

## Analysis of the Contribution of Local Taxes and Regional Levies to Regional Original Revenue in Samarinda City

Fransiska Reza Karina Hayuning<sup>1</sup>, Jiuhardi<sup>2</sup>, Muhammad Awaluddin<sup>3</sup>

<sup>1,2,3</sup>Universitas Mulawarman, Indonesia

rezakarina48@yahoo.com

### Abstract

*The purpose of this study to discuss about analysis of the contribution of local taxes and regional levies to regional original revenue in Samarinda City. This research is included in the type of descriptive research. The data used is secondary data, namely the Realization of Tax Revenue Report and Regional Original Revenue Report in Samarinda City obtained from the Audit Report of the Republic of Indonesia Representative Office for East Kalimantan Province from 2016 to 2020. The analysis model in this study is a quantitative form. The research results show that the contribution of local taxes to regional original revenue in Samarinda City for the last 5 years is in the very good category. The contribution of regional levies to regional original revenue in Samarinda City is in the very low category.*

### Keywords

local taxes; regional levies;  
regional original revenue



## I. Introduction

Indonesia is a country that has implemented and implemented a system of regional autonomy. The policy for implementing regional autonomy has been regulated in Law Number 22 of 1999 concerning Regional Government. It aims to assist and expedite the affairs of the administration of national government. Regional autonomy is an authority, rights and responsibilities of an autonomous region to regulate and manage government affairs and the interests of the regional community in accordance with statutory provisions.

In Law Number 32 of 2004 concerning Regional Government and Law Number 33 of 2004 concerning Financial Balance between the Central Government and Regional Governments. Each region has the responsibility to meet the needs of their respective regions. The source of regional government revenue comes from regional original income, namely the results of regional taxes, regional levies, results of separated regional wealth management, and so on which are the results of their management legally.

The implementation of regional autonomy has been regulated in the Laws of the Republic of Indonesia, namely Laws Number 32 and 33 of 2004. This legality is also emphasized in Law Number 28 of 2009 concerning regional taxes and regional levies. This is what wants to explain that regional taxes are something that must be carried out by persuasive individuals or bodies to the regions based on rules that have been passed in the law and cannot be compensated directly. The tax is used to meet the needs of the wider community and ensure people's prosperity. Article 64 states that regional levies are regional levies as fees for certain services or permits specifically granted by the local government for the benefit of individuals or entities.

According to Mikha (2010), regional taxes and fees are part of regional original revenues that have good development expectations. Because regional taxes and regional levies must be managed professionally and transparently in order to optimize and increase their contribution to local revenue. According to Sidik (2002) in his research on optimizing

local taxes and regional levies to increase regional financial capacity, it is suggested that regional taxes and regional levies become part of the region's own-source revenue. Regional original income is the main component of regional income so that regional dependence on the central government is reduced. Therefore local governments are expected to have a great sense of responsibility to local communities. Because local taxes and regional levies are inseparable from the contribution of local revenue. Financial statements are basically a source of information for investors as one of the basic considerations in making capital market investment decisions and also as a means of management responsibility for the resources entrusted to them (Prayoga and Afrizal 2021). Financial performance is a measuring instrument to know the process of implementing the company's financial resources. It sees how much management of the company succeeds, and provides benefits to the community. Sharia banking is contained in the Law of the Republic of Indonesia No.21 of 2008 article 5, in which the Financial Services Authority is assigned to supervise and supervise banks. (Ichsan, R. et al. 2021)

This is to say that the contribution of local taxes is the level of contribution of taxes to local original revenues which is known by comparing tax revenues with total local original revenues in one fiscal year. The tax contribution has an influence on the percentage of government achievement in collecting regional taxes and regional levies, the results of which will be compared with the targets set. Related to this, Mafaza et al. (2016), conducted research on the contribution of local taxes and regional levies to local revenue. The results of this study indicate that regional taxes, regional levies, fluctuate every year. Not only that, Diza (2009) argues that local revenue shows results in managing its resources, the higher the managed resources, the higher the income earned by local governments. One of the regional original revenue is obtained from regional taxes and regional levies. Regional original revenue is a source for carrying out regional government achievement activities. So that if local taxes and regional levies can be increased, regional original revenue will also increase and local government activities can be carried out.

