



EFFECTIVENESS ANALYSIS OF THE LAND AND BUILDING TAX OF RURAL AND URBAN AREAS (PBB-P2) CONTRIBUTION TO LOCAL OWN-SOURCE REVENUE (PAD) OF TUBAN REGENCY

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ABSTRACT

The Land and Building Tax of Rural and Urban Areas (PBB-P2) are one of the most important local taxes, which has the potential to increase Local Own-Source Revenue (PAD). In the current era of regional autonomy, the government is in direct need of large enough funds to meet government financing in carrying out regional development through Local Own-Source Revenue (PAD), which is a source of regional revenue. This study aims to determine: (1) to determine the effectiveness of the Rural and Urban Land and Building Tax revenue (PBB-P2), (2) to determine the contribution of The Land and Building Tax of Rural and Urban Areas (PBB- P2) to Regional Original Income. (PAD). This research method uses descriptive quantitative methods and uses secondary data types. Based on the results of the study, it shows that for effectiveness, it is in the very effective category, because the revenue is greater than the target. And then, the contribution level of The Land and Building Tax of Rural and Urban Areas (PBB-P2) in Tuban Regency in 2018-2020 is still less effective. The Contribution rate each year always in the very poor category, but the revenue target and realization of The Land and Building Tax of Rural and Urban Areas (PBB-P2) on Regional Original Income have increased every year, the same is the case with the realization of Local Own-Source Revenue (PAD) every year has increased.

Keywords : Effectiveness, Contribution, The Land and Building Tax of Rural and Urban Areas (PBB-P2), Local Own-Source Revenue (PAD)

INTRODUCTION

Indonesia is a developing country that is in the upper-middle-income status (Taufik Wibisono, YS, 2019). In realizing national development, Indonesia needs assistance from the government, both central and local governments, and all Indonesian people. Regions in Indonesia have the right and obligation to regulate and manage their government as a form of self-reliance-based economic development, sources then shift to the regions, either through tax-based expansion or balancing funds. This is in line with the meaning of fiscal decentralization which implies that regions are given the authority to use their finances, which is carried out by the Local Own-Source Revenue (PAD) forum, with the main sources being regional taxes and regional levies.

Law Number 28 of 2009 concerning Regional Taxes and Regional Levies is an implementation of the birth of regional autonomy. Local taxes are one of the local revenues, which is a real source of finance for local governments. Each region has the right to regulate, obtain, and maintain aspects of the source of its original regional income, the results of which are 100% (one hundred percent) managed by the regional government itself (Abdulaziz, NS, 2021). Boedijono et al (2019) states

that the government has the authority in financial management. As according to the findings of Asmandani et al (2020) that taxes are the largest revenue in development.

According to Law No. 28 of 2009 concerning Regional Taxes and Levies, covering 5 (five) types of Provincial Taxes and 11 (eleven) types of Regency/City Taxes. Provincial Taxes consist of Motor Vehicle Tax, Motor Vehicle Transfer Fee, Motor Vehicle Fuel Tax, Surface Water Tax, and Cigarette Tax. For Regency / City Taxes consist of Hotel Tax, Restaurant Tax, Entertainment Tax, Advertising Tax, Street Lighting Tax, Non-Metal Mineral, and Rock Tax, Parking Tax, Groundwater Tax, Swallow's Nest Tax, Rural, and Urban Land and Building Tax, and Fees for Acquisition of Land and Building Rights (in Prakoso, A., et.al, 2019).

The land and building tax management system, especially in The Land and Building Tax of Rural and Urban Areas (PBB-P2), was originally a central tax and turned into a local tax (Raudhatun Wardani, WF, 2017). The transfer of the management of The Land and Building Tax of Rural and Urban Areas (PBB-P2) from the Central Government to the Regional Government is a form of follow-up to the existing policies of regional autonomy and fiscal decentralization. The proceeds from the tax management 100% (one hundred percent) go to the local treasury, so there will be no more tax sharing to the central government. In addition, according to Kusumaningrum, ND, et.al. (2020) which states should be one of the government's efforts to increase local revenue (PAD), local governments from each province must innovate to be more effective and efficient.

