



# Department of Revenue Update

## STARS Integrated Tax System Project Update

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# Agenda

- Project Overview
- Project High Level Timeline
- Discovery Phase Objectives
- Questions & Closing





# Project Overview



# STARS Project Overview- Historical

## Stated Business Issue

- 2019 Auditor General finding required ADOR to start planning for a new system (Report 19-106).
- There are currently a variety of systems and other tools being utilized to support operations, which often do not integrate with each other, creating inefficiencies in operations.
- Most of the key systems are old technology and are becoming increasingly difficult and costly to maintain.
- The lack of integration makes taxpayer service and compliance activities difficult.
- The Department's current external facing portal does not offer services for all tax types.

## Project Preparation Activities

- Conducted Feasibility Study - Collaboration with other state department's of revenue
  - Discussions included lessons learned, best practices
- Collaboration with Arizona State Agencies and Stakeholders
  - Cities, Towns and Counties
  - Arizona Forum for Improvement of Taxation (AFIT), Arizona Tax Research Association (ATRA) and 3rd party software vendor on current system pain points
- Data Cleansing and Preparation



# STARS Project Overview

The State has executed a 15-year contract with Voyatek and its subcontractor Kyndryl to provide an enterprise platform for integrated tax administration.

- The RevHub Integrated Tax System (ITS) will be configured and developed upon RevHub's existing modern application platform.
- The RevHub ITS will contain all tax types and business functions that are administered by ADOR.
- The RevHub ITS will contain an external facing taxpayer portal that will include all tax types & fees administered by ADOR.
- The RevHub ITS contains a single case management system that will be used by all authorized users to conduct business with taxpayers.
- Contains a native income tax policy simulator to be used by ADOR, OSPB and JLBC, meeting the statutory requirement.
- Designed with advanced analytics at the forefront with the goal of improving the customer experience and shrinking the tax gap.



# STARS Project Overview - Key Functionality

STARS will replace current systems and disparate databases with integrated functionality for the following processes:

- Registration, processing, accounting, collections, and audit for all tax types
- Revenue distribution and reporting
- Document management, including access to images captured in front-end systems
- Online filing, payment, and self-service account management for all tax types
- Modernized e-File and bulk filing and payment
- Data warehousing, decision analytics, and reporting
- Valuation of centrally assessed property tax and equalization of locally-assessed property tax valuations
- Administration and management of unclaimed property, including processing claims and making distributions



# STARS Project Overview - Benefits

## What are the benefits of modernizing?

- Single integrated tax system (ITS) of record that will house all business functions, for all tax types
- Automation of Manual Processes
  - Single Case Management for all department functions
    - *Consolidated taxpayer interactions, tracked in a single system*
    - *Decreased taxpayer wait times due to visibility into inventory*



# STARS Project Overview - Benefits

## What are the benefits of modernizing?

- **New Taxpayer Portal** - Expanded Electronic Services for Taxpayers and Taxpayer Representatives
  - Improved user interface and user experience
  - Enhanced communication - Electronic correspondence, Secure messaging
  - Improved transparency - View all transactions, i.e. returns, payments, cases, bills, delinquencies, due dates, etc..
  - Time and cost savings for taxpayers and ADOR
  - Process returns and payments with the ability to attach supporting documents when required
  - View consolidated taxpayer account details

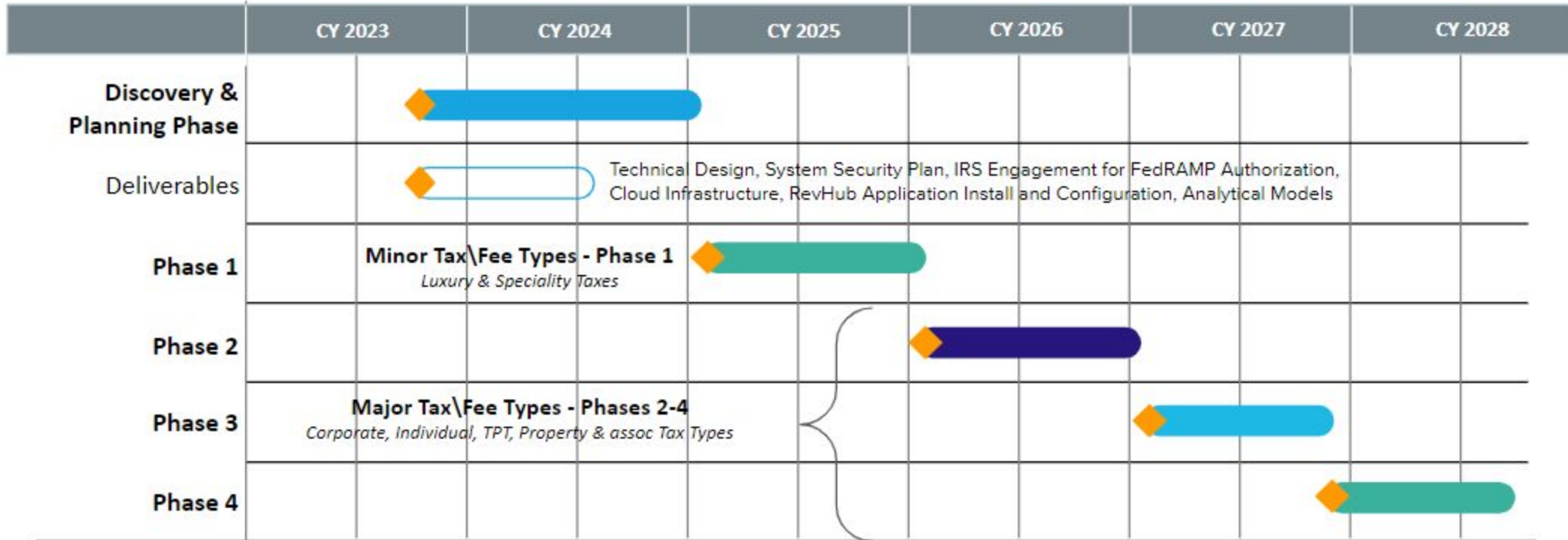




# Project High Level Timeline



# STARS Project Timeline - High Level



STARS Discovery & Planning Phase BAFO - Estimated high level timeline, to be refined during the Discovery & Planning Phase.



# STARS Project Timeline - Objectives

- **Discovery Phase Objectives** - The STARS project will implement the RevHub software, an enterprise platform for tax administration and analytics. The project will begin with the Discovery and Planning Phase, which is scheduled not to exceed 18 months, 8/8/2023 - 2/7/2025. The STARS Project Team will use this time to:
  - Project Planning:
    - Project Management Plan - including Implementation Plan and Schedule
    - Resource and Cost Management Plan
    - Discovery and Planning - Develop User Stories and Requirements Matrix
    - Change Management
    - Training
    - Established Tax System Modernization Committee
  - Configuration and Development:
    - Perform discovery and initial configuration planning
    - Core Functionality across Tax Types - External-facing Portal, License and Registration, Payment Processing, Returns Processing, Taxpayer Accounting, Compliance Modules, Revenue Accounting, Revenue Distribution to state agencies, towns, cities and counties, and AZ360



Thank you! Any Questions?

