



EFFECTIVENESS AND CONTRIBUTION OF LAND AND BUILDING TAX REVENUE IN SRAGEN CITY

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Abstract

The aim of this research is to determine the effectiveness of Land and Building Tax revenue, as well as to find out the socialization strategy as an effort to make Land and Building Tax (PBB) revenue more effective in Sragen Regency. The method used is quantitative, by collecting several data, literature studies, and also other supporting information. According to Law no. 28/2009 concerning Rural and Urban Land and Building Tax (PBB-P2) is one of the taxes managed by the Regional Government. The results of this research show that the growth in PBB-P2 revenue in Sragen Regency has reached the target set over the past 3 years. The level of effectiveness of PBB-P2 in Sragen Regency has been in the criteria of being very effective in the last 3 years, while the level of PBB-P2 contribution to Sragen Regency's Original Regional Revenue (PAD) is very low. The growth rate of PBB-P2 revenue after the enactment of Law no. 28/2009 experienced a decrease in percentage, this was because the target set by the regional government was greater than the target set by the central government.

Keywords: *Contribution, Effectiveness, Land and Building Tax*

Abstrak

Tujuan dari penelitian ini adalah untuk mengetahui efektivitas penerimaan Pajak Bumi dan Bangunan, juga mengetahui strategi sosialisasi sebagai upaya untuk mengefektifkan penerimaan Pajak Bumi Dan Bangunan (PBB) di Kabupaten Sragen. Metode yang digunakan adalah kuantitatif, dimana dengan cara mengumpulkan beberapa data, studi pustaka, dan juga informasi pendukung lainnya. Menurut UU No. 28/2009 tentang Pajak Bumi dan Bangunan Perdesaan dan Perkotaan (PBB-P2) merupakan salah satu pajak yang dikelola oleh Pemerintah Daerah. Hasil Penelitian ini menunjukkan pertumbuhan penerimaan PBB-P2 Kabupaten Sragen sudah mencapai target yang ditetapkan selama 3 tahun belakangan ini. Tingkat efektivitas PBB-P2 di Kabupaten Sragen berada pada kriteria sangat efektif dalam 3 tahun terakhir, sedangkan untuk tingkat kontribusi PBB-P2 terhadap Penerimaan Asli Daerah (PAD) Kabupaten Sragen sangat kurang. Tingkat pertumbuhan penerimaan PBB-P2 setelah penetapan UU No. 28/2009 mengalami penurunan persentase, hal ini dikarenakan target yang ditetapkan oleh pemerintah daerah lebih besar dari target yang ditetapkan oleh pemerintah pusat.

Kata Kunci : Efektivitas, Kontribusi, Pajak Bumi dan Bangunan

INTRODUCTION

Taxes are mandatory contributions collected by the government from the public (taxpayers) to cover routine state expenses and development costs without remuneration that can be appointed directly. Taxes are a source of state revenue which is very important for the implementation and improvement of national development. In this way, the taxation system continues to be perfected, tax collection is intensified, and the taxation/management apparatus must also become more capable and clean so that it can play a major role in national development.

According to (Puspita & Wicaksono, 2017) taxes for regional governments act as the main source of income and also as a regulatory tool used to finance regional government expenses, such as financing government administration, building and repairing infrastructure, providing education and health facilities, and financing activities. local government in providing needs that cannot be provided by the private sector, namely in the form of public goods. So far, the government continues to make changes and efforts to increase state revenue, especially state revenue obtained from the tax sector. One of the government's efforts is to amend tax legislation and administrative reform. One of the changes made by the government is an amendment to the Land and Building Tax Law (PBB), namely Law no. 32 of 2004 was changed to Law no. 28 of 2009 (Pemerintah Republik Indonesia, 2009). This law came into



effect on January 1 2010 where Regency/City Governments were allowed to accept the transfer of collection and management.

Basically, a company needs expenses so that its business or business can run in that location legally or legally. The required costs are Land and Building Tax (PBB). According to (Al-Mukhlisin et al., 2021) Land and Building Tax (PBB) is a tax levied on land and buildings because of the benefits and better socio-economic position for the person or entity who has the right to the benefits of the property and/or building. Land and Building Tax (PBB) is a fee that must be paid for the existence of land and buildings that provide benefits and socio-economic position for a person or entity. Because Land and Building Tax (PBB) is material in nature, the rate is determined by the condition of the existing land object or building.

