

# L3i Transaction Intelligence

## AI-Powered Sales & Use Tax Services

L3i analyzes 100% of your transactions at Level-3 data depth — the line-item granularity that sampling-based approaches and general-purpose AI tools cannot reach. Every L3i service is built on a governed data stack, domain-trained ML models, and human-in-the-loop workflows verified by tax professionals.

The services below each address a distinct SUT compliance challenge. For each, we describe what L3i delivers and what a public LLM is architecturally incapable of providing — not as a feature comparison, but as a statement of fundamental design.

### Quantified Outcomes

**100%**

Transaction coverage vs. 1–3% with statistical sampling

**60–65%**

Time savings in audit preparation and execution

**60–80%**

Cost reduction through intelligent transaction routing

**10,000+**

Tax jurisdictions — 100,000+ rates and rules

**75%**

Of transactions resolved via cached results

**Zero**

Sensitive data exposed via on-prem LLM processing

## L3i Services — Compliance & Exposure

SERVICE	WHAT L3I DELIVERS	WHAT A PUBLIC LLM CANNOT DO
<p><b>Nexus Analysis</b> Economic &amp; physical nexus across all exposed states</p>	<p>Ingests 100% of revenue transactions and physical presence data. Applies jurisdiction-specific economic nexus thresholds and physical presence rules across all 45 states, plus DC, simultaneously. Delivers a scored, audit-ready nexus register with exposure flags.</p>	<p><i>Can explain nexus concepts and thresholds generally. Cannot analyze your actual transaction data, calculate your specific revenue by jurisdiction, or produce a defensible nexus determination.</i></p>
<p><b>Product Taxability</b> Transaction-level taxability determination in every exposed jurisdiction</p>	<p>Applies ML-graded product taxability rules and vector search against every SKU and product category across 10,000 jurisdictions. Surfaces mixed-use and exemption scenarios automatically. Outputs a taxability matrix aligned to your chart of accounts.</p>	<p><i>Can describe taxability rules and provide general guidance. Cannot apply those rules systematically to your product catalog across every jurisdiction or produce a line-item taxability determination.</i></p>
<p><b>Exposure Analysis</b> Quantified tax, interest &amp; penalty liability by jurisdiction</p>	<p>Calculates actual tax exposure, accrued interest, and estimated penalties on a transaction-by-transaction basis. Produces jurisdiction-level liability summaries with methodology documentation for audit defense or voluntary disclosure.</p>	<p><i>Can estimate exposure conceptually or describe how penalties are calculated. Cannot compute your actual liability across thousands of transactions and jurisdictions with audit-defensible precision.</i></p>
<p><b>Voluntary Disclosure (VDA)</b> Good-faith estimates and jurisdiction-specific VDA workpapers</p>	<p>Generates jurisdiction-specific VDA worksheets with good-faith liability estimates, look-back period calculations, and penalty waiver eligibility analysis. Integrates directly with exposure analysis outputs for a complete submission package.</p>	<p><i>Can outline the VDA process and describe program requirements. Cannot produce jurisdiction-specific worksheets with calculated liability estimates grounded in your actual transaction data.</i></p>

