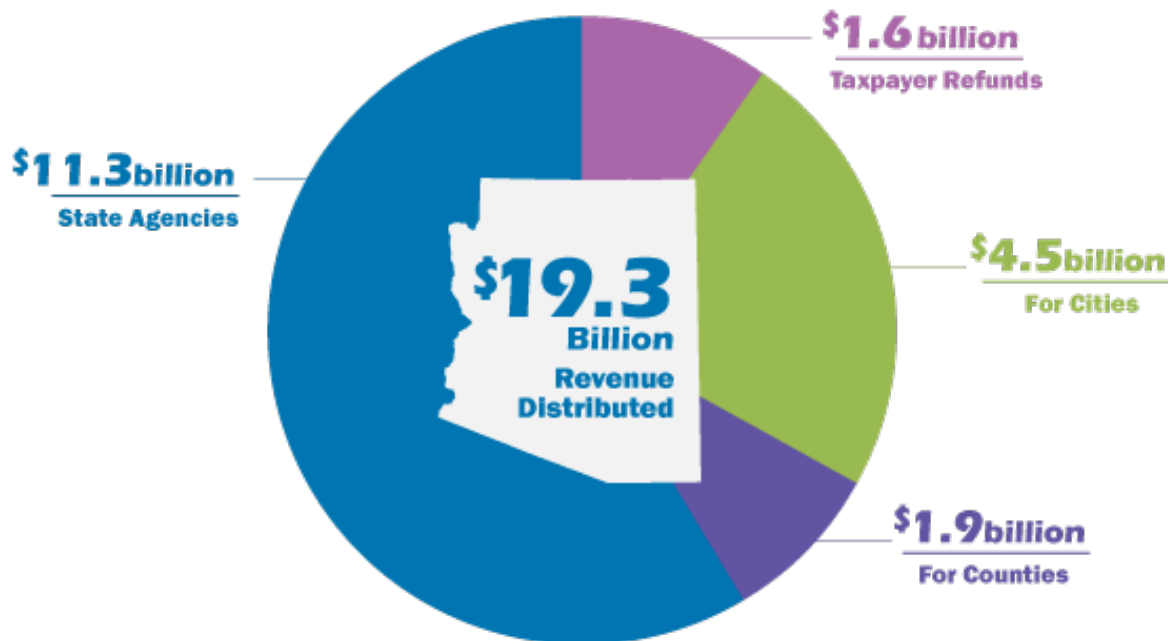
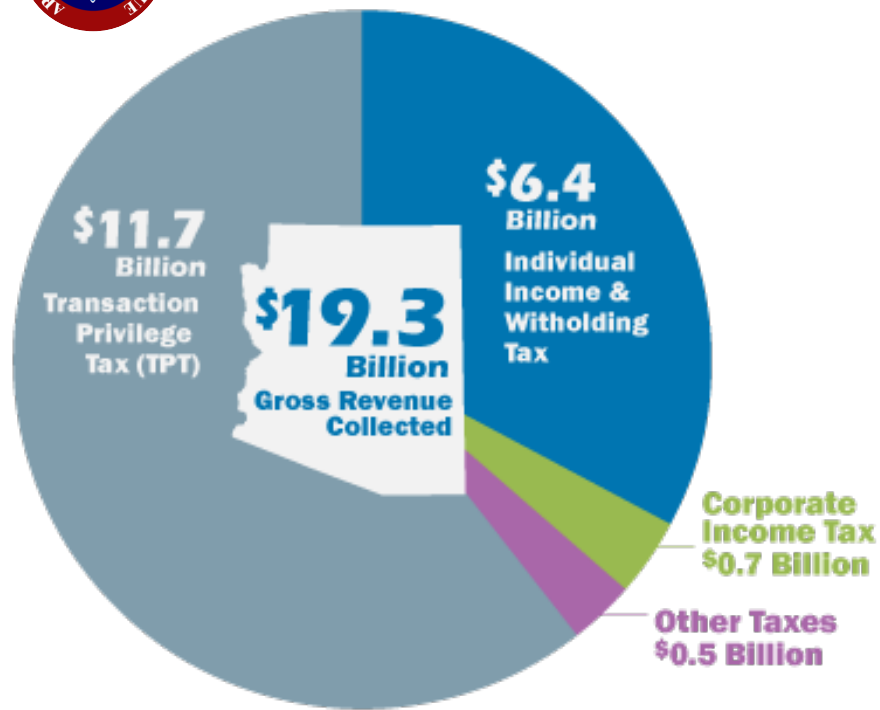