Rural and Urban Land and Building Tax, hereinafter referred to as tax, is tax on land and/buildings owned, controlled and/used by individuals or entities, except for areas used for plantation, forestry and mining business activities. The earth is the earth's surface which includes land and inland waters as well as seas in district or city areas. Buildings are engineering constructions that are on the ground or permanently attached to the land and/or inland waters or the sea.

Based on Law Number 28 of 2009 concerning Regional Taxes and Regional Levies, it is explained that PBB-P2 is able to make it easier for Regional Governments to carry out development in various sectors within it (Pemerintah Republik Indonesia, 2009). According to (Boedijono et al., 2019), the government has a role in managing public finances, starting from central, regional and village financial management. PBB-P2 has a role that can be utilized by Regional Governments to increase Regional Original Revenue (PAD). Land and Building Tax is a very potential source of revenue for the region as a direct tax (Widyayana, 2017).

Recently there has been a sharp focus on PBB, especially from the rural and urban sectors, namely the increase in PBB provisions as a result of adjustments to the NJOP (Sales Value of Tax Objects) in line with developments in market prices. Disagreements arise regarding the concept and determination of NJOP between the Tax Office and the public. This increase seems to be difficult for the public, because the basis for imposing PBB, as a form of wealth tax, is not directly related to the taxpayer's current income. In this regard, various demands have emerged from taxpayers because they object to the PBB determination. It is hoped that the periodic determination of tax rates and NJOP or tax exemptions for land and buildings taking into account regional conditions and location can be used as a good alternative, especially in encouraging the creation of certainty in the amount of PBB and justice. The determination of the tax rate of 0.5% and the basis for calculating NJOP of 20% to 100% of NJOP and the granting of NJOP-TKP (Sales Value of Taxable-Non-Taxable Objects) as well as efforts to pay attention to and involve Regency/City and Provincial Governments need to be studied thoroughly. deep. This needs to be done so that these efforts continue to guarantee an increase in PBB revenue without ignoring issues of certainty and justice for taxpayers. The increase in PBB has an impact on reducing people's ready-to-consume income without directly experiencing the consequences of the increase in PBB. If the objectives of tax imposition and increase can be formulated more clearly and understood by taxpayers, society will realize the need for PBB. As far as is known, it is not clear to the community the benefits of the PBB even though this has been formulated in a separate regulation.

The aim of this research is to determine the level of effectiveness and contribution of PBB-P2 to Original Regional Revenue (PAD) in Sragen Regency. Based on previous research, PBB-P2 in Sragen Regency needs research regarding the level of effectiveness of PBB-P2 revenue, as well as how much PBB-P2 contributes to Regional Original Income (PAD). (Permatasari & Wicaksono, 2021) have conducted research regarding the effectiveness and contribution of PBB-P2 in Ponorogo Regency with the results of the research showing that the



average level of PBB-P2 effectiveness is at very effective criteria, while for the level of contribution PBB-P2 for PAD is still in the low criteria. Likewise, (Utami & Wicaksono, 2022) found that PBB-P2 revenue in Lumajang Regency was in the effective category, while its contribution to PAD was in the very low category. (Fidiyaningtyas & Mustoffa, 2021) found that the level of PBB-P2 effectiveness in Ponorogo Regency in 2015-2019 was on average at very effective criteria of 105.46%, while the level of PBB-P2 contribution to PAD in 2015-2019 still in the low criteria. (Pertiwi & Akbar, 2022) found the level of effectiveness of PBB-P2 Sidoarjo Regency in 2016-2020 with an average percentage of very effective of 105.08%. (Huda & Wicaksono, 2022) also found that the effectiveness of PBB-P2 in Yogyakarta City was in the very effective category, while its contribution to PAD was very poor. In contrast, (Al-Mukhlisin et al., 2021) found that PBB-P2 in Situbondo Regency from year to year is still ineffective, as well as the level of PBB-P2 contribution to the respective PAD is very low.

