

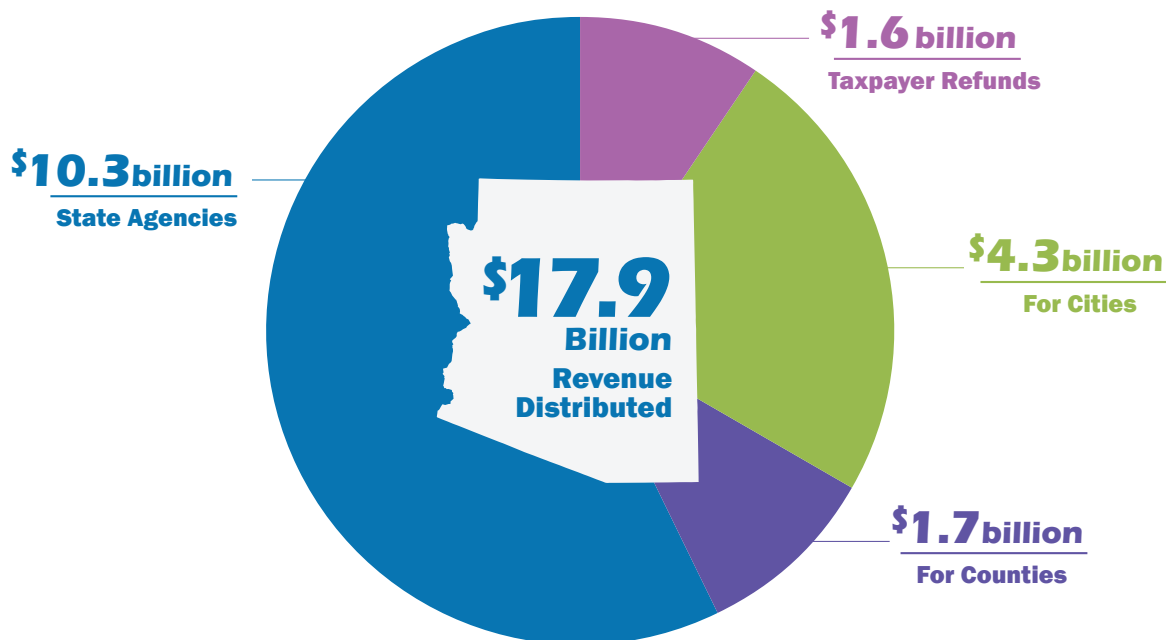
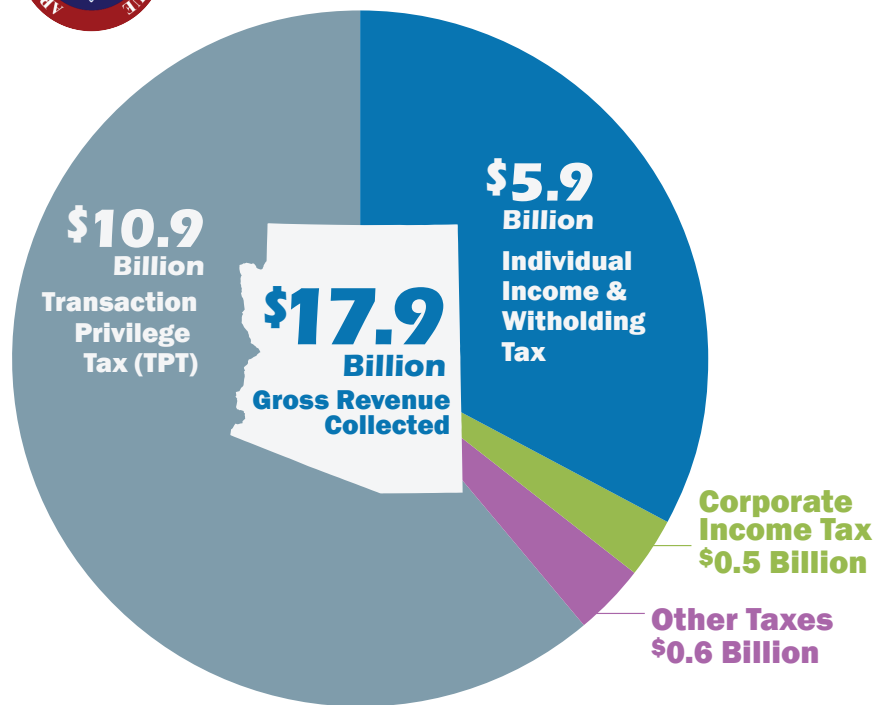


