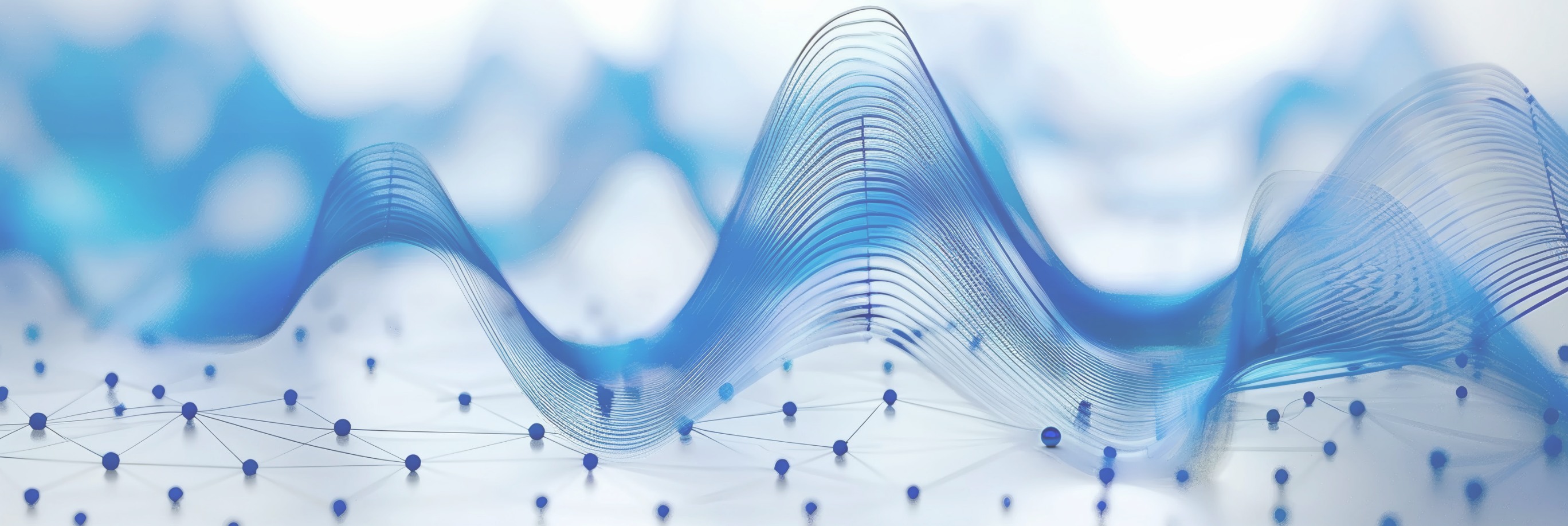


The future of tax research: **Frameworks, use cases, and best practices for AI research**



Welcome to the new era of tax research

The tax profession is at a pivotal moment. With rising tax complexity and client expectations, CPA firms are under pressure to deliver faster and more accurate strategic services.

Amid this pressure, generative AI has emerged not just as a technological breakthrough—but as a fundamentally new way of working. Unlike traditional tools that retrieve data or flag errors, generative AI mirrors professional thinking—helping with reasoning, synthesis, and communication.

This guide is intended for tax professionals at CPA firms and innovation teams who want to understand how generative AI in tax research can drive meaningful improvements in workflow efficiency and client service.

What you will learn:

- Why you should adopt a generative AI tax research solution like Blue J
- How these tools fit into your current tech stack and workflow
- Key criteria for choosing a tool that aligns with your firm's needs
- A clear path to start, scale, and measure success with an AI tax research tool
- How CPA firms are using AI tools today to save time, improve consistency, and elevate the client experience

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Overwhelming, manual, underpowered: The historical tax research experience

Current tax research challenges

Tax research is weighed down by high volume, complexity, and constant change—made worse by slow tools, junior knowledge gaps, and over-reliance on the expertise of senior staff.

Without better systems, CPA firms face costly errors and inefficiencies. Falling behind on tax law changes risks penalties, fines, or legal action. For example—a missed IRS update could lead a firm to file an incorrect return using outdated guidance, triggering a penalty and damaging client trust.

