

ANALYSIS OF THE EFFECTIVENESS OF REGIONAL TAXES AND RETRIBUTIONS AND THEIR CONTRIBUTION TO REGIONAL ORIGINAL INCOME IN THE WEST PART OF SERAM DISTRICT

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ABSTRAK

The aim of this research is to determine the level of effectiveness of regional taxes and levies and their contribution to local original income in West Seram Regency. This research is descriptive qualitative in nature where the object studied is the effectiveness and contribution of regional tax revenues and their contribution to local original income in West Seram Regency. The research was carried out by means of descriptive comparative analysis. The results of the analysis show that the level of effectiveness of Regional Taxes and Regional Levies in West Seram Regency is effective for Regional Taxes and not effective for Regional Levies. In addition, the contribution of Regional Taxes and Levies to the Original Regional Income of West Seram Regency for the 2015 to Fiscal Year. 2019 is categorized as moderate for Regional Taxes, and very low for Regional Levies. This condition is caused by the lack of effectiveness in collecting regional taxes and levies carried out by the West Seram Regency Government. Apart from that, the implementation of revenue targets is still small and inconsistent from year to year.

Keyword: *Pendapatan Asli Daerah, Pajak Daerah, Retribusi Daerah, APBD, Kontribusi Pajak*

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INTRODUCTION

In carrying out government activities and carrying out their main tasks and functions, Regional Governments need sources of income that can be used to finance all regional needs. Without a reliable source of income, the running of government activities can be disrupted or not optimal. Therefore, regional governments must try to explore the potential for local original income, both regional taxes and regional levies, so that they are not completely dependent on the Balancing Fund from the Central Government.

Based on general observations and data from the Financial Report of the Regional Government of West Seram Regency, it shows that financial management, especially in the collection of Regional Taxes and Retributions and their contribution to Original Regional Income, is still not effective enough. The Financial Report of the Regional Government of West Seram Regency, presents the value of regional income, local original income, and income from taxes on non-metallic minerals and rocks as follows.

Table 1 Details of District Regional Income. Western Seram
(in rupiah)

No	Fiscal Year	Realization of Regional	Income Regional	Original Income	Regional Taxes Regional Levy
1	2015	772.734.577.643,85	28.126.952.337,20	2.169.252.338,00	992.740.591,30
2	2016	886.169.442.008,59	25.988.089.630,80	5.012.123.328,50	615.005.506,00
3	2017	941.306.675.349,02	18.864.607.656,54	3.034.040.605,00	508.316.475,00
4	2018	1.046.586.713.375,18	23.246.718.525,24	6.409.438.637,37	1.103.076.369,00
5	2019	1.066.745.880.649,36	28.635.819.084,80	7.817.833.381,00	2.108.589.800,00

From the table above it can be seen that the development of regional income, original regional income, regional taxes and regional levies in West Seram Regency still fluctuates from year to year. For example, in the 2016 budget year there was an increase in regional tax revenue, however in the 2017 budget year there was a significant decrease. Apart from inconsistent income realization, the value of regional tax revenues and regional levies during the 2015 to 2015 budget year. 2019 also still fluctuates regarding the budget or revenue targets set by the regional government. Details of the income budget and its realization can be seen in the following table.

**Table 1 Details of District Regional Income. Western Seram
(in rupiah)**

No	Fiscal year	Regional Tax Budget	Local tax	Regional Levy Budget	Regional Levy
1	2015	1.957.796.033,00	2.169.252.338,00	612.140.428,00	992.740.591,30
2	2016	3.610.400.000,00	5.012.123.328,50	1.207.532.553,00	615.005.506,00
3	2017	6.084.465.200,00	3.034.040.605,00	7.627.124.077,00	508.316.475,00
4	2018	4.993.812.200,00	6.409.438.637,37	7.708.777.077,00	1.103.076.369,00
5	2019	4.706.950.413,00	7.817.833.381,00	4.808.500.000,00	2.108.589.800,00

From the table above it can be seen that the realization of regional tax revenues in 2017 still did not reach the predetermined target. Then for regional levies during the 2016 to 2016 budget year. 2019 did not reach the predetermined revenue target.

