

Analysis of the contribution of levies, local taxes and independence to South Buru Regency's original regional income (PAD) in 2019-2022

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ABSTRACT

This study aims to determine the contribution of levies, local taxes, and self-reliance to local revenue (PAD). This study uses quantitative data types, while data sources use secondary data with documentation data collection techniques while data analysis techniques use quantitative descriptive. Based on the results of the study it was concluded that the contribution of regional levies shows that the condition is still lacking, this is due to the lack of availability of public facilities, for regional tax contributions it also experiences unstable conditions where the lack of firmness of the South Buru regional government towards the community in the obligation to pay taxes, while for financial independence the area of south buru is still very low because the south buru district government is still lacking in maximizing levies or retribution and regional taxes to increase PAD. So that in this case the government of South Buru Regency increases the regional original income (PAD) through levies and taxes, thereby increasing regional independence.

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1. INTRODUCTION

The success of Regional Autonomy is very dependent on regional potential and adequate funding sources. One source of funding for regional needs can be obtained by maximizing the income from regional taxes and levies which in the end is expected to improve community welfare. According to data (BPS, 2020: APBD) (Realization of Revenue from Regency/City Governments Throughout Indonesia) regional income originating from regional taxes only contributes around 8.22%, while the contribution of regional levies to original regional revenue is around 1.2% of total regional revenue. The disparity in the contribution of regional taxes and regional levies to original regional income shows the weakness of regional financial management in maximizing its regional potential.

Therefore, regional taxes are the main potential for regional governments to finance all government activities and regional development in South Buru Regency by exploring, managing and maximizing the potential of existing resources so as to increase the productivity of Regional Original Income (PAD). These efforts were made to reduce regional government fiscal dependence on the central government and encourage regional government revenues in terms of increasing local original income (PAD). The issuance of this Law is an effort to ensure that regional governments are

able to optimize the sources of revenue collected in order to finance routine expenditure and regional government development.

The most dominant regional original income (PAD) through regional taxes in South Buru Regency is the Tax on Non-Metal Mineral Materials. What is meant by tax on Non-Metal Mineral Materials is the activity of extracting Non-Logan Minerals either from natural sources within or on the surface of the Earth for use. South Buru Regency's non-metallic mineral tax objects include sand, limestone and gravel. Then the Regional Original Income (PAD) from regional levies is the most dominant market service levy, which is classified as a general service levy, namely traditional market facility services for all forms of trading activities in a market environment managed by the government. The object of market service levies is in the form of equipment, booths, kiosks provided specifically for traders.

Regional levies and taxes are a form of community participation in implementing regional autonomy. Regional levies and taxes are an important source of income to finance government administration and government development. Until now, the regional revenue potential in South Buru Regency has not yet been explored due to a lack of regional sensitivity in finding regional advantages and potential, relatively low taxpayer compliance and awareness and a lack of availability of government goods/services for levy collection, weak legal systems and revenue administration. regions, weakness of the apparatus, as well as bureaucratic concerns about failure in implementing its programs.

Then, based on this data, it can also be seen that the regional levy that was realized in 2019 was IDR. 3.06 billion. In 2020, realized regional levies increased by IDR. 3.32 billion. And in 2021, realized regional levies will decrease by IDR. 3.22 billion, and in 2022 the realized regional levies will increase by IDR. 4.01 billion. This means that regional levies for 2019-2022 tend to fluctuate. From this data it can also be seen that the realization of balancing funds in 2019 amounted to Rp. 587.93 billion, for 2020 the realized balancing funds decreased by Rp. 516.53 billion, then in 2021 the realized balancing funds will increase by IDR. 666.53 billion, while in 2022 the realized balancing funds will again decrease by Rp. 534.33 billion. This means that in this case regional balancing funds from 2019-2022 tend to fluctuate by the largest amount compared to other sources of funds.

2. METHOD

The type of research used is quantitative descriptive research, namely research conducted to determine the value of independent variables, either one or more variables (independent) without making comparisons or connecting them with other variables (Sugiyono, 2012: 13). The object of this research is located in South Buru Regency. The research carried out is regarding the Analysis of the Contribution of Regional Levies and Taxes in South Buru Regency for 2019-2022. The research time required is 2 months starting from data collection to the results of data analysis. The data used in this research is secondary data. Secondary data in this research is the Realization of Regional Revenue and Expenditure Budgets for 2019-2022. This data was taken from the Regional Finance Service of South Buru Regency. The technique used in collecting research data was Documentation, namely the author carried out document analysis in the form of Realization of Regional Revenue and Expenditure Budgets and Subsequently according to needs. The data analysis technique used in this research is descriptive quantitative, namely the researcher will describe the data obtained in the field, then with these data an analysis will be carried out regarding the extent of the contribution of regional levies and taxes in an effort to control regional independence itself. The data is in the form of levy, tax and independence data which has been processed from the South Buru Regency Regional Revenue Agency.