## L3i Services — Risk, Defense & Data

SERVICE	WHAT L3i DELIVERS	WHAT A PUBLIC LLM CANNOT DO
<p><b>M&amp;A Tax Analysis</b> Successor liability quantification for due diligence</p>	<p>Analyzes target company transaction history to quantify existing SUT liabilities, identify unregistered nexus, and assess successor liability exposure. Delivers a diligence-ready report with risk-tiered findings.</p>	<p><i>Can describe successor liability frameworks and M&amp;A SUT risks generally. Cannot analyze a target's transaction data, calculate actual exposure, or produce the documentation needed to support deal-stage diligence.</i></p>
<p><b>Audit Defense</b> AI-powered workpapers on an actual transaction basis</p>	<p>Builds complete audit defense workpapers from 100% of transactions — no sampling. Applies deterministic rules and ML-graded compliance scoring to every line item. Produces structured fact patterns and narrative support documentation mapped to auditor requests.</p>	<p><i>Can help draft narrative explanations or summarize tax positions. Cannot process your full transaction universe, produce scored workpapers, or generate the structured evidentiary record required for audit defense.</i></p>
<p><b>Exemption Certificate Management (ECM)</b> Self-serve certificate management for corporate tax teams</p>	<p>Purpose-built application for managing exemption certificates across customers, vendors, and jurisdictions. Automates certificate validation, expiration tracking, and compliance alerting. Reduces audit exposure from missing or expired certificates.</p>	<p><i>Can explain exemption certificate requirements and flag common issues. Cannot manage a live certificate database, automate validation workflows, or integrate with your ERP to enforce certificate compliance at the transaction level.</i></p>
<p><b>Data Modeling</b> Source-to-compliance data transformation across multiple systems</p>	<p>Transforms raw transaction data from multiple source systems (ERP, billing, procurement) into a normalized, compliance-ready data model. Handles unstructured data, inconsistent formats, and missing fields — producing the structured foundation all L3i services are built on.</p>	<p><i>Can advise on data transformation approaches or help write transformation logic. Cannot execute the actual data pipeline, normalize large-scale transaction data, or produce the governed data layer required for systematic compliance analysis.</i></p>

## Head-to-Head: What the Platform Difference Looks Like

A general-purpose LLM can explain, summarize, and draft. It cannot connect to your transaction data, apply jurisdiction-specific rules systematically, or produce audit-defensible outputs. The table below distills the core capability gap.

CAPABILITY	L3I TRANSACTION INTELLIGENCE	PUBLIC LLM
<b>Transaction Coverage</b>	100% of transactions — every line item, every jurisdiction	<i>Only what you manually paste</i>
<b>Tax Law Accuracy</b>	ML models trained on SUT law across 10,000+ jurisdictions, 100,000+ rates and rules	<i>General knowledge; material hallucination risk</i>
<b>Data Governance</b>	Role-based access, agent permissions, full audit trail	<i>None — no controls, no audit trail</i>
<b>Structured Output</b>	Scored fact patterns, workpapers, jurisdiction worksheets	<i>Narrative text only</i>
<b>Human-in-the-Loop</b>	Structured workflows verified by tax professionals	<i>Ad hoc — no professional verification layer</i>
<b>Agentic Automation</b>	Orchestrated AI agents for multi-step compliance tasks	<i>Not available</i>
<b>Learning &amp; Improvement</b>	Expert decisions feed back into models — improves over time	<i>No feedback loop — does not learn from your data</i>
<b>Audit Defensibility</b>	Complete audit-ready documentation grounded in actual transactions	<i>Cannot produce evidentiary workpapers</i>

## Why Architecture Matters: Layer-by-Layer

L3i is not a chatbot with a tax prompt. It is a nine-layer AI-native architecture where every component — data pipeline, vector search, governance controls, ML grading, and human oversight — is purpose-built for SUT compliance.

ARCHITECTURE LAYER	L3i	PUBLIC LLM
<b>Data Layer</b>	Enterprise pipelines — 100% Level-3 transaction data	<i>Manual input only</i>
<b>Search &amp; Retrieval</b>	Vector search, semantic search, and RAG across transaction history	<i>Prompt context window only</i>
<b>Governance</b>	User roles, agent permissions, scoped to SUT activities	<i>None</i>
<b>ML / AI Grading</b>	Per-transaction grading: completeness, accuracy, compliance	<i>General LLM — no domain-trained scoring</i>
<b>Application Tier</b>	Deterministic rules + RAG + on-prem LLM + generative AI routing	<i>Single LLM call</i>
<b>Agentic Workforce</b>	Orchestrated agents with defined decision boundaries	<i>Not available</i>
<b>Human Oversight</b>	Structured HITL — expert judgments improve the models	<i>Unstructured — no feedback loop</i>



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An Exactera + L3i joint service

**L3i is the only platform purpose-built for the atomic unit of finance — the individual transaction — giving tax and finance teams complete visibility, verified accuracy, and audit-ready documentation at enterprise scale.**

To learn more or schedule a demonstration, visit [l3i.ai](https://l3i.ai)