



*Douglas A. Ducey*  
**Governor**

*David Raber*  
**Director**

September 25, 2015

Debra K. Davenport, CPA  
Auditor General  
Office of the Auditor General  
2910 North 44<sup>th</sup> Street, Suite 410  
Phoenix, AZ 85018

RE: Arizona Department of Revenue Sunset Review; Revised Draft Report dated September 18, 2015

Dear Ms. Davenport:

Thank you for the opportunity to review the revised report of the Sunset Review of the Arizona Department of Revenue (ADOR).

We appreciate that your report points out some of the important work that ADOR is accomplishing including:

- Efforts to prevent individual income tax fraud
- Process Improvements facilitated by Lean Methods
- Efficiencies and internal control improvements gained by relocating our Processing Division and Warehouse to a single-story facility
- Implementation of a new e-filing system for luxury tax on tobacco products
- Advancements made in implementing Transaction Privilege Tax Simplification for Arizona's taxpayers

Given that the report includes no formal recommendations requiring a response, let me take this opportunity to thank your highly skilled and talented staff. These individuals provided helpful insights and analysis that will help to make ADOR a better agency.

We look forward to sharing our progress as we continue to address the recommendation offered in your two performance audit reports (use of information technology and security of taxpayer information) issued as part of this Sunset Review.

Sincerely,

David Raber, Director