



Strategic Plan Update

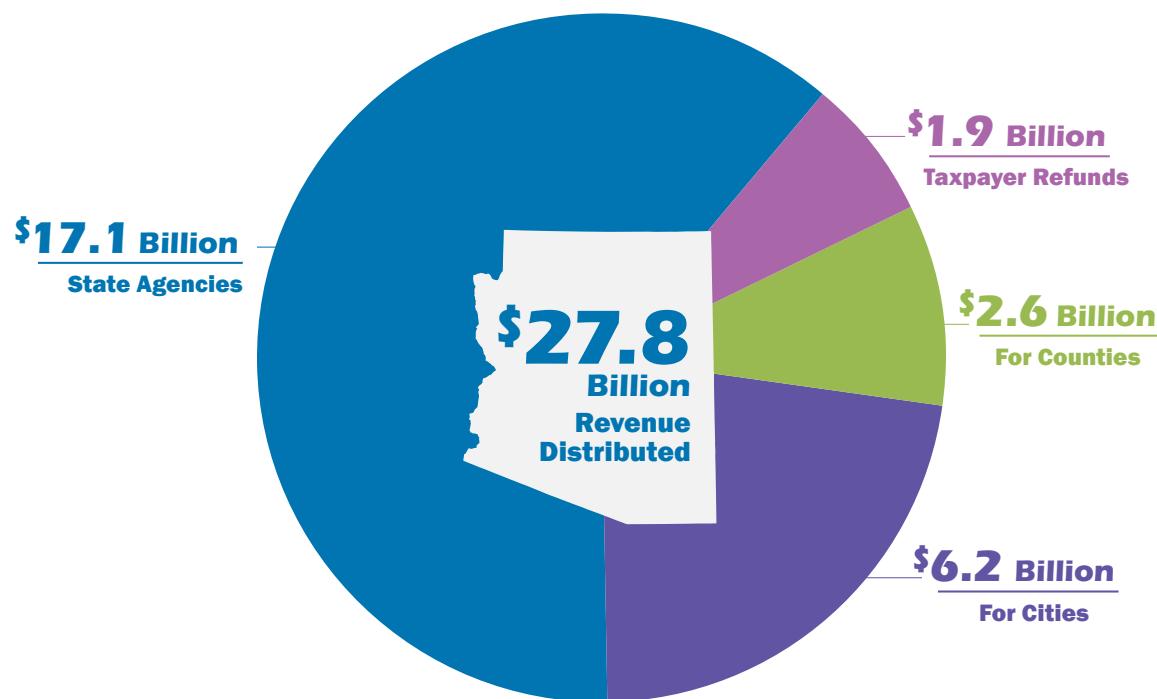
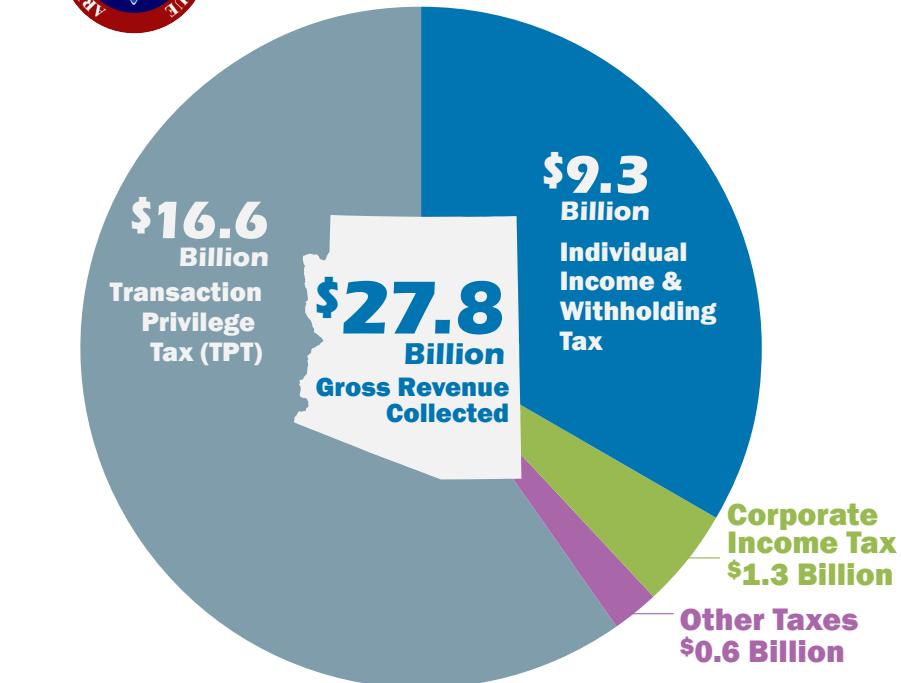
FY 2023

