ANALYSIS OF THE EFFECT OF ENTERTAINMENT TAX, HOTEL TAX AND RESTAURANT TAX ON REGIONAL ORIGINAL INCOME (PAD) IN GORONTALO CITY 2014-2018

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1. INTRODUCTION

Regional autonomy policies are reforms between the central government and local governments. This reform has brought changes to the life of the nation and state in the Republic of Indonesia. The Unitary State of the Republic of Indonesia is an area whose regional autonomy policy is regulated by law. This provides a change for the region to realize all developments in the fields that are independently expected and can be implemented by the Indonesian government.

According to Law No. 28 of 2007, tax is a mandatory contribution paid by the public, either individuals or entities to the State. This tax is coercive and will not be rewarded either directly or indirectly based on the applicable law. Taxes are used for state purposes, and mostly for the needs of the people. This regional original income reflects the level of independence of a region. The higher the PAD, the higher the level of independence in an area.

Regional taxes and regional levies are an effort to make regional autonomy broad, real and responsible for government costs and regional development costs as stipulated in Law no. 34/2000 against amendments to Law no. 18/1997. This tax comes from local revenue and comes from local taxes which must be increased so that the regions will be independent in terms of the costs of administering government in the regions can be realized. [1]. An area can be said to be advanced; it can be seen from the economic growth of the region itself and the independence of the region in administering local government. Factors that support the progress of a region is the availability of adequate money, including local revenue. This income is one indicator that determines the degree of independence of a region. One of the Regional Original Income (PAD) is local taxes. This has been stipulated in Law No. 33/2004 on considerations of central and local government governance.

The local government in this case has the authority to collect certain taxes. In addition, local governments can carry out certain efforts to earn an income so that they can finance all expenses, both routine expenditures and expenditures for development. Local governments have the right to obtain a number of funds that can be transferred directly from the central government [2]. Regional Original Income (PAD) needs to be encouraged to become part of the financial source in financing the administration of government and regional development to improve and distribute the welfare of the people. The source of income that aims to help improve regional finance is called PAD. This income must be increased frequently in order to assist in financing the administration of the Gorontalo city government [3].

Based on the report on the realization of the Gorontalo city regional revenue and expenditure budget that every year the entertainment tax budget, hotel tax and restaurant tax show an increase. However, the realization each year does not meet the total budget provided, so it cannot explain the impact that will increase PAD in the present and in the

future.This study aims to partially and simultaneously investigate the effect of entertainment tax, hotel tax and restaurant tax on PAD in Gorontalo City.

2. THEORETICAL STUDIES

2.1 Tax

Taxes are achievements to governments that are owed through general norms, and which can be imposed. Without any counter-achievement that can be demonstrated in individual terms, the intention is to finance government spending [4]. Tax characteristics based on the explanation above are as follows: (1) The tax collection process is based on the power of the Act and its implementing regulations; (2) The process of paying taxes cannot be related to the existence of individual counter-achievements carried out by the government; (3) The central government and regional governments are required to collect taxes; (4) Taxes are used for government expenditure purposes. If in the government system, the income is still stored, there is a surplus of taxes used to finance public investment.

2.2 Locally-generated revenue (PAD)

According to Muluk [5] that local revenue is income generated from utilization and excavation owned by the region. To increase regional income, a region is required to find alternatives that can be used as a form of innovation in the era of regional autonomy. Regional original income is that which is collected based on the regulations in force in the area and is based on applicable laws and is obtained from sources within the region itself. Regional income plays an important role in the survival of the region, because regional income can be a measure of the extent to which this region can stand alone in terms of financing regional development activities and local government.

2.3 Entertainment Tax, Hotel Tax and Restaurant Tax

The object of entertainment tax is a fee paid to entertainment providers. The entertainment referred to includes the screening of films, arts, music performances, dances and other entertainment, which does not include the object of the entertainment tax, namely entertainment held without any fees, such as entertainment in the context of weddings, traditional ceremonies and religious activities Hotel tax according to Law No. 28 of 2009 article 1 (20.21) is a tax paid for services that have been determined by the hotel. Meanwhile, hotel is a place or service for lodging/resting which includes related services such as inns, foreign tourists, tourism, lodging houses and the like for which a fee will be paid. Restaurant tax is a tax paid for the restaurant's services and provided by the restaurant. The purpose of this restaurant tax is as a food and beverage service facility which includes food, cafeteria, canteen, stalls, bars and all types of catering/catering and must be paid by consumers

3. METHODS

3.1 Data Types and Sources

The type of data used in this study is primary data that is quantitative. The data used is in the form of time series data, where the data is a collection of observations on the values of a variable from several different time periods. The observation period in this study uses about the time from 2014-2018. The source of the data in this study was obtained from the Gorontalo City Finance Agency. The data used include entertainment tax, hotel tax, restaurant tax and local revenue for the period 2014-2018. In addition, other supporting data were obtained from sites related to this research.