**Strategic Plan Update  
FY 2019**

**September 2018**



## FY 2018 At A Glance



### Processing

Number of individual and transaction privilege tax (TPT) paper and electronic returns	5.47 million
Average days to process individual income tax refunds from electronic returns	8.42 days
Average days to process individual income tax refunds from paper returns	20.40 days
Average days to process TPT electronic returns	0.46 days
Total tax documents processed	6.4 million

### Education and Compliance

Actual vs estimated state tax collection	104%
Dollars recovered from individual income tax fraud prevention	\$11.3 million
Number of outreach events conducted	123

### Taxpayer Services

Average number of phone calls answered monthly	50,000
Average customer phone call wait time (FY 2018)	3.7 minutes
Average customer phone call wait time (FY 2018 April - June)	54 seconds
Percentage of online transactions	75%
New users registered in AZTaxes.gov	118,336
Number of logins to AZTaxes.gov	3,739,422
Unclaimed property dollars returned to customers	\$64.3 million



## FOREWORD :



I am pleased to provide the fiscal year 2019 update to the Arizona Department of Revenue **2018-2022 Strategic Plan**.

The department takes its responsibility of administering Arizona's multi-billion tax system very seriously as we remained focused on delivering customer service at the speed of business. In fiscal year 2018, the department's dedicated team processed 6.4 million tax documents and collected a record \$17.9 billion for Arizona's many programs and services.

This update continues the agency's mission of "***Serving Taxpayers!***" and remains aligned to its mission of funding Arizona's future through excellence in innovation, customer service and continuous improvement. ADOR is continuing to identify new ways to deliver better, faster and more cost-effective service for Arizonans.

The FY 2019 Strategic Plan Update, highlights the goals, strategies and performance measures that are critical to the department's ongoing success.

The four goals that guide ADOR in accomplishing its mission are the following:

**Goal 1 - Optimize Taxpayer Services.** Whether it is over the phone or in person, our department is continuing to find ways to enhance customer service and reduce taxpayer wait times.

**Goal 2 - Accelerate processing.** The implementation of a data capture project, developing corporate e-file and accelerating revenue distribution are a few ways the department is addressing this goal.

**Goal 3 - Maximize Taxpayer Education and Compliance.** The agency is increasing taxpayer compliance through more outreach and education with key stakeholders like businesses, Arizona county and municipal governments, tax professionals and taxpayer groups. We are also working on initiatives to expand e-filing and e-paying.

**Goal 4 - Support & Champion Agency Mission.** An important aspect of this goal is to enhance staff training in all areas across the agency, to improve standard work, enhance consistency and boost retention.

In fiscal 2019, ADOR's focus remains on deploying results-driven management through the Arizona Management System (AMS), to deliver better, faster and more cost-effective service for Arizonans.

The Arizona Department of Revenue is focused on continuing to enhance customer service and deliver on our ongoing commitment to Arizonans.

