

An Interview With Arizona Revenue Director David Briant

by James G. Busby Jr.

Reprinted from *State Tax Notes*, January 1, 2018, p. 99

An Interview With Arizona Revenue Director David Briant

by James G. Busby Jr.



James G. Busby Jr.

James G. Busby Jr. is a state and local tax attorney at the Cavanagh Law Firm in Phoenix. Busby previously worked in the SALT departments at Arthur Andersen and Deloitte & Touche. Before entering private practice in 1999, he was the chief auditor in charge of transaction privilege (sales) tax audits at the Arizona Department of Revenue. He can be contacted at JBusby@CavanaghLaw.com.

In this edition of Across State Lines, Busby interviews Arizona Revenue Director David Briant.

James G. Busby Jr.: Where are you from and, if you like, tell us about your family.

David Briant: I am a native Arizonan and my family has lived in Phoenix since 1959.

Busby: Please tell us about your professional training and work experience before taking this position at the Arizona Department of Revenue.

Briant: I have worked for the state of Arizona for more than 30 years. Prior to being named director of the DOR, I was the Business and Finance director at the Arizona Department of Environmental Quality. I also worked for the Arizona Department of Transportation (ADOT) and Department of Health Services.

Busby: What, if anything, did Gov. Doug Ducey (R) ask you to focus on at the department?

Briant: The governor's mission is to make Arizona the best state in the country to live, work, play, recreate, retire, visit, do business, and get an education. Our part of the governor's mission is to serve taxpayers and focus on funding Arizona's

future through excellence in innovation, customer service, and continuous improvement.

Busby: In addition to anything the governor may have asked you to focus on, now that you have been at the DOR since October 2015, what do you see as your biggest challenges and opportunities, and what are your top priorities?

Briant: As part of the DOR's ongoing transformation, the biggest challenge is to continue to find ways to deliver customer value and vital mission outcomes for Arizonans. Everybody at the department — from top to bottom — has the opportunity to find new ways to deliver enhanced services for taxpayers every day. The question asked at the DOR is: What did we do yesterday and how do we do it better today?

Busby: We understand that you are systematically reviewing all of the DOR's processes and procedures, questioning why the department does things the way it does, and considering whether there may be better, more efficient ways to operate. What have you learned during this process, how far along are you, and are there any success stories that you would like to share?

Briant: We learned we have a dedicated team of people working at the DOR who are excited to be part of this transformation and are involved in applying continuous improvement techniques, such as process mapping and working with customers to provide input on improving the process. In fiscal 2017 alone, approximately 6 million tax documents were processed with more than \$15.6 billion collected and distributed for key Arizona programs and services.

There have been several success stories at the agency, which can be traced back to a results-driven management approach that we are deploying, called the Arizona Management System (AMS). AMS is all about delivering better, faster, and more cost-effective service. This ambitious program, which was brought in by Governor Ducey,

eliminates waste and inefficiencies throughout the system. Through AMS, the DOR has made progress in areas including:

1. Customer Wait Times

Since the beginning of this transformation, an important goal has been to reduce call center wait times for the thousands of taxpayers who call every month. While the goal is ongoing and with improvements still to be made, in fiscal 2017 the time it took to answer phone inquiries — which ranged from refund questions to complex tax queries — averaged less than three minutes, and even under a minute for many months.

2. Transaction Privilege Tax Reform

In 2017 the DOR completed full implementation of transaction privilege tax simplification, becoming the single point of administration and collection of state and city transaction privilege taxes for all business and residential rental owners in the state. Fourteen cities, including the state's largest city, joined 77 other municipalities to partner with the DOR. This streamlined program benefits local governments because they do not require extra city staff to perform transaction privilege tax services; rather, the DOR provides services such as processing tax returns, answering taxpayer inquiries, audit and collections services, and revenue distribution back to communities for programs and services.

The benefits for businesses are that they do not have to file two or more transaction privilege tax returns, one with the DOR and another with the city or cities where the taxable activity occurred. They only need to file one return for all taxing jurisdictions, which is a more streamlined process.

3. Agency Collaboration

The goal of giving Arizonans one-stop customer service was the driving force with the DOR and the ADOT working together to centralize vehicle use tax payments, which improves customer experience and saves the state money through enhanced efficiencies. The new process means thousands of motorists who purchased vehicles outside Arizona are able to register them and pay state and city use taxes at ADOT Motor Vehicle Division centers, eliminating a source of frustration experienced by more than 20,000 taxpayers every year.



David Briant

Under the partnership, the DOR has developed a web-based application for Motor Vehicle Division locations to calculate and capture the total state and city vehicle use tax due upon registration. The web-based calculator is also available to allow taxpayers to determine how much tax will be required at the time of registration.

4. Real Estate Consolidation and Record Retention Reduction

In 2017 a DOR consolidation project relocated its Tax Return Processing Center back to the main Revenue Building and eliminated the need for 52,000 square feet in private-leased space, generating hundreds of thousands in year-to-year taxpayer savings.

The DOR's consolidation project also supported the state's ongoing drive to find efficiencies and enhance customer service. This year the department simplified retention requirements for federal corporate and partnership returns, resulting in thousands of businesses no longer having to submit paper federal returns, which means 90,000 federal tax

returns or 8 million pages no longer requiring processing and storage by the DOR.

5. Tax Fraud Prevention

Protecting Arizonans' private taxpayer information is paramount. To combat the ever-evolving landscape of fraud and identity theft, the DOR continues to implement new countermeasures, including advanced analytics such as machine-learning algorithms, stringent internal checks and balances, and the ongoing incorporation of electronic tax return filing, which gives the department more fraud-prevention tools. This prevents millions of dollars in fraud each year in Arizona.

6. E-Filing

Moving Arizona into the 21st century, the DOR continues to move tax filing to an envisioned electronic future state, which means a faster and more secure process. More than 80 percent of taxpayers currently file their individual income taxes electronically, and that percentage continues to grow. However, on the corporate side, business income taxes remain a manual process. Thanks to H.B. 2280, signed into law in March, the department is moving forward to have corporate tax e-filing in place for thousands of businesses by tax year 2020.

Busby: Is there anything else you would like Arizona taxpayers and practitioners to know about you or the department?

Briant: Again, the department is focused on serving taxpayers and committed to funding Arizona's future through excellence in innovation, customer service, and continuous improvement.

The DOR has taken decisive and deliberate actions to respond to the shifting needs of Arizona taxpayers and will continue to find efficiencies to serve them. As revenue director, I value the constructive input we receive from taxpayers, practitioners, and other stakeholders, because it is making us a stronger, more nimble agency. My commitment is to keep this stakeholder collaboration going, so the department can continuously improve for our customers. ■

taxnotes®

Worldwide Tax Treaties



The world of tax is constantly changing.

Stay current with the most comprehensive treaty coverage, including more than 12,200 treaties.

Worldwide Tax Treaties is the only source to include treaties, protocols, and integrated links to related developments and legislative history, as well as the full version of the latest OECD model convention and commentary.

taxnotes.com/treaties

Be ready for what happens next.