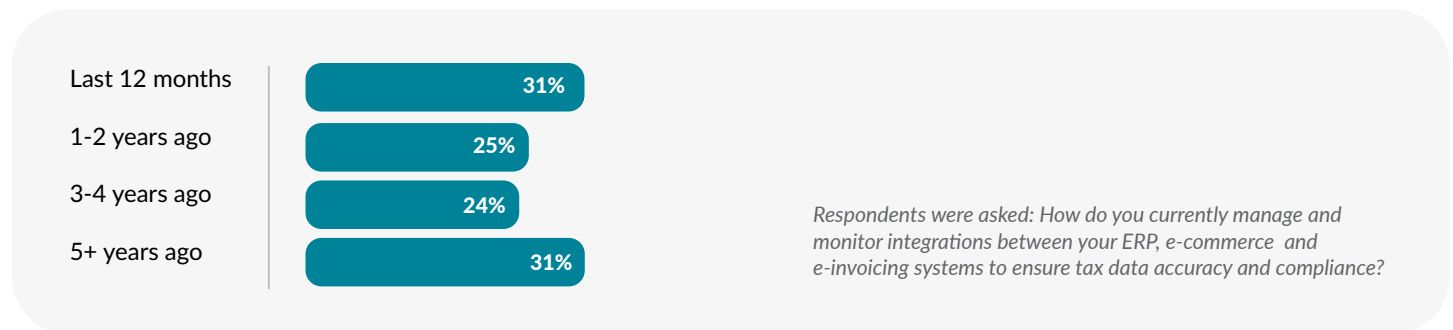


System integration approaches



When compliance logic is embedded in an AI model, the consequences of error scale with adoption. An unvalidated rule applied across thousands of transactions does not produce a single error; it produces a systemic failure. The 49% of organisations anticipating AI-driven automation benefits in the future without governance frameworks in place are not managing risk – they are accumulating it.

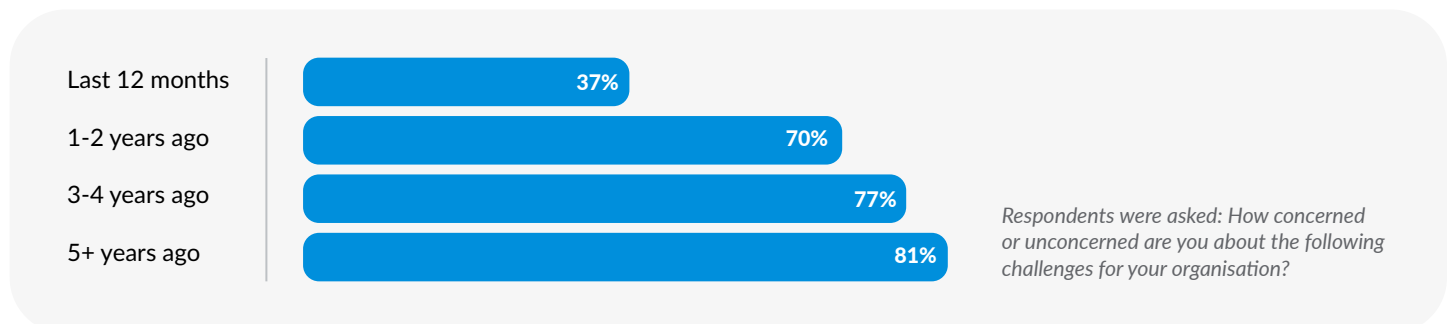
Percentage of organisations reporting AI adoption, by time since ERP implementation



One assumption the data challenges is that a recent financial digital transformation automatically resolves compliance risk. Among organisations that completed their most recent financial digital transformation project in the last 12 months, e-invoicing concern stands at 37%, compared with 77% among those with completion three to four years ago or older (81%). A new platform does not carry compliance logic by default. Without Tax and Finance defining requirements before architecture is set, it inherits the same ownership gaps as its predecessor.

For businesses, this means ERP modernisation can heighten e-invoicing risk if compliance is assumed rather than engineered. New platforms increase automation and data velocity faster than organisations resolve governance, data ownership, and validation design. Without tax-led e-invoicing architecture, ERP programmes accelerate exposure instead of reducing it, making compliance failures more immediate, not less likely.