**David Briant**  
*Director*

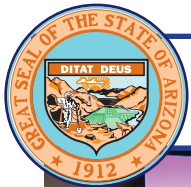
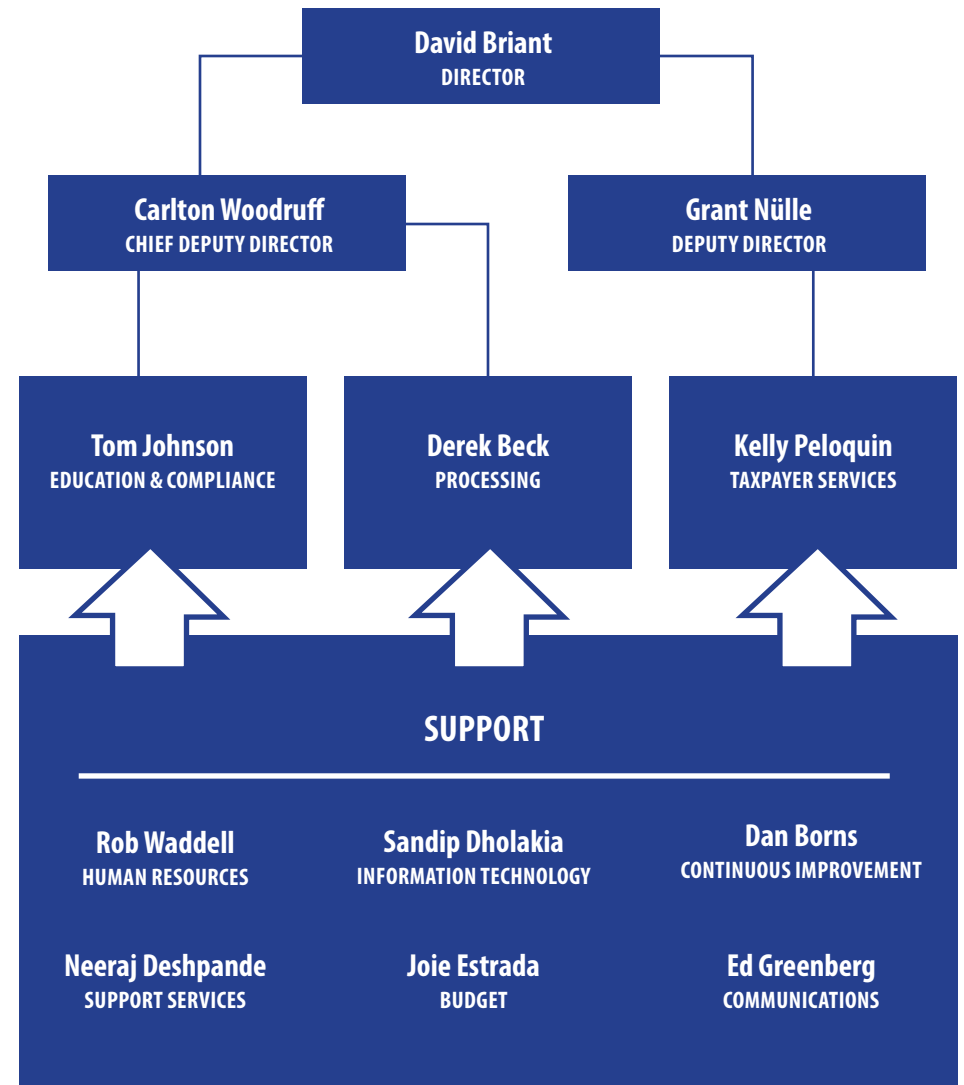


## OUR ORGANIZATION :

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!



Customer Care employees providing a training course to property management companies and property owners on the new Residential Rental E-Solutions on AZTaxes.gov.

PURSUANT TO ARIZONA REVISED  
STATUTES (A.R.S.) TITLES 42 AND 43

# \$81.2 MILLION

FY 2019 ANNUAL OPERATING BUDGET



## STRATEGIC PLAN - FY 2018

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

Goal	Performance Measures	Objectives	Completion Status
Optimize Taxpayer Services	Reduce all taxpayer call center wait times	Reduce customer wait times: <ul style="list-style-type: none"> <li>• Provide more efficient and effective customer service</li> <li>• Call wait times went from an average of 16 minutes in FY 17 to 3.7 minutes in FY 18, with last 3 months reduced to 54 seconds</li> </ul>	DONE
Accelerate Processing	Reduce processing time for all major tax types	Reduce tax return and payment processing times: <ul style="list-style-type: none"> <li>• Automate business tax returns and payments (TPT)</li> <li>• One-stop collection of city and state vehicle use taxes in partnership with Arizona Department of Transportation (ADOT)</li> <li>• Work with property management companies (PMCs) file tax returns electronically for multiple properties</li> </ul>	DONE DONE DONE
Maximize Taxpayer Education and Compliance	Actual vs. Estimated state tax collections	Help taxpayers comply with the tax laws of Arizona: <ul style="list-style-type: none"> <li>• Accelerate revenue distribution to cities and counties</li> <li>• Assist over 90,000 corporations in Arizona to file electronically for the first time</li> <li>• Automate how taxpayers receive important tax filing information (Form 1099-G)</li> </ul>	DONE Multi-Year Project DONE
Support and Champion the Agency Mission (internal only)	Complete \$11M IT infrastructure project by June 30, 2018	Modernize and strengthen core programs and infrastructure: <ul style="list-style-type: none"> <li>• \$11M investment to ensure reliable operation of critical tax systems and enhance information security</li> <li>• Reduce government footprint in private leased space to generate savings and efficiency</li> </ul>	DONE DONE

