



ANALYSIS OF RURAL AND URBAN LAND AND BUILDING TAX REVENUE (PBB-P2) AGAINST REGIONAL ORIGINAL INCOME (PAD) IN GORONTALO CITY

Nur Anisa Haidari¹

S1 Economic Development Study Program , Faculty of Economics, Universitas Negeri Gorontalo

Email: nuranisahaidari123@gmail.com

Frahmawati Bumulo²

S1 Economic Development Study Program , Faculty of Economics, Universitas Negeri Gorontalo

Email: frahmawatibumulo@ung.ac.id

Sri Indriyani S. Dai³

S1 Economic Development Study Program , Faculty of Economics, Universitas Negeri Gorontalo

Email: sriindriyani_dai@ung.ac.id

Irawati Abdul⁴

S1 Economic Development Study Program , Faculty of Economics, Universitas Negeri Gorontalo

Email: irawaty.abdul@ung.ac.id

Article history:	Abstract:
Received: 10 th December 2022 Accepted: 10 ^h January 2023 Published: 14 th February 2023	<p>This study aims to determine how the impact of rural and urban land and building tax revenue (PBB-P2) on the contribution of local revenue (PAD) in Gorontalo City. What are the factors that inhibit and support tax revenue. The data used are sourced from questionnaires distributed to visitors to the Gorontalo City Tax Office Employees. The method used is the local tax collection ratio.</p> <p>The results of this study show that PBB-P2 revenue in Gorontalo City is based on the collection ratio in 2017 of 79.80% in 2018 of 81.24%, in 2019 of 84.25%, in 2020 of 90.30% and in 2021 the ratio PBB-P2 revenue is 91.07%. The classification of PBB-P2 revenue in Gorontalo City based on the analysis of the proportion ratio and growth ratio is primary. The inhibiting factors for PBB-P2 revenue to contribute to PAD revenue in Gorontalo City are taxpayer awareness, insight into the subject and covid-19. Factors that support the acceptance of PBB-P2 in Gorontalo City are cooperation between banks and online-based tax applications as well as supervision and inspection.</p>

Keywords: Ratio collection, PBB-P2, and PAD

1. INTRODUCTION

Tax is a mandatory contribution to the state that is owed by an individual taxpayer or entity that has a coercive nature based on the law, without receiving direct compensation and is used for the purposes of the state for the greatest prosperity of the people. The granting of authority from the central government to local governments is the basic concept of decentralization.

Decentralization is an effort to change the government model which was initially centralized to become more democratic by delegating some of its authority to the regions. Updating several laws and regulations that are inconsistent or inconsistent with regional autonomy policies are an effort to minimize the opportunity for conflicts of authority between the central and regional governments to arise. Aligning sectoral laws and regulations with Regional Autonomy laws is very important and strategic in forming good and implementable laws and regulations. The consequence of the implementation of regional autonomy is that each region is required to increase its own regional revenue (PAD) to finance its own household affairs. Local governments in maximizing regional autonomy and implementing development can increase local revenue.

One of the incomes obtained to increase the number of Regional Original Income is to increase income in the tax sector. Regional Tax, hereinafter referred to as tax, is a mandatory contribution to the region owed by an individual or entity that is coercive under the law, without receiving direct compensation and is used for regional purposes for the greatest prosperity of the people. Another effort that can be made by local governments to increase Regional Original Income but does not burden the community is by making the Land and Building Tax a regional tax.

In the framework of administering government and implementing development, the Unitary State of the Republic of Indonesia is divided into provincial regions and the provincial regions consist of regencies and cities. Each region has the right and obligation to regulate and manage its own government affairs to improve governance and services to the community. To carry out development and administration of government affairs in the regions, sources of funds play an important role in realizing the success of development and governance. One source of funds that plays an important role for the continuity of the implementation of development and the administration of government affairs is revenue from local revenue, one of which comes from local taxes.

