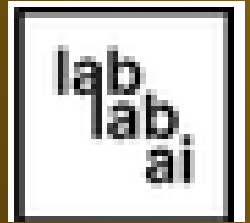# WatsMyTax

WatsMyTax

Maximizing Your Wealth, Minimizing Your Taxes - AI Powered Tax Optimization

Streamlit

watsonx.ai

Problem Statement

Navigating tax optimization is increasingly complex due to evolving regulations and diverse financial scenarios, leaving individuals and financial professionals struggling to identify all potential tax-saving opportunities. Traditional tax preparation methods often miss crucial deductions and strategies, resulting in higher tax payments and suboptimal financial outcomes. The lack of personalized, up-to-date solutions exacerbates the challenge, making effective tax planning difficult and time-consuming.

Solution Statement

Introducing **WatsMyTax**: An AI-driven tax optimization tool that effortlessly customizes tax strategies to individual financial profiles and jurisdictions. With real-time updates and intelligent deduction identification, WatsMyTax maximizes tax savings and enhances financial decision-making, making tax planning accessible and efficient for everyone.

WHAT is WatsMyTax?

WatsMyTax is an AI-powered tax optimization platform designed to simplify and enhance the tax planning process for individuals and financial professionals.

- **Personalized Tax Strategies:** WatsMyTax analyzes individual financial profiles and tax jurisdictions to provide tailored, up-to-date tax strategies, ensuring optimized tax savings and efficient financial planning.
- **Real-Time Insights and Updates:** The platform delivers real-time updates on tax laws and regulations, helping users stay compliant and capitalize on new tax-saving opportunities as they arise.
- **Automated Deduction Identification:** WatsMyTax intelligently identifies missed deductions and optimal investment structures, reducing the risk of overpayment and maximizing financial outcomes.
- **User-Friendly Interface:** With a focus on accessibility, WatsMyTax offers an intuitive interface that simplifies complex tax concepts, making it easier for users to navigate their tax landscape and make informed decisions.

Overall, WatsMyTax revolutionizes tax optimization by automating and personalizing the process, empowering users to achieve better financial results and efficiently manage their tax responsibilities.

WatsMyTax
FEATURES/MODULES

lab lab ai

WatsMyTax

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PERSONALIZED TAX STRATEGIES

WatsMyTax generates tailored tax-saving strategies based on user input, optimizing tax liability.

REAL-TIME FEEDBACK

Immediate feedback and recommendations to help users maximize their tax savings

USER-FRIENDLY INTERFACE

A simple and intuitive Streamlit interface for easy data entry and visualization of tax strategies.

FUTURE WORK/IN PROGRESS

DOCUMENT INPUT

The user will be able to upload their financial documents (Salary Slips, Bank Statement, etc).

MORE COMPREHENSIVE CALCULATIONS

The model will generate more structured and easy-to-understand calculations using prompt engineering and post-processing.