The management and collection of regional taxes and levies must be managed effectively so that they can achieve predetermined targets and make a significant contribution to increasing local revenue.

Effectiveness is the success or failure of an organization in achieving its goals. According to Halim (2004) the effectiveness of regional taxes and regional levies shows the ability of regional governments to collect regional taxes and regional levies in accordance with the targeted amount of tax and levy revenue.

Puspitasari in his research entitled Effectiveness, Efficiency and Contribution of Regional Taxes and Regional Levies to the Increase in PAD of Blora Regency for 2009-2013 stated that measuring the effectiveness and efficiency of regional taxes and regional levies is very important to see whether there is an improvement in the management of regional taxes and regional levies. . Regional taxes and regional levies are interesting things to research because regional taxes and regional levies are an important source of regional income to finance regional administration and regional development to establish Regional Autonomy. Therefore, it is necessary to analyze the effectiveness and efficiency of regional tax and levy revenues, then how big their contribution is to Original Regional Income.

Based on the background of the problem above, we can conclude that the problem is:

"What is the effectiveness of regional taxes and levies and their contribution to original regional income in West Seram Regency for the 2014 to 2014 Fiscal Year? 2019". The

purpose of this research is "to determine the level of effectiveness of regional taxes and levies and their contribution to original regional income in West Seram Regency for the 2014 to 2014 Fiscal Year. 2019"

LITERATURE REVIEW

Regional Income

Regional income is all regional rights that are recognized as adding to the value of net assets in the relevant fiscal year period. Based on the Law on Regional Government Number 23 of 2014 concerning Regional Government, regional income sources can be divided into 2 groups, namely:

1. Regional Original Income (PAD);
 - a. Local tax;
 - b. Regional Levy;
 - c. Results of separate regional wealth management; And
 - d. Other legitimate regional original income
2. Transfer Income;
 - a. Central Government Transfers;
 - 1) Balancing Fund;
 - 2) Special Autonomy Fund;
 - 3) Special Fund; And
 - 4) Village Funds.
 - b. Inter-Regional Transfer;
 - 1) Profit sharing income;
 - 2) Financial assistance.
 3. Other legitimate regional income.

Regional Taxes and Levies are one of the supporting components of regional original income so that their collection must be carried out effectively and receive more attention by the Regional Government.

In West Seram Regency, tax collection has been regulated through the Regional Regulation of West Seram Regency Number 05 of 2013 concerning Regional Taxes.

These Regional Regulations are the basis for Regional Governments in carrying out Regional Tax collection activities. Meanwhile, collection of regional levies in West Seram Regency is based on:

1. Regional Regulation Number 04 of 2014 concerning Public Service Levy;
2. Regional Regulation Number 05 of 2014 concerning Business Services Levy;
3. Regional Regulation Number 06 of 2014 concerning Certain Licensing.

Local tax

Taxes, according to P.J.A. Adriani is "a public contribution to the state (which can be enforced) which is owed by those who are obliged to pay it according to general regulations (law) with no return which can be directly appointed and whose purpose is to finance general expenses related to the state's duty to administering the government."

Based on Law Number 28 of 2009 concerning Regional Taxes and Regional Retributions, Regional Tax is a mandatory contribution to the region that is owed by an individual or body that is coercive based on the Law, with no direct compensation and is used for regional needs for the greatest prosperity of the people.

Based on the type, regional taxes (dhi. Regency/City) consist of various types/objects of tax, namely:

1. Hotel Tax;
2. Restaurant Tax;
3. Entertainment Tax;
4. Advertisement Tax;
5. Street Lighting Tax;
6. Tax on Non-Metal Minerals and Rocks;
7. Parking Tax;
8. Groundwater Tax;
9. Swallow's Nest Tax;
10. Rural and Urban Land and Building Tax; And
11. Fees for Acquisition of Land and Building Rights.

Regional Levy

Regional levies are regional levies as payment for certain services or permits which are specifically provided and/or granted by the Regional Government for the benefit of individuals or entities.