In summary:

- **High volume** slows down research
- **Complex rules** increase error risk
- **Frequent updates** are hard to track
- **Manual work** contributes to capacity pressures
- Junior staff face **knowledge gaps**, needing constant oversight
- **Over-reliance on seniors** creates bottlenecks and burnout
- Legacy tools return **scattered results**
- **Unverified answers** risk noncompliance

Pre-generative AI alternatives and workflow realities across firm sizes

Without generative AI, tax professionals rely on two main tools for research: **generic search engines** like Google and **specialized content databases** such as Thomson Reuters, Wolters Kluwer, and Bloomberg BNA. Both approaches come with challenges. Generic search lacks authority, while vertical tools often require complex search techniques and return fragmented results that are time consuming to synthesize.

These inefficiencies, especially the time spent piecing together authoritative sources and translating technical language into client-friendly terms, limit professionals' ability to focus on strategic, high-value work. Additionally, traditional research tools have steep learning curves, resulting in low adoption and poor ROI.

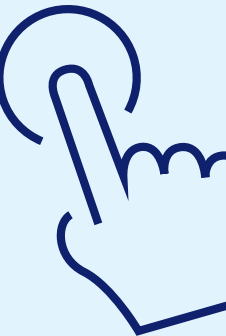
Firm type	Typical workflow with traditional tools	Key pain points
Sole practitioners & small	Rely on free tools (e.g. Google) for efficiency and accessibility. If using a separate tool, often share one license across multiple users.	<ul style="list-style-type: none"> • High risk of incomplete guidance • Shut down by vendors if license sharing • Underinvest due to cost
Mid-sized	Purchase limited access to legacy platforms. Research duties are split between junior staff and senior reviewers.	<ul style="list-style-type: none"> • Tools are cost-prohibitive at scale • Juniors struggle with usability • Partners spend hours reworking outputs
Enterprise	Maintain formal research teams and multiple full-access licenses. Sometimes integrate with KM systems.	<ul style="list-style-type: none"> • Tools remain fragmented • Due to difficulty of use, staff still use Google or unauthoritative sources • Long turnaround for memos

How AI transforms tax research

Generative AI represents a major leap from traditional AI's narrow focus on structured tasks—like classification or prediction—to systems capable of tackling a broad range of unstructured, language-heavy problems. In tax, where nuance, precision, and traceability matter, generative AI offers what traditional tools haven't: fast, tailored, citation-backed outputs, synthesizing vast datasets to produce human-like text, summaries, and analysis with contextual depth. Because tax law is made up of vast, complex bodies of written information, large language models (LLMs) are uniquely well-suited to the task. Built on advanced GPT models and reasoning layers, these models can instantly process complex tax material—producing client-ready memos, comparisons, and strategic recommendations.

One leading example of this new class of solutions is **Blue J**, a purpose-built tax research platform using the latest generative AI technology—designed to deliver fast, accurate, and citation-backed insights that meet the demands of modern practitioners.

For a deeper overview of AI types and capabilities, visit [CPA.com/ai](https://cpa.com/ai) and download the AI Toolkit.



Impact on accountants:

- Skip hours of manual research and synthesis
- Get answers during the research process with clear source links
- Automatically draft client-ready emails and memos that retain professional expertise
- Improve speed and quality—especially during busy seasons

Traditional tools vs. generative AI: A quick comparison

Traditional Tools	Generative AI
Boolean or keyword-based search	Contextual understanding and natural language queries
Static content lookup, then manual synthesis	Produces comprehensive, accurate, source-backed answers to tax questions by synthesizing multiple sources
Summaries and client-friendly emails and memos are manually drafted after research	Automatically generates summaries, memos, emails, and comparisons
Best at handling structured content and inputs	Synthesizes both structured and unstructured data with flexibility
If dedicated tax content search platform, steep learning curve, especially for juniors	Intuitive interface and guided prompt-based exploration
Time-intensive workflows	Real-time synthesis and output generation

Bottom line: It's not just a time-saver; it's a new way to interact with complex tax knowledge.

Built for trust: Overcoming AI's growing pains

While generative AI brings clear value to tax professionals, it also raises valid concerns around reliability, security, and responsible use. Fortunately, modern, purpose-built solutions like Blue J are evolving quickly, with built-in safeguards that directly address these risks. Below are the most common challenges—and how professional-grade systems are solving them.