September 2022





FY 2022 At A Glance



Agency

Actual vs projected total revenue collections 117%

Education and Compliance

Number of outreach events conducted 117

Processing

Average days to process individual income tax refunds from electronic returns 7 days

Average days to process individual income tax refunds from paper returns 40 days

Total tax documents processed 6,605,000

Percentage of e-file individual income tax returns 89%

Dollars recovered from tax fraud - individual income tax fraud prevention \$46 million

Taxpayer Services

Total number of taxpayers assisted via Live Chat 40,065

Total revenue collected from remote sellers \$381 million

Unclaimed property dollars returned to customers \$47 million

Support

Annual agency engagement score 87%

Percentage of positions enabled for telework 72%

FOREWORD :



As we present the fiscal year (FY) 2023 update to the Arizona Department of Revenue Strategic Plan, we look at how our strategy has led to remarkable achievements.

ADOR has adeptly continued its responsibility of collecting, administering, and distributing revenue with high efficiency. FY 2022 was a milestone year, as ADOR collected a record \$27.8 billion to fund Arizona's programs and services, contributing to the state's healthy economic future. The FY 2022 total surpassed the \$24 billion from FY 2021, which also exceeded the FY 2020 total of \$19.6 billion. With an appropriation of approximately \$80 million, our agency is an excellent steward of the resources we are given to fulfill our mission.

Our focus on Optimize Culture and use of the Arizona Management System principles contributed to our first win as a Top Company to Work for in Arizona, awarded by Best Companies Group, Bridgetower Media, BestCompaniesAZ, and the Arizona Capitol Times. We have a strong culture of collaboration and celebrating our people.

We've also been integral in implementing a new service for businesses to more easily set up shop in our state. Business One Stop went live and will significantly benefit Arizona's business owners and job creators.

Looking forward to the coming year, we are putting a determined focus on enhancing customer experience with additional resources for our Call Center Operations. We are expanding third-party support, hours of operation, and robust training for our call center. We have already reduced hold times by 65% and are well on our way to a goal of under 10 minutes' hold time by December 2022. We will continue to leverage technology, working towards allowing our taxpayers the ability to self-service multiple different options 24 hours a day.

Another major effort for our ADOR team is the State Tax Accounting and Reconciliation System (STARS), a multi-year technology upgrade to a new processing platform that will give Arizona's taxpayers a more efficient and smoother experience with our agency.

Our goals for FY 2022:

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: Create a unique experience to enable a positive customer interactions through increased availability, reduced wait times, first contact resolution, and by responding to customer needs with urgency while utilizing feedback we receive to improve processes.

Legislative Agility: Enable the 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.

ADOR is dedicated to providing excellent customer service, taxpayer education, and enhanced resources for citizens and businesses in Arizona and beyond to navigate state government. We look forward to another great year.