LITERATURE REVIEW

Effectiveness

According to (Pekei, 2016) Effectiveness is the relationship between output and objectives or it can also be said to be a measure of the level of output, policies and procedures of the organization. Effectiveness is also related to the degree of success of an operation in the public sector so that an activity is said to be effective if the activity has a major influence on the ability to provide community services which is a predetermined target.

Rural and Urban Land and Building Tax (PBB-P2)

According to Law Number 28 of 2009 concerning Regional Taxes and Regional Levies, PBB-P2 is a tax on land and/or buildings owned, controlled and utilized by individuals or entities except for areas used for plantation, forestry and mining business activities. The land tax objects regulated in this regulation consist of the earth's surface which includes land and inland waters as well as sea in city or district areas (Pemerintah Republik Indonesia, 2009). Buildings are engineering constructions that are permanently attached to land or inland waters or sea. Factors that influence the value of land or buildings are economic, social, government policy, and physical.

Contribution

(Mahmudi, 2010) explains that contributions are used to determine the extent to which local taxes contribute to PAD revenues. So, contribution is a contribution from local taxes to local original income. To find out the contribution, it is done by comparing local tax revenues for a certain period with PAD revenues for a certain period.

Regional Original Income (PAD)

Based on Article 1 paragraph (18) of (Republik Indonesia, 2004) concerning Financial Balance between the Center and the Regions, Original Regional Income, hereinafter referred to as PAD, is income obtained by the regions which is collected based on regional regulations in accordance with statutory regulations. Regional original income is income that is sourced and collected by the regional government itself. PAD sources consist of regional taxes, regional levies, profits from regionally owned enterprises (BUMD), and other legitimate regional original income.

Local Tax

According to Law Number 28 of 2009, the definition of regional tax, hereinafter referred to as tax, is a mandatory contribution to the region owed by an individual or body that is coercive based on law, without receiving direct compensation and is used for regional needs for the maximum amount. great prosperity people (Pemerintah Republik Indonesia, 2009).



METHOD

The data analysis technique used in this research is a descriptive quantitative data analysis technique without using statistical analysis. The data analysis steps carried out are as follows:

1. Analyze the level of effectiveness of PBB-P2 acceptance

$$PBB - P2 \text{ Effectiveness} = \frac{\text{Realization}}{\text{Target}} \times 100\%$$

To interpret the level of effectiveness of PBB acceptance, criteria are used according to the following table:

Table 1. Effectiveness Criteria

Percentage (%)	Criteria
>100	Very Effective
90-100	Effective
80-90	Enough Effective
60-80	Less Effective
<60	Non Effective

Source: (Departemen Dalam Negeri, 1996)

2. Analyzing the contribution of PBB revenue to PAD

The formula that can be used is as follows:

$$PBB - P2 \text{ Contribution} = \frac{\text{Realization of PBB} - P2}{\text{Realization of PAD}} \times 100\%$$

To interpret the magnitude of the PBB revenue contribution, criteria are used according to the following table:

Table 2. Contribution Criteria

Percentage (%)	Criteria
0,00-10%	Very Less
10,10%-20%	Less
20,10%-30%	Enough
30,10%-40%	Keep
40,10%-50%	Good
Di atas 50%	Very Good

Source : (Tim Litbang Depdagri-Fisipol UGM, 1991)

RESULTS AND DISCUSSION

Table 3. Effectiveness Calculations

Year	Target	Realization	Effectiveness	Criteria
2021	24.500.000.000	28.012.656.677	144,33%	Very Effective
2020	25.000.000.000	32.000.000.000	128%	Very Effective
2019	26.000.000.000	26.000.000.000	100%	Very Effective

Source: Data Processed, 2023

Judging from the level of effectiveness of Land and Building Tax (PBB-P2) revenue managed by the Regional Financial and Asset Management Agency (BPKAD) of Sragen Regency from year to year the percentage of effectiveness has increased. Nominal growth experienced an increase of 6 billion in 2020 and then decreased by 4 billion in 2021. This decrease was caused by the pandemic that hit. In Sragen Regency itself, in 2020, it provided exemption from Rural and Urban Land and Building Tax (PBB-P2) to residents to help



residents in economic recovery during the pandemic, even though the revenue level of effectiveness always increased and exceeded the predetermined targets.