Regional levies are divided into 3 (three) types, namely:

1. General Services Levy;

Is a levy imposed on services provided or provided by the Regional Government for the purposes of public interest and benefit and can be enjoyed by individuals or entities.

2. Business Services Levy;

It is a levy imposed on services provided by the Regional Government by adhering to commercial principles because basically they can be provided by the private sector.

3. Certain Licensing Levy.

Is a levy imposed on the granting of permits to individuals or entities which are intended for the guidance, regulation, control and supervision of activities, use of space, and use of natural resources, goods, infrastructure, facilities or certain facilities in order to protect the public interest and preserve the environment.

METHOD

Data and Data Sources

In this writing, the data comes from the Financial Report of the Regional Government of West Seram Regency for the Fiscal Year (audited). The period used is the last 5 (five) years, namely Fiscal Year 2015 to 2015. 2019 with the following data:

1. Budget and Realization of Original Regional Income FY 2015 to 2015 2019;
2. Budget and Realization of Regional Tax Revenue for FY 2015 to 2015 2019; And
3. Budget and Realization of Regional Retribution Revenue for FY 2015 to 2019.

Analysis Method

The method used in this research is quantitative descriptive by presenting target/budget data for regional tax and levy revenues, realized regional tax and levy revenues, as well as total regional original income from the 2015 to 2015 budget year. 2019.

Analysis of Regional Tax Effectiveness

The effectiveness of Regional Taxes is measured based on a comparison of the realization of Regional Tax revenues with the target regional tax revenues using the following formula.

$$\text{Regional Tax Effectiveness} = \frac{\text{Realization of Regional Tax Revenue} \times 100\%}{\text{Target Regional Tax Revenue}}$$

The criteria used to assess effectiveness are as follows.

Table 3 Criteria for Regional Tax Effectiveness

Persentase	Kriteria
Diatas 100%	Sangat Efektif
90%-100%	Efektif
80%-90%	Cukup Efektif
60%-80%	Kurang Efektif
Kurang dari 60%	Tidak Efektif

Source: Minister of Home Affairs Decree No. 690,900,327 of 2006

Analysis of the Effectiveness of Regional Levies

The effectiveness of Regional Retribution is measured based on a comparison of the realization of Regional Retribution income with the regional tax revenue target using the following formula.

$$\text{Effectiveness of Regional Levy} = \frac{\text{Realization of Regional Levy Revenue} \times 100\%}{\text{Regional Levy Revenue Target}}$$

The criteria used to assess effectiveness are as follows.

Table 4 Criteria for the Effectiveness of Regional Retributions

Persentase	Kriteria
Diatas 100%	Sangat Efektif
90%-100%	Efektif
80%-90%	Cukup Efektif
60%-80%	Kurang Efektif
Kurang dari 60%	Tidak Efektif

Analysis of Regional Tax Contribution to Original Regional Income

This analysis is used to find out how big the role/contribution of regional taxes is to Original Regional Income. The formula used is:

$$\text{Regional Tax Contribution} = \frac{\text{Realized Regional Tax Revenue}}{\text{Realization of Regional Original Income}} \times 100\%$$

Realization of Regional Original Income

The criteria used in assessing the contribution of Regional Tax to Original Regional Income are as follows.

Table 5 Criteria for Regional Tax Contribution

Persentase	Kriteria
0% - 10%	Sangat Kurang
10% - 20%	Kurang
20%-30%	Sedang
30% - 40%	Cukup Baik
40% - 50%	Baik
Diatas 50%	Sangat Baik

Analysis of the Contribution of Regional Levies to Original Regional Income

This analysis is used to find out how big the role/contribution of regional levies is to Original Regional Income. The formula used is:

$$\text{Regional Levy Contribution} = \frac{\text{Realized Regional Levy Revenue}}{\text{Realization of Regional Original Income}} \times 100\%$$

Realization of Regional Original Income

The criteria used in assessing the contribution of Regional Levies to Original Regional Income are as follows.

