

ANALYSIS OF THE EFFECTIVENESS OF RURAL AND URBAN LAND AND BUILDING TAXES ON LOCAL REVENUE IN BAUBAU CITY

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ABSTRACT

Abstract Along with the increasing population growth in Baubau City, the need for housing has increased significantly which has an impact on the number of land and building sale and purchase transactions carried out which will increase regional income in the tax sector, especially Rural and Urban Land and Building Taxes. This study will provide an overview of the performance of the Baubau City government officials in tax collection as measured by using an analysis of the effectiveness of the last three years, namely 2015-2017. This research was conducted at the Regional Financial, Asset and Revenue Management Agency of Baubau City. The quantitative descriptive research method is used to describe the research data and then it is analyzed as a whole in the form of a description. The results of this study indicate that, the effectiveness of receiving Land and Building Tax in Rural and Urban Areas of Baubau is included in the very effective criteria in the three years because it exceeds 100%, with a percentage of 116.62% in 2015 and in 2016 of 123.29 %, while in 2017 it was 118.83%.

Keyword: PBB-P2; BPHTB; effectiveness; contribution

1. INTRODUCTION

Baubau City is one of the regions given the authority to manage its own household and is given the opportunity to explore sources of funds, one of which is local taxes. In 2014, there was a transfer of Rural and Urban Land and Building Tax and Fees for Acquisition of Land and Building Rights from the central government to the local government of Baubau City. Transfer of Land and Building Tax and Fees for Acquisition of Land and Building Rights from central taxes to regional taxes which can potentially increase local taxes which are part of Regional Original Income.

Rural and Urban Land and Building Tax and Fees for the Acquisition of Land and Building Rights can have the potential to increase regional revenue for the City of Baubau. As population growth in Baubau City increases, the need for housing will definitely increase and there will be many land and building sale and purchase transactions carried out which will increase regional income in the tax sector, especially Rural and Urban Land and Building Tax and Fees for Acquiring Rights on Land and Buildings.

Based on information obtained from the PBB and BPHTB division of the Regional Asset and Revenue Management Agency for the City of Baubau, the classification of Rural and Urban Land and Building Tax is based on the sub-districts and sub-districts in Baubau City. Baubau City has 8 sub-districts and 43 wards. The sub-districts

include: 1) Wolio; 2) Betoambari; 3) Sorawolio; 4) Bungi; 5) Kokalukuna; 6) Murhum; 7) Poaro Stone and 8) Lea-Leah

Based on Law Number 28 of 2009, the Tax on Acquisition of Rights to Land and Buildings has 2 objects, namely the transfer of rights and granting of new rights. Researchers process data on land and building title acquisition fees based on the transfer of rights and the granting of new rights.

Revenue from Rural and Urban Land and Building Taxes and Fees for the Acquisition of Land and Building Rights have significant implications for the regional government of Baubau City. This is because if local tax revenue can reach the target set, it will increase Local Own Revenue, so that local government dependence on the central government will decrease. If the local tax revenue cannot reach the target set, it will affect or hinder the regional government in financing regional development, in this case the regional government will conduct an evaluation of the causes of not achieving the target.

Furthermore, it is necessary to measure the performance of local tax revenue which is measured using an analysis of the effectiveness, especially the Rural and Urban Land and Building Tax. This needs to be implemented so that the performance of local tax revenues is not only measured by the amount of realized local taxes that have been collected, but can achieve a level of effectiveness and provide a large contribution to Regional Original Revenue.

The effectiveness analysis is carried out to measure the level of effectiveness, namely by comparing the realization of Land and Building, Rural and Urban Taxes and Fees for Acquisition of Land and Building Rights with the target. The aim is to see the ability of local governments to collect local taxes, especially Land and Building, Rural and Urban Taxes and Fees for Acquiring Rights on Land and Buildings.

2. RESEARCH METHODOLOGY

2.1 Place and Time of Research

This research was conducted at the Baubau City Government to be precise at the Regional Financial, Asset and Revenue Management Agency of Baubau City, which is located on Jalan Dayanu Ikhsanuddin No. 59 City of Baubau. This research was conducted in that place to determine the performance of local tax revenues, especially Land and Building, Rural and Urban taxes. The implementation of this research was carried out from March to July 2019.

