

JULY 2019 - JUNE 2024

STRATEGIC BUSINESS PLAN



VISION

Achieve the highest level of voluntary compliance.

MISSION

Fairly and efficiently collect revenues to fund public services.

VALUES

*Integrity, Cooperation, Accountability,
Respect, and Excellence.*

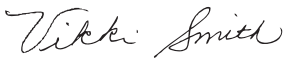


Message from the director

Strategic planning is important to the Department of Revenue because it provides a sense of direction over the long-term and increases the agency's ability to adapt to new demands. This Strategic Business Plan (SBP) is a roadmap for success and ensures Revenue is on the right track and making the right decisions. The SBP's five-year time frame allows the agency to factor in new workloads, efficiencies, increases in productivity, customer needs and to operate within budget constraints.

Progress on initiatives will be monitored and tracked throughout the year and will be adjusted based on new information. We will use Lean principles, leverage technology, and shift resources where necessary to continue providing the best experience possible to our customers and the state of Washington.

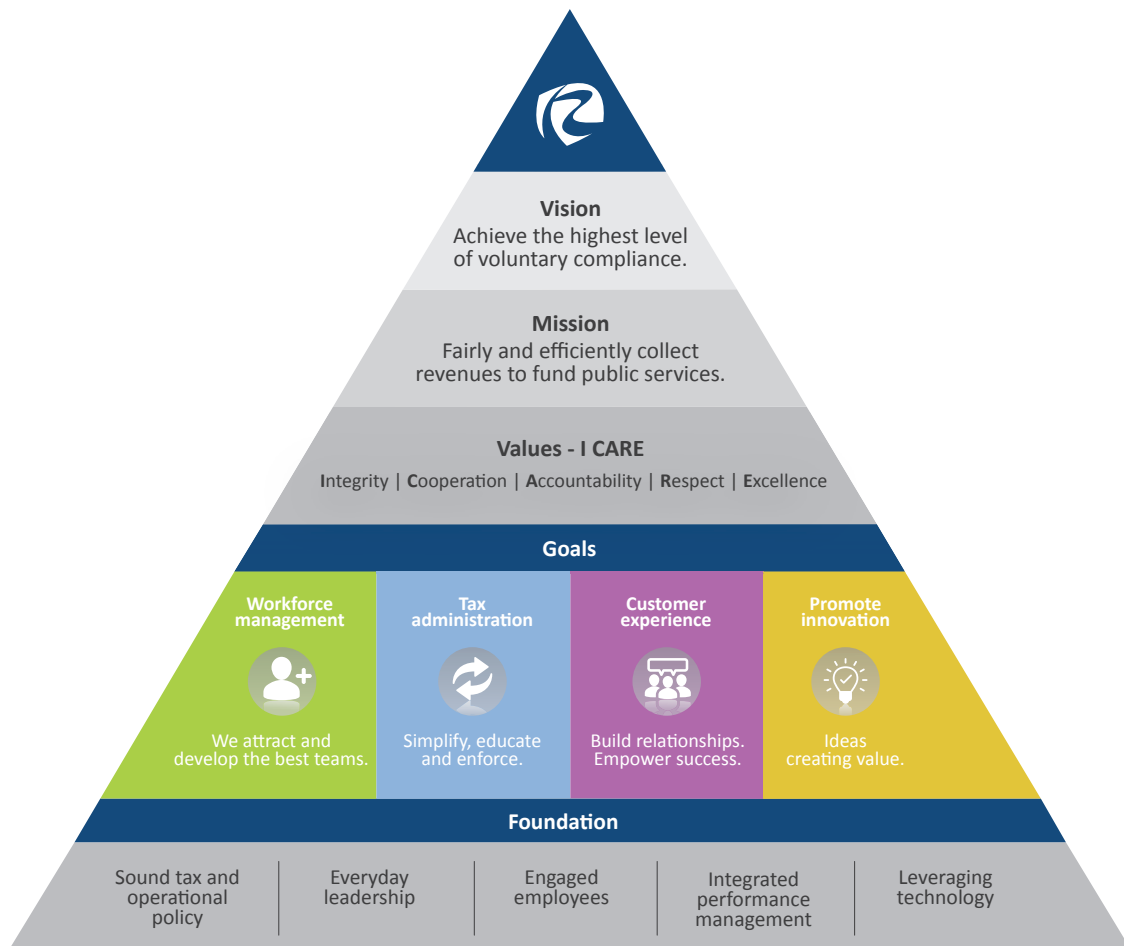
Sincerely,



Vikki Smith

Strategic pyramid

The strategic pyramid below helps communicate the department's vision, mission, values and goals to both staff and customers. It establishes the expectations we strive to achieve and the foundational elements that will ensure success. This pyramid is also used to drive Revenue's strategic business planning process.



Priority strategic initiatives

This plan focuses on the top four priorities that support the agency's vision and mission. Each of the proposed initiatives listed below were reviewed and prioritized based on the value it will create, at what cost, and impact on other ongoing initiatives and activities.

Develop key principles for decision making

The agency administers nearly 60 categories of taxes to help fund vital public services. Over the past 20 years, the department has increased revenue collection by 133.4% and served an additional 41.7% registered businesses. Staffing levels have increased by 22.4%, primarily due to assuming additional responsibilities for business licensing functions.

These increased workloads have challenged us to prioritize work decisions at all levels. Refining and improving the way those decisions are made will enable the agency to spend more time doing the right things to achieve greater productivity.

Incorporate data analysis and data-driven decision making