Table 6 Criteria for Regional Levy Contribution

Persentase	Kriteria
0% - 10%	Sangat Kurang
10% - 20%	Kurang
20%-30%	Sedang
30% - 40%	Cukup Baik
40% - 50%	Baik
Diatas 50%	Sangat Baik

Source: Minister of Home Affairs Decree No. 690,900,327 of 2006

RESULTS AND DISCUSSION

1. Analysis of the Effectiveness of Regional Taxes in West Seram Regency for Fiscal Year 2015 to 2019

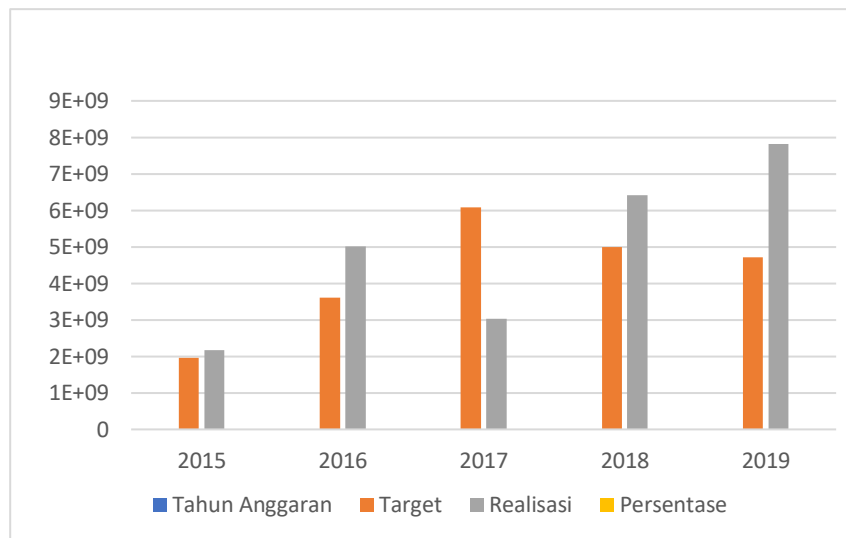
The results of calculating the effectiveness of Regional Taxes in West Seram Regency during the 2015 to Fiscal Year. 2019 showed an average result that was very effective except for the 2017 Fiscal Year which showed an ineffective effectiveness value. Detailed data on calculating the effectiveness of regional taxes can be seen in the following table.

**Table 7 Calculation of Regional Tax Effectiveness
(in rupiah)**

No	Fiscal year	Target	Realization	Percentage	Criteria
1	2015	1.957.796.033,00	2.169.252.338,00	110,80%	Very effective
2	2016	3.610.400.000,00	5.012.123.328,50	138,82%	Very effective
3	2017	6.084.465.200,00	3.034.040.605,00	49,87%	Ineffective
4	2018	4.993.812.200,00	6.409.438.637,37	128,35%	Very effective
5	2019	4.706.950.413,00	7.817.833.381,00	166,09%	Very effective

From the table above, it can be seen that the highest regional tax effectiveness value was in the 2019 Fiscal Year with an effectiveness value of 166.09%. Meanwhile, the lowest effectiveness value was in the 2017 Fiscal Year with an effectiveness value of 49.87%. The effectiveness value in 2017 was not effective because the realization of tax revenue of IDR 3,034,040,605.00 could not meet the revenue target set by the Regional Government of IDR 6,084,465,200.00.

Based on the data above, the target value and realization of regional tax revenue in West Seram Regency shows a positive upward trend and meets the targets set by the Regional Government. The tax revenue trend can be seen in the following graph.