2.2 Data collection technique

The data collection techniques used to obtain the data needed in this study are:

1) Document Analysis

Document analysis is done by collecting necessary data relating to the object under study to be analyzed so as to provide results for the object under study[1], in this case the target data and the realization of land and building tax revenues in rural and urban areas, fees for the acquisition of land and building rights, and local revenue for the city of Baubau in 2015-2017. These data are contained in the Baubau City Budget Realization Details Report for 2015-2017 and the 2015-2017 Baubau City Government Budget Realization Report.

2) Interview or Interview

Interviews or interviews conducted with related parties in this case the PBB and BPHTB at the Baubau City Financial Management Agency, Assets and Regional Revenue to obtain information on Rural and Urban Land and Building Taxes, Fees for Acquiring Rights on Land and Buildings and Regional Original Income. This interview or interview is conducted to obtain information that is not presented in the document analysis that has been carried out.

2.3 Research Type

This type of research uses descriptive quantitative research methods. The data obtained in this study were analyzed as a whole and then the results obtained were explained in the form of descriptions.

The types of data used in this study consist of two types, namely:

- 1) Quantitative data, namely data in the form of targets and realization of rural and urban land and building tax revenues, fees for acquisition of land and building rights, and local revenue for the City of Baubau in 2015-2017. [2].
- 2) Qualitative data is data that is information and explanation obtained from interviews regarding Rural and Urban Land and Building Taxes, Fees for Acquiring Rights on Land and Buildings and Local Original Revenue in Baubau City Government agencies, namely the Financial, Asset and Income Management Agency. Baubau City Area.

Sources of data obtained in this study are:

- 1) Primary data is the source of data obtained directly through interviews with related parties regarding Rural and Urban Buildings, Fees for Acquiring Rights on Land and Buildings and Regional Original Income. [3].
- 2) Secondary data is the source of data obtained indirectly in the form of target data and realization of land and building tax revenues in rural and urban areas, fees for acquisition of land and building rights, and local revenue for the City of Baubau in 2015-2017.

2.4 Data analysis technique

This research uses descriptive quantitative analysis method in analyzing data[4]. The steps used to analyze the data that have been obtained are as follows:

- 1) Identifying Rural and Urban Land and Building Taxes and Fees for Acquisition of Land and Building Rights in Baubau City during 2015-2017.
- 2) Calculating the land and building tax data for rural and urban areas obtained by using the ratio of the effectiveness level. This ratio uses realization data and land and building tax targets in rural and urban calculations. The results of these calculations are then interpreted[5].
- 3) Calculate data on land and building title acquisition fees obtained using the ratio of effectiveness levels. This ratio uses the realization data and the target of the Acquisition Fee for Land and Building Rights in the calculation. The results of these calculations are then interpreted.
- 4) Calculate the contribution of Rural and Urban Land and Building Tax to Regional Own-Owned Income. The calculation of the amount of this contribution uses data on the realization of Rural and Urban Land and Building Taxes on Regional Original Income. The results of these calculations are then interpreted.
- 5) Calculating the contribution of fees for acquisition of land and building rights to regional original income. The calculation of the amount of this contribution uses the data on the realization of the Acquisition Fee for Land and Building Rights on Regional Original Revenue. The results of these calculations are then interpreted[6].

3. RESULTS AND DISCUSSION

The following is the level of effectiveness of land and building tax revenues in rural and urban areas of Baubau City during 2015-2017 which can be seen in Table 1.

Table 1. Effectiveness of Rural and Urban Land and Building Tax Revenues in the City of Baubau 2015-2017

Year	Target (Rp)	Realization (Rp)	Effectiveness (%)
2015	2,850,000,000	3,323,720,438	116.62
2016	3,000,000,000	3,698,742,888	123.29
2017	3,000,000,000	3,564,776,988	118.83

Source: Regional Financial, Asset and Revenue Management Agency, 2019

Based on Table 3.1, it can be seen that the revenue from Rural and Urban Land and Building Tax in the City of Baubau during 2015-2017 has reached the predetermined target. This can be seen from the level of effectiveness that exceeds 100%. The highest effectiveness of the land and building tax revenue for the rural and urban areas of Baubau in 2016 was included in the very effective criteria, with an effectiveness level of 123.29% with total realization of Rp. 3,698,742,888 from the target of Rp. 3,000,000,000.