3. RESULTS AND DISCUSSION

Results

In the research, the author uses the Quantitative Descriptive method, namely describing the data obtained in the field, then with these data an analysis will be carried out regarding the extent of the contribution of levies, regional taxes and independence to the Regional Original Income (PAD) itself.

The following are the results of the analysis of the contribution of levies, regional taxes and regional financial independence in South Buru Regency.

3.1. Regional Levy Contribution for 2019-2022

Levy is an indicator of increasing local original income (PAD), which basically means the government provides certain goods and services, so the government requires the implementation of price or tariff policies. Then the regional levy contribution is a contribution or contribution to regional levies as payment for services or permits provided by the regional government to find out how much regional levy revenue the region generates. The following are the results of the analysis of regional levies for 2019-2022.

Table 3.1 Regional Levy Results 2019-2022

Regional levies for 2019-2022					
NO	Year	Realization of Regional Levy	PAD	Regional Levy	%
1	2019	3,064,014,463	16,092,629,886	0.190398616	19.03%
2	2020	3,325,647,657	20,127,402,571	0.165229847	16.52%
3	2021	3,220,185,645	21,670,283,630	0.148599146	14.85%
4	2022	4,012,130,625	18,882,962,973	0.212473574	21.24%

Based on table 3.1 above, it shows that in 2019 regional levies were 19.03% and in 2020 they decreased by 16.52%, then in 2021 regional levies also decreased, namely by 14.85%, which was caused by Covid 19 which impact on levies for market facility services caused by government policy to limit activities and interactions between communities in all fields, including an impact on market activities resulting in a decrease in the use of traditional/simple market facilities during the Covid 19 pandemic. And for 2022 regional levies will experience an increase of 21.24% because Covid-19 had ended so that economic activity growth began to increase.

3.2. Regional Tax Contribution 2019-2022

Tax is a transfer of wealth from the people to the State Treasury to finance routine expenditure and is the main source for financing general expenditure. Then the regional tax contribution is a contribution or contribution that the public must pay to the State which can be enforced through statutory regulations without feeling any direct reward to find out how much regional tax revenue is generated. The following are the results of the regional tax analysis for 2019-2022.

Table 3.2 Regional Tax Results 2019-2022

Regional taxes 2019-2022					
NO	Year	Realization of Regional Taxes	PAD	Local tax	%
1	2019	3,489,875,558	16,092,629,886	0.21686173	21.68%
2	2020	2,820,336,994	20,127,402,571	0.14012424	14.01%
3	2021	4,065,922,356	21,670,283,630	0.187626633	18.76%
4	2022	8,796,577,622	18,882,962,973	0.465847316	46.58%

Based on table 3.2 above, it shows that in 2019 regional taxes were 21.68% and in 2020 there was a decrease of 14.01% which was caused by the public's lack of awareness of tax obligations for the acquisition of land and building rights. then in 2021 regional taxes increased by 18.76%, and in 2022 regional taxes also increased by 46.58% because taxes on non-metallic minerals and rocks increased.

3.3. Regional Financial Independence 2019-2022

Regional financial independence is an important indicator to measure the extent of the regional government's ability to manage income and expenditure to finance its own government activities for services and development to the community who have paid levies and taxes to improve the welfare

and prosperity of the people. The following are the results of the analysis of regional financial independence for 2019-2022.

Table 3.3.Regional Financial Independence Results 2019-2022

Regional financial independence 2019-2022					
NO	Year	Realization PAD	Total Regional Income	Regional Financial Independence	%
1	2019	16,092,629,886	711.012.421.983	0.022633402	2.26%
2	2020	20,127,402,571	649.936.435.171	0.030968263	3.09%
3	2021	21,670,283,630	727.691.870.366	0.029779477	2.97%
4	2022	18,882,962,973	641.418.118.954	0.029439398	2.94%

Based on table 3.3 above, it shows that in 2019 regional financial independence was 2.26% and in 2020 it increased by 3.09%, then in 2021 regional financial independence again decreased, namely by 2.97%, and for 2022 Regional financial independence also decreased by 2.94%. This fluctuating situation is caused by the regional government's lack of ability to manage regional original income (PAD) through levies and regional taxes. Therefore, special attention is needed in utilizing the surplus value owned by the region to increase regional financial capacity in order to achieve an independent autonomous region.