On September 15, 2009, Law Number 28 of 2009 concerning Regional Taxes and Levies was passed in place of Law Number 18 of 1997 and Law Number 34 of 2000 concerning Regional Taxes and Levies. With the enactment of Law Number 28 of 2009 concerning Regional Taxes and Regional Levies (UU PDRD), local governments obtain an expansion of regional tax objects as a source of additional income. The expansion of regional tax objects regulated in the Law includes expansion of the existing regional tax base, addition of new tax objects and regionalization of central tax objects into regional taxes, one of which is the Rural and Urban Land and Building Tax (PBB-P2).

The rationale and main reasons for the transfer of PBB-P2 into local taxes, among others: First, based on theory, PBB-P2 is more local in nature (local origin), visibility, tax objects do not move (immobile), and there is a close relationship between taxpayers and those who enjoy the tax results (the benefit tax-link principle). Second, the transfer of PBB-P2 is expected to increase Regional Original Revenue (PAD) and at the same time improve the structure of the Regional Revenue and Expenditure Budget (APBD). Third, to improve public services, accountability, and transparency in the management of PBB-P2. Fourth, based on practice in many countries, PBB -P2 or Property Tax is included in the type of local tax (Management Guidelines for PBB-P2: 2014).

With the stipulation of Gorontalo City Regional Regulation Number 9 of 2011 concerning Rural and Urban Land and Building Taxes, the Gorontalo City Government has been managing PBB-P2 since January 1, 2012. The current phenomenon shows that with the management of PBB-P2 by the Gorontalo City Government, it has experienced problems. Increase in the target and realization of PBB-P2 revenues since 2012.

The phenomenon that occurs is that the increase in the target and realization of PBB-P2 revenue in Gorontalo City is not supported by the increasing contribution of PBB-P2 to local revenue in Gorontalo City Government. The contribution of PBB-P2 revenue to PAD in 2016 was 3.91% and in 2017 it decreased to 3.77%. In 2018 the contribution of PBB-P2 revenue to PAD decreased to 3.37% and in 2019 it fell to 3.15%. The contribution of PBB-P2 to PAD in 2020 fell again to 3.14%. It can be concluded that the contribution of PBB-P2 to PAD revenue in Gorontalo City Government has decreased.

The Ministry of Finance of the Republic of Indonesia (2014: 95) states that things that are suspected to have a major influence on PBB-P2 revenues in the regions are: (a) Public awareness is still low in paying taxes; (b) The public does not yet understand the function of the 173 taxes; (c) Error in the determination document; (d) Tariffs that are too large; (e) The implementation of legal sanctions on local taxes is not yet clear; and (f) Lack of facilities and infrastructure. The Directorate General of Fiscal Balance of the Ministry of Finance of the Republic of Indonesia stated that PBB-P2 as a Regional Tax is expected to increase regional income in order to improve the quality of services to the community.

Based on the above phenomenon, the researcher wants to examine the land and building tax revenues in rural and urban areas (PBB-P2) to the contribution of local revenue (PAD) in Gorontalo City.

2. MATERIALS AND METHODS

2.1 Theory Study

2.1.1 Taxes: According to M. Ray Sommerfeld (2007:11), states that taxes are the transfer of property, economic resources from the private sector to the government sector. The transfer is not due to fines or penalties but can be forced, the rules have been set in advance for additional rewards for those who pay, the purpose is to achieve national goals in the economic and social fields.

2.1.2 PBHTB: Land and Building Rights Acquisition Fee (BPHTB), namely Land and Building Rights Acquisition Fee, is a tax imposed on the acquisition of land and or building rights, hereinafter referred to as tax. So BPHTB is the same as Tax on Land and Building Rights Acquisition (Law No. 21 of 1997).