Furthermore, in 2017 it was included in the very effective criteria, with an effectiveness level of 118.83% with a total realization of Rp. 3,698,742,888 from the target of Rp. 3,000,000,000. The effectiveness level in 2015 was 116.62% with the realization of IDR 3,323,720,438 from the target of IDR 2,850,000,000 with very effective criteria.

The following is a graph of the targets and realization of Rural and Urban Land and Building Taxes during 2015-2017 which is shown in Figure 3.1.



Picture 1. Graph of Target and Realization of Land and Building Tax Revenue in Rural and Urban Baubau City 2015-2017

The graph in Figure 3.1 shows that the realization of the Rural and Urban Land and Building Tax of Baubau City during 2015-2017 has always achieved the set target. The increase in targets from 2015-2016 was accompanied by an increase in realization for that year. In 2017, there was a decrease in the realization of the Rural and Urban Land and Building Tax in the City of Baubau even though the target set was the same as the target in 2016.

The following is the effectiveness level of Land and Building Tax revenue for the Village and Urban Baubau City for each district during 2015-2017 which is shown in Table 3.2 - Table 3.4.

Table 2. The Effectiveness of Rural and Urban Land and Building Tax Revenues from Each District of Baubau City in 2015

No.	Districts	Target (Rp)	Realization (Rp)	Effectiveness (%)
1	Wolio	1,022,224,279	1,148,590,663	112.36
2	Betoambari	620,103,706	668,503,815	107.81
3	Sorawolio	43,977,854	59,050,862	134.27
4	Bungi	113,714,891	134,342,285	118.14
5	Kokalukuna	175,526,021	156,685,010	89.27
6	Murhum	391,714,745	524,425,142	133.88
7	Poaro stone	420,364,121	584,496,809	139.05
8	Leah-Leah	62,374,383	47,625,853	76.35
Total		2,850,000,000	3,323,720,438	116.62

Source: Regional Financial, Asset and Revenue Management Agency, 2019

Table 3.2 shows that the highest level of effectiveness of the total revenue from Land and Building Tax in Rural and Urban Village of Baubau in 2015 came from Batu Poaro District which was included in the very effective criteria of 139.05% with the total realization of IDR 584,496,809 from the target of IDR 420,364,121. Meanwhile, the lowest level of effectiveness was in Lea-Lea Subdistrict with the ineffective criteria of 76.35% with the total realization of Rp. 47,725,853 from the target of Rp.

Based on Table 3.2, it is known that the total realization of revenue from Rural and Urban Land and Building Tax in the City of Baubau in 2015 reached the target set with a difference of Rp. 473,720,438. But when viewed from the revenue realization of each sub-district, it can be seen that out of 8 sub-districts there are 2 sub-districts that did not reach the target, namely Kokalukuna District of IDR 156,685,010 from the target of IDR 175,526,021 and Lea-Lea District with total realization of IDR 47,725,853 of the target Rp. 62,374,383.

The following shows a graph of the targets and realization of land and building tax in rural and urban areas for each district in Baubau City in 2015 in Figure 3.2.

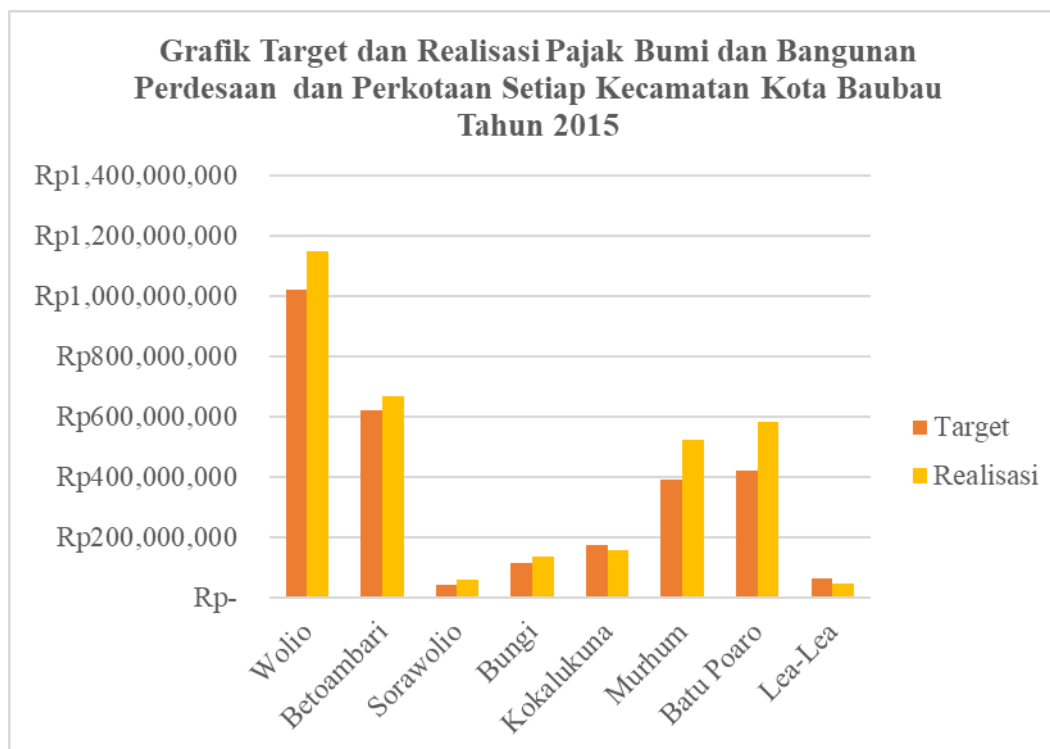


Figure 3.2 Graph of Target and Realization of Rural and Urban Land and Building Tax for Each District of Baubau City in 2015

Figure 3.2 shows the comparison of the target and realization of the Rural and Urban Land and Building Tax for the City of Baubau for each sub-district in 2015. The realization in the Districts of Wolio, Betoambari, Sorawolio, Bungi, Murhum, and Batu Poaro was able to achieve the target set. Meanwhile, the realization in Kokalukuna and Lea-Lea Districts has not been able to reach the target set. This is due to the lack of efforts made to achieve the targets that have been set.

Table 3.3 The Effectiveness of Rural and Urban Land and Building Tax Revenues from Each District of Baubau City in 2016

No.	Districts	Target (Rp)	Realization (Rp)	Effectiveness (%)
1	Wolio	1,099,636,003	1,383,006,838	125.77
2	Betoambari	662,158,128	729,052,474	110.10
3	Sorawolio	44,499,121	58,180,167	130.74
4	Bungi	115,670,365	146,574,401	126.72
5	Kokalukuna	186,402,004	176,451,877	94.66
6	Murhum	400,260,647	551,748,329	137.85
7	Poaro stone	429,559,493	602,343,531	140.22
8	Leah-Leah	61,814,240	51,385,272	83.13
Total		3,000,000,000	3,698,742,888	123.29

Source: Regional Financial, Asset and Revenue Management Agency, 2019

Based on Table 3.3, it is known that the total realization of land and building tax revenues in rural and urban areas in Baubau City in 2016 reached the predetermined target with a difference of Rp 698,742,888. But when viewed from the realization of each sub-district, not all sub-districts have achieved the target set, just like in 2015 out of 8 sub-districts there were 2 sub-districts that did not reach the target, namely Kokalukuna District of IDR 176,451,877 from the target of IDR 186,402,004 and Lea-Lea District with the amount realized was IDR 51,385,272 from the target of IDR 61,814,240.

Table 3.3 shows that the highest level of effectiveness of the total revenue of Land and Building Tax in Rural and Urban Village of Baubau in 2016 came from Batu Poaro District with very effective criteria of 140.22% with total realization of IDR 602,343,531 from the target of IDR 429,559,493. Meanwhile, the lowest level of

effectiveness was in the Lea-Lea District of 83.13% with the total realization of Rp. 51,385,272 from the target of Rp. 61,814,240 which was considered less effective.

The following is Figure 3.3 which shows a graph of the targets and realization of Rural and Urban Land and Building Tax for each sub-district in the City of Baubau in 2016.



Figure 3.3 Graph of Target and Realization of Rural and Urban Land and Building Tax for Each District of Kota Baubau in 2016

The graph in Figure 3.3 shows the comparison of the target and realization of the Rural and Urban Land and Building Tax of Baubau City for each sub-district in 2016. The realization in Kokalukuna and Lea-Lea Districts has not been able to reach the target set. This is due to the lack of efforts made to achieve the targets that have been set. Meanwhile, the realization in Wolio, Betoambari, Sorawolio, Bungi, Murhum, and Batu Poaro Districts was able to achieve the target set.

Table 3.4 The Effectiveness of Land and Building Tax Revenues in Rural and Urban Areas of Each District of Kota Baubau in 2017

No.	Districts	Target (Rp)	Realization (Rp)	Effectiveness (%)
1	Wolio	1,043,789,773	1,213,594,715	116.27
2	Betoambari	632,355,716	679,225,774	107.41
3	Sorawolio	41,923,704	59,989,213	143.09
4	Bungi	110,537,444	131,424,724	118.90
5	Kokalukuna	197,485,038	219,369,831	111.08
6	Murhum	422,311,863	565,519,888	133.91
7	Batupoaro	492,341,754	641,314,489	130.26
8	Leah-Leah	59,254,709	54,338,355	91.70
Total		3,000,000,000	3,564,776,988	118.83

Source: Regional Financial, Asset and Revenue Management Agency, 2019

Table 3.4 shows that the total realization of revenue from Rural and Urban Land and Building Tax in the City of Baubau in 2017 reached the target set with a difference of IDR 564,776,988. If you look at each sub-district, it turns out that not all sub-districts have achieved the set target, of the 8 sub-districts there is 1 sub-district that did not reach the target, namely Lea-Lea District with total realization of IDR 54,338,355 from the target of IDR 59,254,709.

Based on Table 3.4, it can be seen that the highest level of effectiveness from the realization of Land and Building Tax revenue for the Rural and Urban City of Baubau in 2017 came from the Sorawolio sub-district with very effective criteria of 143.09% with the total realization of IDR 59,989,213 from the target of IDR 41,923,704. Meanwhile, the lowest level of effectiveness was in the Lea-Lea sub-district amounting to 91.70% with total realization of Rp. 54,338,355 from the target of Rp. 59,254,709 with the criteria for being quite effective.

The following is a graph of the targets and realization of Rural and Urban Land and Building Tax for each district in Baubau City in 2017 which is shown in Figure 3.4.



Figure 3.4 Graph of Target and Realization of Rural and Urban Land and Building Tax for Each District of Kota Baubau in 2017

Figure 3.4 shows the comparison of targets and realization of Rural and Urban Land and Building Tax for each sub-district in Baubau city in 2017. Realizations in Wolio, Betoambari, Sorawolio, Bungi, Kokalukuna, Murhum, and Batu Poaro Districts were able to achieve the target set. Meanwhile, the realization in Lea-Lea Subdistrict has not been able to achieve the target set as in previous years. Therefore, it is necessary to conduct an evaluation to determine the causes of not achieving the target in the Lea-Lea District.

3.1.3 The Effectiveness of Fees for Acquisition of Land and Building Rights 2015-2017

The following is the level of effectiveness of the acceptance of fees for acquisition of land and building rights in the City of Baubau during 2015-2017 which can be seen in Table 3.5.

Table 3.5 Effectiveness of Tax Receipts on Acquisition of Land and Building Rights in the City of Baubau 2015-2017

Year	Target (Rp)	Realization (Rp)	Effectiveness (%)
2015	1,800,000,000	1,909,242,680	106.07
2016	1,850,000,000	2,865,853,672	154.91
2017	4,250,000,000	18,762,861,207	441.48

Source: Regional Financial, Asset and Revenue Management Agency, 2019

Table 3.5 shows that during 2015-2017 the Fees for Acquisition of Land and Building Rights in Baubau City have reached the target that has been set. This can be seen from the level of effectiveness that exceeds 100%. The highest effectiveness of the receipt of Fees for the Acquisition of Land and Building Rights in the City of Baubau occurred in 2017 which was included in the very effective criteria with an effectiveness level of 441.48% with a total realization of IDR 18,762,861,207 from the target of IDR 4,250,000,000.

Furthermore, in 2016 it was included in the very effective criteria with an effectiveness level of 154.91% with a total realization of IDR 2,865,853,672 from the target of IDR 1,850,000,000. The effectiveness level in 2015 of 106.07% is included in the very effective criteria, with the realization of IDR 1,909,242,680 from the target of IDR 1,800,000,000. Fees for the acquisition of land and building rights during 2015-2017 are included in the very effective criteria because they exceed 100%.

Figure 3.5 below presents a graph of the target and realization of Fees for Acquisition of Land and Building Rights during 2015-2017.

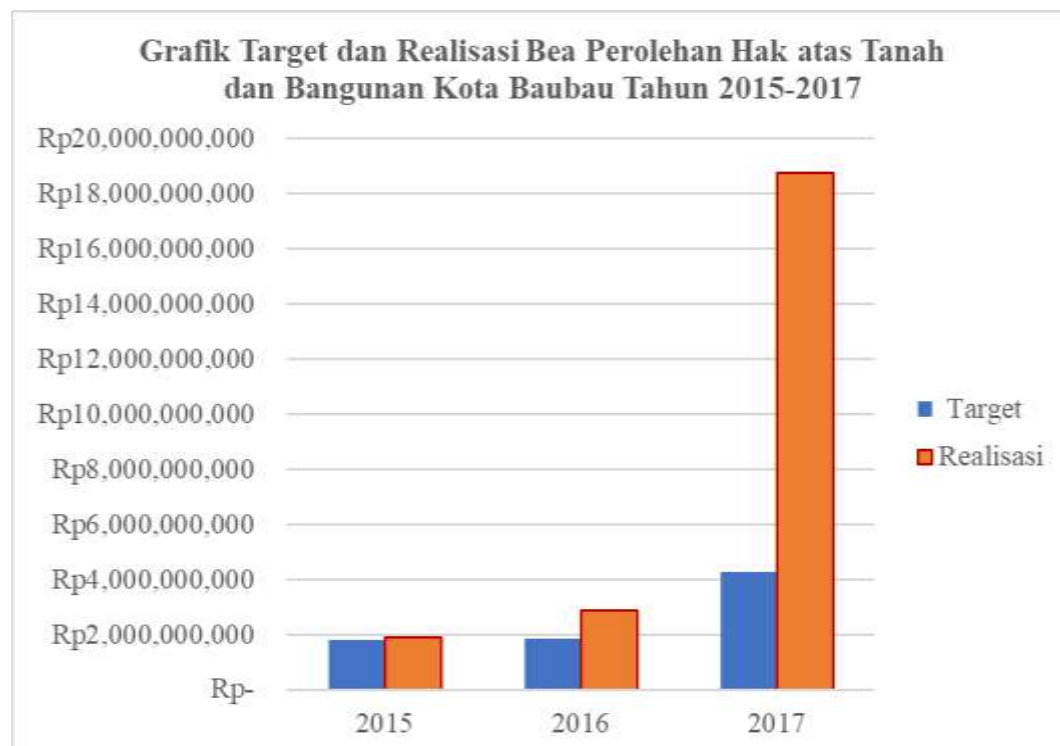


Figure 3.5 Graph of Target and Realization of Fees for Acquisition of Land and Building Rights in the City of Baubau in 2015-2017

Figure 3.5 shows the target and realization of the Baubau City Land and Building Acquisition Fee during 2015-2017 always achieving the predetermined target. The increase in targets from 2015-2016 was accompanied by an increase in realization for that year. In 2017, there was an increase in the realization and target of the Acquisition Fee for Land and Building Rights which was quite high compared to previous years.

In the following, it can be seen that the effectiveness level of the acceptance of fees for the acquisition of land and building rights in Baubau City based on the object, namely the transfer of rights and granting of new rights during 2015-2017 in Table 3.6 - Table 3.7.