**Strategic Plan Update  
FY 2020  
September 2019**



## FY 2019 At A Glance



### Processing

Number of individual and transaction privilege tax (TPT) paper and electronic returns	5.56 million
Average days to process individual income tax refunds from electronic returns	8.0 days
Average days to process individual income tax refunds from paper returns	23.0 days
Average days to process TPT electronic returns	1.26 days
Total tax documents processed	6.43 million

### Education and Compliance

Actual vs estimated state tax collection	104%
Dollars recovered from individual income tax fraud prevention	\$7.7 million
Number of outreach events conducted	115

### Taxpayer Services

Average number of phone calls answered monthly	55,000
Average customer phone call wait time	2.13 minutes
Percentage of online transactions	74%
New users registered in AZTaxes.gov	122,696
Number of logins to AZTaxes.gov	4,256,367
Unclaimed property dollars returned to customers	\$48.4 million

## FOREWORD :



I am pleased to provide the fiscal year 2020 update to the Arizona Department of Revenue 2018-2022 Strategic Plan.

As the cover for this fiscal year's update showcases, the Department of Revenue's focus is to fund the many programs and services that Arizonans enjoy and rely on every day.

Based on the agency's mission of *Serving Taxpayers!*, the department's approach to this fiscal year continues to be guided by the five-year blueprint's four priorities of optimizing taxpayer services, accelerating processing, maximizing taxpayer education and compliance, and supporting and championing the agency's mission.

For fiscal year 2020, the agency is implementing remote seller legislation, which requires out-of-state sellers and marketplace facilitators to begin filing and paying TPT in Arizona as of October 1, 2019.

The updated plan has corporate taxpayers filing their income tax electronically in 2020, an important advancement in this department's commitment to e-filing and supports another objective to continue to increase electronic filing and paying.

This fiscal year's update also includes conforming to the Internal Revenue Code, which encompasses key modifications to state tax forms and systems, as well as reducing the number of tax brackets from five to four for individual income taxes.

Additionally, the Strategic Plan Update for fiscal year 2020 has the department enhancing our agency's administration and execution of the transaction privilege tax system, which is part of ADOR's ongoing collaboration with municipalities and counties. And the plan outlines a commitment to further developing taxpayer communication plan that will result in compiling and evaluating all existing communications to taxpayers to determine what is needed to further develop all

information that is shared with our customers.

This update maintains ADOR's steadfast commitment to results-driven management through the Arizona Management System to deliver better, faster and more cost-effective service for Arizonans. It also maintains a focus on customer service that was built into our five-year strategic plan.

