

THE EFFECTIVENESS OF REGIONAL TAX COLLECTION AS A SOURCE OF ORIGINAL REGIONAL INCOME IN BUTON DISTRICT, SOUTHEAST SULAWESI

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ABSTRACT

Abstract The implementation of regional development is directed at spurring equitable development in order to optimally increase its potential with a large enough budget support. One of the efforts to increase Regional Original Income (PAD) is through taxes. Tax collection is a potential alternative to increase regional income, because taxes have a relatively stable amount of income. This study aims to analyze the effectiveness of local taxes in increasing local revenue in Buton Regency. This research was conducted at the Regional Tax and Retribution Management Agency of Buton Regency, Southeast Sulawesi. The object in this study is the report on the results of local tax revenues from 2016 to 2018. The data collection method is carried out in several ways, namely observation, documentation and interviews. The results of this study indicate that the local government collects taxes in several sectors, namely, restaurant tax, advertisement tax, street lighting tax, land and building tax, land and building land acquisition tax and parking tax. The total income of the Buton Regency area from the tax sector has increased from year to year.

Keyword: Tax, Local Income, Government

1. INTRODUCTION

Tax collection is a potential alternative to increase state revenue [1]–[3]. This is because taxes have a relatively stable amount. According to Siahaan, (2005) tax is a reflection of people's active participation in financing the implementation of government. The types of tax collection in Indonesia consist of state taxes (central tax), local taxes, local levies, customs and excise, and non-tax state revenues. One of the Regional Original Income (PAD) posts in the Regional Revenue and Expenditure Budget (APBD) is regional taxes.

According to Law number 28 of 2009 concerning Regional Taxes and Regional Levies, regional taxes are compulsory contributions made by individuals or entities to the regions without a balanced direct compensation, which can be enforced based on the prevailing laws and regulations.[5], [6]. The budget is used to finance local government administration. That the determination of targets to be achieved in the excavation of regional taxes and regional levies should be based on the potential of the region and taxpayers even though the target and realization appears to be an increase, so in this case the determination of targets for the Tax Management and Blood Charges Management Agency needs to re-explore the potential of regional taxes and The existing local levies thus in the budgeting process the targeted figures are even greater, while the contribution of regional tax revenues and levies to total Regional Original Revenue is known to be relatively small, so it is necessary to make efforts to increase local taxes and levies in accordance with the Law applicable.

Local government spending requires funds that are increasing from year to year. Regional government funding sources are generally divided into 3, namely, Original Regional Revenue, Balancing Fund, and other legitimate revenues [7]. Among the 3 legal sources of PAD according to law, local taxes and user charges occupy the highest proportion of contributions. This has prompted local governments to compete to develop new tax and levy objects. If this is not controlled, then this policy will cause various forms of distortion and negative impacts on regional economic growth.

The management of regional government budgets, which are not small in number, shows that until now there is still a phenomenon of the need for the role of the government in managing sources of regional income in supporting local revenue. Local taxes as a source of regional income can help carry out the activities of the Buton Regency government in building a better Buton.

2. METHOD

This research was conducted at the Regional Tax and Retribution Management Agency of Buton Regency, Southeast Sulawesi. The object in this study is the report on the results of local tax revenues from 2016 to 2018. The data collection method is carried out in several ways, namely observation, documentation and interviews.

1. The observation method is an observation that is made deliberately and systematically on an individual. Observations in this study were carried out by observing and recording directly the activities related to tax collection and the amount of revenue obtained by the Buton Regency in 2016-2018 at the Buton Regency Regional Tax and Retribution Management Agency.
2. Documentation method. The documents collected in this study are in the form of an evaluation report of the 2016-2018 local revenue receipt at the Buton Regency Regional Tax and Retribution Management Agency.
3. Interviews were conducted by asking directly to selected informants, namely competent parties who were considered capable of providing descriptions and information used to answer the problems in this study.[8]. In this study, interviews will be conducted with the Head of the Buton Regency Regional Tax and Retribution Management Agency and Reporting and Accounting Staff.