Percentage of organisations concerned about e-invoicing, by time since ERP implementation



The regional picture

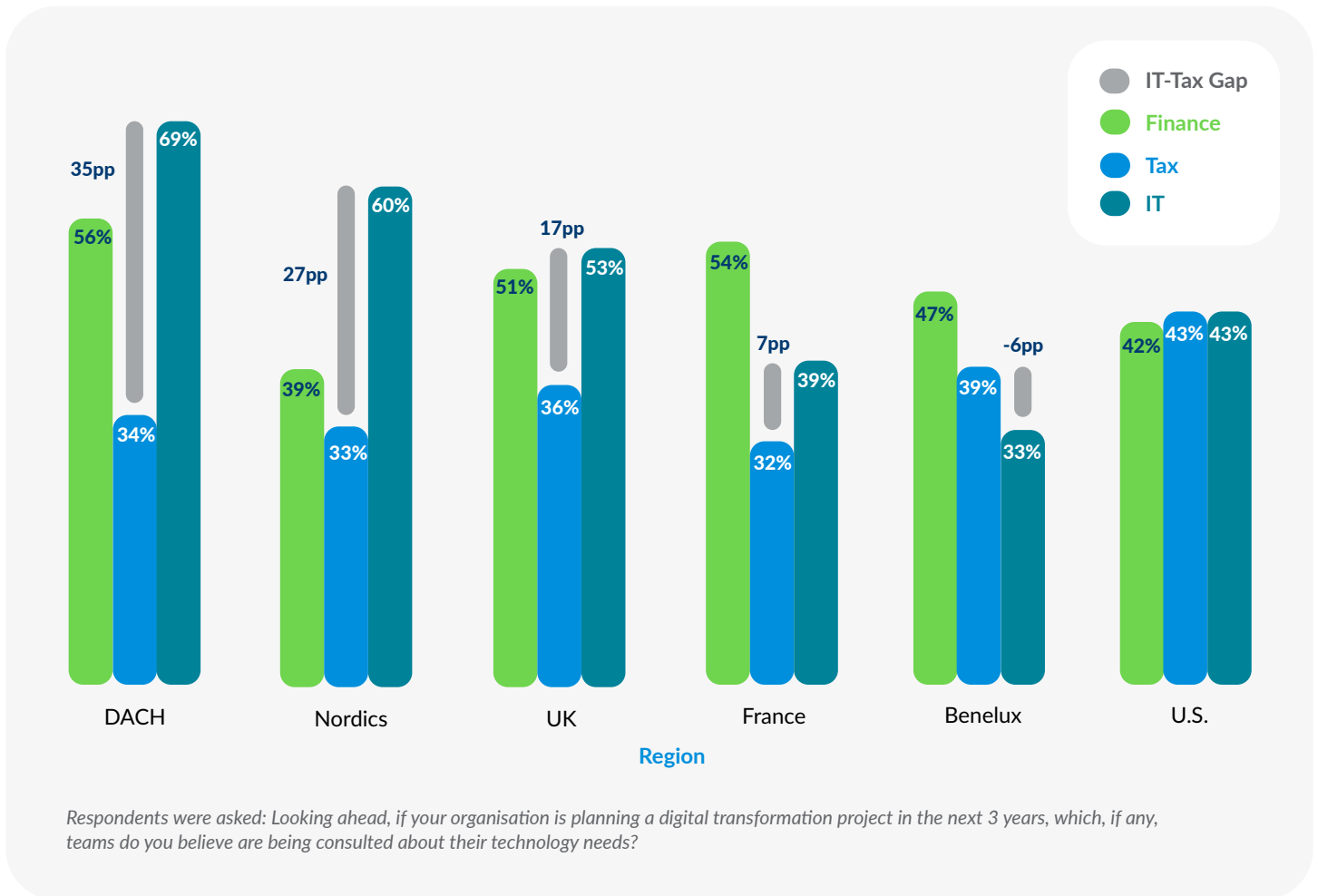
The divide across markets

The IT-Tax-Finance divide varies significantly by market, and for global organisations, the implication is clear: a centralised technology platform is not sufficient if governance and collaboration models vary by region.