In this study the authors chose in Samarinda City. Because Samarinda City is a city in Indonesia which also implements and implements regional autonomy. Samarinda City Government must explore the potentials that exist in Samarinda City. However, Samarinda City Government is still assisted by the central government to assist the needs of Samarinda City Government itself. In other words, Samarinda City Government still depends on the central government. This indicates that the capacity of Samarinda City Government is still limited in managing regional finances for local community services. These constraints also have an influence on the contribution of regional tax and retribution revenues in Samarinda City. There are efforts to realize independent financial management for local regional governments to make a major contribution to the region.

The purpose of this study to discuss about analysis of the contribution of local taxes and regional levies to regional original revenue in Samarinda City.

## II. Review of Literature

### 2.1 Local Taxes

Broadly speaking, taxes are collections from the public by the state (government) based on laws that can be enforced and owed by those who are obliged to pay them without receiving direct performance (counter-performance/remuneration), then the proceeds are used to finance state expenditure in governance and development. Regional taxes are taxpayer levies on individuals or entities carried out by the regional government

without direct counter-performance that are balanced, which can be separated based on applicable laws and regulations, which are used to finance the administration of regional government and regional development (Rahayu, 2010). Regional taxes are mandatory payments for areas owed by individuals or entities that are required by law, and do not receive compensation directly but are used to meet the needs of the welfare of the regional community as much as possible. Based on this understanding, it can be concluded that the main objective of district/city governments in collecting regional taxes from the community is to provide funds so that the implementation of governmental tasks, development and community development can run effectively and successfully in order to improve people's living standards.

## **2.2 Regional Levies**

Regional levies are regional levies as payment for certain services or permits specifically granted and/or provided by the regional government for the benefit of individuals or entities. Retribution is divided into three groups, namely:

- a. Public service fees, namely fees for services provided or provided by the regional government for the purpose of public interest and benefit and can be enjoyed by private individuals.
- b. Business service fees, namely fees for services provided by the regional government by adhering to commercial principles because basically they can also be provided by the private sector.
- c. c.Certain licensing fees, namely fees for certain activities of the regional government in the framework of granting permits to individuals or entities intended for the development, regulation, control and supervision of space utilization activities, use of natural resources, goods, infrastructure, facilities or facilities to protect the public interest and protect the environment.

Law Number 28 of 2009, like Law Number 34 of 2000, clearly stipulates that in order to be collected in an area, each type of regional levy must be stipulated by regional regulations. This means that in order for it to be enforced and collected in a province, district or city, it must be based on the stipulations of regional regulations regarding regional fees. Regional regulations regarding a regional levy are promulgated in the relevant regional gazette. Regional regulations regarding a regional levy cannot be retroactive and do not conflict with public interests and or provisions of higher laws and regulations.

## **2.3 Regional Original Revenue**

Regional original revenue is all regional revenues in the form of increasing assets or decreasing debt from various sources in the relevant fiscal year period. Regional original revenue is all that comes from regional original economic sources. Regional original revenue is revenue obtained by the region from sources within its own territory which is collected based on regional regulations in accordance with applicable laws and regulations (Halim, 2007).

Regional original revenue sector plays a very important role, because through this sector it can be seen how far a region can finance government activities and the development of its own region. Regions are required to play an active role in optimizing regional revenue receipts. This is an effort to seek funding in the implementation of regional autonomy as a manifestation of the principle of decentralization. Regional original revenue is income earned by the region which is collected based on regional regulations in accordance with statutory regulations. Regional original revenue is regional income

originating from the results of regional taxes, results of regional levies, results of separated regional wealth management, and other legitimate regional original revenues. Regional original revenue aims to provide flexibility to the regions in raising funds in the implementation of regional autonomy as a manifestation of the principle of decentralization. Regional original revenue is revenue received by a region from sources within its own territory which is collected based on regional regulations in accordance with applicable laws and regulations.