**Carlton Woodruff**  
*Interim Director*

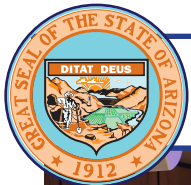
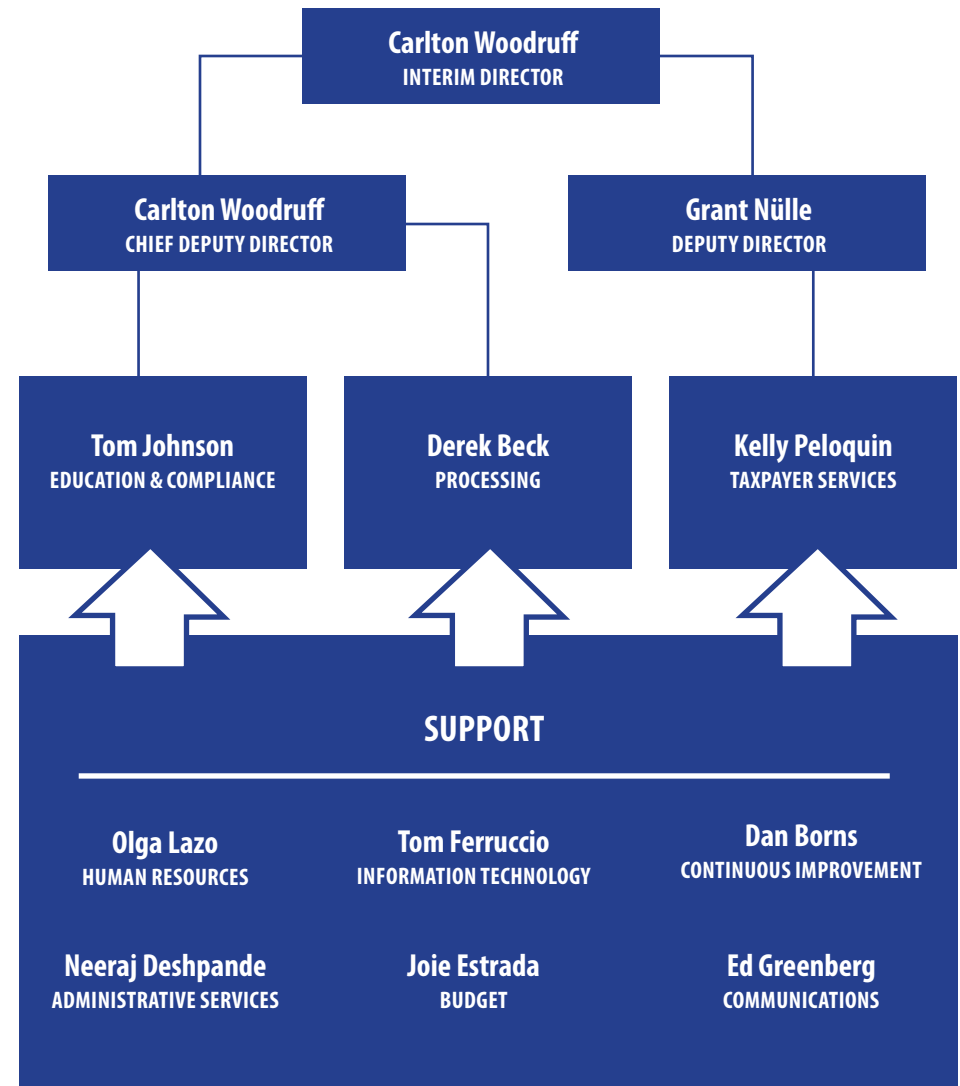


## OUR ORGANIZATION :

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 state and future state 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 the 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

# \$82.8 MILLION

FY 2020 ANNUAL OPERATING BUDGET



## STRATEGIC PLAN - FY 2019

**Vision: Funding Arizona's future through excellence in innovation,  
customer service and continuous improvement.**

Goal	Goal Performance Indicator(s)	Objectives	Target
Optimize Taxpayer Services	Taxpayer wait times	<ul style="list-style-type: none"> <li>• Sustain all taxpayer call center wait times to under 1 minute</li> <li>• Increase E-pay options for taxpayers by accepting credit card and debit card payments</li> <li>• Implement live chat functionality for taxpayers on ADOR website</li> </ul>	<p>&lt; 1 minute all year Multi-Year Project</p> <p style="text-align: center;">DONE</p>
Accelerate Processing	Processing time for all tax types	<ul style="list-style-type: none"> <li>• Automate business tax returns and payments (complete electronic data capture for TPT )</li> <li>• Develop plan for Phase 2 of electronic data capture for other tax types</li> <li>• Develop Corporate E-file Phase 1 according to multi-year plan</li> </ul>	<p style="text-align: center;">DONE</p> <p style="text-align: center;">PLAN DONE DONE</p>
Maximize Taxpayer Education and Compliance	Actual vs. Estimated state tax collections	<ul style="list-style-type: none"> <li>• Increase revenue from delinquent accounts and audit activity by \$55 million</li> <li>• Increase participation in outreach events by 50%</li> <li>• Increase electronic filing and paying</li> </ul>	<p style="text-align: center;">DONE DONE</p> <p style="text-align: center;">Multi-Year Project</p>
Support and Champion the Agency Mission (internal only)	Training	<ul style="list-style-type: none"> <li>• Deploy enhanced training agency wide to improve standard work, enhance consistency and boost retention</li> </ul>	<p style="text-align: center;">DONE</p>