## STRATEGIC PLAN - FY 2019

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 By June 2019</p> <p>By June 2019</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>By Oct. 2018</p> <p>By June 2019</p> <p>By June 2019</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>By June 2019</p> <p>By June 2019</p> <p>By June 2019</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>By June 2019</p>





<b>RESOURCE ASSUMPTIONS:</b>	<b>FY 2019</b> Budget Request or Estimate	<b>FY 2020</b> ESTIMATE	<b>FY 2021</b> ESTIMATE	<b>FY 2022</b> ESTIMATE	<b>FY 2023</b> ESTIMATE
Full-time-equivalent (FTE) Positions	895.0	895.0	895.0	895.0	895.0
General Fund	31,063.8	31,063.8	31,063.8	31,063.8	31,063.8
Other Appropriated Funds	47,323.2	47,248.2	47,248.2	47,248.2	47,248.2
Non-Appropriated Funds	2,827.6	2,827.6	1,938.5	1,938.5	1,938.5
<b>Total Agency Funds</b>	<b>81,214.6</b>	<b>81,139.6</b>	<b>80,250.5</b>	<b>80,250.5</b>	<b>80,250.5</b>

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



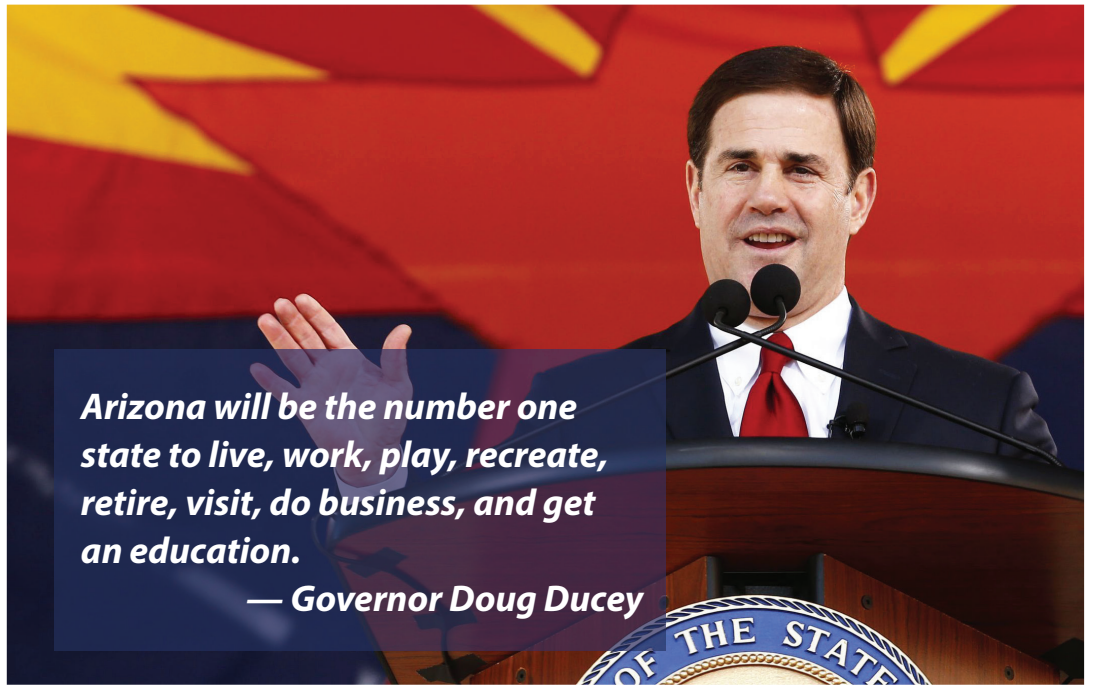
Error Resolution working tax returns back at the Phoenix Revenue building.



Customer Care employees providing effective customer service and reducing call wait times.








*Arizona will be the number one state to live, work, play, recreate, retire, visit, do business, and get an education.*  
— Governor Doug Ducey



 **Arizona Department of Revenue**  
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