

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	Year-over-year increase in Employee Engagement Scores (May 2022); Winner of “Top Companies to Work for in Arizona”; Created Job Matrixes for 10 positions within ADOR supporting Leader Standard Work, required job competencies, and critical agency positions. Introduced Core Value Awards and Spot Incentives to drive engagement and behaviors in the Agency.
2	Maximize Agency Effectiveness & Efficiency - Increase Voluntary Compliance	2021	Implemented new standard work for collections team to increase collections activities projecting to increase by 10% over prior year; Process Mapping Audit Refund process eliminating waste and increasing efficiency; Increased outreach to Property Management Companies and revamped training with a 90% satisfaction; Pilot for remote seller analytics yielded \$4M in new ongoing revenue streams.
3	Enhanced Customer Experience	2021	Customer Journey map & metrics based process map completed for Transaction Privilege Tax (TPT) process, reducing backlog inventory levels ; created standard work for process mapping to replicate with other tax types.
4	Legislative Agility	2021	Brought SB 1783 to implementation in record time; Completed Interjurisdictional Transfer (IJT) process with Cities/Towns; Prioritized agency efforts behind critical legislative priorities for intentional focus; Collaborated with Attorney General Office (AGO) to streamline reporting and funding.

Department of Revenue

Fiscal Year 2023 Strategic Plan 2-pager

Current Annual Focus

Strategy #	FY23 Annual Objectives	Objective Metrics	Annual Initiatives
1	Improve the process to attract, recruit, and extend timely offers to external candidates.	-% of offers accepted within target number of calendar days.	-Update standard work. -Train staff on updated process, roles, and recruiting software. -Enhance marketing and sourcing strategies.
2	Reduce TPT Accounts Receivable.	- % continuous reduction monthly in AR.	- Initiate automatic levy streams. - Cleanup data management. - Identify TPT notice thresholds. - Gain budget approval.
3	Improve customer experience with the call center (<i>Breakthrough</i>).	-Average minutes to answer. - % calls resolved on first call. -% call quality score.	-Match capacity to demand with increased headcount and broader schedule coverage. -Supplier management initiative to improve accountability to metrics with countermeasures. -Leverage Artificial Intelligence (AI) solution to resolve low complexity call types via automation (may not be fully implemented in FY23).
4	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.	- % project complete.	- 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: 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.	- % project complete.	- Draft pass-through entity (PTE) form. - Build form in systems over four quarters. - Go live with new PTE form.
4	Develop Business One Stop.	- % project complete.	- Identify business processes. - Identify user stories. - ADOR committed. - Complete user stories.
4	Prepare for the Stars Tax System (<i>Breakthrough</i>).	-Schedule adherence: Project milestones within 10% of anticipated schedule. -Budget adherence: Project budget within 10% of forecasted spend.	- Data Cleanse Phase I. - Request for Proposal & vendor selection. - Roll out staffing plan 1. - Submit Legislative Budget. - Create Communication Plan.