## STRATEGIC PLAN - FY 2020

Goal	Goal Performance Indicator(s)	Objectives	Target
Optimize Taxpayer Services	Taxpayer wait times	<ul style="list-style-type: none"> <li>• Conform to income tax adjustment in House Bill 2757</li> <li>• Develop a standard call quality assurance (QA) evaluation tool and process</li> </ul>	Jan. 30, 2020 June 30, 2020
Accelerate Processing	Processing time for all tax types	<ul style="list-style-type: none"> <li>• Complete Corporate E-file Phase 2 according to multi-year plan</li> </ul>	Dec. 31, 2019
Maximize Taxpayer Education and Compliance	Actual vs. Estimated state tax collections	<ul style="list-style-type: none"> <li>• Enable remote sellers and marketplace facilitators to obtain TPT licenses, file and pay electronically</li> <li>• Increase electronic filing and payments</li> <li>• Improve internal and external collaboration</li> </ul>	Nov. 30, 2019  Multi-Year Project Multi-Year Project
Support and Champion the Agency Mission (internal only)	Training	<ul style="list-style-type: none"> <li>• Develop taxpayer communication improvement plan</li> <li>• Sustain and enhance the department's new employee training/career track process</li> </ul>	June 30, 2020 June 30, 2020



<b>RESOURCE ASSUMPTIONS:</b>	<b>FY 2020</b> Budget Request or Estimate	<b>FY 2021</b> ESTIMATE	<b>FY 2022</b> ESTIMATE	<b>FY 2023</b> ESTIMATE	<b>FY 2024</b> ESTIMATE
Full-time-equivalent (FTE) Positions	895.0	895.0	895.0	895.0	895.0
General Fund	31,245.2	32,545.2	32,545.2	32,545.2	32,545.2
Other Appropriated Funds	49,730.1	47,730.1	47,730.1	47,730.1	47,730.1
Non-Appropriated Funds	1,789.3	1,789.3	1,594.1	1,594.1	1,594.1
Total Agency Funds	82,764.6	82,064.6	81,869.4	81,869.4	81,869.4

*NOTE: Excluding FTE's, numbers are in thousands rounded to hundreds.*



## HOW TO CONTACT THE ARIZONA DEPARTMENT OF REVENUE:

Website: [www.azdor.gov](http://www.azdor.gov)

### Customer Care-Frequently Asked Questions

Local: (602) 255-3381

Toll-free: (800) 352-4090

### Criminal Investigation Unit

Local: (602) 542-4023

### Problem Resolution Officer

(602) 716-6025

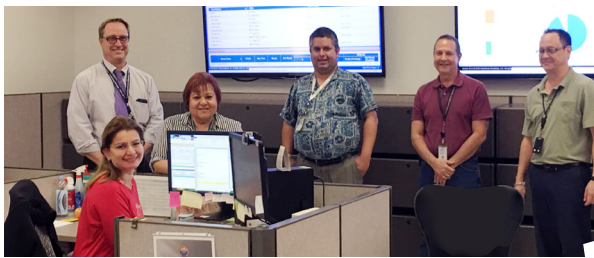
[ProblemResolutionOffice@azdor.gov](mailto:ProblemResolutionOffice@azdor.gov)

### ADOR Identity Theft Call Center

Local: (602) 716-6300

Out of State: (844) 817-9691





*Arizona Management System...I don't think there is an agency in the state that has embraced that and brought it to life with more success than the Department of Revenue.*  
— Governor Doug Ducey



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