1 Hallucinations: confidently wrong outputs

One of the most commonly cited issues is “hallucination”—when a system produces plausible-sounding but factually incorrect or fabricated content (e.g., referencing a nonexistent revenue ruling).

Solution: Solutions like Blue J ground every response in verified, domain-specific content—IRS rulings, regulations, court decisions, and expert commentary. This grounding ensures that outputs are tied to real, citable sources and removes the risks associated with open-ended reasoning.

Blue J also incorporates tight feedback loops with customers. This feedback is incorporated back into the system, informing continual product updates and model refinement. This type of customer-informed iteration plays a key role in reducing hallucination rates over time and ensuring ongoing alignment with practitioner expectations.

2 Lack of transparency and traceability

Many AI tools act like black boxes—users can't see where answers come from.

Solution: Platforms like Blue J provide citations and logic trails, enabling professionals to review and defend responses confidently.

3 Variability and inconsistency

AI models don't always return the same answer to the same question, even when inputs vary slightly.

Solution: Professional tools now use prompt chaining and output formatting constraints to deliver consistent, accurate results—making it reliable in firm workflows and safer for junior staff adoption.

4 Overconfidence in output

Generative AI often sounds authoritative, which can lead users—especially newer staff—to trust outputs without sufficient verification.

Solution: Training and prompt literacy help users verify outputs. Tools grounded in sourced material make validation easier.



Built for trust: Overcoming AI's growing pains (continued)

5 Ethical and professional standards

AI outputs must still meet professional standards. Per [AICPA SSTS 1.4*](#), professionals must exercise due diligence—they can't blindly rely on tools.

Solution: Firms using AI in practice are implementing review layers, training programs, and compliance protocols to ensure compliance. AI supports professionals but doesn't replace their judgment.

Generative AI is no longer experimental—it's a practical, reliable tool for modern tax professionals. Platforms like Blue J deliver clear, verifiable, and trusted answers in seconds, cutting hours of research and drafting. This shift frees up time for higher-value work, empowers junior staff, and helps firms deliver faster, more strategic service.

6 Data privacy and security concerns

Sensitive client data may be exposed if prompts aren't handled securely.

Solution: Platforms like Blue J are built with enterprise-grade security, including SOC 2 compliance and data encryption. In addition, internal firm policies (e.g., "no PII in prompts") further ensure secure, responsible use.

April Walker

CPA, CGMA • Senior Manager, Tax Practice & Ethics • AICPA

"Generative AI is transforming tax research by cutting time, complexity, and inconsistency. It delivers fast, structured insights so we can start from a place of clarity, not confusion. By alleviating time compression during peak seasons and reducing burnout, it frees up tax professionals' capacity to focus on what matters most: strategic guidance, stronger client relationships, and high-impact work."

Bottom line: Generative AI isn't just better—it's essential for firms staying competitive and client-first in a fast-changing profession.

*<https://www.aicpa-cima.com/resources/download/revised-statements-on-standards-for-tax-services-no-1-4-1-1-2024>

The firm-level AI advantage

A generative AI tax research tool's benefits go far beyond the core task at hand—it's a strategic lever for firms grappling with talent shortages, growing tax complexity, and rising client expectations.

How generative AI delivers firm-wide impact

Capacity shortage: AI expands team capacity by automating time-intensive research—allowing firms to do more without hiring more. **For example, with Blue J:**

- Users save 2+ hours per week, on average
- [63% of Larson Gross users generated answers on day one*](#)
- Firms cut complex research time by over 75%

Talent management: AI helps junior staff work faster and smarter, reducing rework. Managers and partners spend less time reviewing work and more time on strategy, coaching, and client service.

Innovation mindset: Tax research is a natural entry point for AI adoption. Once teams see the benefits, they begin to explore broader opportunities.

Client experience: AI enables faster, clearer answers, improving confidence and satisfaction. As client expectations rise, they increasingly look to their CPAs for strategic insight and proactive guidance. AI empowers firms to meet this demand by freeing up time for higher quality advisory conversations.

Darrell Graham

CPA • Managing Partner • Graham + Jones Advisors & Accountants

"Instead of junior staff relying on Google or feeling unsure, AI solutions such as Blue J empowers them to tackle tax issues with more confidence. They're building the skills to think critically and solve problems independently. It's a powerful tool for both talent development and research."