### III. Research Method

This research is included in the type of descriptive research. Where descriptive research is a type of research whose purpose is to prepare a complete picture of social settings or the relationship between the phenomena being tested (Octiva et al., 2018; Pandiangan, 2018; Pandiangan, 2022). The quantitative descriptive method is a method used to describe or analyze a research result but is not used to use broader conclusions (Asyraini et al., 2022; Octiva, 2018; Pandiangan, 2015).

Secondary data is various information that has existed before and is deliberately collected by researchers that are used to complement research data needs (Jibril et al., 2022; Pandiangan et al., 2018; Pandiangan, 2022). Usually, these data are in the form of charts, graphs, or tables of important information such as population censuses (Octiva et al., 2021; Pandiangan et al., 2021; Pandia et al., 2018). The data used is secondary data, namely the Realization of Tax Revenue Report and Regional Original Revenue Report in Samarinda City obtained from the Audit Report of the Republic of Indonesia Representative Office for East Kalimantan Province from 2016 to 2020.

In accordance with the problems and objectives that have been formulated, the analysis model in this study is a quantitative form, namely where the data used in this study is in the form of numbers (Pandiangan et al., 2022; Tobing et al., 2018).

### IV. Result and Discussion

#### 4.1 Contribution of Local Taxes to Regional Original Revenue in Samarinda City

To find out the level of the contribution of local taxes to regional original revenue in Samarinda City from 2016 to 2020. Then the following data analysis is carried out:

**Table 1.** Contribution of Local Taxes to Regional Original Revenue in Samarinda City

Year	Local Taxes	Regional Original Revenue	Contribution (%)
2016	Rp256,130,052,909	Rp391,404,293,290	65.44%
2017	Rp298,972,840,769	Rp519,640,806,807	57.53%
2018	Rp352,827,149,153	Rp498,888,664,159	70.72%
2019	Rp369,978,459,595	Rp560,444,857,362	66.02%
2020	Rp314,002,648,362	Rp485,189,493,721	64.72%
<b>Mean</b>			<b>64.89%</b>

*Source: Processed Data (2022)*

The contribution of local taxes to regional original revenue in Samarinda City for the last 5 years is in the very good category. This can be seen in the value of the contribution of local taxes to regional original revenue in Samarinda City from 2016 to 2020, where the contribution percentage is above 50%.

Based on Law Number 28 of 2009 concerning Level II Local Taxes or Regency/City Regional Taxes, it consists of several types of taxes. The contribution of hotel tax to original revenue in Samarinda City for the last 5 years is in the very low category. This can be seen in the value of the hotel tax contribution to original revenue in Samarinda City from 2016 to 2020, where the contribution percentage is below 10%. The lowest contribution of hotel tax to original revenue occurred in 2020, this was due to the COVID-19 pandemic that occurred in Samarinda City which required people to carry out large-scale social restrictions and more activities to be carried out at home. So that the impact on hotel revenues decreased.

#### 4.2 Contribution of Regional Levies to Regional Original Revenue in Samarinda City

To find out the level of the contribution of regional levies to regional original revenue in Samarinda City from 2016 to 2020. Data analysis is then carried out as follows:

**Table 2.** Contribution of Regional Levies to Regional Original Revenue in Samarinda City

Year	Regional Levies	Regional Original Revenue	Contribution (%)
2016	Rp58,591,942,122	Rp391,404,293,290	14.97%
2017	Rp52,123,941,557	Rp519,640,806,807	10.03%
2018	Rp48,480,939,558	Rp498,888,664,159	9.72%
2019	Rp49,520,199,223	Rp560,444,857,362	8.84%
2020	Rp42,755,656,314	Rp485,189,493,721	8.81%
<b>Mean</b>			<b>10.47%</b>

Source: Processed Data (2022)

The contribution of regional levies to regional original revenue in Samarinda City for the last 5 years has tended to decrease every year. The ratio of regional retribution contributions for the last 2 years 2016 and 2017 is in the less category. However, in the following years, namely in 2018, 2019, and 2020, the ratio of regional levies contributions actually decreased too very little. This is due to the effects of the COVID-19 pandemic which has an impact on reduced levy income due to limited community activities when leaving the house.