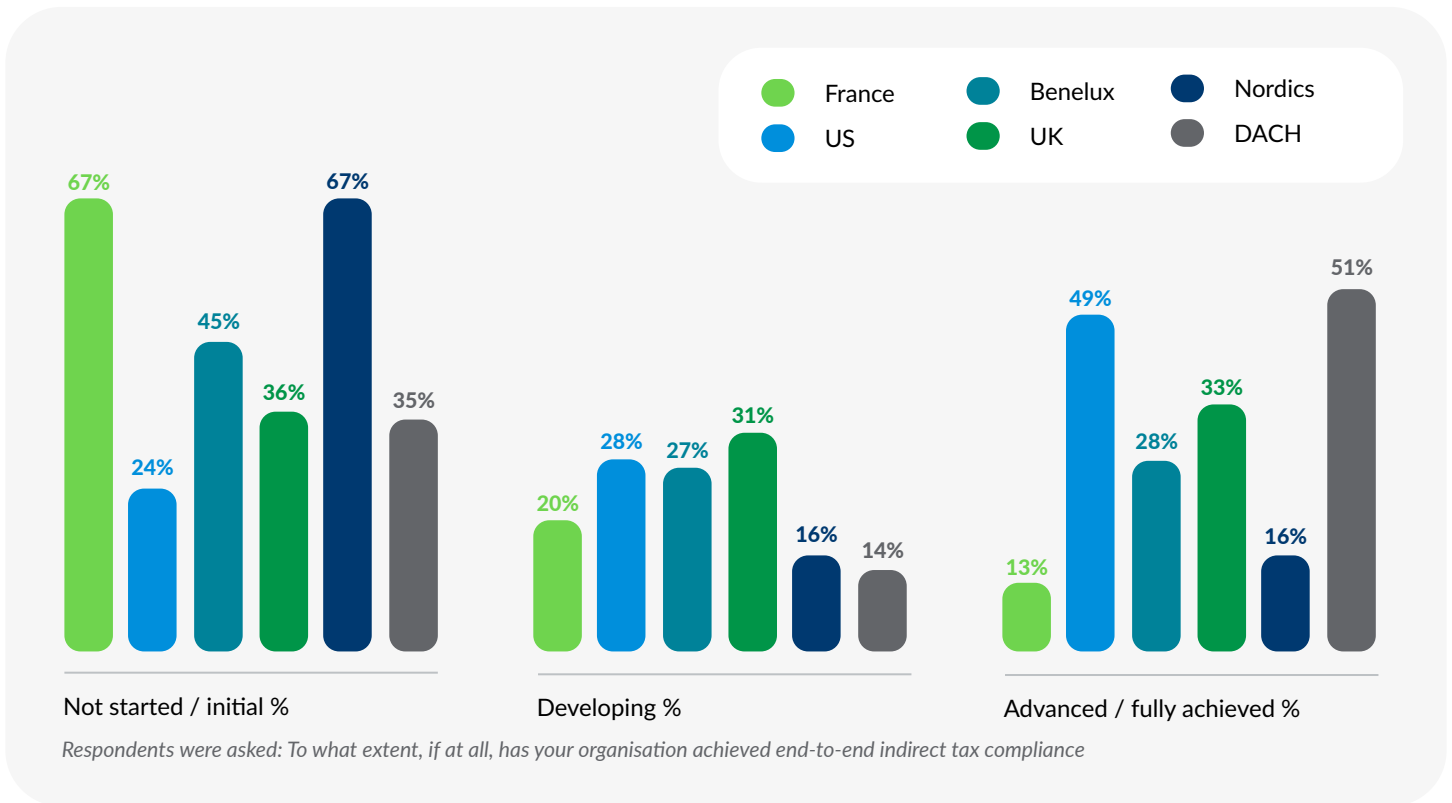
The U.S. stands out as the only market where all three functions are consulted at near-equal rates, with a 0-point IT-Tax gap, compared to 35 points in DACH and 27 in the Nordics. DACH's gap is the most significant: IT carries a disproportionate share of delivery responsibility without equivalent Tax involvement, creating structural risk on every compliance-sensitive decision. For multinational organisations, these regional differences in tax function maturity and stakeholder involvement directly affect how well collaboration works in practice.

France presents the starkest integration challenge, with 67% of organisations at the initial or not-started stage against only 13% at advanced or fully achieved. DACH leads on maturity (51% advanced or fully achieved) despite its large consultation gap; a reminder that technical integration progress and governance alignment are not the same thing. A system can be technically integrated while still embedding compliance logic that Tax did not define. The EU's ViDA initiative is beginning to introduce harmonised e-invoicing standards across member states, but regulatory harmonisation does not automatically produce organisational alignment.

Functions consulted on tax technology decisions by region



Current levels of tax technology integration by region



U.S. and UK organisations report the highest average concern levels across all compliance categories (77% and 75% respectively). In the U.S., state-level tax complexity creates a fragmented regulatory environment that demands IT-Tax coordination at both local and enterprise levels. In the UK, mandatory e-invoicing requirements from 2029 are concentrating minds, as organisations that have not resolved governance and ownership structures face a defined deadline by when those gaps will become a live regulatory risk.

DACH stands out as the region most affected across all three cost measures, consistent with its 35-point IT-Tax consultation gap – the widest of any market. Where the divide between functions is largest, the financial consequences are most visible.

Cost impacts of poor IT-Tax collaboration, by region

Region	Wasted spend %	IT unaware %	Fragmented systems %
DACH	38%	41%	38%
U.S.	34%	29%	30%
UK	26%	25%	29%
France	29%	29%	22%
Benelux	31%	28%	20%
Nordics	20%	29%	32%

Respondents were asked: How, if at all, has the current way IT, Finance and Tax collaborate on implementing indirect tax technology impacted your business?

