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Factors Affecting the Level of Successful Land and Building Tax Revenue in Enrekang Regency

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Abstract

This study aims to determine what factors affect the success rate of Land and Building Tax receipts in Enrekang Regency. The research location is at the Bapenda Enrekang Regency office. The research time is approximately 2 months, namely in February - March 2021. The method in this research was using qualitative research methods. The results of this study are land and building tax revenues in Enrekang Regency are influenced by several factors, namely building area tax receipts, issuance of Tax Returns Payable (SPPT) and receipts from various types of land and building tax objects, where the building area and land tax objects and The building has a positive impact and an increase in tax revenue because if the amount or amount increases, the amount of incoming taxes will also be even greater while the Tax Returns Payable (SPPT) which tends to increase will have a negative impact or decrease in Enrekang Regency tax revenues. Tax revenue was very influential on the regional income of Enrekang Regency and this revenue was also influenced by the accuracy of the community in carrying out their obligations in paying taxes.

1. INTRODUCTION

Taxes have a very important role in the life of the state, especially in continuing development, because taxes are a source of state revenue to finance state expenditures. In addition, taxes are also used to meet national needs, either in the form of goods or services. Taxes are a tool for the government in achieving the goal of obtaining revenue, both direct and indirect, from the public in order to finance routine expenditures as well as national and community economic development. The tax system has always undergone changes from time to time according to the development of society and the State, both in the field of state affairs and in the social and economic fields.

One of the domestic taxes is the Land and Building Tax (PBB) which came into force on January 1, 1986 based on Law No. 12 of 1985. Then this Law was amended by Law No. 12 of 1994 and starting January 1, 1995. Land and Building Tax is central revenue, most of the proceeds are submitted to the regions, because PBB is a type of tax and the revenue is distributed to the regions as a result of balancing funds (Revenue Sharing) (Official 2011, p. 229). Land and Building Tax (PBB) is an objective or material tax, which is paid by the income of the taxpayer where the ability level of the taxpayer will affect the success rate of tax revenue. Judging from its function, taxes are divided into two functions, namely the budgetair function (source of state finance) and the regular end function (regulate).

The budgetair function, meaning that taxes are a source of government revenue to finance routine and development expenditures, while the regularend function, means that taxes are a tool for regulating or implementing government policies in the social and economic fields, and achieving certain goals outside the financial sector, of the two functions In this regard, basically the government wants to re-emphasize the important role of taxes both as a means of state revenue as previously described, as well as a tool for implementing various policies in the social and economic fields (Resmi, 2003, p. 2).

Regional government efforts to increase the acquisition of balancing funds from the central government, especially tax and non-tax sharing, have come close to the expected results. Apart from the share of central taxes such as PBB and PPh, what has been received is

quite large. So according to the Director General of Institutions of the Ministry of Finance dated June 4 2001, that all non-tax state revenues obtained from a service whose authority has been delegated to the regions become regional original income (PAD) and are not non-tax state revenues. One of the taxes that affect regional income is Land and Building Tax (PBB). Meliala and Oetomo, (2010: 65), Land and Building Tax, abbreviated as PBB, is a forced tax on fixed assets enforced through Law Number 12 of 1994.

Land and Building Tax (PBB) is one of the potential income factors for the State and contributes to State revenue when compared to other tax sectors. These changes are intended to improve public services which in the end will of course lead to an increase in the welfare of the wider community. Decentralization of authority is basically approaching the function of serving the community, making it easier for the community to fulfill their rights and obligations as a community. With regard to Land and Building Tax (PBB), although it has a relatively small revenue value compared to other central taxes, it has a broad impact, because the results of PBB revenues are returned for the development of the area concerned.

Besides that, PBB also has the largest taxpayer compared to other taxes, PBB revenues continue to increase from year to year besides that PBB is the only property tax in Indonesia. Regional taxes and regional levies in the Law of the Republic of Indonesia No. 28 of 2009 concerning regional taxes and regional levies make land and building taxes which were previously managed by the central government handed over to local governments. Before this law appeared, the land and building tax was a central tax but the revenue was returned to the district/city area so that the local government only received profit-sharing funds from the central government. In the Regional Revenue and Expenditure Budget (APBD), PBB revenue is included in the tax-sharing revenue group.

Meanwhile, the proceeds from the central government's share of Land and Building Tax revenues are indeed distributed to all regencies or cities with an allocation of 65% and 35% is distributed as incentives to regions or regencies. The increase in the number of taxpayers is considered a positive factor in land and building tax revenues. The large number of taxpayers means that it will increase the amount of tax revenue. However, it is questionable whether the increase in the number of taxpayers will provide a positive or negative factor to land and building tax revenues. Actually, this depends on the level of understanding and concern of the taxpayer about the importance of the funds obtained from the tax revenue.

