

PROGRAM FACT SHEET

Arizona Department of Revenue

Services:

The Arizona Department of Revenue (Department) is responsible for licensing, processing, collecting, and enforcing most taxes for the State of Arizona. The Department's responsibilities include providing tax-related information to the general public and government officials, processing incoming tax documents and refunds, and ensuring compliance with Arizona tax laws.

Facilities:

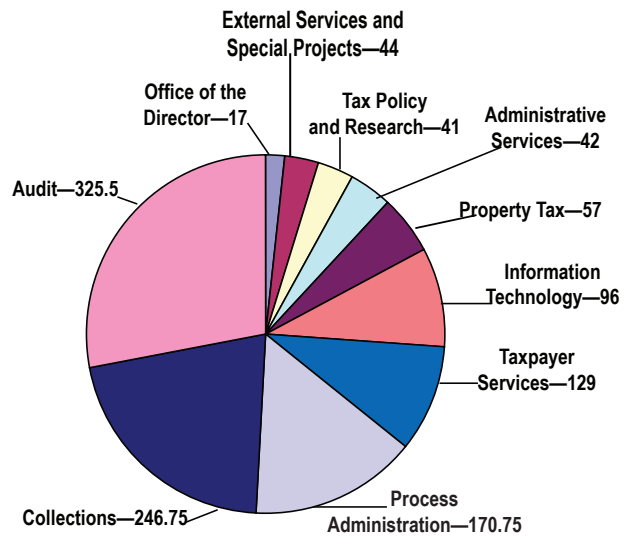
The Department's staff are located in three offices state-wide. Specifically, department staff are located in the agency headquarters, a state-owned building at 1600 West Monroe in Phoenix, and in a state-owned building complex at 400 West Congress in Tucson. Finally, staff are located in a privately owned facility at 3191 North Washington Street in Chandler. The Department also leases a privately owned warehouse in Phoenix, which is used primarily for document storage. The lease cost for these two privately owned facilities is \$418,115 annually, plus operating costs.

Equipment:

The Department has typical office equipment, such as office furniture, computers, and printers. Additionally, some divisions within the Department use specialized equipment. For example, both the Collections Division and the Taxpayer Services Division use an Automated Call Distribution System that manages and processes incoming phone calls. Additionally, the Process Administration Division uses three Kodak scanners to image the transaction privilege tax returns, which allows easier retrieval for staff who are working to resolve an issue with a review or assist a taxpayer with a question. Finally, the Department reports acquiring over \$12 million in hardware and software over the past 2 years to support the implementation of the Business Reengineering/Integrated Tax System (BRITS) project.

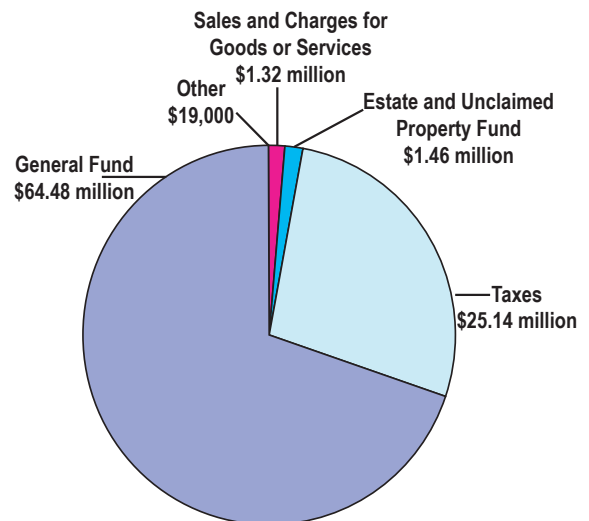
Department staffing by division:

1,169 FTEs (as of April 29, 2005, which included 149 vacancies)



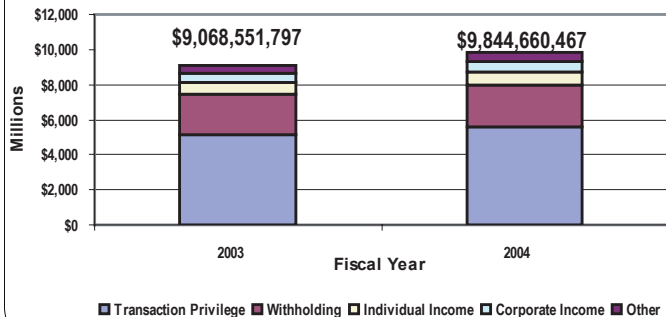
Department revenue:

\$92.4 million (fiscal year 2005)



Tax revenue collected:

Total gross revenues collected in fiscal years 2003 and 2004



Mission:

To administer tax laws fairly and efficiently for the people of Arizona.

Agency goals:

The Department has adopted the following three goals:

1. To maximize its return on investment.
2. To maximize customer and stakeholder satisfaction.
3. To maximize employee satisfaction.

Adequacy of goals and performance measures:

The Department's goals and performance measures appear to be generally aligned with its mission. Additionally, the Department has a variety of performance measures, including output, outcome, quality, and efficiency measures. The Department's performance measures include division-specific measures, as well as department-wide measures that are used to track the efficiency and effectiveness of a variety of departmental functions and services. For example, in order to maximize customer and stakeholder satisfaction, the Department is striving to more quickly get tax refunds out to taxpayers and therefore tracks the average turnaround time on refunds. Additionally, to maximize the Department's return on investment, the Department tracks the amount of revenue deposits received per total dollars spent. Lastly, in the Department's efforts to maximize employee satisfaction, the Department tracks employee turnover, career training, and grievances filed.

- Source: Auditor General staff analysis of Arizona Financial Information Systems (AFIS) *Revenues and Expenditures by Fund, Program, Organization, and Object*; AFIS *Trial Balance by Fund Report*; and the *State of Arizona Appropriations Report* for the years ended June 30, 2003 through 2005; the Department's *2004 Annual Report* and *Fiscal Year 2005 Strategic Plan*; and other information provided by the Department.