

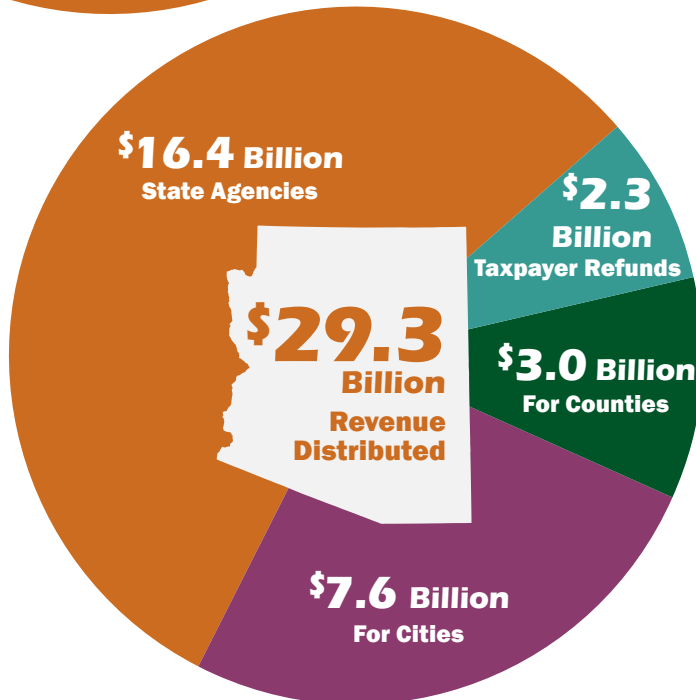
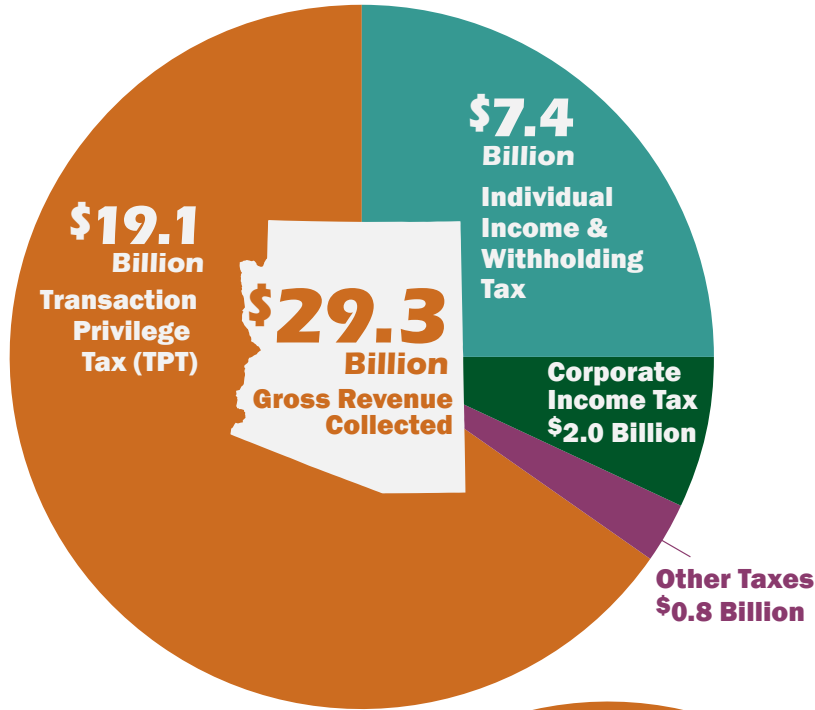


Strategic Plan Update

FY 2026

September 2025





Agency

| | |
|--|---------|
| Actual vs projected total revenue collections | 99.8% |
| Total consecutive years winning a top (or best) place to work award | 4 years |
| Percentage complete for STARS project - Discovery and Planning | 100% |
| Percentage complete for STARS project - Liquor Luxury Tax Implementation | 63% |