Regional taxes are an important source of regional income (APBD) to finance the implementation of regional government and development. Regional Taxes are mandatory dues owed by individual or corporate taxpayers to regions without balanced direct compensation (Setiawan*, B., R, MR, & Delis, A., 2020). Local tax collection can be enforced based on applicable laws and regulations. Regional Taxes are determined by the Regional Government using a Regional Regulation (PERDA). The authority to collect taxes is exercised by the Regional Government and the proceeds are used to finance regional government expenditures in government administration and development.

Many factors affect the level of effectiveness of Land and Building Taxes, including counseling for Urban and Rural Land and Building Tax collectors in each District, supervision factors by the service in charge of local taxes, and collection factors. or revenue plans to achieve revenue results as expected by the local government, the target or plan for receiving Land and Building Tax is very important because as a starting point it determines the amount of Land and Building Tax that must be achieved in one tax year, in this case, the local government has an important role in realizing the target and acceptance plan because most of the proceeds from land and building tax revenues that are input to the regions are used to develop and develop their regions.

Tuban City is one of the City Governments located in the East Java Province which is located on the north coast of East Java. Tuban City is one of the cities that is authorized by the Central Government in managing its regional revenue sources. The City Government is expected to be able to manage and optimize the potential of existing resources for the progress of the region. The Government of Tuban Regency has implemented PBB-P2 management since it became a regional tax, starting in 2013 based on regional regulation number 4 of 2012 concerning PBB-P2. Effective from January 1, 2013. According to Wicaksono and Puspita (2020), for the local government working capital management is very important, especially those from local taxes.

LITERATURE REVIEW

Effectiveness

According to Mardiasmo (Yulitiawati, Y., & Rusmidarti, R., 2021), Effectiveness is used to measure the success or failure of an organization in achieving its goals. If an organization succeeds in achieving its goals, then the organization can be said to have been running effectively. The greater the output produced towards the achievement of predetermined goals or objectives, the more effective the work process of the organization.

Contribution

According to Yandianto (in Sukardi, S., & Nurhani, N., 2021), the contribution is as money due to associations, donations. Contribution can be interpreted as a contribution given from PBB P2 to local revenue. If the government can optimize the source of PBB P2 revenue and the revenue potential is higher, the contribution to local revenue will increase.

The Land and Building Tax of Rural and Urban Areas (PBB-P2)

According to Law no. 28 of 2009, land and building tax are a fee imposed on owners, power holders, tenants, and those who benefit from land and buildings. Land and building tax is a potential that must continue to be achieved in increasing regional revenue because of the object of this tax of land and buildings that every community has (Wicaksono and Pamungkas, 2017).

Local Original Income (PAD)

The Law of the Republic of Indonesia Number 28 of 2009 defines PAD as an income obtained by the region which is collected based on regional regulations following legislation, that regional original income comes from regional taxes, regional levies, the results of separated regional wealth management and other legitimate local revenue. PAD is all regional revenues collected and managed by local governments based on valid and valid laws and regulations (Halim, M., Husaini, H., & Abdullah, A., 2018).

RESEARCH METHODS

This research task uses a quantitative descriptive method. which explains a situation and solves problems based on data both primary data and secondary data. The object of this research is The Land and Building Tax of Rural and Urban Areas (PBB-P2) in Tuban Regency for the period 2018-2020. The type of data used in this research task is secondary data. Secondary data is obtained from reports relating to the realization of revenue and revenue targets for The Land and Building Tax of Rural and Urban Areas (PBB-P2), as well as the realization of Local Own-Source Revenue (PAD) (Ghonimah Zumroatun Ainiyah, YA, 2020).

