

2005 Showcase in Excellence Awards Recipient

AZ Department of Revenue – “E-File Program”



E-File Team

Highest Ranking Official:

Gale Garriott
Director

Contact Person:

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Type of work:

The Arizona Department of Revenue is responsible for administering Arizona’s tax laws in the primary areas of income, transaction privilege tax (TPT), use, luxury, withholding property, estate, fiduciary, bingo and severance.

Workforce:

1,100

Testimonial of Value of the AZ State Quality Awards Program

“Applying for the AQA’s Showcase in Excellence Award has been a great way to obtain special recognition for the dedication and extraordinary efforts of Department of Revenue staff who work on the E-file program. This experience has proven to be a superb morale builder and will provide strong encouragement for others in the Department to strive for outstanding performance. We are thrilled to be a Showcase recipient and appreciate the fact that the AQA recognizes process excellence as a category in their awards program. I urge others to take advantage of the rigorous and educational application process that the Showcase offers to demonstrate excellence as well as to obtain valuable feedback for future project development, execution, and performance evaluation.”

- Gale Garriott, Director, Arizona Department of Revenue

Highlights of Organization Process

Quality and Performance Results

The Department has developed an extraordinary track record of achievement in working with the public in promoting e-file services as well as providing service to software vendors. This high level of performance has facilitated implementation of cost-saving measures and improved partnerships within the industry. This has sparked the growth of participation in alternative to paper filing in Arizona, without the benefit of e-file mandates to boost participation, which has driven increases in other states.

E-file activity has grown at a higher than 50% rate between the 2000 and 2001 tax years as well as between the 2002 and 2003 tax years. The current trend for the past years has been a steady 16% growth rate. These statistics testify to the fact that customers do prefer alternatives to paper filing.

The introduction of 2D bar coding as another alternative to paper filing has made a significant impact to increased productivity since it was first offered in 2002. Because all 2D bar coded returns are scanned into the data base rather than keyed in, employees may divert their attentions into other areas of work productivity.

Processes:

Arizona income taxpayers may submit electronic returns with the assistance of a paid tax preparer, or by completing tax forms online via Internet software or by completing tax forms via purchased software and subsequently transmitting that data electronically.

Customers may e-file both federal and state returns, in which case the IRS validates the return and, if acceptable, the data is transmitted to the state. IRS data sent to DOR is downloaded to a secure “stand-alone” DOR computer until DOR validates the data transmission.

The return is “accepted” or “rejected” within 24 hours in the “stand-alone” computer. Validated electronic data is then downloaded into the DOR mainframe computer.

The output of the process is a refund or billing, depending on the e-filed return status. Either a refund check is issued or directly deposited into the customer’s account or a billing is generated (if taxes are owed).

The entire e-file process cycle averages between five and seven days, as compared to an average six to eight weeks using the paper process cycle.