**FUTURISTIC OF TAX MANAGEMENT VIA NEW GENERATION OF ERP MODEL**

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**ABSTRACT**

The advancement in the technology can upgrade the business activities easily. Tax management is the major part in the industries administration nevertheless the futuristic of tax management probably via new era of ERP model in companies. The main features of this technology is tax transparency. It induces the researcher to conduct a study on futuristic of tax management via new generation of ERP model from the companies’ perspective. Data were collected and analyzed by using neutral score.

**KEY WORDS**: Tax Transparency, Tax management and ERP

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**INTRODUCTION**

The development of ICT sector facilities to do challenging activities in the world. The corporate sector majorly depends on the technical environment for their business transaction from the raw material purchase to supply chain management. The prerequisites of the technology can still exist until the world alive. Each business transaction are probably connected with technical term differently. Pioneering in the tax management system facilitate the companies to handle the tax transaction at ease. Enterprise Resource Planning refers to a type of software that organizations use to manage day-to-day business activities such as [accounting](https://www.oracle.com/in/erp/financials/), [procurement](https://www.oracle.com/in/erp/procurement/), [project management](https://www.oracle.com/in/erp/project-portfolio-management-cloud/), [risk management and compliance](https://www.oracle.com/in/erp/risk-management/), and [supply chain operations](https://www.oracle.com/in/scm/). A complete ERP suite also includes [enterprise performance management](https://www.oracle.com/in/performance-management/), software that helps plan, budget, predict, and report on an organization’s financial results1.

Tax management is the major activities for the business concern to fulfill their accountability to the nation constantly as per the rules and regulations. This concept was not familiar in the recent past. But at present the significance of tax management is the prime concept for the business concern to cope the tax obligation properly and it facilitate to avoid the tax interest, penalty, prosecution etc2. Transparency in the existing tax regime, Goods and Services Tax initiate the digital taxation. Previously the companies tax accounting has been handled by the tax executives and they also design the framework for the accounting years to reduce the tax burden nevertheless the implementation of GST push them to compete with digital tax filing process . The advancement in the technology made the tax management as ease.

Tax management marketing is a buzzword certainly, many IT companies were designing the software for both directs and indirect taxes. Not only the business concerns but it also used for the business owners, customer support teams, accounting teams, and e-commerce administrators in a variety of industries use sales tax, VAT (value added tax), GST (goods service tax), indirect tax, and other compliance products to oversee tax collection and filing for all sales transactions. This includes adjusting sales tax prices for certain products, customers, or occasions where necessary, such as sales tax holidays or after a customer’s change in circumstance, along with any update to official regulations when new legislation is passed3. Nevertheless these technical facilities linkage with ERP of the companies to provide updates. The countries has been followed the tax management software are Australia, Brazil, China, France, Germany, India, Indonesia, Japan, Russia, South Korea, UK and USA4.

**STATEMENT OF THE PROBLEM**

Tax management is the major part in the companies to reduce the tax burden rightfully. Tax management market is term to facilitate the tax filing at ease and the emergence of this technical enhancement leads the digital taxation into the extreme level. It creates a linkage between the financial components of the company to assess the all taxable events with main aim to bring transparency in the tax management. It instigates the researcher to study the perception of the industrial sector towards advancement in the tax management system. The study has posed the following questions,

* Whether the futuristic of tax management via New ERP model is appropriate for the companies?

To get the bottom line of the above research questions the researchers has framed the objectives of the study

**OBJECTIVES OF THE STUDY**

The researcher has framed the following objectives to find out the solution for the question raised from the statement of the problem

* To explore theFuturistic Of Tax Management Via New Generation Of ERP Model in companies
* To analyze the companies perspective towards futuristicof tax management system.

**SCOPE OF THE STUDY**

**LIMITATION OF THE STUDY**

**REVIEW OF LITERATURE**

The existing studies explored by the tax experts in the appropriate discipline about the tax management technology, trends and tax management problem:

**Neba Bhalla *et.al* (2022)5** has conducted a “study on Effect of Tax Knowledge and Technological Shift in Tax System on Business Performance: A PLS-SEM Analysis”, with the aim to scrutinize the impact of tax knowledge technological shift in the tax system on business performance of MSME industries. The researchers has been collected primary data from 450 respondents in Punjab state and the data were analyzed by Partial Least Square Structure Equation Modeling. The study has found that awareness of MSME industries on the GST regime positively influenced; their enriched tax knowledge facilitate them to adopt the technological changes and to compete frauds. The study has suggested that the Government, Policy makers to spread more awareness among the MSME industries about the technical strength in tax management as per the OECD recommendations to eliminate the vagueness in tax compliance by conducting more seminars and workshops regarding tax. The study has concluded that the tax knowledge on tax management leads the business people getting the benefits without tax evasion and tax avoidance nevertheless it lead to be a better world.

Oluwasegun *et.al* (2023) examined the implementation of SAP enterprise resource planning – A case study of the South African revenue services and taxation sectors. The study was based on qualitative method and the data were collected from the primary and secondary sources. Primary data were collected from 50 respondents and secondary data were collected from case studies and other web sources. The researchers has found that some of the respondents are stick with traditional in tax management however other SAP tax payers have satisfactory to suggest the ERP model for tax processing, there was time to need to implement the ERP, the SAP tax payers could availed the ERP model via mobile app it was an sophisticated solution for them at the time of pandemic period nevertheless real time system allow the mobile app for tax process the study strongly recommended to enhance the tax management i.e. Mobile app ERP model.