Education and Compliance

| | |
|---|---------------|
| Number of taxpayers educated | 2,008 |
| Amount of transaction privilege tax accounts receivable | \$839 |
| Average customer phone call wait time | 18 min 23 sec |

Processing

| | |
|--|--------------|
| Average number of days to process individual income tax returns | 13 days |
| Dollars recovered through individual income tax fraud prevention | \$77 million |

Taxpayer Services

| | |
|--|---------------|
| Total General Fund Revenue collected from remote sellers | \$558 million |
| Unclaimed property dollars returned to customers | \$89 million |

Support

| | |
|--|-----|
| Number of teammates who attended a virtual wellbeing session | 150 |
| Number of teammates formally recognized | 125 |

FOREWORD:



Rob Woods
Director

The Arizona Department of Revenue's fiscal year (FY) 2025 Strategic Plan, is a story of successes, goals achieved, and a path to continuous improvement in serving Arizona's taxpayers and maintaining a strong workplace culture.

The Arizona Department of Revenue (ADOR) collected \$29.3 billion to fund Arizona's programs and services, contributing to the state's healthy economic future. Our agency is an excellent steward of the resources we are given to fulfill our mission.

For the fourth year in a row, ADOR has been honored to be named one of the Top Companies to Work for in Arizona, awarded by Best Companies AZ and the Arizona Capitol Times. We have an inspiring team of leaders and problem solvers dedicated to supporting each other and providing excellence in service to Arizona's taxpayers.

Our Unclaimed Property unit continues its work with process improvement and public awareness activities and exceeded last year's record amount of property returning nearly \$89 million to its rightful owners.

For FY 2026, we are focusing on very important strategic priorities that will support an affordable and thriving economy for Arizona.

As we deploy our first tax type through the new Integrated Tax System, we will seek to increase the monthly average of Luxury Liquor Tax online submissions by March 2026, and encourage relevant businesses to join as early adopters.

We are seeking to increase the percentage of taxpayer compliance and reduce accounts receivable by enhancing early stage collections through education and outreach, and continuing to refine the Voluntary Disclosure process to bill under 45 days, among other activities.

We are working to enhance our customers' experience across three specific customer touch points by optimizing agency resources and continuous improvement of processes. Key priorities are to reduce the average speed of answer, the average number of days to process Unclaimed Property claims, and the average number of days to process tax documents.

We'll also maintain focus on our people, seeking to improve our agency's role satisfaction score as measured by the Arizona Top Workplaces Survey by June 2026.

NEW PERFORMANCE MEASURE FOR Fiscal Year 2026

- ↑ Percentage of online liquor submissions through the portal.
- ↓ Percentage of paper liquor submissions.
- ↓ Number of taxpayer compliance.
- ↓ Dollar amount of Accounts Receivable (AR)
- ↑ Number of new remote sellers in compliance.
- ↓ Number of days to process Voluntary Disclosure Agreements (VDAs).
- ↓ Percentage of Service Level across 3 indicators.
- ↓ Average speed of answer for phone calls.
- ↓ Average number of days to process unclaimed property claims.
- ↓ Average number of days to process tax documents.
- ↑ Agency Engagement Score/Best Companies Score.



OUR ORGANIZATION:

ADOR's strategy is rooted in its mission, which is "Serving Taxpayers!" Our agency plays a critical role in collecting and distributing revenue to fund Arizona's essential programs and services. These services help families succeed and contribute to the ultimate goal of creating an affordable and thriving economy.

