## **CPA** Practice **Advisor**

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

up to snuff.

Mar. 12, 2024



By Kit Eaton, Inc. (TNS)

AI systems can advise you on the future of your business, generate PR-ready images, videos, and music, and thanks to Microsoft's efforts, help you be more productive.

What AI cannot help your business with, it seems, is tax prep.

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

For example, when H&R Block's system was asked about filing children's taxes if they go to college out of state, it incorrectly said the child had to file in both places. While TurboTax's AI just returned irrelevant advice, it didn't help with the imagined tax filing problem. And in answer to a question about tax credits after installing a new air conditioner, TurboTax returned a quite lengthy response that was deemed irrelevant by the newspaper and tax experts it consulted.

The answers that the tax software's AI systems spewed out are, right now, only supposed to be guidelines, and both TurboTax and H&R Block told the newspaper that they would provide assistance if users were audited after listening to an AI's bad advice. But what the investigation neatly underlines is that when an AI generates responses to questions, it cannot be guaranteed that the data it returns is correct, let alone useful.

The potential for AIs to generate misinformation is problematic, and it's akin to the kind of "hallucination" problem that can be seen in some generative AI imagery. For example, where a request to draw, say, a Greek-style statue returns an image with obvious impossibilities like three legs. Google's Gemini AI was recently in the spotlight for a similar sort of issue, where its image-generation system was delivering culturally inappropriate and problematic results, such as racially diverse people in Nazi-like uniforms. Hallucination is just a part of the way current-generation AIs behave, including text-based chatbots as well as image generators, since they aren't capable of truly understanding the request you make of them when you set them a task.

But filing taxes is, of course, exactly the kind of nuanced math-centric task you may feel an AI actually should be able to help with, which is why *The Washington Post*'s investigation may be unsettling to some AI proponents, like OpenAI's CEO Sam Altman, who's been pressing for greater AI regulation. The practical takeaway of the report is that when you use AI for personal or business

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

(c) 2024 Mansueto Ventures LLC; Distributed by Tribune Content Agency LLC.

Artificial Intelligence • Income Tax • Small Business • Taxes • Technology

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved