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Director

ARIZONA DEPARTMENT OF ADMINISTRATION

OFFICE OF THE DIRECTOR

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September 22, 2014

Mr. David Raber, Director
Arizona Department of Revenue
1600 West Monroe Street
Phoenix, Arizona 85007

Dear David:

In response to the Project Investment Justification (PIJ) for the **"Data Capture"** project; my staff has reviewed your PIJ to capture, track and store specific income tax return data and to increase the accuracy and timeliness of the analysis of tax credits.

The PIJ implies funding is available from the appropriated Automation Projects Fund in the amount of $1,733.9 thousand for the total five-year life cycle cost for the project.

This is notification of Arizona Strategic Enterprise Technology Office's recommendation to the Information Technology Authorization Committee (ITAC) for **Approval with Conditions** of the technology project as follows:

1. Should any additional expense be required to implement the project beyond what has been proposed, the Arizona Department of Revenue must amend the PIJ and submit it to ADOA-ASET and the Information Technology Authorization Committee (ITAC), if requested for review and approval prior to further expenditure of funds.

The ITAC is scheduled to meet on September 24, 2014 to review this project. Should the ITAC approve the project, you may then proceed to secure additional approvals as required from the Joint Legislative Budget Committee, the Office of Strategic Planning and Budgeting, and the State Procurement Office.

Best Wishes,

Aaron V. Sandeen
State CIO and Deputy Director
Arizona Strategic Enterprise Technology (ASET) Office

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cc: Carole Martin, ADOR
Janice Swim, ADOR
Fawn Medesha, ADOR
Karen Smith, ADOR
Andrew Smith, JLBC
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Clark Lathrum, ADOA-ASET

ASET# RV15001

Analyst: Clark Lathrum **PIJ Summary - ASET** Project Number: RV15001

Agency Name & Address	*Contact Information*
Arizona Department of Revenue (ADOR) 1600 West Monroe Street Phoenix, Arizona 85007	Janice Swim 602-716-6249 jswim@azdor.gov
Project and Investment Justification Name	*Date Submitted*
Data Capture	September 19, 2014

Project Overview

Problem Description

ADOR has indicated legislative requirements to capture, track and store specific income tax return data and to increase the accuracy and timeliness of the analysis of tax credits. ADOR is proposing to substantially update the Tax Administration System (TAS) to provide the required functionality.

Solution

The majority of the work needed to provide the expanded functionality is in programing modifications to TAS. ADOR intends to accomplish the needed programming updates through the use of external developer resources. Additionally, ADOR intends to deploy additional SAN storage space to accommodate the additional data to be captured.

Major Deliverables and Outcomes

- Programming updates to TAS
    - Expanded TAS capability to capture, track and store tax data
    - Increased ability for TAS to support the analysis of tax credits
    - Enhanced ability to analyze audit leads
    - Expanded reporting capabilities
- Expanded storage to support broadened data capture

Benefits

Through programming updates to TAS and increased storage capacity, ADOR expects at least the following benefits to be realized:

- Improved audit capability
- Decreased operational costs
- Increased revenue potential
- Improved operational efficiency
- Expanded reporting capability

Project Management

The project will be coordinated and managed by ADOR staff.

Enterprise Architecture

Compliant.

Summary of Proposed Costs

All Figures in Thousands ($000)						
Cost Description	*Year 1*	*Year 2*	*Year 3*	*Year 4*	*Year 5*	*Total*
Development Costs	1,700.0	0.0	0.0	0.0	0.0	1,700.0
Operational Costs	0.0	8.5	8.5	8.5	8.5	33.9
Total Project Costs	1,700.0	8.5	8.5	8.5	8.5	1,733.9

Recommendation: **Approval with Conditions**

1. Should any additional expense be required to implement the project beyond what has been proposed, the Arizona Department of Revenue must amend the PIJ and submit it to ADOA-ASET and the Information Technology Authorization Committee (ITAC), if requested for review and approval prior to further expenditure of funds.