The data analysis method is carried out using the following formulas and interpretations:

$$Efektifitas = \frac{Realisasi\ Penerimaan\ PBB\ P2}{Target\ Penerimaan\ PBB\ P2} \times 100\%$$

To make it easier to Knowing whether or not taxes are effective on local revenue can be measured using the following effectiveness criteria:

Table 1. Effectiveness Criteria

Percentage	Criteria
>100%	Very effective
90%-100%	Effective
80%-90%	Effective enough
60%-80%	Less effective
<60%	Ineffective

Source : Ministry of Home Affairs, Ministry of Home Affairs No. 690.900.327 (1996)

To measure the contribution of The Land and Building Tax of Rural and Urban Areas (PBB-P2) in Local Own-Source Revenue (PAD) as follows:

$$\text{Kontribusi} = \frac{\text{Realisasi Penerimaan PBB P2}}{\text{Realisasi Penerimaan PAD}} \times 100\%$$

in making it easier to find out how and how much the contribution of Regional Taxes to Regional Original Income by using the following criteria:

Table 2. Contribution Criteria

Percentage	Criteria
0.00%-10%	Very less
10.10%-20%	Not enough
20.10%-30%	Currently
30.10%-40%	Pretty good
40.10%-50%	Good
above 50%	Very good

Source : Research and Development Team of the Ministry of Home Affairs-Fisipol UGM (1991)

RESULTS AND DISCUSSION

Target and Realization of Rural and Urban Land and Building Tax Revenue (PBB P2) and Local Own-Source Revenue (PAD) of Tuban Regency

Table 3. Targets and Realization of PBB P2

No.	Year	Target	Realization
1.	2018	27,500,000,000	27,913,679,022
2.	2019	27,380,000,000	28,486,000,000
3.	2020	31,000,000,000	36,295,554,087

Source : Data processed (2021)

Based on table 3 above, shows that the target for The Land and Building Tax of Rural and Urban Areas (PBB-P2) in Tuban Regency in 2018 has increased from the previous year of 27,500,000,000 and its realization could exceed the target of 27,913,679,022. With the number of PBB-P2 tax objects in 2018 as many as 691,686 tax objects, when compared to 2017 tax objects, there is an increase of 7,607 which are new tax objects. In 2019, the P2 PBB revenue target decreased by 27,380,000,000 but the realization exceeded the target by 28,486,000,000. Tuban

Regency tax objects in 2019 increased to 699,815 tax objects. This figure has increased in 2018, namely 691,686 tax objects. In 2020 the P2 PBB target has increased from the previous year of 31,000,000,000 and its realization exceeds the P2 PBB target of 36,295,554,087. In 2020, the number of PBB-P2 tax objects in The Tuban Regency reached 706,894 tax objects. So that the Rural and Urban Land and Building Tax Target in Tuban Regency in 2018-2020 has decreased in 2019. Meanwhile, the Realization of Rural and Urban Land and Building Taxes in The Tuban Regency in 2018-2020 has increased.

Realization of Local Own-Source Revenue (PAD) of Tuban Regency in 2018-2020

Table 4. Realization of Local Own-Source Revenue (PAD)

No.	Year	Realization of PAD
1.	2018	442,531,646,743.74
2.	2019	518.003.562.562.47
3.	2020	566,077,757,668.16

Source : Data processed (2021)

Based on table 4, shows that the realization of Tuban Regency's original revenue in 2018 amounted to Rp.442,531,646,743.74 experienced a significant increase in 2019 to Rp. 518,003,562,562.47 until 2020, it increased to Rp. 566,077,757,668.16 so that Original Income the Tuban Regency area has increased every year

Calculation of the Effectiveness of P2 PBB Receipts

Table 5. Effectiveness PBB-P2

No.	Year	Target	Realization	Effectiveness	Criteria
1.	2018	27,500,000,000	27,913,679.022	101.5%	Very effective
2.	2019	27,380,000,000	28,486,000,000	104.04%	Very effective
3.	2020	31,000,000,000	36,295,554,087	117.08%	Very effective