2. Analysis of the Effectiveness of Regional Retributions in West Seram Regency for Fiscal Year 2015 to 2019

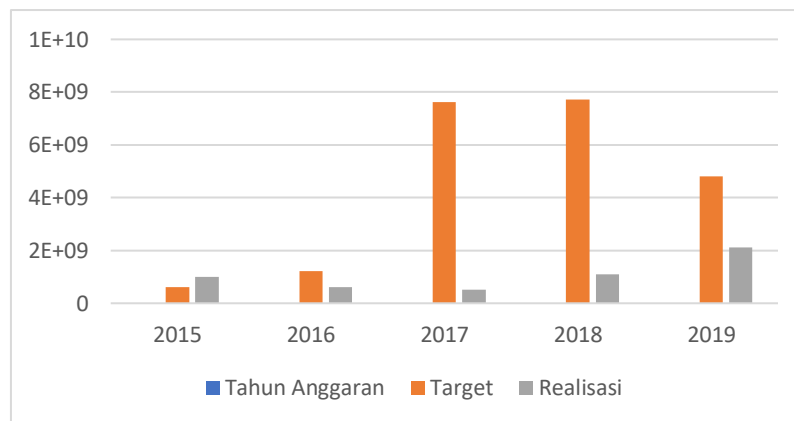
The results of calculating the effectiveness of Regional Retributions in West Seram Regency during the 2015 to Fiscal Year. 2019 showed an average of ineffective results except for Fiscal Year 2015 which showed a very effective effectiveness value. Detailed data on calculating the effectiveness of regional levies can be seen in the following table.

Table 8 Calculation of the Effectiveness of Regional Retributions (in rupiah)

No	Fiscal year	Target	Realisasi	Persentase	Criteria
1	2015	612.140.428,00	992.740.591,30	162,18%	Very effective
2	2016	1.207.532.553,00	615.005.506,00	50,93%	Ineffective
3	2017	7.627.124.077,00	508.316.475,00	6,66%	Ineffective
4	2018	7.708.777.077,00	1.103.076.369,00	14,31%	Ineffective
5	2019	4.808.500.000,00	2.108.589.800,00	43,85%	Ineffective

Based on the table above, it is known that the highest effectiveness value was in the 2015 Fiscal Year with an effectiveness value of 162.18%. The lowest effectiveness value was in the 2017 Fiscal Year with an effectiveness value of 6.66%.

In general, the value of regional levy income in West Seram Regency shows an inconsistent trend. There was a decrease in the realization of income in the 2016 and 2017 Fiscal Years, however there was an increase in the realization of income in the 2018 and 2019 Fiscal Years. In addition, during the last 5 Fiscal Years, apart from the 2015 Fiscal Year, the realized value of regional levy income has never reached the predetermined target. by the Regional Government. The complete trend of regional levy income in West Seram Regency can be seen in the following graph.



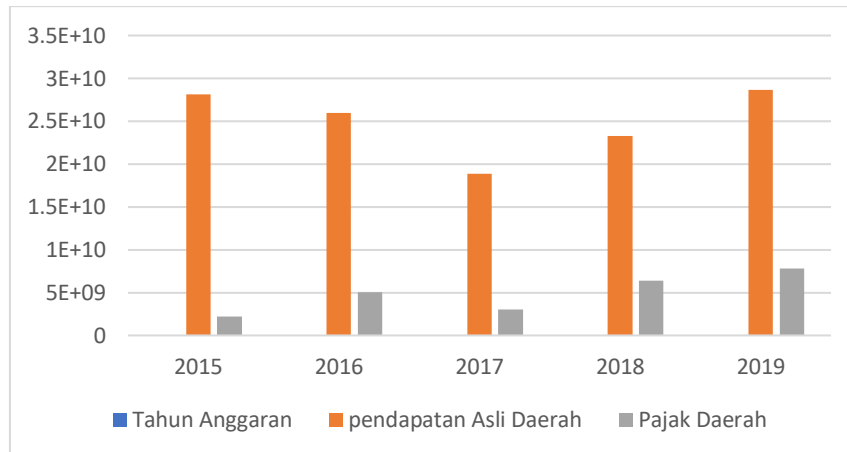
3. Analysis of the Contribution of Regional Taxes to Original Regional Income in West Seram Regency for Fiscal Years 2015 to 2019

The results of the calculation of the contribution of regional tax revenue to local original income show that the largest contribution of Regional Tax was obtained in the 2018 Fiscal Year with a value of 27.57%. Meanwhile, the lowest contribution was in the 2015 Fiscal Year with a value of 7.71%. Details of the contribution value can be seen in the table below.