2.1.3 Regional Retribution: Regional Retribution is a levy as payment for services or the granting of certain permits specifically provided or granted by the regional government for the benefit of an individual or an entity (Law No. 28 of 2009)

2.2 Methods:

This research is quantitative in nature, namely research in the form of company financial statements in terms of food and beverage sub-sector companies carried out in Gorontalo City in March 2022. The operational definition in this study explains in more detail the variables used in the study. This study uses two types of variables, namely the independent variable (independent variable), namely the variable that affects (X) and the dependent variable (dependent variable), namely the variable that is influenced (Y). The data used in this research is secondary data. The secondary data used is about taxes and local revenue originating from the Gorontalo City financial agency. In this study using data analysis techniques for determining tax revenue targets. The method of determining the tax revenue target consists of: (a) Top Down Method; (b) Bottom Up Method.

3. RESULTS AND DISCUSSION

3.1 Determination of BPP-P2 Revenue Target

Table 1
Gorontalo City Collection Ratio PBB-P2 2017-2021

No	Year	PPB-2 Revenue Target	Realization of PPB-P2 Revenue	Collection Ratio
1	2017	Rp 7.000.000.000	Rp 5.586.128.760	79,80 %
2	2018	Rp 7.250.000.000	Rp 5.889.669.120	81,24 %
3	2019	Rp 8.250.000.000	Rp 6.950.305.308	84,25 %
4	2020	Rp 8.500.000.000	Rp 7.675.773.511	90,30 %
5	2021	Rp 9.750.000.000	Rp 8.879.647.293	91,07 %

Data Source: Processed Products (2022)

The determination of the revenue target is carried out by the Gorontalo City Finance Agency by considering the realization of the previous year's revenue and making adjustments to the data on objects and tax subjects. The Gorontalo City Finance Agency is an institution of the Gorontalo City Government that can be trusted to act as well as possible to set the PBB-P2 revenue target in Gorontalo City and increase regional income.

Based on table 1 above, it shows that the collection ratio from 2017-2019 increased significantly. In 2017 the realization of PPB-P2 revenues reached Rp. 5,586,128,760 with a collection ratio of 79.80% and a significant increase until 2021 with a value of Rp. 8,879,647,293 with a collection ratio of 91.07%.

3.2 Proportion Ratio of PBB-P2 Revenue for Gorontalo City in 2017-2021

Table 2
Proportion Ratio of PBB-P2 Gorontalo City Revenue in 2017-2021

No	Year	Realization of PPB-2 . Revenue	Local Tax Realization	Type of Local Tax	Average Local Tax	Proportion Ratio
1	2017	Rp. 5.586.128.760	Rp.67.475.359.049	9	Rp. 7.497.262.117	0,7
2	2018	Rp. 5.889.669.120	Rp.67.475.359.049	9	Rp. 7.497.262.117	0,8
3	2019	Rp. 6.950.305.308	Rp.67.475.359.049	9	Rp. 7.497.262.117	0,9
4	2020	Rp. 7.675.773.511	Rp. 53.234.174.896	9	Rp. 5.914.908.322	1,3
5	2021	Rp. 8.879.647.293	Rp. 61.771.957.483	9	Rp .6.863.550.831	1,3

Data Source: Processed Products (2022)

Based on table 2 explains that the ratio of the proportion of PBB-P2 Gorontalo City revenues in 2017-2021 has increased significantly but the average local tax has fluctuated from 2017-2021. 2017 has a proportional value of 0.7 with an average regional tax of Rp. 7,497,262,117 and in 2021 with a value of 1.3 with an average local tax of Rp. 6,863,550,831.

With the enactment of Law Number 28 of 2009 concerning Regional Taxes and Regional Levies (UU PDRD), local governments obtain an expansion of regional tax objects as a source of additional income. The expansion of regional tax objects regulated in the Law includes expansion of the existing regional tax base, addition of new tax objects and regionalization of central tax objects into regional taxes, one of which is the Rural and Urban Land and Building Tax (PBB-P2).

The Rural and Urban Land and Building Tax (PBB-P2) is one of the central taxes which management is handed over to the regional government so that it becomes a regional tax. PBB-P2 as a local tax is expected to contribute maximally to regional revenues, especially to local revenue (PAD).