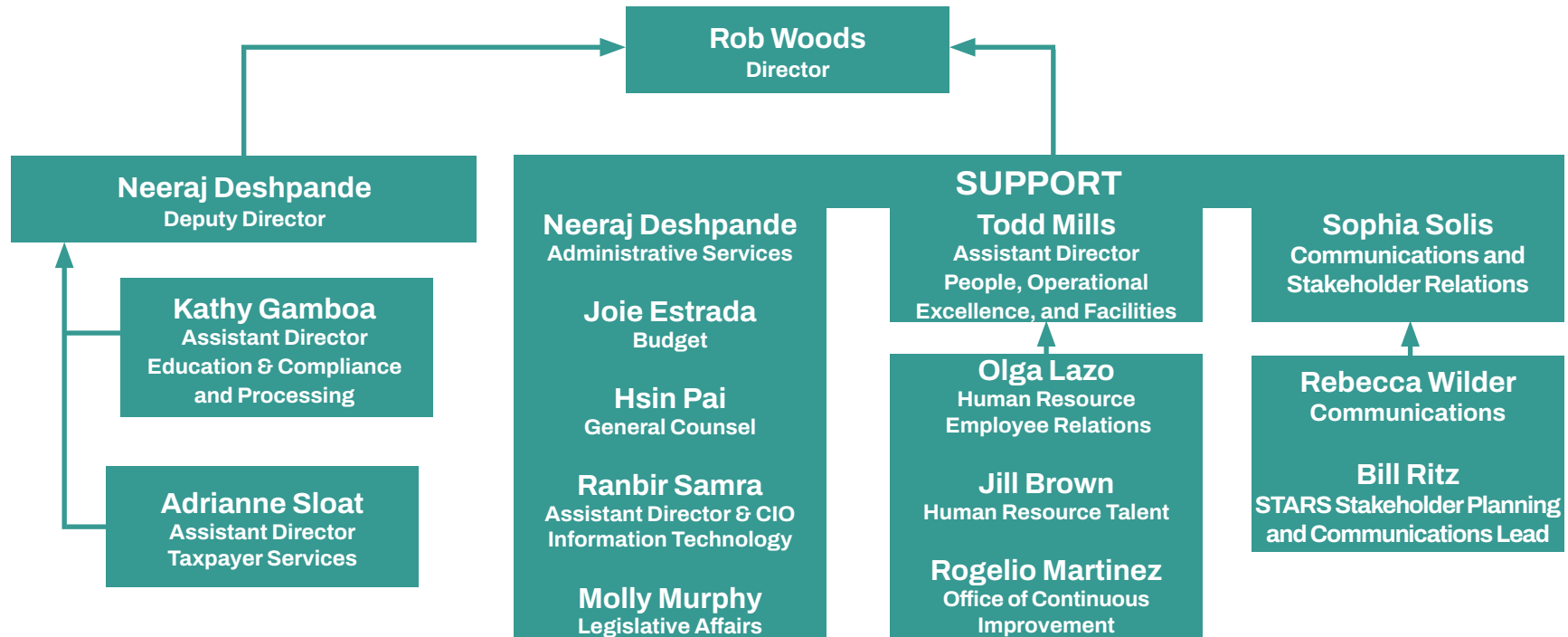
Achieving this goal starts with a strong employee-centric culture. When we invest in our people, they bring dedication and integrity into their work by doing what's right for Arizonans. Working together to create effective and efficient solutions, they're helping taxpayers save time and money.

ADOR is committed to finding new ways to open lines of communication with taxpayers to increase transparency and taxpayer education. Together, we're building an Arizona for everyone.

OUR MISSION: Serving Taxpayers!



\$91.3 PURSUANT TO ARIZONA REVISED STATUTES (A.R.S.)
FY 2026 ANNUAL OPERATING BUDGET



STRATEGIC PLAN - FY 2025

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

| Governor Priority Goal | Agency Five-Year Outcome | Objectives | Target |
|---------------------------------|---|---|-------------------|
| Affordable and Thriving Economy | Implement self-service options for taxpayers with the implementation of State Tax Accounting and Reconciliation System (STARS) by 2029. | <ul style="list-style-type: none">Increase monthly average of online submissions for luxury/liquor tax in RevHub. | Multi-year |
| Affordable and Thriving Economy | Increase taxpayer compliance with Arizona tax laws by 5% by June 2029. | <ul style="list-style-type: none">Increase taxpayer compliance by 2% | Multi-year |
| Affordable and Thriving Economy | Improve user experience with taxpayer interactions, supporting a 90% achievement of key Service Level Agreements by June 2029. | <ul style="list-style-type: none">Improve user experience achieving a 90% rate of compliance with Service Level Agreements. | Multi-year |
| Affordable and Thriving Economy | Balance capacity and demand for existing services while reducing overtime hours to improve Role Satisfaction by 5% by 2029. | <ul style="list-style-type: none">Improve role satisfaction score from 86% to 88% on the Best Companies Survey. | June 2025 |

