

THE EFFECTIVENESS OF LAND AND BUILDING TAX REVENUE FROM CENTRAL TO REGIONAL TAXES AT THE PALEMBANG CITY REGIONAL REVENUE OFFICE

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ARTICLE INFORMATION

Submitted:
04/05/2023

Revised:
12/08/2023

Accepted:
14/08/2023

Online-Published:
15/08/2023

ABSTRACT

Law Number 28 of 2009 limits the object of regional taxes and levies collected by local governments, including the delegation of Land and Building Tax management to the Rural and Urban sectors. In this study, researchers want to know and analyze Land and Building Tax revenues from central to regional taxes at the Palembang City Regional Revenue Office. This study used comparative descriptive.

The results of this study are as follows: *first*: the percentage of the target revenue of Land and Building Tax in the Rural and Urban sector of the Palembang City Regional Revenue Office in 2015 is 102.57% including very effective criteria. *Second*: obstacles that affect the level of effectiveness in Palembang City are differences in tax subject addresses, double printing occurs, human resource expertise is also still considered inadequate, the determination of tax objects that are not in accordance with the actual situation, taxpayer awareness and ability to pay taxes are not on time. *Third*: efforts to overcome obstacles that affect the level of effectiveness of Land and Building Tax revenues, namely updating data or updating Land and Building Tax, distributing forms evenly to taxpayers, training human resources (employees of the Regional Revenue Office), coordination with the Land Agency for Land Zone Value.

Keywords: Land and Building Tax Revenue, Regional Revenue

A. INTRODUCTION

The passage of Law No. 28 of 2009 on Regional Taxes and Regional Retribution is a type of follow-up to the regional autonomy policy. In the context of supporting regional development, local governments now have additional sources of Local Original Revenue obtained from local taxes. The subject of regional taxes and levies collected by local governments is limited by Law No. 28 of 2009, which includes the delegation of Land and Building Tax management to the Rural and Urban sectors. According to Law

Number 33 of 2004, the percentage sharing system for B umi and B collateral taxes is as follows: state revenue from B umi and B collateral taxes is distributed with a balance of 10% for the central government and 90% for the regions. The Land and Building Tax income sharing fund for 90% of the regions is divided as follows:

1. 16.2% for the province concerned;
2. 64.8% for the district or city concerned;
3. 9% for collection fees.

The government's 10% share is distributed to all districts or cities. The allocation for districts or cities is divided as follows:

1. 6.5% is distributed evenly throughout the district or city
2. 3.5% is distributed to districts or cities whose realization of Land and Building Tax revenue in the Rural and Urban sector in the previous fiscal year reached or exceeded the established revenue plan.

The transition of Land and Building Tax begins with the socialization stage, which is carried out gradually by the Directorate General of Financial Balance of the Ministry of Finance in all districts or cities in Indonesia, beginning in 2011 in 160 districts or cities, 2012 in 150 districts or cities, and 2013 in the rest. The next stage will be the delivery of management to 123 of the 492 regions entitled to collect Land and Building Tax in 2013, and for 369 regions in 2014. The procedure for transferring Land and Building Tax as a regional tax is outlined in the Joint Regulation of the Ministers of Table 1. UN Revenue Targets and Realization

Finance and Home Affairs Nos. 213 / PMK.07 / 2010 and No. 58 of 2010 concerning Stages of Preparation for the Transfer of Land and Building Tax as a Regional Tax.

The local government is going to manage data collection, assessment, determination, administration, collection, objection, reduction, and Land and Building Tax services. Palembang City Government has agreed to accept the transfer of management. Land and Building Rights Acquisition Duty was imposed on January 1, 2011, while Land and Building Tax was implemented on January 1, 2012, at the Palembang City Regional Revenue Office in compliance with Regional Regulation Number 3 of 2011 concerning Land and Urban Building Tax. Local governments have been actively involved in the collection process, such as the implementation of filing Tax Returns Payable to Taxpayers and the implementation of collection. The following table shows the Land and Building Tax income targets and actuals for 2011, 2012, 2013, and 2014:

Year	Target (Rp)	Realization (Rp)	Achievement %
2011	Rp.53.312.315.152	Rp.40.268.647.909	75,53%
2012	Rp.83.562.750.000	Rp.76.134.848.215	91,11%
2013	Rp.83.562.750.000	Rp.79.673.835.193	95,35%
2014	Rp.95.000.000.000	Rp.83.810.427.289	88,22%

Source: Dinas Pendapatan Daerah Kota Palembang

Based on these data, the percentage of targets realized in 2011 was 75.53%, 91.11% in 2012, 95.35% in 2013, and 88.22% in 2014, with the realization of Land and Building Tax revenue reaching Rp.83,810,427,289 in 2014. The achievement of aims and the enhanced realization can be observed in the awareness of taxpayers to pay taxes,

which has an impact on regional tax revenues. The author is interested in performing research on "The Effectiveness of Land and Building Tax (PBB) Revenue from Central Tax to Regional Tax at the Palembang City Regional Revenue Office" based on the description above.