Based on the background that has been stated, the researchers who contributed not least to regional revenues were land and building taxes. Enrekang Regency is a traffic area for vehicles heading to the northern part of South Sulawesi so that many people establish or open restaurant businesses along the axis roads which quite a lot of vehicles stop by every day. Meanwhile, if you look at the development of Enrekang Regency, from day to day it has experienced quite rapid growth. This can be seen by the establishment of a number of educational institutions both formal and non-formal, as well as the increasing number of industrial businesses both small to large scale and the growing development of transportation routes in Enrekang Regency which has made Enrekang Regency a strategic place for stopovers so that the construction of restaurants and lodging places besides that, Enrekang Regency is known to have a variety of tourist objects with various supporting facilities which are also potential tax objects. Based on the background stated above, the researcher conducted a study entitled "Factors Influencing the Success Rate of Land and Building Tax Revenue in Enrekang Regency".

2. LITERATURE REVIEWS

2.1 Definition of Tax

Taxes are obligatory contributions or levies collected by the government from the

public (taxpayers) to cover routine state expenditures and development costs without remuneration that can be shown directly. But logically the taxes paid by the people have a direct impact on people's welfare such as the construction of roads, bridges and other public places. Taxes are also one of the sources of state revenue originating from the people to finance all government activities as well as those used for development purposes.

When discussing the definition of taxes, many experts provide limitations on taxes, including the definition of taxes put forward by Andriani translated by Brotodiharjo in Waluyo (2007, h 2). "Taxes are contributions to the State (which can be enforced) owed by those who are obliged to pay them according to regulations, with no return on performance, which are directly expenses - general expenses related to the duties of the State which administers the government." Meanwhile, according to Sumitro in Suprianto (2011, h 2) Taxes are people's contributions to the State Treasury (the transfer of wealth from the people's treasury to the government sector based on the law) can be forced by not getting the lead service (tegen achievement) which can be directly shown and used to finance general expenses.

2.2 Property tax

Land and building tax is a tax on land and buildings that are owned, controlled and or utilized by individuals or entities, except for areas used for plantation, forestry and mining business activities. What is meant by earth is the surface of the earth which includes land and inland waters as well as the regency/municipal territorial sea. Whereas what is meant by buildings are technical constructions planted or placed permanently on land and inland waters and or the sea. The definition of land and building tax according to Law Number 28 of 2009 concerning regional taxes and regional levies is a tax on land and buildings that are owned, controlled, and or utilized by individuals or entities, except for areas used for plantation, forestry, and mining.

2. Land and building tax objects Land and building tax objects are land and buildings. What is meant by the earth is the surface of the earth which includes land and inland waters as well as the territorial sea of Indonesia and the body of the earth beneath it, for example: rice fields, fields, gardens, land, yards, and mines. Whereas what is meant by buildings are technical constructions planted or placed permanently on land and waters including:

1) Environmental roads that are located in a building complex such as a jotel, factory, and their emplacements and others which are an integral part of the building complex.
2) Toll road.
3) Swimming pool.
4) Luxurious fence.
5) Sports venues.
6) Shipyard, wharf.
7) Lavish parks, and oil, water and gas refineries/ refineries, oil pipelines and other facilities that provide benefits.

3 RESEARCH METHODOLOGY

3.1 Data analysis techniques

Data analysis is the process of systematically searching for and compiling data obtained from interviews, field notes, and other materials, so that it can be easily understood, and the findings can be informed to others. Data analysis is carried out by organizing data, describing it into units, synthesizing, compiling into patterns, choosing which ones are important and which will be studied, and making conclusions that can be told to others (Sugiyono, 2016: 334).

After the data needed in this study has been collected, the data analysis technique is the process of finding and also systematically compiling the data obtained through interviews, field notes, and documentation by organizing the data into categories, describing them into units, synthesizing them, compiling them into patterns. , choose which ones are important and which will be studied, and draw conclusions so that they are easily understood by themselves and others. (Sugiyono, 2011:333).

Data analysis in qualitative research is carried out when entering the field, while in the field, and after finishing in the field. Qualitative research analyzes data or describes research data in the field in words without analyzing the numbers and then the data management is presented in a descriptive analysis which describes in full the problems based on field research. The stages of the data obtained are then reduced, then presenting the data, drawing conclusions, and finally conducting data validity.

Miles and *Huberman* in Sugiyono (2014: 246-253) suggest that activities in qualitative data analysis are carried out interactively and continuously until complete, so that the data is saturated. Activities in data analysis, namely:

1. *Data Reduction* (*Data Reduction*)

The data obtained from the field is quite a lot, for this reason it is necessary to record it carefully and in detail. The longer the field research, the more, more complex and complicated the amount of data . For this reason, it is necessary to immediately carry out data analysis through data reduction. Reducing data means summarizing, researching the main things, focusing on the important things, looking for themes and patterns.