STRATEGIC PLAN - FY 2026

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

| Governor Priority Goal | Agency Five-Year Outcome | Objectives | Target |
|---------------------------------|--|---|------------------|
| Affordable and Thriving Economy | Implement Self Service Implement self-service options for taxpayers with the implementation of State Tax Accounting and Reconciliation System (STARS) by 2029 to support four (4) tax types. | Increase the monthly average of Luxury Liquor Tax (LLT) online submissions via the new service in Rev Hub to 30% by March 2026. | June 2029 |
| Affordable and Thriving Economy | Increase Compliance Increase taxpayer compliance with Arizona tax laws by 5% by June 2029 | Increase taxpayer compliance by 1% by June 2026. | June 2029 |
| Operational Excellence & AMS | Improve User Experience Improve overall taxpayer experience by achieving all Service Level Agreements (SLAs), across 90% customer entry points by June 2029. | Increase the average user experience across three (3) key customer entry points by achieving a service level agreement average of 90% by June 2026. | June 2029 |
| Maximize State Talent | Role Satisfaction Balance capacity and demand for existing services to improve Role Satisfaction by 5% by June 2029. | Improve role satisfaction score from 88% to 89% through the Best Companies Survey by June 2026. | June 2029 |



| RESOURCE ASSUMPTIONS: | FY 2026 Budget Request or Estimate** | FY 2027 ESTIMATE** | FY 2028 ESTIMATE** | FY 2029 ESTIMATE** | FY 2030 ESTIMATE** |
|--------------------------------------|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Full-time-equivalent (FTE) Positions | 923.0 | 923.0 | 923.0 | 923.0 | 923.0 |
| General Fund | 60,871.8 | 62,296.8 | 61,223.3 | 61,223.3 | 61,223.3 |
| Other Appropriated Funds | 28,732.4 | 28,732.4 | 28,732.4 | 28,732.4 | 28,732.4 |
| Non-Appropriated Funds | 1,652.6 | 1,652.6 | 1,652.6 | 1,652.6 | 1,652.6 |
| Total Agency Funds | 91,256.8 | 92,681.8 | 91,608.3 | 91,608.3 | 91,608.3 |

HOW TO CONTACT THE ARIZONA DEPARTMENT OF REVENUE:

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

Customer Care

Local: (602) 255-3381

Toll-free: (800) 352-4090

Criminal Investigation Unit

DorCriminalinv@azdor.gov

Problem Resolution Officer

(602) 716-6025

ProblemResolutionOffice@azdor.gov

ADOR Identity Theft Call Center

Local: (602) 716-6300

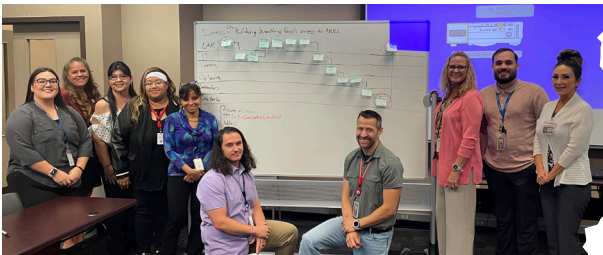
Out of State: (844) 817-9691


Unclaimed Property Unit

(602) 364-0380

UnclaimedProperty@azdor.gov





 **Arizona Department of Revenue**
1600 West Monroe Street
Phoenix, Arizona 85007