NC DEPARTMENT OF REVENUE Strategic Plan 2025 – 2029

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A. Introduction

The North Carolina Department of Revenue (NCDOR) is a cabinet-level executive agency which administers tax laws and collects taxes on behalf of the North Carolina people. The governor of North Carolina appoints the leader of the Agency as part of his cabinet, which is the Secretary of Revenue.

The Agency will go through a major transformation as it strives to modernize its tax systems, optimize its resources, and achieve customer service excellence. To accomplish this transformation, NCDOR has written this Agency Strategic Plan for years 2025-2029. This plan encompasses all areas of the business operations and supporting information technology services and is written with the NC Office of State Budget and Management (OSBM) as the primary audience. The Information Technology Strategic Plan and the Organizational Change Management (OCM) Strategic Plan have been developed separately to support and align with the Agency Strategic Plan.

NCDOR will focus primarily on the following areas of business as its foundation for this 2025-2029 Agency Strategic Plan:

- 1. Tax System Modernization
- 2. Workforce Development and Planning
- 3. Operational Excellence and Efficiency

This strategic plan lays out the optimal path towards achieving the three components of business mentioned above, while demonstrating progress towards key performance metrics established by subject matter experts.

B. Mission, Vision, & Values

This section presents the Agency's reason for existence, its vision for the future, and key values the Agency will hold true to create an environment equipped with tools needed to meet the Agency's goals. Together, these organizational elements provide a common understanding about what NCDOR does, how it does it, and why it matters for the future of North Carolina.

1. Mission

To fund public services benefiting the people of North Carolina, we administer the tax laws and collect the taxes due in an impartial, consistent, secure, and efficient manner.

2. Vision

With a dedicated workforce and enhanced technology, North Carolina taxpayers will receive quality customer service and interact with a tax system that is easy-to-use, transparent, and trusted.

3. Values

The Agency has core values expected among all who work here:

- Accountability accepts full responsibility for oneself and for one's contribution as
 a team member, which includes honesty, truthfulness, and a willingness to confront
 problems quickly.
- **Teamwork and Collaboration** cooperates with others to accomplish common goals. Is an advocate for working together, to include articulating expectations for teamwork and creating commitments through the practice of collaboration. Works with others to achieve shared goals and treats them with dignity and respect.
- Continuous Improvement and Development views workplace challenges as
 opportunities for improvement, development, and personal growth. Demonstrates a
 commitment to continuous improvement and professional development. Improves
 work processes through innovation and creativity and is flexible in working through
 new challenges.
- Professionalism exhibits courteous, conscientious, and businesslike manner in work-related activities and when communicating with others at work. Is knowledgeable about aspects of one's job and acts for the public good without regard to convenience or self- interest. Is considered trustworthy and dependable.

C. Goals, Objectives, & Performance Measures

1. Goal: Tax System Modernization

NCDOR will improve processing capabilities and constituent services through improved technological capabilities, enhanced security, and expanded electronic services by replacing the legacy-based Integrated Tax Administration System (ITAS) and related tax systems with a new, modern, integrated system.

The following objectives derive from the Tax Modernization project charter and most recent status report, and the approved NCVIP (North Carolina Valuing Individual Performance) values for 2025-2026.

OBJECTIVES	PERFORMANCE MEASURES	
Reduce risk of technological obsolescence to support compliant state tax revenue processing by replacing the 30+ year legacy tax system. Increase processing efficiencies through enhanced electronic services and additional automation for recurring manual processes. Enhance customer service by improving and expanding internal and external self service offerings. Increase the capacity to deliver timely system changes critical to evolving statutory requirements and administrative enhancements. Implement Releases per agreed upon vendor schedule.	 Execution of a contract for a new tax system. Additional electronic service offerings. Implementation of a taxpayer portal. Timely system changes by legislative effective dates. Implementation of releases by scheduled 	
Establish and staff leadership for Transformation Management Office.	dates. o Announcement of the Transformation Management Office and leaders.	

2. Goal: Workforce Development and Planning

OBJECTIVES	PERFORMANCE MEASURES
Attract and retain a skilled workforce to support all	Attrition rates.
agency operations.	o Resource
Evaluate and optimize resources to support agency	optimization model.
goals and objectives through resource capacity	 Employee
planning.	satisfaction.
Provide training and development for all staff; including	o Internal promotions.
management and leadership training.	
Develop and publicize career paths for most common	
jobs.	
Establish education and experience equivalents for	
most common jobs.	
Identify single points of failure and develop plans to	
minimize risks.	
Develop a succession plan for leadership and critical	
positions to ensure continuity.	

3. Goal: Operational Excellence and Efficiency

OBJECTIVES	PERFORMANCE MEASURES
Develop and adhere to customer service level agreements.	 Compliance with service level
Involuntary compliance (operational): o Reduce accounts receivable balance. o Maintain and enhance programs to identify and	agreement targets.Effectiveness of compliance
address areas of non-compliance. Develop standard metrics reporting.	o Publication of internal
Evaluate scanning services and recommendation.	and external metrics.
Outsource printing of checks and notices.	
Align resources within the agency for efficiency and effectiveness.	
Identify Business Continuity Lead and enhance business continuity management plans.	

D. Additional Notes

The NCDOR Information Technology strategic plan supports the Agency plan and describes in detail NCDOR's plans for implementing solutions to:

- Address high risk technology capabilities (i.e. revenue collections and analysis / online filing and payment).
- Stabilize and maintain legacy systems through full implementation of the new tax system.
- Ensure all systems meet legislative requirements and effective dates for processing.

The NCDOR Organizational Change Management strategic plan supports the Agency plan, and focuses on the structured, cyclical processes designed to guide individuals, teams, and organization from the current state to the desired future state. Achieving transformation requires execution of five distinct, people focused activities:

- Ensuring the right leadership and program sponsors are in place.
- Determining the appropriate implementation approach.
- Investing in training and support for staff in use of the new system and new ways of working.
- Prioritizing transparent and effective communication to build trust and alignment.
- Continuously soliciting feedback through iterative user engagement.

E. Priority Questions

The following are areas of uncertainty where additional evidence would be meaningful and needed to design and implement solutions in the future.

1. Priority Question 1

In which areas of the business could the Agency use automation and artificial intelligence, where appropriate, to complete the most important labor-intensive tasks with positive outcomes?

2. Priority Question 2

How can NCDOR use tax analytics to identify and reduce and/or prevent tax and refund fraud?

3. Priority Question 3

How do we achieve an organizational transformation in an environment with budgetary unknowns and resource constraints?