B. RESEARCH METHODS

Research Design

According to Sugiyono (2012: 6) the type of research based on the level of explanation is divided into three types, namely:

1. Descriptive research is research on the existence of independent variables of only one or more variables.
2. Comparative Research is a study that is comparative or causal relationship between two or more variables.
3. Associative research is research that aims to determine the relationship between two or more variables.

The research design conducted in this study used a comparative descriptive

method, namely comparing events, activities, after the transition. In this case, the author compares the Land and Building Tax revenue, which is a central tax, then transferred to regional taxes regarding its effectiveness on realization and targets to be achieved.

Operational Variables and Definitions

According to Sugiyono (2012: 63) "Research variables are everything in any form determined by the researcher to be studied so that information is obtained about it, then a conclusion is drawn".

According to Sugiyono (2012: 31) "Operational definition is the determination of the construct or trait to be studied so that it becomes a variable that can be measured." The table below explains the variables and operational definitions in this study as follows:

No	Variable	Definisi Operasional	Indikator
1	Land and Building Tax Revenue	The basis for collecting Land and Building Tax is the Tax Return Payable (SPPT), Tax Assessment Letter (SKP), and Tax Bill (STP) in this case the payment of tax bills owed by Taxpayers who deposit money directly or through a predetermined bank, then the regional general treasury that accommodates regional revenues for regional expenditures, the authority of the Special Treasurer of Recipients (BKP) at the Palembang City Regional Revenue Office is in charge of managing (Mayor Regulation Number 5 of 2016 Procedures for Collection and Payment of Land and Urban Building Tax)	<ul style="list-style-type: none"> - Tax Return Payable (SPPT) - Local Tax Deposit Letter (SSPD) - Tax Assessment Letter (SKP) - Tax Bill (STP) - Forced Mail
2	Land and Building Tax from central to local taxes	Land and Building Tax which is the authority of the local government or regional tax covers the Rural and Urban sectors, while the authority to manage Land and Building Tax is managed by the central government (Law Regulation Number 28 of 2009 as of January 1, 2010)	<ul style="list-style-type: none"> - Central Tax - Local Tax

Research Instruments

"The research instrument is a measuring instrument to measure research variables (Sugiyono, 2012: 148)".

Researchers use research instruments to collect research data from data sources to be used as a sample. The tools used in this study to collect data are by studying the Land and Building Tax guidebooks and their transitions and other references related to this research, as well as conducting questions and answers with the head or employees at the Palembang City Regional Revenue Office.

Techniques for Analysis Data

Data analysis techniques are techniques used as tools for researchers to make a decision or a number of data that has been collected.

According to Suparlan (2015: 32) there are two data analysis techniques that can be used, namely:

1. Quantitative Analysis is a research method that is descriptive and

uses a lot of analysis. Quantitative research aims to find relationships that explain causes in measurable social facts, show variable relationships and analyze.

2. Qualitative Analysis is a research method that is more focused on understanding social phenomena from the perspective of participants with more emphasis on the complete picture rather than detailing the variables that are tied together.

The analytical techniques used in this study are quantitative and qualitative analysis, that is, this research is intended to explain the aspects or factors that want to be known. Then it is deresearched by comparing achievement indicators between potential or targets and the realization of Land and Building Tax revenues managed at the Palembang City Regional Revenue Office. This quantitative research technique uses a formula from the effectiveness of local taxes (research by Vita Amaliah Hakim 2013):

$$EfektifitasPajakDaerah = \frac{Realisasi\ Penerimaan\ Pajak\ Daerah}{Target\ Pajak\ Daerah} \times 100\%$$

The criteria for the level of effectiveness of the Land and Building Tax are presented in the table as follows:

Table 3. Kriteria Level Effectiveness of Land and Building Tax Collection

Effectiveness %	Criterion
> 100 %	Highly effective
90-100%	Effective
80% - 90%	Quite Effective
60% - 80%	Less Effective
< 60%	Ineffective

Source: Departemen Dalam Negeri, Keputusan Menteri Dalam Negeri

C. RESULTS AND DISCUSSION

Land and Building Tax is a material tax in which the amount of tax payable is decided by the condition of the object, namely the soil or land and/or structures.

$$\text{Local Tax Effectiveness} = \frac{\text{Rp.97.443.811.213}}{\text{Rp.95.000.000.000}} \times 100\% = 102,57\%$$

Based on these calculations, the revenue of Rural and Urban Land and Building Tax in 2015 with a target or plan of Rp.95,000,000,000, - and realization of Rp.97,443,811,213 - is said to be "Very Effective" or higher than one hundred per cent (>100%).