*<https://www.cpa.com/case-studies/u/larson-gross-advisors>

How stakeholders experience the benefits

Partners:

- Free up time from review and repetitive oversight
- Deliver faster, more strategic insights to clients
- Reclaim capacity to lead innovation and strategy

Managers & senior staff:

- Reduce manual synthesis and formatting work
- More time for coaching and advisory projects
- Improve consistency and quality

Junior staff:

- Learn faster with guided research and built-in citations
- Build confidence in drafting and client-ready outputs
- Contribute more meaningfully to client work early on

Knowledge & innovation leaders:

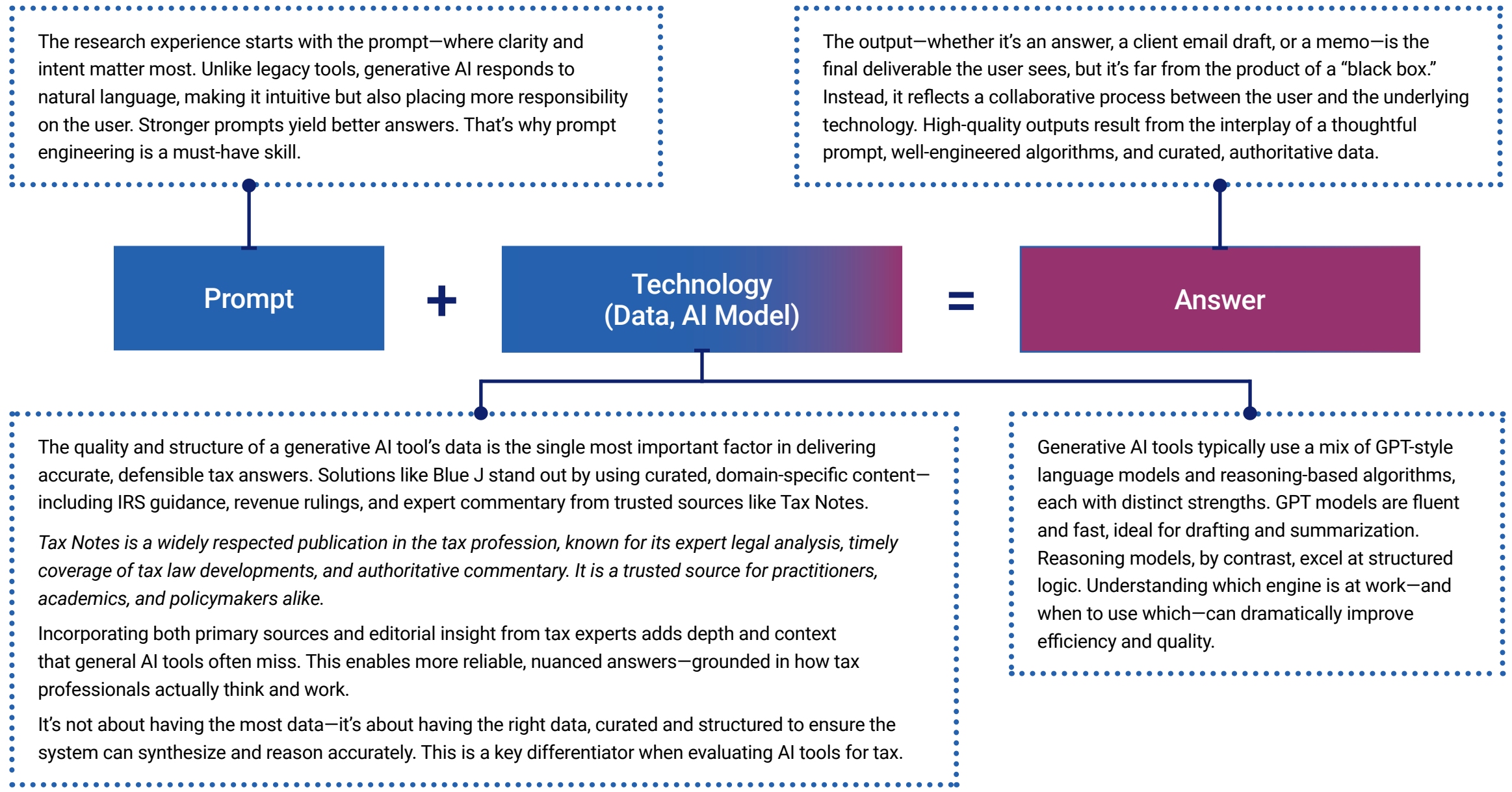
- Standardize research quality across the firm
- Scale institutional knowledge
- Promote a culture of experimentation and AI fluency