3. DISCUSSION

3.1 Effectiveness of Hotel Tax Collection

In terms of local tax revenue in the hotel tax sector, the local government of Buton Regency managed to collect hotel tax in 2016 of Rp. 490,000. This hotel tax revenue increased in 2017 to Rp. 6,000,000. The hotel tax revenue value decreased in 2018 to Rp. 3,420,000. This decrease was caused by the late payment of taxes by hotels in Buton Regency. However, it is hoped that this delay will not occur in the following years and the government must be ready to always monitor and supervise the tax collection process that occurs in the Buton Regency area.

In terms of hotel tax collection, the 2016 effectiveness ratio was 40.2%. This ratio value if adjusted with Kepmendagri No. 690,900,327 of 1996 regarding the effectiveness of regional revenue, then 40.27% are in the very ineffective criteria. This means that the Buton Regency government was only able to achieve less than 50% of local tax revenue from the hotel tax sector in 2006. This effectiveness ratio then increased in 2017 to 175.4%. This value is more than 100%, meaning that in 2017 the level of effectiveness of local tax collection from restaurant taxes is very effective. This ratio decreased in 2018 to 89%, which means it is quite effective.

3.2 Effectiveness of Restaurant Tax Collection

In terms of local tax revenue in the restaurant tax sector, the Buton Regency government managed to collect a restaurant tax in 2016 of Rp. 5,760,000. Meanwhile, the local government restaurant tax collection of Buton Regency in 2017 managed to collect restaurant tax of Rp. 11,070,000. This restaurant tax revenue decreased in 2018 to Rp. 10,200,000. This decrease in restaurant tax collection was due to the decline in restaurant or restaurant income turnover in 2018. However, this decrease can be said to be quite a bit compared to the previous year. It is expected that restaurant tax revenue can increase in the following years.

In terms of effectiveness of restaurant tax collection, the 2016 effectiveness ratio was 64%. This ratio value if adjusted with Kepmendagri No. 690,900,327 of 1996 concerning the effectiveness of regional revenue revenue, then 64% are in the ineffective criteria. The effectiveness ratio of the Buton Regency government restaurant tax collection in 2017 increased to 123%. A value of more than 100% means that in 2017 the level of effectiveness of collecting local taxes from hotel taxes is very effective. This ratio increased in 2018 to 123.3% which also means that the effectiveness of tax collection is very effective. The government can maintain this method of collecting restaurant taxes so that the ratio of effectiveness of restaurant tax collection can be sustained and if necessary increase in the next year.

3.3 Effectiveness of Advertising Tax Collection

In terms of bill collectors, the local government of Buton Regency managed to collect an advertisement tax in 2016 of Rp. 8,945,000. This advertisement tax revenue increased in 2017 to Rp. 9,016,000. This advertisement tax then increased dramatically in 2018 to Rp. 32,381,000. This increase was due to the fact that 2018 coincided with the period of democratic parties, namely the general election for the president, so that many of the central and regional legislative members used billboards for campaign advertisements.

In terms of the effectiveness of billboard tax collection, the 2016 effectiveness ratio was 111.81%. This ratio value if adjusted with Kepmendagri No. 690,900,327. In 1996 on the effectiveness of regional revenue revenue, 111.815% were in the very effective criteria. Buton Regency government advertisement tax collection effectiveness ratio in 2017 then increased to 129.7%. This value is more than 100%, meaning that in 2017 the effectiveness of the advertisement tax collection is also very effective. This ratio increased in 2018 to 465.9%, which also means that the effectiveness of tax collection is very effective. The government can maintain this advertisement tax collection method so that the effectiveness ratio of advertisement tax collection can last and, if necessary, increase in the next year.

3.4 Effectiveness of Information Tax Collection

In terms of collection of information tax, the local government of Kabuoaten Buton managed to collect an information tax in 2016 amounting to IDR 1,140,688,238. This street lighting tax revenue increased in 2017 when the government managed to collect a street lighting tax of Rp. 1,775,179,588. This street lighting tax then increased again in 2018 to Rp. 2,009,492,603. The increase in street lighting tax revenue could be due to the rapid increase and community gatherings or celebrations during the campaign period in 2018. Therefore, street lighting for the implementation of community group meetings increased in 2018.

In terms of effectiveness of information tax collection, the 2016 effectiveness ratio was 103.69%. This ratio value if adjusted with Kepmendagri No. 690,900,327. 1996 concerning the effectiveness of regional revenue revenue, then 103.69% are in the very effective criteria. The ratio of effectiveness of street lighting tax collection increased in 2017 to 147.9%. This value is more than 100%, meaning that in 2017 the level of effectiveness of collecting local taxes from street lighting taxes is also very effective. This ratio increased again in 2018 to 174.9%, which also means that the effectiveness of tax collection is very effective. The government can maintain the method of collecting the street lighting tax if it needs to increase in the next year.

3.5 Effectiveness of Land and Building Tax Collection

In terms of land and building tax collection, the local government of Buton Regency succeeded in collecting land and building tax in 2016 amounting to Rp. 300,067,204. This land and building tax revenue increased in 2017 to Rp. 604,835,905. Revenue from the land and building tax sector turned out to have decreased in 2018 to Rp. 427,963,101. This decrease was caused by the community's lack of responsiveness to the awareness of paying the building tax they occupy. Often people are late or forget to pay their building taxes. As a result, the amount of local tax revenue in Buton Regency from the land and building sector decreased in 2018.

In terms of the effectiveness of land and building tax collection, the 2016 effectiveness ratio is 75.01%. This ratio value if adjusted with Kepmendagri No. 690,900,327. In 1996 regarding the effectiveness of regional revenue revenue, 75.015% were in the ineffective criteria because they were between 70% - 79%. The ratio of effectiveness of land and building tax collection for the government of Buton Regency in 2017 increased to 120.8%. This value is more than 100%, meaning that in 2017 the effectiveness of local tax collection from the building tax is also very effective. This ratio decreased in 2018 to 85.4%, which means that the effectiveness of tax collection is less effective. Because there are no serious sanctions for the people if they are late in paying this PBB tax. The government also rarely socializes this tax payment so that people are also indifferent to the obligation to pay PBB tax. The government must immediately make efforts to increase awareness of paying for land and buildings on time for all people for the land and buildings they occupy so that the ratio of effectiveness of land and building tax collection increases in the following year.

3.6 Effectiveness of Collection of Tax on Acquisition of Rights on Land and Buildings

In terms of collection of land and building taxes, the local government of Buton Regency managed to collect tax on land and buildings in 2016 amounting to Rp. 32,788,045. The collection of tax on land and buildings in Buton

Regency in 2017 decreased to Rp. 31,195,000. Tax on land and building rights then increased dramatically in 2018 to Rp. 638,877,452.

In terms of the effectiveness of tax collection on land and buildings, the 2016 effectiveness ratio is 32.79%. This ratio value if adjusted with Kepmendagri NO. 690,900,327 of 1996 concerning the effectiveness of regional revenue revenue, then 32.79% are in the very ineffective criteria. This means that the Buton Regency government was only able to achieve less than 50% of local tax revenue from the land and building land tax sector in 2016. The ratio of effectiveness of tax collection on land and buildings of the Buton Regency government increased in 2017 by 62% even though it was not in the category. effective because it is between 60-69%. This ratio increased very sharply in 2018 to 1276%, which also means that the effectiveness of tax collection is very effective.