Based on the results of the research above, it is explained that the classification of PBB-P2 revenue in Gorontalo City based on the analysis of the proportion ratio and growth ratio is Pirma. This explains that the target and realization of PPB-P2 in the city of Gorontalo has an influence on the contribution of regional original income (PAD) even though the prime growth ratio is not yet potential. This is due to several inhibiting factors such as covid-19 and public knowledge of taxes.

3.3 Potential PBB-P2 Revenue

Table 3
Proportion Ratio and Growth Ratio of PBB-P2 Gorontalo City in 2017-2021

No	Year	Proportion Ratio	Growth Ratio	Classification
1	2017	0,15	0,75	Potensial
2	2018	0,16	0,79	Potensial
3	2019	0,18	0,93	Potensial
4	2020	0,26	1,31	Prima
5	2021	0,26	1,30	Prima

Data Source: Processed Products (2022)

Based on the above, it can be concluded that the classification of PBB-P2 revenue in Gorontalo City based on the analysis of the proportion ratio and growth ratio is Pirma.

3.4 Inhibiting and Supporting Factors of Tax Revenue in the City of Gorontalo

Taxes are one of the sources of state wealth originating from the community and will be returned to the people in a form that is in accordance with the needs of the community, but as for factors that can hinder and support the success of tax activities, one of which is awareness of paying taxes. In the city of Gorontalo itself, there are still many people who are aware of this. Based on my interviews with various parties from the Gorontalo City Financial Agency, they stated that the people of Gorontalo do not yet have awareness about taxes and lack of tax insight and support for tax success, namely collaboration with other parties such as banks and also making payments through online media.

"From us in terms of taxes, in this case what concerns tax barriers to us is the lack of knowledge related to taxes in this case the tax subject and public awareness, especially in the Covid-19 pandemic situation, on the other hand, supporting tax revenue is cooperation with other parties such as banks and also use online media to facilitate access to tax payments as well as supervision."

(Interview with Gorontalo City Regional Finance Officer, 20 June 2022)

4. CONCLUSION

Based on the results of the research and discussion above, the researchers describe the following conclusions:

1. PBB-P2 revenue in Gorontalo City based on the collection ratio in 2017 of 79.80% in 2018 of 81.24%, in 2019 of 84.25%, in 2020 of 90.30% and in 2021 the ratio of PBB receipts -P2 is 91.07%. The classification of PBB-P2 revenue in Gorontalo City based on the analysis of the proportion ratio and growth ratio is primary.
2. The inhibiting factors for PBB-P2 revenue to contribute to PAD revenue in Gorontalo City are taxpayer awareness, insight into the subject and covid-19.
3. Factors that support the acceptance of PBB-P2 in Gorontalo City are cooperation between banks and online-based tax applications as well as supervision and inspection.

REFERENCES

1. Cahyamadhan, Annisa. *Analysis of the Effectiveness and Contribution of Land and Building Taxes Taxes and Street Lighting Taxes on Regional Tax Revenue*. Diss. University of Muhammadiyah Malang, 2021.
2. Chandra, Cherry Agustine, Harijanto Sabijono, And Treesje Runtu. *"Effectiveness and Contribution of Rural and Urban Land and Building Tax Revenue (PBB-P2) to Regional Original Revenue (Pad) In Gorontalo City 2016-2018."* Going Concern: Journal of Accounting Research 15.3 (2020): 290-298.
3. Dr. Tubagus Chairus Amachi, SH. ME, CPA, Irma, SE., M.S. AK., Introduction to taxation, 2018.
4. Fadhli, Wida. *Analysis of the Effectiveness of Rural and Urban Land and Building Tax Revenue and Its Contribution to Regional Original Income in Aceh Besar District*. Diss. Syiah Kuala University, 2017.
5. Hendrik Manossoh, 2016, Good Corporate Governance to Improve the Quality of Financial Reports, PT. Norlive Kharisma Indonesia, Bandung
6. Huda, Muhammad Nasrulloh, And Galih Wicaksono. *"Analysis of the Effectiveness and Contribution of Rural and Urban Land and Building Tax Revenues to the Regional Original Income of the City of Yogyakarta."* Educoretax 1.4 (2021): 284-290.