Table 3.6 Effectiveness of Acceptance of Rights Transfer in Baubau City 2015-2017

Year	Target (Rp)	Realization (Rp)	Effectiveness (%)
2015	1,300,000,000	1,441,899,800	110.92
2016	1,400,000,000	2,264,131,197	161.72
2017	3,800,000,000	18,001,317,382	473.72

Source: Regional Financial, Asset and Revenue Management Agency, 2019

Table 3.6 shows the effectiveness level of acceptance of land and building title acquisition fees on objects of transfer of rights, which from 2015-2017 always achieved the set target. This is because every year it always exceeds 100%.

The greatest level of effectiveness occurred in 2017, amounting to 473.72%, which was included in the very effective criteria, with total realization of IDR 18,001,317,382 from the target of IDR 3,800,000,000. In 2016, with the criteria of being very effective, it reached 161.72% with the total realization of IDR 2,264,131,197 of the target of IDR 1,400,000,000. Meanwhile, in 2015 the level of effectiveness achieved was 110.92% with the total realization of IDR 1,441,899,800 of the target set of IDR 1,300,000,000 with very effective criteria.

In the following, we can see the target graph and the realization of the Acquisition Fee for Land and Building Rights on the object of transfer of rights in Baubau City in 2015-2017 in Figure 4.6.



Figure 3.6 Graph of Target and Realization of Transfer of Rights to the City of Baubau in 2015-2017

Figure 3.6 shows the target and realization of the Acquisition Fee for Land and Building Rights on objects of transfer of rights to the City of Baubau during 2015-2017, always achieving the predetermined target. The increase in targets from 2015-2016 was accompanied by an increase in realization for that year. In 2017, there was an increase in the realization and target of the Acquisition Fee for Land and Building Rights on the object of transfer of rights which was quite high compared to previous years.

Table 3.7 Effectiveness of Acceptance of Granting of New Rights in the City of Baubau in 2015-2017

Year	Target (Rp)	Realization (Rp)	Effectiveness (%)
2015	500,000,000	467,342,880	93.47
2016	450,000,000	601,722,475	133.72
2017	450,000,000	761,543,825	169.23

Source: Regional Financial, Asset and Revenue Management Agency, 2019

Table 3.7 shows the effectiveness level of the acceptance of Land and Building Rights Acquisition Fees for the object of granting new rights in 2016 and 2017 to achieve the set target. This is because in 2016 and 2017 it always exceeds 100% and the level of effectiveness on the object of granting new rights is included in the very effective criteria because it exceeds 100%. Meanwhile, in 2015 it did not reach the target set because it only reached 93.47%.

Based on Table 3.7, it shows that the greatest level of effectiveness occurred in 2017, amounting to 169.23% with the total realization of IDR 761,543,825 from the target of IDR 450,000,000. 2016 reached 133.72% with total realization of Rp. 601,722,475 of the target of Rp. 450,000,000. Meanwhile, in 2015, the level of effectiveness achieved was 93.47% with total realization of IDR 467,342,880 of the target set of IDR 500,000,000.

Figure 3.7 shows a graph of the target and realization of Fees for Acquisition of Land and Building Rights in the object of granting new rights in Baubau City in 2015-2017.



Figure 3.7 Graph of Target and Realization of Granting New Rights for the City of Baubau in 2015-2017

Figure 3.7 shows the target and realization of the Acquisition Fee for Land and Building Rights on the object of granting new rights to the City of Baubau during 2015-2017. The realization of land and building rights acquisition fees for the object of granting new rights in 2015-2017 is always increasing. Meanwhile, the target set in 2016 has decreased from the previous year, this is because the realization in 2015 was unable to achieve the target set. The targets set in 2017 are the same as in 2016.

4. CONCLUSION

The effectiveness of Land and Building Tax in Rural and Urban Baubau City is included in the very effective criteria because it exceeds 100%, with a percentage of 116.62% in 2015 and 123.29% in 2016, while in 2017 it was 118.83%. The effectiveness of the receipt of fees for the acquisition of land and building rights in Baubau City is included in the very effective criteria because it exceeds 100%, with a percentage of 106.07% in 2015, 154.91% in 2016 and 441.48% in 2017.

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