Clients:

- Get clear, accessible responses to complex questions
- Receive forward-looking, strategic insight
- Experience more consistent, higher-quality service

The new tax research experience

As generative AI becomes more prevalent in the profession, firms are faced with a growing ecosystem of tools—ranging from chatbot-style assistants to structured, content-first research platforms. Below are the components of a successful tax research experience.



The AI tools spectrum: from chatbot to power tools

Generative AI tools vary widely, and the best way to evaluate them is by looking at three key factors: the data they use, the algorithms behind them, and how well they align with professional tax workflows.

General AI assistant

(ChatGPT)

Broad reach, low precision

Generic tools like ChatGPT are powerful but not built for tax.

- **Data:** Rely on uncurated, often outdated public sources, resulting in increased risk of error.
- **AI model:** Use advanced LLMs but lack tax-specific optimization.
- **Workflow fit:** Little to no tax output and workflow alignment.

Specialized tax AI

(Blue J)

Tuned for accuracy, built for tax workflow

Vertical tools like Blue J sit at the structured end of the spectrum, moving beyond general-purpose chatbots toward domain-specific systems designed for tax.

- **Data:** Grounded in authoritative primary sources including federal and state laws and expert sources like Tax Notes, and curated by CPAs, former IRS professionals, SALT specialists, and legal experts. This content is continuously refined through user feedback loops.
- **AI model:** Blend strong LLMs with tax-specific reasoning, prioritizing reliability over raw model power—essential for high-stakes use cases.
- **Workflow fit:** Designed for tax professionals, with features like memo drafting, client-ready outputs, and legal factor comparisons that reduce review time.

Enterprise platform module

(Thomson Reuters, Wolters Kluwer, and Bloomberg BNA)

Comprehensive but underutilized

Enterprise platforms offer deep content and workflow integration—but at a cost.

- **Data:** Deep, human-curated resources. However, users often struggle to navigate the volume of information, synthesize relevant sources, and turn it into client-ready insights.
- **AI model:** AI is often layered onto legacy systems, creating a clunky user experience and limits adoption across firms.
- **Workflow fit:** End-to-end functionality, but slower innovation compared to newer AI tech value and can be hard to navigate, meaning users don't always realize the full value.

Ben Alarie • Co-Founder & CEO • Blue J

“What sets Blue J apart isn't just our advanced AI tech—it's the data layer behind it. The combination of proprietary secondary data sources like Tax Notes, in-house editorial curation, daily updates, and sophisticated data science creates a level of accuracy and reliability that other tools can't match.”

How AI becomes a **seamless part of your process**

Sole practitioners & small firms

Without a team to delegate research tasks to, time is always at a premium. Generative AI becomes your on-demand research assistant—a reliable alternative to Google.

- Primary tool for research and drafting
- Ideal for general tax questions
- Enables real-time client responses
- Fills the “no staff” gap with speed and depth

Mid-sized firms

Used alongside traditional research tools, generative AI improves drafting workflows and enhances the clarity and consistency of outputs, reducing partner rework and boosting team efficiency.

- Accelerates memo and email drafting
- Complements legacy platforms
- Trusted for general guidance

Large firms

In enterprise settings, generative AI is embedded across workflows—helping all levels from junior staff to partners to research teams move faster and think more strategically.

- Works alongside DMS, research platforms to fill first-pass drafting and initial research
- Used for quick answers
- Supports strategic planning

Across all firm sizes

Whether you’re a sole practitioner or part of a large team, time and capacity are constant challenges. Generative AI acts as an on-demand research assistant—delivering structured, reliable outputs faster than traditional methods. It’s not a replacement for expertise; human review still plays a key role, but the heavy lifting starts with AI.

- **Enhancer, not a replacement** — fills a critical middle ground where fast, high-quality reasoning is needed but full legal memo depth isn’t.
- **Trusted for structured thought and output** — helps organize thinking, explore options, and create strong first drafts quickly.
- **Human review remains essential** — most firms layer partner or manager oversight on top, refining and tailoring outputs for final use.