Discussion

Discussion of South Buru Regency Levy Results for 2019-2022

Based on the research results in table 4.1 above regarding regional levies, it shows that in 2019 there were 19.03% of the levies that had to be paid by users of facilities provided by the South Buru Regency government. This shows that regional levies in 2019 experienced poor conditions according to the levy assessment criteria (according to Tri Widodo, namely 10.10% -20%) this is due to the lack of realization of the South Buru government's service policy to the public resulting in a lack of levies or donations or granting permits that have been provided by the regional government, and in 2020 levies decreased by 16 This .52% shows that regional levies in 2020 also experienced poor conditions according to the levy assessment criteria (according to Tri Widodo, namely 10.10% - 20%), and in 2021 regional levies also experienced a decrease, namely 14.85%. shows that regional levies in 2021 also experience poor conditions according to the levy assessment criteria (according to Tri Widodo, namely 10.10% - 20%). The decline that occurred in 2020-2021 was caused by a lack of realization of the South Buru government's service policy to the public so that there was a lack of levying fees or donations or granting permits that had been provided by the regional government and was caused by government policies that made regulations during the Covid-19 pandemic where the public was restricted. so that people do not use the public facilities provided by the government. Then in 2022 regional levies will increase by 21.24%, which illustrates that the levies that must be paid by facility users in the South Buru Regency government will increase because the Covid pandemic has ended and all community activities have returned to the way they were before the Covid-19 pandemic. collection of fees or donations or granting permits that have been provided by the regional government, and this shows that regional levies in 2022 are also experiencing moderate conditions according to the levy assessment criteria (according to Tri Widodo, namely 20.10% - 30%).

Discussion of South Buru District Regional Tax Results for 2019-2022

Based on the research results in table 4.2 regarding the regional taxes of South Buru Regency in 2019, it was 21.68% of the local taxes of the South Buru Regency government. This shows that regional taxes in 2019 also experienced moderate conditions according to the tax assessment criteria (according to Tri Widodo, namely 20.10% - 30%) this had a quite good impact on the government revenue of South Buru Regency, namely the ability of the district government to manage every tax collected, and in 2020 there was a decrease of 14.01%, this shows that regional taxes in 2020 experienced poor conditions according to the tax assessment criteria (according to Tri Widodo,

namely 10.10% - 20%) regional taxes of the Buru district government south, this has an unfavorable impact on the revenue of the south buru district government, namely that the district government is unable to manage every tax collected and the public is less aware of the obligation to pay taxes. For 2021 there has been another increase, namely 18.76% and this shows that regional taxes in 2021 are also experiencing poor conditions according to the tax assessment criteria (according to Tri Widodo, namely 10.10% - 20%) of regional taxes for the South Buru Regency government. This also has an impact on the revenue of the South Buru Regency government, namely the ability of the district government to manage every tax collected. The decline that occurred in 2020-2021 was caused by the government's lack of firmness in collecting taxes and the government's lack of awareness in making people aware of the obligation to pay taxes and was caused by government policies that made regulations during the Covid-19 pandemic where people were limited, making people's income less, thus creating awareness. people have to pay less taxes. For 2022, regional taxes have increased, namely by 46.58%. This shows that regional taxes in 2022 will also experience good conditions according to the tax assessment criteria (according to Tri Widodo, namely 40.10% - 50%) taxes. South Buru Regency Government Area. This had a very good impact on the revenue of the South Buru Regency government, namely that the district government's ability to manage every tax collected was very good, and in that year the Covid-19 pandemic had ended so that public awareness in that year began to experience an increase in paying taxes.

Discussion of Regional Financial Independence Results for 2019-2022

Based on the research results in table 4.3 above, it shows that in 2019 regional financial independence was 2.26%. This shows that in 2019 the regional financial independence of South Buru Regency experienced a very low condition with the criteria value being 0 - 25% according to the assessment criteria (UGM, 1991) and this shows that the ability of regional governments to finance their own government activities, development and services to the community who have paid taxes and levies as a source of income required by the region is still categorized as very low in 2019. In 2020 there was an increase in regional financial independence by 3 .09% but this still shows that in 2020 the financial independence of the South Buru Regency region is also experiencing a very low condition with the criteria value being 0 - 25% according to the assessment criteria (UGM, 1991) and this indicates that the regional government's ability to finance its own government activities , development and services to the community who have paid taxes and levies as a source of income needed by the region are also still categorized as very low in 2020. Then in 2021 the level of regional financial independence in financing government activities decreased by 2.97% and this again shows that in 2021 the financial independence of the South Buru Regency region will experience a very low condition with the criteria value being 0 - 25% according to the assessment criteria (UGM, 1991) and this indicates that the regional government's ability to finance its own government activities, development and services to the community has been reduced. paying taxes and levies as a source of income needed by the region is still categorized as very low in 2021. And in 2022 it also experienced a decline, namely by 2.94%, this shows that in 2022 the financial independence of the South Buru Regency region will again experience very high conditions. low with the criteria value being 0 - 25% according to the assessment criteria (UGM, 1991) and this shows that the ability of regional governments to finance their own government activities, development and services to the community who have paid taxes and levies as a source of income needed by the region is also still categorized as very low in 2022.

4. CONCLUSION

Based on the results of the research and discussion that have been described, it can be concluded as follows, Contribution of regional levies is still lacking because the South Buru regional government does not expand public facilities for the community so that it can increase levy contributions. Contribution of regional taxes is also experiencing an unstable condition where there is a lack of firmness in the regional government. South Buru towards the community in their obligation to pay taxes. The financial independence of the South Buru region is still very low because the South Buru Regency government is still not maximizing the levies or contributions from local levies and taxes to increase PAD.

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