Source : Data processed (2021)

Based on table 5. Effectiveness Level of PBB-P2 Revenue for Tuban Regency in 2018-2020:

- a. In 2018 the realization of Rural and Urban Land and Building Tax revenue (PBB-P2) could exceed the target of the Tuban Regency Government with an effective level of 101.5% higher than the previous year. Following the effectiveness made by the Ministry of Home Affairs, the effectiveness is included in the very effective criteria.
- b. In 2019 the realization of Rural and Urban Land and Building Tax revenue (PBB-P2) has increased so that it can exceed the target of the Tuban Regency Government even though the target in 2019 is lower than the previous year with an effective level of 104.04% higher than 2018 Following the effectiveness made by the Ministry of Home Affairs, the effectiveness is included in the very effective criteria.
- c. In 2020 the realization of Rural and Urban Land and Building Tax revenues (PBB-P2) experienced a significant increase so that it could exceed the target of the Tuban Regency Government with an effective level of 117.08% higher than 2019. Following the effectiveness made by the Ministry of Home Affairs, the effectiveness These are included in the criteria for being very effective.

Analysis of the Contribution of The Land and Building Tax of Rural and Urban Areas (PBB-P2) to Tuban Regency's Local Own-Source Revenue (PAD)

Table 6. Analysis of the Contribution of PBB-P2 to PAD

No.	Year	PBB-P2 realization	Realization of PAD	Contribute	Criteria
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1.	2018	27,913,679.022	442,531,646,743.74	6.31%	Very less
2.	2019	28,486,000,000	518.003.562.562.47	5.50%	Very less
3.	2020	36,295,554,087	566,077,757,668.16	6.41%	Very less

Source : Data processed (2021)

Based on table 6. That the Analysis of Rural and Urban Land and Building Tax Contributions (PBB P2) to Tuban Regency's Local Own-Source Revenue (PAD) every year:

- a. In 2018 the contribution rate of The Land and Building Tax of Rural and Urban Areas (PBB-P2) in Local Original Income (PAD) was 6.31%, this criterion is still very low, but 2018 is higher than 2019.
- b. In 2019 the rate of contribution to The Land and Building Tax of Rural and Urban Areas (PBB-P2) in Local Own-Source Revenue (PAD) was 5.50%, this criterion is still very low, this year PBB-P2's contribution to PAD has decreased, and is very low. low compared to 2018 and 2020.
- c. In 2020 the contribution rate of The Land and Building Tax of Rural and Urban Areas (PBB-P2) in Local Own-Source Revenue (PAD) was 6.41%, this criterion is still very low, this year PBB-P2 contribution to PAD increased significantly, and in 2020 the contribution of PBB-P2 to PAD is very high compared to 2018.

CONCLUSION

Based on the results of the discussion and seen from the data on the realization of The Land and Building Tax of Rural and Urban Areas (PBB-P2) regarding the effectiveness and contribution of The Land and Building Tax of Rural and Urban Areas (PBB-P2) to Local Own-Source Revenue (PAD), it can be concluded that, Tuban Regency is known to have able to carry out local tax collection well, the realization in 2018-2020 experienced a significant increase, but in 2019 the PBB-P2 target decreased. For the level of effectiveness of the Urban Land and Building Tax and Differences (PBB-P2) every year, it has increased with very good criteria, in 2020 it experienced a significant increase of 117.08%.

Meanwhile, the contribution rate of The Land and Building Tax of Rural and Urban Areas (PBB-P2) to Regional Original Income in Tuban Regency in 2018-2020 is still in a very low category. In 2019 the contribution of PBB-P2 to PAD experienced a significant decrease, but in 2020 the contribution of PBB-P2 to PAD experienced a significant increase and in 2020 and higher than in 2018. So, the contribution of The Land and Building Tax of Rural and Urban Areas (PBB-P2) to Local Own-Source Revenue (PAD) in Tuban Regency is still very low.

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