Cherion Sibley

CPA, CFP®, AEP® • Member & Tax Practice Leader • BMSS Advisors & CPAs

“One thing I love about Blue J is that it combines speed and simplicity with technically sound information. I’ll use it mid-conversation with a client to confirm a point or clarify something in real time—it’s become part of how I deliver timely, accurate advice when it matters most.”

How firms are using **AI tax research today**

Generative AI is becoming a practical, everyday tool for tax professionals—helping teams move faster, think more clearly, and deliver higher-quality work. From research and drafting to advisory and training, these tools support a wide range of use cases across the firm. Below are some of the most common and impactful ways tax professionals are putting generative AI to work.

Use case	Benefit
Tax planning	Identify optimal tax strategies tailored to client goals and structures
Simplify complex issues	Translate nuanced rules into clear, plain-language explanations
Identify potential issues	Surface risks or implications in proposed structures or fact patterns
Client communications	Draft clear, trusted responses to client questions with proper citations
Tax scenario analysis	Compare tax outcomes across variations (e.g., entity choice, ownership mix, transaction structure)
Tax advisory	Support strategic decision-making with fast, contextual insights

Tanya Silves

CPA • Partner • Larson Gross Advisors

“Blue J has become a go-to in our workflow. Once our team saw how fast and accurate it was, they started using it for more complex research too. It’s just become part of how we work.”

Generative AI is essential for future success

Generative AI tax research tools like Blue J are redefining what's possible in our profession—not just by accelerating research, but by unlocking a new level of confidence in AI usage and expanding capacity. When integrated thoughtfully, AI tax research tools help firms move faster, reduce rework, and deliver higher-quality outputs at scale.

And the impact goes far beyond research. These tools open the door to broader strategic gains—from faster client responsiveness to more effective planning and advisory work. The firms that lean into this shift will not only solve for today's pressure points—they'll position themselves to lead in a more dynamic, AI-enabled future.

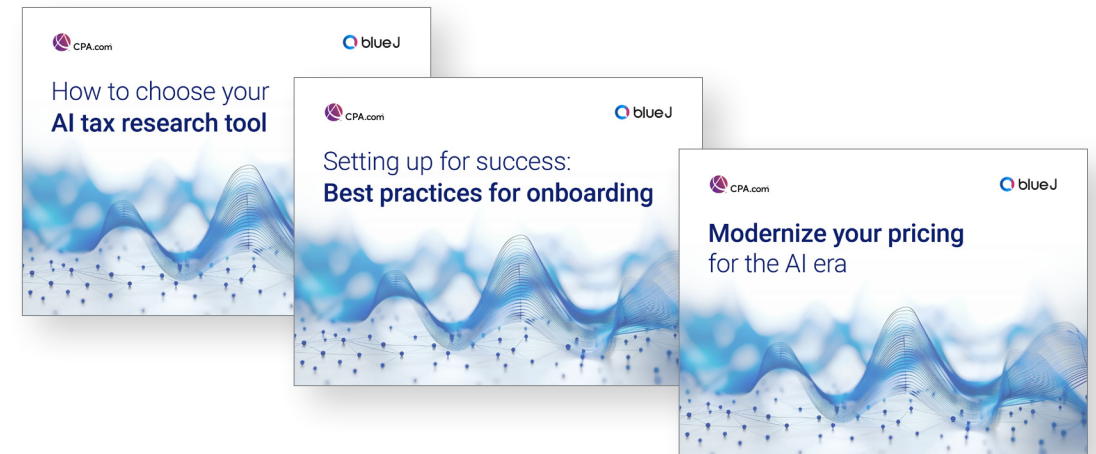
The technology is here.
The opportunity is clear.
The time to act is now.

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Accelerate your journey with these practical guides:

- Choosing your AI research tool
- Setting up for onboarding success
- Modernizing your pricing model

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About Blue J:

Founded in 2015, Blue J is the leading generative AI solution for tax research. Trusted by firms of all sizes, Blue J delivers fast, verifiable answers to complex tax questions, empowering professionals to provide exceptional client service. With its conversational interface and curated library of authoritative sources, Blue J is transforming how tax experts work.