The path forward

What good looks like, and how to get there

The research findings consistently highlight what distinguishes organisations that manage tax technology effectively from those that struggle. It is not merely the sophistication of the technology that matters, rather it is the establishment and acceptance of shared authority among IT, Tax, and Finance from the outset.

Looking ahead, 94% of respondents expect closer collaboration between the three functions. The gap between that expectation and the 12% who have achieved end-to-end integration reflects not a lack of ambition, but a failure in operating models and cross-functional alignment. Closing it requires governance that defines who owns what, metrics that make performance visible across all three functions, and processes designed for the continuous evolution of tax requirements.

The priorities identified by each function highlight where indirect tax compliance risks failing:

- **Tax** emphasises joint planning from the outset (41%), the clearest signal of what late involvement costs.
- **Finance** requires shared KPIs (38%) and regular joint reviews (37%), reflecting the need for ongoing visibility rather than one-time alignment.
- **IT** wants clearer ownership and decision rights (33%) and better vendor support (39%) – the tools needed to deliver to requirements that were never fully specified.
- Among organisations with over \$1 billion in revenue, executive sponsorship (45%), structured reviews (42%), and shared metrics (43%) matter more than informal coordination.

Collectively, these priorities indicate that organisations are facing a systemic risk, rather than a series of disconnected operational issues. When planning, ownership, and measurement are fragmented, e-invoicing and real-time compliance pressures can transform internal misalignment into revenue disruption. Therefore, coordinated decision-making across IT, Tax, and Finance is not merely a goal for maturity; it is essential for safeguarding transactions at scale.

Improvements identified as most helpful for IT, Tax, and Finance collaboration

Improvement	Global %	Finance %	Tax %	IT %	\$1B+ %
Better vendor support / workshops	38%	37%	36%	39%	40%
Shared KPIs	36%	38%	37%	34%	43%
Regular joint reviews	36%	37%	39%	34%	42%
Executive sponsorship	34%	34%	31%	36%	45%
Cross-department training	33%	33%	37%	32%	25%
Joint planning from outset	32%	31%	41%	31%	34%
Clear ownership / decision rights	32%	31%	37%	33%	27%

Respondents were asked: What, if anything, would most improve how IT, Tax, and Finance teams work together on digital transformation and tax technology projects in your organisation?

Closing the gap requires four things in practice:**Defined decision rights.**

IT owns architecture and integration. Tax owns compliance logic and regulatory sign-off. Finance owns cash flow impact and reporting requirements. All share the responsibility for scoping, change governance, and AI oversight. These boundaries should be documented and revisited when major changes occur – not treated as informal understandings.

Shared success metrics.

KPIs that only one function can influence will not drive cross-functional behaviour. Invoice acceptance rates, compliance error rates, implementation delay rates, and time-to-remediation are metrics all three functions contribute to. When IT, Tax, and Finance are measured on the same outcomes, the incentive to collaborate is structural rather than aspirational.

A single change intake process.

Regulatory changes are constant. Organisations that navigate them effectively have a well-defined process for managing these changes; identifying who is responsible, assessing the technology implications, obtaining necessary approvals, and thoroughly testing changes before implementation. Without such a framework, regulatory updates become reactive fixes, leading to the accumulation of technical debt.

Regular cross-functional reviews.

Quarterly reviews that bring the functions together, not to report status, but to assess whether the operating model is working, are vital to ensure misalignment is caught before it becomes costly. These reviews should include data quality metrics, integration health, upcoming regulatory changes, and any open ownership questions.





Conclusion

Tax technology implementations often fail not due to limitations in the technology itself, but because organisations have not addressed the essential questions needed for smooth operation. Collaboration between IT, Tax, and Finance is essential for both initial and ongoing success.

Before implementation, it is crucial for organisations to define ownership of the system, establish criteria for success, and identify accountability when outcomes fall short. This research shows the consequences of leaving those questions unanswered: delays increase, compliance risks mount, and financial forecasting becomes difficult to predict. As e-invoicing mandates expand across markets, the costs associated with this ambiguity extend beyond back-office inefficiencies, they surface as incomplete transactions and revenue that can't be recognised.

Tax compliance is no longer a specialist downstream process; it has become critical transaction infrastructure that determines whether a business can operate effectively and consequently, whether revenue can be generated, recognised, and sustained. Organisations that govern tax compliance accordingly will be better positioned to adapt and scale in an increasingly complex regulatory environment.

Three key actions:



Involve tax and finance early

Engage all key departments before tax technology decisions are finalised to avoid the delays, increased costs, and compliance risks associated with poor collaboration.



Define ownership explicitly

Clearly outline ownership across IT, Tax, and Finance, establishing documented decision rights, shared KPIs, and a single change intake process as the minimum requirements.



Review governance when introducing new technology

Use new technology implementation as an opportunity to embed collaboration into architecture, rather than retrofitting it after the fact.

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