

Vision: Funding Arizona’s priorities through excellence in innovation, exceptional customer experience and public servant-led continuous improvement.

Mission: Serving Taxpayers!

Agency Description:

The mission of the Arizona Department of Revenue (ADOR) is to serve taxpayers. The department administers collection and distribution of individual and corporate income tax, transaction privilege (sales), use, luxury, withholding, property, fiduciary, bingo, and severance taxes. The department oversees county assessors in the administration of locally-assessed property taxes.

Executive Summary: The Arizona Department of Revenue has identified four strategic priorities in furtherance of fulfilling our vision. This holistic strategy engaged every level of the ADOR workforce and is aligned to the agency’s core purpose of collecting and distributing revenue to the State of Arizona. We will accomplish this through focus on the foundational pillars of the Department of Revenue:

Optimize Employee Culture: Create an environment focused on well-being, goal alignment, vision, and purpose from recruitment to retirement.

Maximize Agency Effectiveness & Efficiency: Review processes to ensure focus on what is required and realistic. Prioritize by impact and frequency with financial tools that promote reduction in time, costs, and resources.

Enhanced Customer Experience: Creating a unique experience enabling a positive customer interaction through increased availability, reduced wait times, first contact resolution, by responding to customer needs with urgency while utilizing feedback to improve processes.

Legislative Agility: Enable agency to respond to changing priorities quickly to better support the taxpayers of Arizona through implementing legislation in a technically sound and administratively feasible manner.

Summary of 3-Year Strategic Priorities

| # | Multi-Year Strategy | Start Year | Progress / Successes |
|---|--|------------|--|
| 1 | Optimize Employee Culture - Enhance Employee Centric Culture | 2021 | Quarterly survey created and implemented; maintained state leadership engagement scores despite moving to a remote workforce; actively used new subject matter experts to drive strategy, building our bench of experts; agency-wide web-based engagement tool created to nominate/share successes; skills matrix pilot in flight; standard work mindset permeating the DNA of ADOR. |
| 2 | Maximize Agency Effectiveness & Efficiency - Increase Voluntary Compliance | 2021 | Tracking tool in outreach to monitor success of compliance programs (pilot); completed analysis provides foundation to Y2 of strategy; developed white paper; inked deal with vendor, ASR, that will achieve \$30 million in revenue from compliance efforts. |
| 3 | Enhanced Customer Experience | 2021 | Collected customer feedback via in-person (lobby) and virtual (phone and surveys) to better understand customer needs. |
| 4 | Legislative Agility | 2021 | Process standardization developed for legislative mandates, aligning future work strategies; implementation of Prop 207 with IT development completed in record time; enhanced synergy between IT/Business; developed Arizona Management Systems (AMS) support system (morning huddle) to discuss evolving legislation in real time and quantify impact to the agency. |

| Strategy # | FY22 Annual Objectives | Objective Metrics | Annual Initiatives |
|------------|------------------------------------|---|--|
| 2 | Reduce TPT Accounts Receivable | - % continuous reduction monthly in AR. | <ul style="list-style-type: none"> - Initiate auto levy streams. - Cleanup data management. - Identify TPT notice thresholds. - Gain budget approval. |
| 2 | Reduce critical Agency backlogs. | - % monthly in backlog for Transaction Privilege Tax (TPT) Refunds. | <ul style="list-style-type: none"> - Understand backlog inventory. - Scale TPT resources to align with needed activities. - Deploy formal problem solving at the appropriate level and develop standard work. |
| 2 | Increase TPT Voluntary Compliance. | - Return on Investment (ROI) on TPT investment activities. | <ul style="list-style-type: none"> - Scale E-Commerce Compliance & Outreach into appropriate business units including training and resourcing. - Align resources to improve collections activity. - Identify and improve AZTaxes resources for remote and in-state sellers. |
| 4 | Implement Senate Bill 1783 | - % project complete. | <ul style="list-style-type: none"> - Completion of phases in designated timeline. - Completion of SB 1783 Implementation. |
| 4 | Implement House Bill (HB) 2696 | - % project complete. | <ul style="list-style-type: none"> - Develop scope of project impact to correspondence. - Identify current service-level agreements (SLA). - Complete letter changes and implement new SLA. - Revise and propose recommendations. |
| 4 | Implement HB 2838 | - % to scope of project. | <ul style="list-style-type: none"> - Draft pass-through entity (PTE) form. - Build form in systems over four quarters. - Go live with new PTE form. |
| 4 | Develop Business One Stop | - % to scope of project. | <ul style="list-style-type: none"> - Identify business processes. - Identify user stories. - ADOR committed. - Complete user stories. |
| 4 | Prepare the Stars Tax System | Complete data clean and define data set. | <ul style="list-style-type: none"> - Define data cleanse. - Request for Proposal. - Roll out staffing plan 1. - Submit Legislative Budget. - Create Communication Plan. |