3.2 Analysis Method

The analytical method used in this study is to use Multiple Linear Regression, because this study looks at the effect of the independent variable on the dependent variable. The model used in this study is the Ordinary Least Square (OLS) or the least squares method. The independent variables in this study are Restaurant Tax (X_1), Hotel Tax (X_2), Entertainment Tax (X_3) while the Dependent Variable is Local Revenue (PAD) so that the multiple regression equation is:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Information:

Y   = Locally Generated Revenue (PAD)
a   = Constant
β   = Independent Variable Regression Coefficient
X_1 = Restaurant Tax
X_2 = Hotel Tax
X_3 = Entertainment Tax
ε   = *Error Term*

4. RESULTS AND DISCUSSION
4.1 Multiple Linear Regression Analysis Results

Table 1
Regression Analysis Results

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2514378053.415	597440827.041		4.209	.014
	Entertainment Tax	.394	.141	.757	2.784	.030
	Hotel Tax	.127	.869	.564	3.109	.025
	Restaurant Tax	.002	.008	.761	4.323	.012

Data Source: Data processed with SPSS, 2020

Based on the results of the SPSS analysis above, it can be seen that the influence of entertainment tax, hotel tax and restaurant tax on Gorontalo City's local revenue, namely:
1. All independent variables (entertainment tax, hotel tax, and restaurant tax) if ignored, then the average local revenue of Gorontalo City during 2014-2020 is 2514378053415
2. Entertainment tax has a positive effect on local revenue. Which means that for every 1 unit increase in entertainment tax in Gorontalo City, it will be followed by an increase in local revenue of 0.394
3. Hotel tax has a negative effect on local revenue. Which means, for every 1 unit increase in hotel tax in Gorontalo City, it will be followed by a decrease in local revenue of 0.127.
4. Restaurant tax has a positive effect on local revenue. Which means that every time there is an increase in restaurant tax in Gorontalo City by 1 unit, it will be followed by an increase in local revenue of 0.002

4.2 Regression Coefficient Significance Model Test (F Test)
The regression coefficient significance model test is basically intended to prove statistically that all independent variables have a joint or overall effect on the dependent variable. The test steps are as follows:

Table.2
F. Test Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33056770125569450000.000	3	11018923375189817000.000	70.089	.001[b]
	Residual	628851258204718590.000	4	157212814551179648.000		
	Total	33685621383774167000.000	7			

Data Source: Data processed with SPSS, 2020

Based on the results of the analysis, it can be seen that the F-count is 70,089 with a significance value of 0.001. If this significance value is compared with the alpha value, which is 5%, this significant value is still smaller, so H$_0$ is rejected. So, it can be concluded that the independent variables have a joint effect on the dependent variable.

The Effect of Entertainment Tax on Local Revenue of Gorontalo City
Based on the results of the study, it can be seen that the t-count value for the entertainment tax variable is 2,784 with a significant value of 0.030. This significant value is still smaller than the specified alpha, which is 5%. So H$_0$ is rejected. It can be concluded that the entertainment tax has a significant effect on the local revenue of Gorontalo City. The results of this study are in line with research conducted by Fikri and Mardani [6] where the entertainment tax has a positive effect on Regional Original Income in Batu City, as well as research conducted by Rikayana and her team [7] entertainment tax has a positive and significant effect on Regional Original Income in the Regency/City of West Sumatra.

The Effect of Hotel Tax on Local Revenue of Gorontalo
Based on the results of the analysis above, it can be seen that the t-count value for the hotel tax variable is 3.109 with a significant value of 0.025. This significant value is still smaller than the specified alpha, which is 5%. So H$_0$ is

rejected. So, it can be concluded that the hotel tax has a significant effect on the local revenue of Gorontalo City. The results of this study are in line with research conducted by Ainun Hakim [8] where the hotel tax contribution to Gorontalo City's local revenue during 2012-2017 on average contributed to local revenue. This is in line with research conducted by Hapid [9] that the hotel tax has an effect on local revenue, Palopo City's own regional revenue

The Effect of Restaurant Tax on Local Revenue of Gorontalo City

Based on the results of the analysis above, it can be seen that the t-count value for the restaurant tax variable is 4.323 with a significant value of 0.012. This significant value is still smaller than the specified alpha, which is 5%. So H_0 is rejected. So, it can be concluded that the restaurant tax has a significant effect on the local revenue of Gorontalo City. The results of this study are supported by research conducted by Astuti [10] where the restaurant tax has a significant positive effect on the local revenue of Batu City. However, research conducted by Olga [11] contrary to this study, where the restaurant tax has a negative effect on local revenue in Bandung.

5. CONCLUSION

Based on the results of the analysis and discussion above, the conclusions of this study are as follows: (1) There is a significant positive effect between the entertainment tax on the local revenue of the city of Gorontalo; (2) There is a very significant effect between hotel tax and local revenue in the city of Gorontalo (3) The restaurant tax has a positive effect on local revenue in the city of Gorontalo; (4) Gorontalo local revenue is affected by entertainment tax, hotel tax and restaurant tax.

Based on the conclusions above, the following suggestions can be given: For the local government of Gorontalo City, it is hoped that there is an need for increased supervision and guidance to every business actor or providing socialization on the importance of paying taxes. There needs to be regular taxpayer updates, both hotel tax, restaurant tax and entertainment tax. So that the potential for taxes can be explored and in accordance with existing data in the field. For the community, as well as business owners to be able to carry out their responsibilities and improve compliance in paying taxes. In order to be able to provide feedback to the public with the results obtained from tax collection. The results of this study are expected to be a reference for other researchers. This is because this research still has many shortcomings, so that further researchers can add other variables that influence the Gorontalo City Original Revenue.

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