

Artificial Intelligence & FTB PowerPoint

Franchise Tax Board Meeting Tuesday,
March 26, 2024

Slide 1: Artificial Intelligence & FTB

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Slide 2: Agenda

- What is Artificial Intelligence (AI)?
- Key Terms
- How is FTB using AI?
- Next Steps

Slide 3: What's AI?

- AI is a branch of computer science that seeks to simulate human intelligence in a machine.

“What we want is a machine that can learn from experience,” and that “the possibility of letting the machine alter its own instructions provides the mechanism for this.” — Alan Turing

Slide 4: AI Key Terms

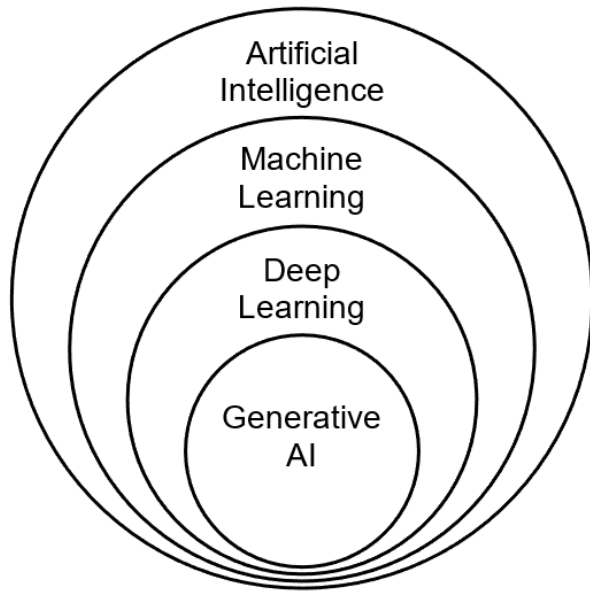
- Algorithm – Set of instructions for performing a task
- Machine Learning – Set of algorithms fed structured data to perform a task without being programmed to do so
- Deep Learning – Set of machine learning algorithms with brain-like structures of algorithms called artificial neural networks

Slide 5: AI Key Terms (Continued)

- Generative AI – Deep learning models that “generate” intelligent content
 - Prompt Given: Create a pithy quote summarizing AI
 - Generative AI Result: “Artificial Intelligence: where innovation meets intelligence shaping tomorrow’s world today.”

Slide 6: AI Forms and Relationships

- Algorithms
- Data
- Computing power



Slide 7: Comparison of AI Types

Machine Learning	Deep Learning	Generative AI
Subset of AI	Subset of Machine Learning	Subset of Deep Learning
Trains on smaller data sets	Trains on large amounts of data	Trains on large amounts of data
Uses “structured” data (predefined format)	Uses structured and “unstructured” data (e.g., images, text, video, social media posts)	Uses structured and “unstructured” data (e.g., images, text, video, social media posts)
Requires more human intervention to correct and learn	Learns on its own from environment and past mistakes	Learns on its own from environment and past mistakes
Shorter training	Longer training	Longer training
Makes simple predictions	Makes complex predictions, decisions	Makes complex predictions, decisions, and “Generates” data and content

Slide 8: AI Considerations

- Job Losses
- Deep Fakes and Misinformation
- Bias Amplification
- Privacy and Civil Liberty Violations
- Lack of Mature Governance and Oversight
- Greater Need for Specialized Skills (Data Scientists who can code)
- Need for an Audit Trail to Explain AI Results

Slide 9: FTB Examples

- Security Tools – Threat Prevention and Detection
- Fraud Prevention and Detection
- Compliance Analytic Models
- Speech Recognition

Slide 10: Next Steps

Continue to remain informed and educated

Slide 11: Questions?

Slide 12: Public Comment