A case study on “Tax transformation trends Technology in focus” has been conducted by the Deloitte5 organization. The survey has been conducted among large industries whose annual turnover more than US $750 million from G10 countries and major financial services industries The expert team members has found that the digital renovation in tax management is a key driver to creates linkage between industries and New gen ERP. This model facilitate to do the business function with ease nevertheless transparency in the tax regime and tax management are prominent phenomenon to implement this model and simplify the tax management process into the organization7.

The authors of International Tax Review Journal8 have conducted a cased study with insight view on ax management in companies**,**  they explained about the frame work of the tax management system for overall business strategy set by the board, having complete and relevant data to inform the setting of that strategy and to inform dialogue with government, and having the right tools available to help with the communication around tax and tax strategy to all interested stakeholders are all key to ensuring that CR and tax are properly addressed. Tax management is considered as corporate responsibilities about how a business takes into account the impact that its operations have on the economic, social and environmental fabric of society with a view to maximizing the benefits and minimizing the downsides that it perceives8.

The above studies demonstrates that tax transparency is a key term to bring transformation in the tax management sophisticatedly. It induces the researchers the companies perspective on this mechanism in Tamil Nadu.

**RESEARCH METHODOLOGY**

The reliability and validity of the present study was portrayed by the researchers as follows:

**Source**

The present study was based on primary and secondary data. Primary data were collected from the business people, tax experts and secondary data were collected from web sources and journals.

**Study Period**

The study was conducted in between June 2023 to July 2023.

**Sample size**

One hundred and thirty two respondents were selected for the study by adopting convenient sampling method.

**Study Area**

The respondents were selected from Madurai, Virudhunagar and Tirunelveli districts in Tamil Nadu.

**Statistical tool**

The data analyzed by Neutral score

**ANALYSIS AND INTERPRETEATION**

The existing study has been analyzed the companies perspective towards the futuristic of tax management via new generation of ERP modelin business using neutral score and it is shows in the Table 1:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **TABLE 1**  **Futuristic of tax management via New ERP model in business**  **Companies perspective** | | | | | |
| **S. No.** | **Statements** | **Scaling** | | | **Total Score** |
| **3** | **2** | **1** |
| 1 | GST implementation is the premier action to boost up the digitalized taxation | 135 | - | - | 405 |
| 2 | Implementation of tax transparency enhances the efficient of the tax management | 71 | 45 | 16 | 319 |
| 3 | Innovation in Tax management system enhance its effectiveness | 54 | 60 | 18 | 300 |
| 4 | Tax transparency facilitates the companies to identify the taxable event | 68 | 38 | 26 | 238 |
| 5 | New generation in the ERP model is appropriate for the industrial sector | 46 | 62 | 30 | 292 |
| 6 | The transparency in tax management fascinates share holders | 94 | 26 | 12 | 346 |
| 7 | Risk in tax transparency is high | 45 | 59 | 28 | 236 |
| 8 | It reduce the workload of the tax executives | 86 | 20 | 26 | 324 |
| 9 | High investment but standardized out put | 21 | 96 | 15 | 264 |
| 10 | Traditional tax management is best mechanism compare to modern method | 91 | 23 | 18 | 337 |
| 11 | It helps to identify the tax obligations | 73 | 33 | 26 | 308 |
| 12 | New ERP model help the tax executives or expert to analyze the operational activities for tax filing | 67 | 40 | 25 | 331 |
| 13 | Transformation in the tax management certify the regiment at internationally. | 105 | 17 | 10 | 359 |
| Source: Primary data  Neutral Score: 135\*2=270 | | | | |  |

Table 1 illustrates that companies perspective on futuristic of tax management via New ERP model in companies. Among the thirteen statement the respondents given highest score to GST implementation is the premier action to boost up the digitalized taxation (405), Transformation in the tax management certify the regiment at internationally (359). The top executives and tax experts given moderate score to the statements the transparency in tax management fascinates shareholders (346), Traditional tax management is best mechanism compare to modern method (337). The lowest scores given to Risk in tax transparency is high(236) and Tax transparency facilitates the companies to identify the taxable event (238). The scores of the remaining statements explains that the companies have the strong believe on New ERP model.

**FINDINGS**

* GST implementation is the root cause for the digital taxation nevertheless it gave new exposure to the companies to enhance their tax management.
* New ERP model is the better mechanism to construct transparency in tax management.
* The risk in implementation new era ERP was the complex for the companies.
* The transparency in the tax management attracts more shareholders.
* It was an appropriate model to bring transparency in operation activities of the companies. Nevertheless it creates risk in tax management.

**SUGGESTIONS**

* The companies should concentrates on the standardized output instead of high investment.
* To brought Tax transparency in the companies to identify the taxable event they try to follow the new era of ERP in companies.
* Cost of the product to implement ERP was the biggest task for the companies hence the creator of the model discovered lower cost effective program to attracts the medium companies too.
* This streamline was globalized one if the developing countries companies may follow this obviously it uplift the standard of the industrial sector globally.

**CONCLUSION**

The present study has analyzed the tax experts and top executives perspectives on new era of ERP model was futuristic of tax management. The study has found the GST implementation was the major reason to bring the digital taxation in India. The significance of this mechanism attracts the industrial sector to bring the transparency in the tax management globally. Hence the study has concluded that advancement in technology exist until the earth alive, they should upgrade the planning system as per the futuristic environment.

**FOOT NOTES**

1. https://www.oracle.com/in/erp/what-is-erp/
2. <https://taxguru.in/income-tax/tax-planning-tax-evasion-tax-avoidance-tax-management.html>
3. <https://www.g2.com/categories/sales-tax-and-vat-compliance>
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