Rob Woods

Director



OUR ORGANIZATION :

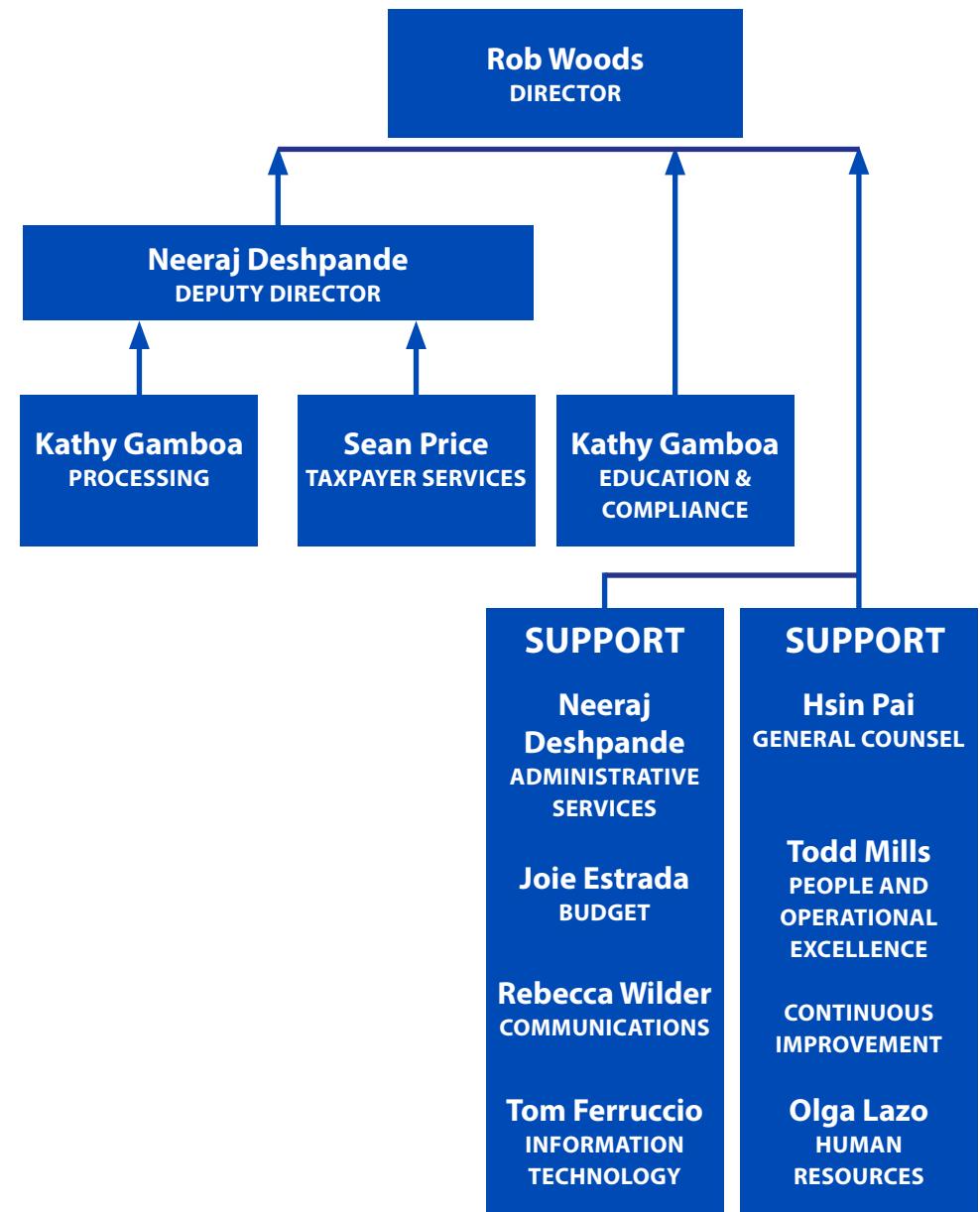
Our strategy begins with a comprehensive look at ADOR's ecosystem as an organization — an ecosystem that includes a variety of perspectives and demands that influence our vital mission. We then make an honest assessment of our recent past and current reality, including a brutally honest evaluation of our performance. We refer to this as the "current state." The Governor's vision for the state and the agency's vision together define our desired "future state." It is by analyzing the gap between our current and future states that we develop our plan. ADOR has adopted strategic goals to close the gap between the reality of our current challenges and future state vision.