2. Presentation of data *(Data Display)*

The second important flow of data analysis activities is the presentation of data in the form of a set of information that is arranged in a more systematic manner which gives the possibility of drawing conclusions and taking action. In qualitative research , presentation of data can be done in the form of short descriptions, charts, relationships between categories, flowcharts, and the like. The most frequently used to present data in qualitative research is with narrative text. In this case the researcher will present the data in text form, to clarify the results of the research it can be assisted by including tables or pictures.

3. Conclusion *Drawing / Verivication*

Drawing conclusions is essentially giving meaning to the data obtained. For this reason, since the initial data collection, researchers have tried to make sense of the data obtained by looking for patterns, models, themes of similarities, causal flows and other things that often arise. At first the conclusions are still vague but over time the conclusions will become clearer after the next process is supported by more and more data . The conclusions were also verified during the research. In short, the meanings that arise from the data must be tested for their truth, robustness and suitability so that a belief about their truth will be obtained.

4. RESULTS AND DISCUSSION

Local revenue for Enrekang Regency from tax revenues based on data obtained from BAPENDA (regional revenue agency) from 2015 to 2020 where in 2015 the total realized revenue was Rp. 7,340,370,536.00 and in 2020 the realized amount is Rp. 12,592,204,716.00. Income from taxes targeted from 2015 to 2020, there are some that meet the target or exceed the revenue target, namely in 2015 the targeted amount is Rp. 7,130,000,000.00 and realized Rp. 7,340,370,536.00 so that the difference is Rp. 210,370,536.00; in 2016 the target amount is Rp. 7,737,000,000.00 and realized Rp. 9,147,403,707.00 with a difference of Rp. 1,410,403,707.00; in 2018 the target amount is Rp. 10,783,000,000.00 and realized Rp. 10,839,190,514.00 with a difference of Rp. 56,190,514.00. For 2017, 2019 and 2020, the amount realized did not meet the target where in 2017 the target was Rp. 9,965,000,000.00 and realized Rp. 9,022,821,580.00; in 2019 the target is Rp. 12,247,173,134.00 and realized Rp. 10,523,206,720.00; in 2020 the target is Rp. 13,213,500,000.00 and realized Rp. 12,592,204,716.00.

From the results of interviews conducted with informants that land and building tax revenue has increased Enrekang Regency's own-source revenue. The sectors that contribute the most to tax revenue are street lighting tax, land and building tax, restaurant tax and hotel tax. taxes have increased over the past six years, as shown in Table 4.4 above. Where in 2015 realized Rp. 7,340,370,536.00 and in 2020 it will be Rp. 12,592,204,716.00.

the increase in revenue from this tax was strongly influenced by several factors including the building area, the number of tax returns payable (SPPT), and the number of land and building tax objects. Where the building area itself has increased every year from 2015 to 2020. 2015 amounted to 925,378; 2016 amounted to 1,107,725; 2017 of 1,225,274; 2018 of 1,663,155; 2019 amounted to 1,864,504; and 2020 of 1,861,918.

For Tax Returns Payable (SPPT) in Enrekang Regency it tends to increase, this can be seen in 2015 the number of SPPT was 140,254; 2016 amounted to 141,794; 2017 of 143,070; 2018 of 146,665; 2019 amounted to 148,733 and 2020 amounted to 148,699 . With an increase in the Notice of Taxes Payable (SPPT), it can have a negative impact or decrease tax revenue in Enrekang Regency. Then for Land and Building Tax Objects in Enrekang Regency the number of tax objects from 2015 to 2020 is 164,617, then the land area and building area in Enrekang Regency have increased where for the earth area in 2015 was 380,054,581; 2016 amounted to 379,873,654; 2017 amounted to 380,680,520; 2018 amounted to 383,586,054; 2019 amounted to 385,594,169; and 2020 amounted to 385,298,588, then for the building area in 2015 it was 925,378; 2016 amounted to 1,107,725; 2017 of 1,225,274; 2018 of 1,663,155; 2019 amounted to 1,864,504; and 2020 of 1,861,918.

5. CLOSING

5.1 Conclusion

From the results of the research conducted, it can be concluded that land and building tax revenue in Enrekang Regency is influenced by several factors, namely building area tax receipts, issuance of tax returns payable (SPPT) and receipts from various types of land and building tax objects, where building area and object Land and building tax has a positive and increasing impact on tax revenues because if the amount or amount increases, the amount of incoming taxes will also be greater, while the Tax Returns Payable (SPPT) which tend to increase have a negative impact or decrease Enrekang Regency tax revenues. Taxes are very influential for the regional income of Enrekang Regency and this revenue is also influenced by the accuracy of the community in carrying out their obligations in paying taxes.

5.2 Suggestion

Suggestions from the results of this study are to maximize regional original income (PAD) from local tax revenues, it requires firmness and synergy between Bapenda Enrekang Regency and related stakeholders who are tax objects, as well as socialization to the community regarding accuracy and discipline in paying taxes in order to improve development tax revenue area.

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