

Level Of Effectiveness And Contribution Of Rural And Urban Land And Building Taxes To Regional Original Income

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Abstract-The Rural and Urban Land and Building Tax (PBB-P2) is one of the strategic taxes for local governments, including the Jember Regency Government. This is because PBB-P2 revenue contributes to Regional Original Income (PAD), so it is necessary to know the level of effectiveness on PAD, as the purpose of this study. This type of research is descriptive, which explains the conditions based on the results of the analysis, with the data source in the form of secondary data. In general, this study resulted in the findings that the effectiveness of PBB-P2 in the less effective category, and its contribution to PAD at the very low level or category. The recommendation from the results of this study is that the Jember Regency Government should always strive to increase the target and realization of PBB-P2 revenue in accordance with its potential, so that it can contribute maximally to PAD.

Keywords: PBB-P2, PAD, Effectiveness, Contribution

1. INTRODUCTION

The government has an important role in state finances, starting from the central government to the lowest levels of village government (Boedijono et al., 2019). So there is a need for decentralization from the center to local government. Decentralization is the transfer of government authority by the government to autonomous regions to regulate and administer government in the system of the Unitary State of the Republic of Indonesia. Local government as the main end in public services plays this role (Susilo et al., 2018). In connection with this decentralization, Indonesia has implemented it as a consequence of the regional autonomy policy so that the revenue instruments from local taxes and levies can be utilized as much as possible for the benefit of the community. So that with this, as well as to support the policy, the government has revised the Law on Regional Taxes and Levies by making several changes, the latest of which is Law no. 28 of 2009 concerning Regional Taxes and Levies (PDRD). Taxes are important, as (Asmandani et al., 2020) argue that taxes are the largest revenue source.

The enactment of the Law of the Republic of Indonesia Number 28 of 2009 concerning Regional Taxes and Regional Levies in Article 2 describes the grouping of types of taxes, namely Provincial Taxes and Regency / City Taxes (Pemerintah Republik Indonesia, 2009). Provincial Taxes consist of Motor Vehicle Tax, Motor Vehicle Transfer Fee, Motor Vehicle Fuel Tax, Surface Water Tax, and Cigarette Tax. Meanwhile, Regency or City Taxes consist of Hotel Tax, Restaurant Tax, Entertainment Tax, Advertising Tax, Street Lighting Tax, Non-Metal Mineral 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 (Puspita & Wicaksono, 2017). One of the delegations of full tax management authority to local governments is the rural and urban land and building tax (PBB-P2). According to Law no. 28 of 2009, Rural and Urban Land and Building Tax is a tax on land and/or buildings that are owned, controlled, and/or utilized by individuals or entities, except for areas used for plantation, forestry, and mining business activities. The enactment of the law makes PBB-P2 expected to be one of the important sources of local revenue (PAD) for each region.

PAD is revenue that is obtained by the region from sources within its own territory which is collected based on regional regulations in accordance with applicable laws and regulations. PAD is an important element in regional income. PAD is one component of regional revenue sources in addition to receipt of transfer funds and other legitimate income. The ratio of PAD to total regional income shows the dependency ratio of a region. The large percentage of PAD to total regional income shows the large contribution of PAD to total regional income. The greater the percentage of PAD, both in terms of total income and total expenditure, it is very necessary for the implementation and implementation of regional autonomy. It is important to know the target and realization of PBB-P2 and its relationship with PAD, especially in Jember Regency. PBB-P2 is one type of regional tax according to Regional Regulation Number 3 of 2011 concerning Regional Taxes (Pemerintah Kabupaten Jember, 2011). As the findings of (Wicaksono & Pamungkas, 2017) that PBB-P2 in 2013-2015 was in a fairly effective and less effective position, while its contribution to PAD was in a very low category.

Another study by (Utami & Wicaksono, 2022) in Lumajang Regency, found that the PBB-P2 revenue category was effective, but the contribution to PAD was in a very low position. Another study by (Safitri et al., 2022) in Tuban, found that PBB-P2 was very effective, but its contribution to PAD was still low. The results of a similar study by (Permatasari & Wicaksono, 2021) in Ponorogo confirm that its effectiveness is very effective, while its contribution to PAD is still lacking. Furthermore, (Al-Mukhlisin et al., 2021) in Situbondo found that PBB-P2 was generally ineffective and its contribution to PAD was still very low. As the findings of (Wicaksono et al., 2022) that the need for the right local tax policy, so as to optimize PAD. Thus, based on the background described above, the author aims to determine the effectiveness and contribution of PBB-P2 revenue to the PAD of Jember Regency in 2018-2020, so that it can produce appropriate recommendations regarding local tax policies.

