



Statewide Vision: An Arizona for everyone.

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

Agency Mission: Serve Taxpayers!

Agency Description: The mission of the Arizona Department of Revenue (ADOR) is to serve taxpayers. The Department administers the 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.

Resource Assumptions: Enter Full-time Employees (FTEs) and funding data by type (e.g. General fund (GF), appropriated funds (AF), non-appropriated funds (NAF), and federal funds (FED). <i>Include actuals for FY24 and approved for FYs 25 & 26</i>	<u>FY</u>	<u>FTEs</u>	<u>GF</u>	<u>AF</u>	<u>NAF</u>	<u>FED</u>	<u>Total</u>
	24	925	\$62,587,600	\$27,003,400	\$2,014,700	\$0	\$91,605,700
	25	925	\$58,839,400	\$30,203,400	\$1,853,700	\$0	\$90,896,000
*Total reflects GF + AF + NAF. FED funding shown is broken out from NAF.	26	925	\$60,177,700	\$28,727,000	\$1,652,600	\$0	\$90,557,300

Progress Summary: ADOR has made great strides with the four strategic priorities identified in 2025 and we will continue to focus on how we deliver value to our employees, customers, agency, and Arizona's Priorities. Implementing the STARS Tax System is in year two of progress and we continue to learn new insights into our taxpayer needs, supported by our agency's top talent. Increasing tax compliance has helped bring in new revenue to the State boosting the discovery compliance rate by 3.21%, while slowing down Accounts Receivables from an average 20% in the past five years to under 5% in 2025. Voluntary Disclosure has hit its stride billing over \$50 million in revenue to 500 taxpayers year-to-date, while reducing time to process under 30 days. User experience has increased tenfold with reduced processing times by 3 days and average speed of answer by 4 minutes year-to-date. We have experienced a wave of success supporting role satisfaction with greater participation in workshops, leadership training, and flexible work environments. ADOR also received the "Top Workplaces" distinction in FY 2025.



Arizona Department of Revenue

2025 -2029 Strategic Plan

#	Agency Five-Year Outcomes	Start Year	Statewide Strategic/ Operational Priority	Status / Progress
1	Implement Self Service Implement self-service options for taxpayers with the implementation of STARS (State Tax System) by 2029 to support four (4) tax types.	2024	Affordable and Thriving Economy - Putting Money in AZ's Pockets	Last year, we completed the initial build-out and funding structures as well as 90% of our FY 2025 objectives; anticipate full launch of Liquor Luxury Tax (LLT) system by January 2026.
2	Increase Compliance Increase taxpayer compliance with Arizona tax laws by 5% by June 2029.	2025	Affordable and Thriving Economy	FY 2025 outcome met with a 2% closure of tax gap bringing over 500 businesses/individuals into compliance and under 5% increase in accounts receivables.
3	Improve User Experience Improve overall taxpayer experience by achieving all Service Level Agreements (SLAs), across 90% customer entry points by June 2029.	2025	Operational Excellence & AMS	FY 2025 our annual objective was to achieve 90% of SLAs in the three key areas of Processing, Call Center, and Customer Email resolution. We exceeded this objective. To date we have met SLA for 45% of customer entry points.
4	Role Satisfaction Balance capacity and demand for existing services to improve Role Satisfaction by 5% by June 2029.	2025	Maximize State Talent	In FY 25, ADOR was distinguished as a Top Workplace (based on Top Companies in Arizona Survey for the 3rd year in a row! While we are awaiting official scores, ADOR did accomplish 100% of our FY25 objectives for this outcome and anticipate a 2% increase in our role satisfaction score over last year.



Arizona Department of Revenue

2025 -2029 Strategic Plan

Current Annual Focus

Outcome #	FY26 Annual Objectives	Objective Metrics	Annual Initiatives
1	<u>Breakthrough Objective:</u> 1.1. Increase the monthly average of Luxury Liquor Tax (LLT) online submissions via the new service in Rev Hub to 30% by March 2026.	1.1 % of online liquor submissions through the portal. 1.1 % of paper submissions.	1.1 Identify Early Adopter Taxpayers for electronic submission/portal. 1.1 Implement Agile Sprint Activities through User Testing.
2	2.1 Increase taxpayer compliance by 1% by June 2026.	2.1 % of taxpayer compliance 2.1 \$ of accounts receivable (AR). 2.1 # of new remote sellers in compliance. 2.1 # of days to process Voluntary Disclosure (VDA).	2.1 Enhance early stage collections through education and outreach. 2.1 Improve conversion rate of identified remote sellers. 2.1 Continue refining Voluntary Disclosure process to bill under 45 days.
3	<u>Breakthrough Objective:</u> 3.1 Increase the average user experience across three (3) key customer entry points by achieving a service level agreement average of 90% by June 2026.	3.1 % Average of Service Level across 3 indicators. 3.1 Average Speed of Answer. 3.1 Average number of days to process Unclaimed Property claims. 3.1 Average days to process tax documents.	3.1 Improve hiring and training of call center staff. 3.1 Support capacity to reduce production time with Unclaimed Property. 3.1 Maintain capacity and resources to reduce backlogs.
4	4.1 Improve role satisfaction score from 88% to 89% through the Best Companies Survey by June 2026.	4.1 Agency Engagement Score/Best Companies Score.	4.1 Implement New Employee experience recommendation from ASU Next Generation Service Corps plan. 4.1 Partnership with ASU to support Human Centered Problem Solving to develop a plan to increase electronic filing rates for all tax types.



Stakeholder Engagement Plan: Continue to collaborate with our internal and external stakeholders to increase awareness and feedback loop supporting Agency Strategy.

Internal: Priority Teams aligned from all four divisions to increase awareness and engagement with the Agency Strategy.

External: Engage with external associations (AFIT, ATRA, SHRM) to seek feedback and keep apprised of milestones for external facing priorities (STARS, User Experience) and seek/use feedback from Liquor Luxury Tax vendors supporting Rev Hub launch.

Communication Plan: Through a variety of communication channels (meetings, emails, Town Halls, Quarterly Business Review) share updates on progress on a monthly, quarterly, and bi-annual basis.

Internal: Continue to provide updates monthly via huddles and quarterly with the Quarterly Business Review and/or Town Halls as needed for all priorities. STARS has a variety of stakeholders that are communicated with on a bi-weekly basis for updates.

External: Bi-annual updates in meetings with AFIT on agency deliverables and annually with ATRA regarding agency deliverables. STARS has a variety of stakeholders (Partner agencies, ADOA, city/towns) that are communicated with on a bi-weekly/monthly/quarterly basis.