The calculation of the level of achievement of the effectiveness of Land and Building Tax revenue of the Palembang City Regional Revenue Office for fiscal year 2015 is as follows:

As shown in the table, the results of an analysis of the effectiveness of rural and urban Land and Building Tax revenues in their management after delegation to the Palembang City Regional Revenue Office have succeeded in realizing the Land and Building Tax from the predetermined target.

Table 4. Effectiveness of Rural and Urban Land and Building Tax Revenue in 2015

Target Year 2015	Realization in 2015	Achievement Percentage	Criterion
Rp.95.000.000.000,-	Rp.97.443.811.213,-	102,57%	Highly Effective

Data Sources: Dinas Pendapatan Daerah Kota Palembang (Data yang diolah)

There are still challenges in collecting Land and Building Tax from tax collectors and taxpayers. Among the challenges in implementing Land and Building Tax collection are the following:

1. There are differences in the addresses of tax subjects in this case in coordination with the Technical Implementation Unit of the Office as well as the sub-district and sub-district or neighborhood pillars; For example, ownership of land or buildings (tax objects) that have not been used for a

long-time causing error in data collection that will slow down the process of receiving the realization of Land and Building Tax.

2. Double printing occurs which causes the Outstanding Tax Return to be returned because it does not reach the Taxpayer.
3. Human resource expertise is also still considered inadequate, in this case facilities and infrastructure are also needed that will support the performance of human resources in carrying out their duties.

4. The determination of tax objects that are not in accordance with the actual situation, the data used is only approximate in this case coordination with related parties is needed.
5. Taxpayer awareness and ability to pay taxes are not on time, this can affect the smooth payment and receipt of Land and Building Tax.

In order to collect Land and Building Tax smoothly, efforts must be made to overcome barriers that frequently arise throughout the collection process. Among the initiatives undertaken are:

Update data or update Land and Building Tax:

- a. Detailed data collection of building area and Selling Value of Building Tax Objects potential tax objects and new tax objects continuously.
 - b. visits to State-Owned Enterprises, Regional-Owned Enterprises, and others in order to validate data.
 - c. Improve partial data on existing Land and Building Tax maps, so that tax object data is in accordance with the circumstances at the location of the tax object and check tax objects directly in the field to obtain accurate data and information.
2. Human resource training (employees of the Regional Revenue Office):
 - a. For example, with public lectures on performance training in the implementation of quality services for Land and Building Tax management.

- b. Human resources are given the opportunity to continue education that focuses more on increasing abilities, namely being able to continue the College of State Administration or specialize in learning studies in the field of taxation
 - c. Utilizing mobile service cars and cooperation plans for Land and Building Tax payments on a wide range of public services will facilitate transactions.
4. Coordination with the Land Agency for Land Zone Value (ZNT), coordination meetings with notaries and entrepreneurs and the preparation of Palembang Mayor Regulation on Reference for Land and Building Sale and Purchase Transactions in Palembang City.
5. Service improvement:
 - a. Socialization of tax counseling evenly through print or electronic media.
 - b. The increase in the selling value of tax objects is close to the fair market price in accordance with trends in the field.
 - c. Taking strategic steps in the field of Land and Building Tax, among others, providing stimulus (mass reduction) to increase the Selling Value of Land or Land Tax Objects.

D. CONCLUSIONS AND SUGGESTIONS

Conclusion

From the results of the analysis and discussion, the following conclusions can be drawn:

1. The target of Land and Building Tax revenue in the Rural and Urban sector set by the Palembang City Regional Revenue Office in 2015 amounted to Rp.95,000,000,000, - with the realization of Land and Building Tax revenue of Rp.97,443,811,213, - the amount of effectiveness of collecting Land and Building Tax in Palembang City in 2015 was 102.57 % is in accordance with the target that has been set. Thus, the effectiveness of Palembang City Land and Building Tax revenue is a very effective criterion.
2. The obstacles that affect the level of effectiveness in Palembang City are:
 - a. There is a difference in the address of the tax subject.
 - b. Double printing occurs.
 - c. Human resource expertise is also still considered inadequate.
 - d. There is a determination of tax objects that have not been in accordance with the actual situation.
 - e. Awareness of taxpayers and their ability to pay taxes is not on time.
3. Efforts to overcome obstacles that affect the level of effectiveness of Land and Building Tax revenue are by updating data or updating Land and Building Tax, distributing forms evenly to taxpayers, training human resources (employees of the Regional Revenue Office),

coordination with the Land Agency for Land Zone Value (ZNT) and improving services.

Suggestion

Based on the conclusions above, the input or suggestions that researchers can give are as follows:

1. It is better for staff or employees of the Regional Revenue Office to further improve the expertise of human resources in each employee sub-subdivision to be more active in providing services to facilitate performance by strengthening the information system for submitting Tax Returns, so that the target of tax revenue Land and Building from central to regional taxes in the coming year continue to increase.
2. It should also be expected that employees of the Regional Revenue Office will increase accuracy in human resources, in order to monitor any obstacles faced through efforts and policies that can be taken by the Palembang City Regional Revenue Office.

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