The increase in the percentage of PBB-P2 effectiveness in Sragen Regency is due to good cooperation between taxpayers and the local government as Land and Building Tax collectors. The strategy carried out by the Sragen Regency government is to carry out several strategies to make taxpayers aware of their obligation to pay their taxes. The steps taken include providing outreach through sub-districts, placing several vehicles at certain points to make it easier for residents to pay taxes and finally residents can pay their taxes online via the Shopee, Tokopedia, Gopay, GoBills platforms and via Indomaret. This step is considered effective because residents find it easy to pay their taxes from anywhere and without having to queue. This convenience will increase taxpayers' awareness of paying their taxes.

Table 4. PBB-P2 Contribution

Year	Realization of PBB-P2	Realization of PAD	Contribution	Criteria
2021	28.012.656.677	537.330.624.083	5,21%	Very Less
2020	32.000.000.000	394.453.117.572	8,11%	Very Less
2019	26.000.000.000	268.325.779.439	9,68%	Very Less

Source: Data Processed, 2023

Judging from the level of contribution made by the Rural and Urban Land and Building Tax (PBB-P2) to the Regional Original Revenue (PAD) of Sragen Regency, the percentage decreased from 2019 to 2021 with very poor information. In 2019 the contribution level was at 9.68% then fell to 8.11 in 2020 and finally fell again to 5.21% in 2021. This decrease should be a slap to the government to increase the percentage level of contribution to Sragen Regency Original Regional Revenue (PAD). Contribution to Original Regional Revenue (PAD) does not only come from PBB-P2, but many sectors are sources of Original Regional Revenue (PAD) such as from the Advertising Tax, Entertainment Tax, Restaurant Tax, Street Lighting Tax, BPHTB, regional levies etc. All sectors must continue to increase the percentage level of contribution so that local revenue is more optimal.

Based on effectiveness and calculations, the effectiveness of Rural and Urban Land Building Tax (PBB-P2) revenue has been running very effectively. The legal basis for implementing land and building taxes is regulated in Law Number 28 of 2009 concerning regional taxes and regional levies, then this law was revealed in Sragen Regency regional regulation number 10 of 2012 concerning Rural and Urban Land and Building Taxes. The increasing percentage of effectiveness figures shows that the level of awareness of taxpayers in Sragen Regency is good. This is also thanks to the hard work of the Sragen Regency Government which has provided good services and contributions in efforts to collect Rural and Urban Land and Building Tax (PBB-P2). This positive thing must continue to be maintained in order to optimize land and building taxes in Sragen Regency. Apart from maintaining positive effectiveness, another task of the government is to evaluate the performance of the government because the increase in the percentage of effectiveness is not followed by an increase in the percentage of contribution to PAD. In the last three years the level of contribution has always fallen with very poor information. Although Original Regional Revenue does not only come from the Rural and Urban Land and Building Tax (PBB-P2) sector, Land and Building Tax must be the focus of the government so that the increase in the level of effectiveness can be followed by the level of contribution to Original Regional Revenue (PAD).

CLOSING



Conclusion

Based on the results and discussion, it can be seen that the level of PBB-P2 effectiveness has experienced significant and effective growth recorded over the last 3 years in the period 2019 to 2021 with the statement being very effective. Meanwhile, the achievement of contribution to PAD has decreased in percentage figures in the very low category over the last 3 years in the period 2019 to 2021.

Suggestion

Based on the conclusions, the researcher recommends to the Sragen Regency Government to increase the revenue target from year to year to encourage regional tax officials to carry out their main functions and improve performance. The increase in revenue targets must also be based on existing conditions in Sragen Regency. Apart from that, the government also needs to evaluate the entire performance of the apparatus so that it can be improved in the coming year. Lastly, the government must not get tired and stop providing good services and always intensively provide outreach to the community so that they are always obedient and obedient in paying taxes.

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