WatsMyTax Architecture
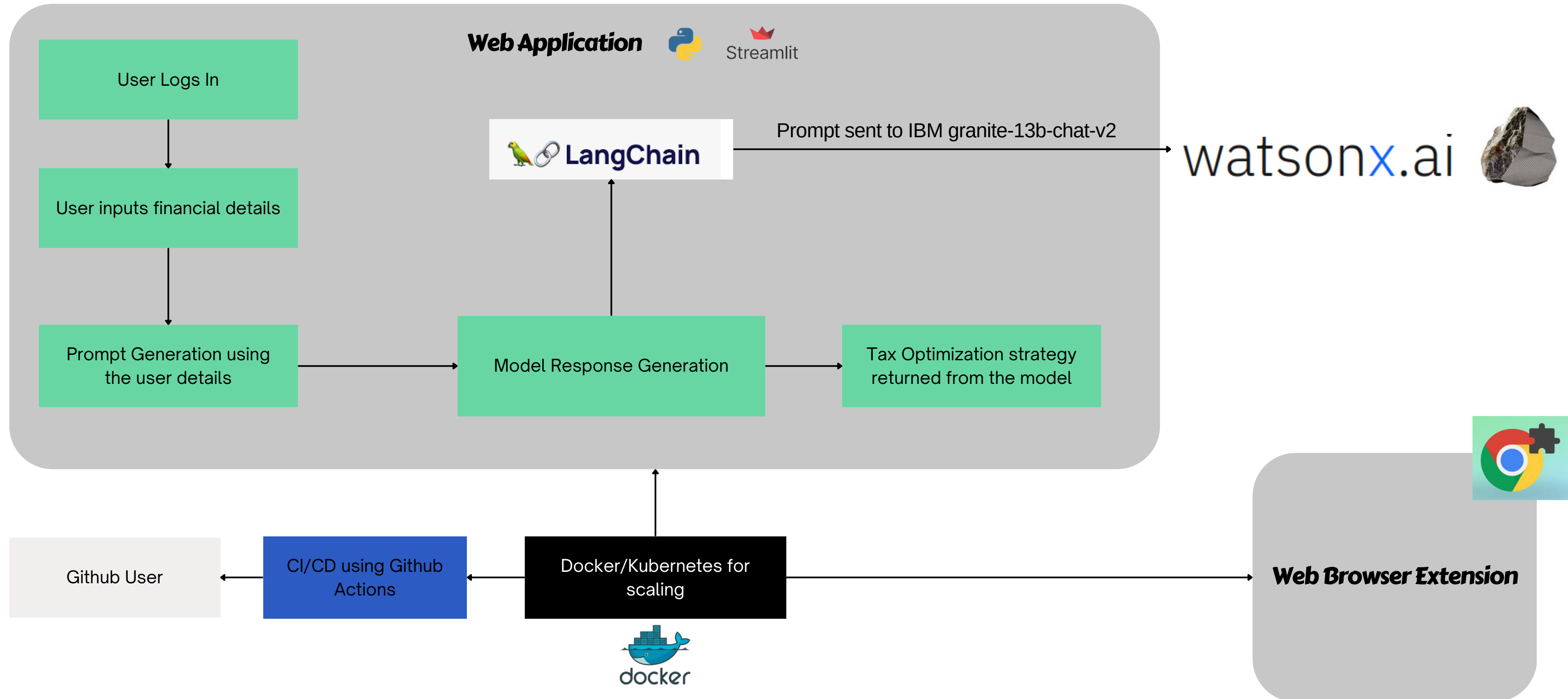
WatsMyTax

Web Application

User Logs In

User inputs financial details

Prompt Generation using the user details

🦜🔗 **LangChain**

Prompt sent to IBM granite-13b-chat-v2

watsonx.ai

Model Response Generation

Tax Optimization strategy returned from the model

Github User

CI/CD using Github Actions

Docker/Kubernetes for scaling

docker

Web Browser Extension

```python
72    )
73        if earnings is None:
74            st.sidebar.error("Please enter your monthly earnings.")
75        if tax is None:
76            st.sidebar.error("Please set the current tax rate.")
77        if investment is None:
78            st.sidebar.error("Please enter your monthly investments.")
79        if deductions is None:
80            st.sidebar.error("Please enter your deductions.")
81
82        if all(
83            [
84                earnings is not None,
85                tax is not None,
86                investment is not None,
87                deductions is not None,
88            ]
89        ):
90            st.write("All required inputs are provided.")
91
92        additional_info = st.sidebar.text_area("Additional Information")
93
94        if st.sidebar.button("Submit"):
95            data = {
96                "country": country,
97                "earnings": earnings,
98                "tax": tax,
99                "investment": investment,
100               "deductions": deductions,
101               "additional_info": additional_info,
102           }
103           try:
104               generate_tax_strategy(data)
105           except Exception as e:
106               st.error(f"Error: {e}")
```
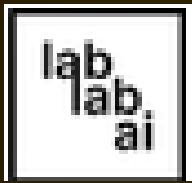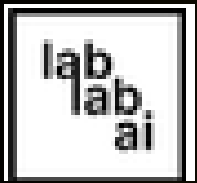
WatsMyTax

Chat GPT

Customized AI Model

1. Maximize Contributions to Tax-Advantaged Accounts: Contribute to a tax-efficient investment account like a German "Riester-Rente" or an "Rürup-Rente" (pension plans) to reduce your taxable income and lower your tax liability. These contributions can lead to significant tax deductions.
2. Utilize Health-Related Deductions: If eligible, contribute to a health insurance or supplemental health account that offers tax benefits. For example, private health insurance contributions in Germany can be partially deductible.

Ensure that these strategies are aligned with your overall financial goals and consult a tax professional for personalized advice.

All required inputs are provided.
Before-Tax Income:
Earnings: 5000 € Tax: 38% of 5000 € = 19% of 5000 € = 990 €
After-Tax Income:
Earnings: 5000 € Tax: 990 €
After-Tax Income: 5000 - 990 = 4010 €

Tax-Saving Strategy:

1. Contribute to a tax-efficient investment account, such as a 401(k) or an Individual Retirement Account (IRA), up to the maximum contribution limit. This will help reduce your taxable income and save on taxes.
2. Consider contributing to a Health Savings Account (HSA) if you have a high-deductible health plan. Contributions to an HSA are tax-deductible, withdrawals for qualified medical expenses are tax-free, and the account grows tax-deferred.

Note: The given tax rate is 19% (which is the average tax rate in Germany). The actual tax rate may vary depending on the user's specific tax situation and income level. The example provided is for illustrative purposes only and should not be considered financial advice.

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WatsMyTax: A Market Opportunity with Significant Growth Potential

- Increasing Adoption of AI in Personal Finance: The AI in personal finance market is expected to grow at a CAGR of 28.3% from 2023 to 2030 (Grand View Research, 2023). WatsMyTax's use of advanced machine learning algorithms for tax optimization positions it as a key player in this rapidly growing sector.

- Market Size for Tax Preparation Services: The global tax preparation services market was valued at $11.9 billion in 2021 and is expected to grow at a CAGR of 3.5% through 2027 (IBISWorld, 2023). As more individuals and small businesses look for cost-effective, automated tax solutions, WatsMyTax can capture a significant share by providing a more efficient and personalized alternative to traditional tax services.

- Focus on Financial Wellness: A 2022 survey by PwC found that 63% of employees are stressed about their financial future, with taxes being a significant concern. WatsMyTax's ability to offer tailored tax-saving strategies can address this stress, making it an attractive tool for individuals seeking to improve their financial wellness.

Our Team
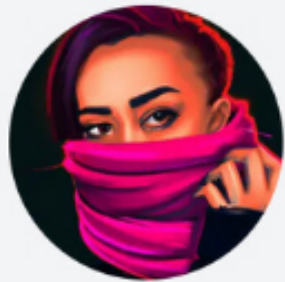
Sandra Ashipala
sandra_ashipala616
Software Engineer DevOps

Yash Thakre
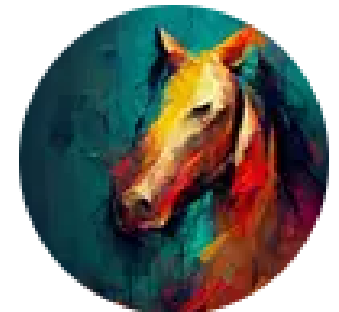yash_thakre762
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Prasad Khare
regresser

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THANK YOU!