Revenue uses traditional tools to measure performance and incorporate data into the decision making process. With higher expectations, the prospect of increasing workloads and fewer resources, the agency is committed to "work smarter" by identifying new methods to meet future demands. Assessing how additional data analysis can be incorporated into the decision making process will further enhance Revenue's innovative and proactive approach to tax administration.

Use the voice of the customer to inform everyday agency business

Maintaining customer relationships is critical in administering a tax reporting system based primarily on voluntary compliance. The agency needs to understand customer expectations about the services they receive to foster an environment and experience that is beneficial to both parties. Revenue will continue to engage and build on customer relationships through multiple channels and formats, including advisory councils, surveys, forums and usability testing.

Improve our onboarding program to decrease ramp up period for employees in new positions

Developing and nurturing internal talent is crucial and keeps employees more engaged in the long run. Onboarding staff creates an environment where they feel welcomed and valued, decreases the learning curve, and provides important information to increase job satisfaction and work performance. To ensure current employees and new hires have every opportunity to be immediately successful, the agency is committed to improving the way it onboards employees in new positions.

After these priorities have been accomplished, the agency plans to evaluate and prioritize the following:

- Research Office 365 capabilities
- Develop a plan that evaluates allocation of resources for core functions
- Assess the needs of the workforce for recruitment and retention purposes

Revenue at a glance

Revenue collected (FY19)

State revenues (in billions):

Retail sales and use tax	\$11.9
Business and occupation	\$4.4
State property tax levy	\$3.4
Other state taxes	\$3.4

Local revenues:

Retail sales and use tax	\$5.3
Other local revenues	\$0.4

Total collections \$28.8

Reporting/active businesses

Active reporting (as of 7/1/19):

Monthly	149,240
Quarterly	220,136
Annual	235,088
Total	604,464

Audits	4,701
Voluntary compliance	97.5%

Staffing

FTEs	1,206.1
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Efficiencies

Cost per \$100 collected (FY19) 62¢

In the past 20 years, we've increased:

Revenue collected	136.1%
Registered businesses	31.2%
FTEs	23.9%

Agency budget 2017-2019 biennial (in millions):

FY18	\$160.2
FY19	\$164.4
Total	\$324.6

Tax revenue collected and what it provides

- \$11.9 billion — State retail sales and use tax
- \$5.3 billion — Local retail sales and use tax
- \$4.4 billion — Business and occupation tax
- \$3.4 billion — Other state taxes and fees
- \$3.4 billion — State share property tax
- \$0.4 billion — Other local taxes



Customer service