3.7 Effectiveness of Parking Tax Collection

In terms of collecting parking tax, the local government of Buton Regency managed to collect parking tax in 2016 amounting to IDR 431,862,000. Revenue in the parking tax sector decreased in 2017 to Rp 422,409,300. This parking tax then increased in 2018 to IDR 548,318,100. This increase was caused by the number of national activities or events held by the 2018 Buton Regency regional government such as sail activities, birthday activities of Buton Regency, and others so that many vehicles came and went in Buton Regency to watch and attend regional government activities. The result is that parking tax collection has increased in 2018. In terms of the effectiveness of parking tax collection, the 2016 effectiveness ratio is 172.74%. This ratio value if adjusted for Kepmendagri no. 690,900,327. In 1996 on the effectiveness of regional revenue revenue, 172.74% were in the very effective criteria because the ratio was more than 100%. The effectiveness ratio of the Buton Regency government parki tax collection increased in 2017 to 176.8%. This ratio then increased again in 2018 to 219.2%. The government can maintain this method of collecting parking tax, especially when the government holds major events involving all people in Buton Regency in particular, and people on Buton Island in general. So that the ratio of the effectiveness of this parking tax collection can last and if necessary increase in the following years. 74% are in the very effective criteria because the ratio is more than 100%. The effectiveness ratio of the Buton Regency government parki tax collection increased in 2017 to 176.8%. This ratio then increased again in 2018 to 219.2%. The government can maintain this method of collecting parking tax, especially when the government holds major events involving all people in Buton Regency in particular, and people on Buton Island in general. So that the ratio of the effectiveness of this parking tax collection can last and if necessary increase in the following years. 74% are in the very effective criteria because the ratio is more than 100%. The effectiveness ratio of the Buton Regency government parki tax collection increased in 2017 to 176.8%. This ratio then increased again in 2018 to 219.2%. The government can maintain this method of collecting parking tax, especially when the government holds major events involving all people in Buton Regency in particular, and people on Buton Island in general. So that the ratio of the effectiveness of this parking tax collection can last and if necessary increase in the following years. The government can maintain this method of collecting parking tax, especially when the government holds major events involving all people in Buton Regency in particular, and people on Buton Island in general. So that the ratio of the effectiveness of this parking tax collection can last and if necessary increase in the following years. The government can maintain this method of collecting parking tax, especially when the government holds major events involving all people in Buton Regency in particular, and people on Buton Island in general. So that the ratio of the effectiveness of this parking tax collection can last and if necessary increase in the following years. The government can maintain this method of collecting parking tax, especially when the government holds major events involving all people in Buton Regency in particular, and people on Buton Island in general. So that the ratio of the effectiveness of this parking tax collection can last and if necessary increase in the following years.

4. CONCLUSION

Dareh tax collection is one of the original regional revenues that has contributed a lot to the area which consists of 7 types of taxes, namely hotel tax from 2016 amounting to Rp. 1,490,000, in 2017 amounting to Rp. 6,000,000 and in 2018 it experienced a decrease of Rp. 3,420,000. restaurant tax collection in 2016 amounting to Rp. 5,760,000, in 2017 only Rp. 11,070,000. and in 2018 it has decreased, namely Rp. 10,200,000. advertisement tax collection in 2016 amounting to Rp. 9,945,000, in 2017 amounting to Rp. 9,016,000 and in 2018 to Rp. 32,381,000. Street lighting tax collection in 2016 was Rp. 1,140,688,238, in 2017 amounted to 1,775,179,588 and in 2018 it increased to Rp. 2,099,492,603. Land and building tax collection in 2016 was Rp. 300,067,204, in 2017 amounting to Rp. 604,835,905 and in 2018 there was a decrease of Rp. 427,963,101. The collection of tax on land and buildings in Buton Regency in 2016 was Rp. 32,788,045, in 2017 amounting to Rp. 31,195,000 and in 2018 it increased to Rp. 638,877,452. parking tax collection in 2016 was Rp. 431,862,600, in 2017 amounting to Rp. 422,409,300 and in 2018 it increased to Rp. 548,318,100. 300 and in 2018 it increased to Rp. 548,318,100.

Total local tax collection in 2016 amounted to Rp. 1,935,982,087, in 2017 amounting to Rp. 2,872,896,793 and in 2018 it reached 3,760,652,256. The increase in regional tax revenue was supported by increased revenue in

several sectors of regional taxes, for example, advertisement tax, street lighting tax, land and building land acquisition tax and parking tax.

In 2016, the total local revenue of Buton Regency was Rp. 18,479,497,424, in 2017 amounting to Rp. 21,753,385,149 and increased in 2018 to be 21,848,926,722. as well as total local tax revenue, the local revenue of Buton Regency has also increased from year to year during 2016 to 2018.

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