In addition to goals, ADOR has identified strategic initiatives to help overcome challenges that could keep us from closing the gap. The strategies are to be developed as specific projects to resolve the challenges. The outcomes associated with our goals, as supported by our strategies, and as executed through our projects, will be measured rigorously by our performance measures.

The performance measures ADOR has adopted track success through two primary lenses: the return on investment that taxpayers demand as an outcome of fulfilling our mission — i.e., delivering the revenue that finances Arizona's future, and customer value in the form of quality service.



OUR MISSION: Serving Taxpayers!



PURSUANT TO ARIZONA REVISED STATUTES (A.R.S.) TITLES 42 AND 43

\$91.9 MILLION FY 2023 ANNUAL OPERATING BUDGET



STRATEGIC PLAN - FY 2022

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

Goal	Multi-Year Strategy	Objectives	Target
Optimize Employee Culture	Enhance Employee Centric Culture	<ul style="list-style-type: none"> Develop career pathing and standard work to optimize the number of “Ready Now” candidates. 	DONE
Maximize Agency Effectiveness and Efficiency	Increase Voluntary Compliance	<ul style="list-style-type: none"> Reduce critical Agency backlogs. Increase TPT Voluntary Compliance. 	DONE DONE
Enhance Services and Automation		<ul style="list-style-type: none"> Initiate a Voice of the Customer System. Improve online resources for taxpayers. 	DONE DONE
Legislative Agility		<ul style="list-style-type: none"> Supporting legislative initiatives. 	DONE

STRATEGIC PLAN - FY 2023

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

Goal	Multi-Year Strategy	Objectives	Target
Optimize Employee Culture	Enhance Employee Centric Culture	<ul style="list-style-type: none"> Improve the process to attract, recruit, and extend timely offers to external candidates. 	June 2023
Maximize Agency Effectiveness and Efficiency	Increase Voluntary Compliance	<ul style="list-style-type: none"> Reduce TPT Accounts Receivable. 	June 2023
Enhance Customer Experience		<ul style="list-style-type: none"> Improve customer experience with the call center (<i>Breakthrough</i>). 	June 2023
Legislative Agility		<ul style="list-style-type: none"> Implement House Bill (HB) 2696: amends A.R.S. §41-1006 to require certain written communications from a state agency to a person, to provide direct contact information of the sender. Implement HB 2838: A.R.S. §43-1014, create new or modify existing methods for partnerships and S Corporation and amends A.R.S. §43-581 to develop a new or modify existing methods to Partnerships and S Corps taxpayers. Develop Business One Stop. Prepare for the STARS Tax System (<i>Breakthrough</i>). 	June 2023 June 2023 June 2023 June 2023



RESOURCE ASSUMPTIONS:	FY 2023 Budget Request or Estimate**	FY 2024 ESTIMATE**	FY 2025 ESTIMATE**	FY 2026 ESTIMATE**	FY 2027 ESTIMATE**
Full-time-equivalent (FTE) Positions	908.0	908.0	908.0	908.0	908.0
General Fund	\$59,863.3	\$63,966.4	\$63,966.4	\$63,966.4	\$63,966.4
Other Appropriated Funds	\$30,223.5	\$26,120.4	\$26,120.4	\$26,120.4	\$26,120.4
Non-Appropriated Funds	\$1,831.5	\$1,831.5	\$1,831.5	\$1,831.5	\$1,831.5
Total Agency Funds	\$91,918.3	\$91,918.3	\$91,918.3	\$91,918.3	\$91,918.3

HOW TO CONTACT THE ARIZONA DEPARTMENT OF REVENUE:

Website: www.azdor.gov and www.AZTaxes.gov

Customer Care-Frequently Asked Questions

Local: (602) 255-3381

Toll-free: (800) 352-4090

Criminal Investigation Unit

DorCriminalinv@azdor.gov

ADOR Identity Theft Call Center

Local: (602) 716-6300

Out of State: (844) 817-9691

Problem Resolution Officer

(602) 716-6025

ProblemResolutionOffice@azdor.gov

Unclaimed Property Unit

(602) 364-0380

UnclaimedProperty@azdor.gov