2. RESEARCH METHOD

In this study using descriptive qualitative methods. By using descriptive analysis it will be easier to describe the object to be studied, where the object of this research is the Rural and Urban Land and Building Tax (PBB-P2) in Jember Regency in 2018 - 2020. The data collection method used in this study uses the secondary data. Secondary data is a source of research data obtained by researchers indirectly through intermediary media. In this study, secondary data were obtained from reports relating to the realization of revenue and revenue targets for PBB-P2, as well as the realization of local revenue (PAD) originating from the Jember Regency Government. The data analysis method used was carried out using the following formulas and interpretations:

$$Effectiveness = \frac{Realization\ of\ PBB\ P2}{Target\ of\ PBB\ P2} \times 100\% \tag{1}$$

Table 1. Effectiveness Criteria

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

$$Contribution = \frac{Realization\ of\ PBB\ P2}{Realization\ of\ PAD} \times 100\% \tag{2}$$

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
>50%	Very Good

3. RESULT AND DISCUSSION

3.1 Targets and Realization of PBB-P2 and PAD

At the initial stage of the discussion, data regarding the target and realization of PBB-P2 and PAD will be presented as initial data, so that it will be easier for analysis at a later stage.

Table 3. Targets and Realization of PBB-P2 and PAD

Year	Targets PBB-P2	Realization PBB-P2	Targets PAD	Realization PAD
2018	50.503.000.000	37.520.380.524	609.304.818.610	598.328.886.651
2019	50.503.000.000	38.650.534.608	662.481.418.206	668.443.671.608
2020	71.600.000.000	45.724.014.797	660.367.999.055	593.181.286.369

Based on table 3, it can be seen that the PBB-P2 revenue target and the PAD target for Jember Regency tend to increase. The realization of PBB-P2 revenue every year does not meet the target, but has increased every year. This can be seen from 2018 to 2020 which has increased. 2018 was the lowest realization compared to the following years. Meanwhile, the target and the realization of PAD revenue each year experience differences, where the PAD revenue target tends to fluctuate or fluctuate, while the realization of PAD revenue also experiences the same thing which tends to fluctuate every year. Realization of PAD receipts in 2019 was the highest compared to 2018 and 2020. Year 2020 was the lowest realization of PAD receipts compared to the previous year. The realization of PAD in 2020 experienced a significant decrease compared to 2019.

3.2 Analysis of PBB-P2 Effectiveness

After the data is known, the next step is to present special data related to PBB-P2, namely the comparison between the target and the realization, so that the percentage can be known to determine the level of effectiveness.

Table 4. Level of Effectiveness of PBB-P2

Year	Targets	Realization	Percentage
2018	50.503.000.000	37.520.380.524	74,29 %
2019	50.503.000.000	38.650.534.608	76,53 %
2020	71.600.000.000	45.724.014.797	63,86 %

Based on table 4, it can be seen that the revenue target of PBB-P2 Jember Regency in the 2018-2020 period tends to increase even though in 2018-2019 there has been no change. Likewise, the realization of PBB-P2 revenues in the 2018-2020 period tends to increase every year. In 2018, the realization of PBB-P2 revenue was the lowest compared to the following years. While the PBB-P2 revenue target for that year is the same as in 2019. The realization of PBB-P2 revenue in 2018 did not meet the revenue target that had been set. The level of effectiveness of PBB-P2 in 2018 was also the lowest compared to the following years. Even so, the level of effectiveness of PBB-P2, the percentage level of effectiveness is 74.29% which is in the Less Effective category.

In 2019, the revenue target did not change from the previous year. The revenue target that has not changed may be because the local government refers to the realization of the previous year's revenue which still does not meet the target. The realization of PBB-P2 revenue in 2018 slightly increased compared to 2018. The level of effectiveness in 2019 was the highest compared to 2018 and 2020, which was 76.53%. The percentage of the effectiveness level is included in the Less Effective category. This can be seen from the realization of revenue which is still lower than the target that has been set.