Table 9 Contribution of Regional Taxes to Original Regional Income (in rupiah)

No	Fiscal year	locally-generated revenue	Local tax	Persentase	Criteria
1	2015	28.126.952.337,20	2.169.252.338,00	7,71%	Very less
2	2016	25.988.089.630,80	5.012.123.328,50	19,29%	Not enough
3	2017	18.864.607.656,54	3.034.040.605,00	16,08%	Not enough
4	2018	23.246.718.525,24	6.409.438.637,37	27,57%	Currently
5	2019	28.635.819.084,80	7.817.833.381,00	27,30%	Currently

From the table above it can be seen that there has been a relative increase in the contribution of regional taxes to local original income from year to year with an increasing trend that can be seen in the following graph.



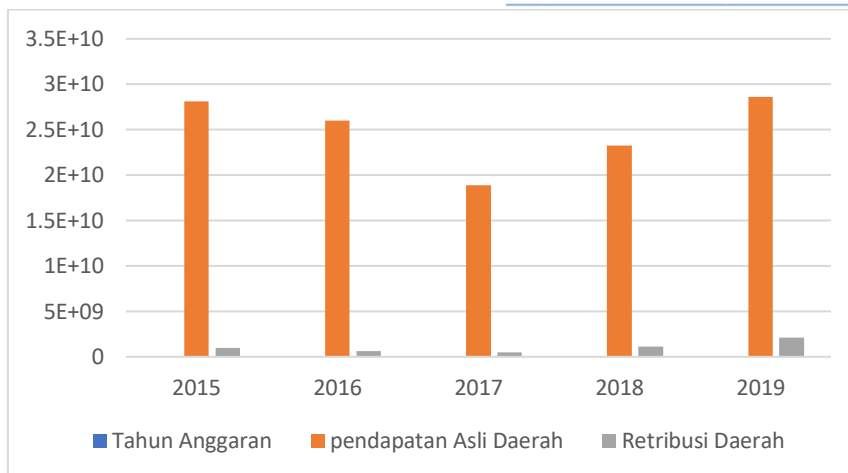
4. Analysis of the Contribution of Regional Levies to Original Regional Income in West Seram Regency for Fiscal Year 2015 to 2019

From the calculation results, it is known that in general the contribution of regional levies to original regional income in the District. Western Seram is said to be very lacking. The largest contribution occurred in the 2019 budget year with a value of 7.36%, and the lowest contribution occurred in 2016 with a value of 2.37%. Details of the contribution of regional levies to regional original income can be seen in the following table.

Table 10 Contribution of Regional Taxes to Original Regional Income (in rupiah)

No	Fiscal year	locally-generated revenue	Regional Levy	Persentase	Criteria
1	2015	28.126.952.337,20	992.740.591,30	3,53%	Very less
2	2016	25.988.089.630,80	615.005.506,00	2,37%	Very less
3	2017	18.864.607.656,54	508.316.475,00	2,69%	Very less
4	2018	23.246.718.525,24	1.103.076.369,00	4,75%	Very less
5	2019	28.635.819.084,80	2.108.589.800,00	7,36%	Very less

Even though the contribution of regional levies is still very low to total regional income, in general there is an increasing trend (after a decline in 2016) in contribution from year to year with an increasing trend that can be seen in the following graph.



CONCLUSION

Based on the description and discussion above, the following conclusions can be obtained.

1. The effectiveness of Regional Tax Revenue in West Seram Regency for the 2015 to 2019 Fiscal Year generally showed very effective results except for the 2017 Fiscal Year (not effective);
2. Effectiveness of Regional Tax Levy in West Seram Regency for Fiscal Year 2015 to 2015. 2019 generally showed ineffective results except for the 2016 Fiscal Year (very effective);
3. Contribution of Regional Taxes to Original Regional Income during Fiscal Years 2015 to 2015. 2019 shows an increasing trend from very low in the 2015 Fiscal Year to moderate in the 2019 Fiscal Year;
4. Contribution of Regional Levies to Original Regional Income during Fiscal Years 2015 to 2015. 2019 shows an increase, however, it is still in the very low contribution category.

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