In 2020, the PBB-P2 revenue target has increased compared to 2018 and 2019. Despite the Covid-19 pandemic that began to hit Indonesia in 2016, including in Jember Regency, the Regional Government has actually increased the PBB-P2 revenue target. Nevertheless, the realization of PBB-P2 revenue actually experienced a significant increase compared to 2018 and 2019. However, even though the realization of PBB-P2 revenue had increased, this amount still did not meet the target set. This may be because the realization of revenue is not matched by the PBB-P2 revenue target which will both increase in 2020. Of course this will affect the percentage of the effectiveness of the revenue with the PBB-P2 revenue target. The percentage of PBB-P2 effectiveness level in 2020 is the lowest compared to 2018 and 2019, which is 63.86%. This is of course very high compared to the target set. From the percentage of the effectiveness level, it is classified into the Less Effective category.

3.3 The Contribution of PBB-P2 to PAD

The last step is to calculate the contribution of PBB-P2 to PAD, to see how big the contribution level is. This needs to be known so that a policy can be formulated in optimizing the amount of its contribution.

Table 5. Contribution Level of PBB-P2 to PAD

Year	Realization PBB-P2	Realization PAD	Percentage
2018	37.520.380.524	598.328.886.651	6,28 %
2019	38.650.534.608	668.443.671.608	5,79 %
2020	45.724.014.797	593.181.286.369	7,71 %

Based on table 5, it can be seen that the realization of PBB-P2 revenue every year tends to increase every year. Meanwhile, the realization of Regional Original Income (PAD) tends to fluctuate or fluctuate every year. Meanwhile, the level of contribution of PBB-P2 revenue to PAD also experienced the same thing as the realization of PAD revenues which tended to fluctuate. In 2018, the realization of PBB-P2 revenue was lower than in 2019 and 2020. While the realization of PAD in 2018 was higher than in 2020, but lower than 2019. Likewise, the contribution rate in 2018 was lower than in 2020, but higher than in 2019 which was 6.28%. According to the standard, the percentage contribution rate in 2013 which was 6.28% was in the very poor category.

In 2019, the realization of PBB-P2 revenue increased slightly compared to 2019. Meanwhile, the realization of PAD was the highest compared to 2018 and 2020. However, the level of contribution of PBB-P2 revenue to PAD in 2019 was the lowest compared to 2018. and 2020, with a contribution rate of 5.79%. Based on the percentage of these contributions, according to the standards of the Research and Development Team of the Ministry of Home Affairs, Fisipol UGM (1991) was in the Very Poor category.

In 2020, the realization of PBB P2 revenues was the highest compared to 2018 and 2019. While the realization of PAD was the lowest compared to 2018 and 2019. The realization of PAD which decreased compared to the previous year was likely due to the outbreak of the Covid-19 pandemic which affected taxpayers in the economy, so that it affects regional revenues which have decreased. The contribution rate in 2020 of 7.71% is the highest compared to 2018 and 2019. Thus, the percentage of the contribution rate is in the Very Poor category.

4. CONCLUSION

Analysis of the effectiveness of Rural and Urban Land and Building Tax revenue (PBB-P2) in Jember Regency, in 2018 it was 74.29% in the Less Effective category. In 2019, it was 76.53% in the Less Effective category. Meanwhile, in 2020 it was 63.86% with the Less Effective category which was the lowest percentage of effectiveness compared to the previous year. While the percentage of the highest level of effectiveness was in 2019. The level of effectiveness every year tends to fluctuate or fluctuate, the realization of PBB-P2 revenues in the 2018-2020 period each year cannot meet the predetermined targets. Analysis of the contribution of rural and urban land and building taxes to Regional Original Income (PAD) in Jember Regency, in 2018 it was 6.28% in the Very Less category. Meanwhile in 2019 and 2020 they were 5.79%, 7.71% in the Very Poor category. The contribution rate fluctuates or rises and falls every year because the realization of PAD also experiences the same thing every year, while the realization of PBB-P2 revenue tends to increase

every year. The Jember Regency Government can increase and achieve the PBB-P2 revenue target that has been targeted in the following years. In an effort to increase the contribution of PBB-P2 to PAD, it is expected to increase the target of PBB-P2 revenue in Jember Regency based on its potential through re-collection or updating of PBB-P2 in Jember Regency.

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