## V. Conclusion

The research results show that the contribution of local taxes to regional original revenue in Samarinda City for the last 5 years is in the very good category. The contribution of regional levies to regional original revenue in Samarinda City is in the very low category.

Based on the results of the research, suggestions for several parties, including the following:

1. For the Government of Samarinda City, it is hoped that it will be able to increase taxpayer awareness in paying tax obligations. As well as conducting evaluations, and



efforts to intensify and extensification in order to increase local tax revenues considering that based on the results of this study it was found that several types of local taxes have contributed to local taxes which are still very lacking.

2. It is also hoped that the Government of Samarinda City can optimize the collection of fees that already have Regional Regulations, as well as create new types of fees and expand the scope of the types of fees that currently exist.

## References

- Asyraini, Siti, Fristy, Poppy, Otiva, Cut Susan, Nasution, M. Hafiz Akbar, & Nursidin, M. (2022). Peningkatan Kesadaran Protokol Kesehatan di Masa Pandemi Bagi Warga di Desa Selamat Kecamatan Biru-biru. *Jurnal Pengabdian Kontribusi (Japsi)*, 2(1), 33-36.
- Diza, M. R. (2009). *Kontribusi Pajak Daerah dan Retribusi Daerah Terhadap Pendapatan Asli Daerah di Provinsi Sumatera Utara*. Skripsi. Medan: Universitas Sumatera Utara.
- Halim, Abdul. (2007). *Akuntansi Keuangan Daerah*. Jakarta: Salemba Empat.
- Ichsan, R. et al. (2021). Determinant of Sharia Bank's Financial Performance during the Covid-19 Pandemic. *Budapest International Research and Critics Institute-Journal (BIRCI-Journal)*. P. 298-309.
- Jibril, Ahmad, Cakranegara, Pandu Adi, Putri, Raudya Setya Wismoko, & Otiva, Cut Susan. (2022). Analisis Efisiensi Kerja Kompresor pada Mesin Refrigerasi di PT. XYZ. *Jurnal Mesin Nusantara*, 5(1), 86-95.
- Mafaza, et al. (2016). Kontribusi Pajak Daerah dan Retribusi Daerah dalam Pendapatan Asli Daerah (Studi pada Dinas Pendapatan Pengelolaan Keuangan dan Aset Kabupaten Pacitan). *Jurnal Perpajakan (JEJAK)*, 11(1).
- Mikha, Danied. (2010). Analisis Kontribusi Pajak dan Retribusi Daerah terhadap Pendapatan Asli Daerah Kabupaten Sleman. *Kajian Akuntansi*, 5(1).
- Otiva, C. S., Irvan, Sarah, M., Trisakti, B., & Daimon, H. (2018). Production of Biogas from Co-digestion of Empty Fruit Bunches (EFB) with Palm Oil Mill Effluent (POME): Effect of Mixing Ratio. *Rasayan J. Chem.*, 11(2), 791-797.
- Otiva, Cut Susan, Indriyani, & Santoso, Ari Beni. (2021). Effect of Stirring Co-digestion of Palm Oil and Fruith for Biogas Production to Increase Economy Benefit. *Budapest International Research and Critics Institute-Journal*, 4(4), 14152-14160. DOI: <https://doi.org/10.33258/birci.v4i4.3521>.
- Otiva, Cut Susan. (2018). Pengaruh Pengadukan pada Campuran Limbah Cair Pabrik Kelapa Sawit dan Tandan Kosong Kelapa Sawit terhadap Produksi Biogas. Tesis. Medan: Fakultas Teknik, Program Studi Teknik Kimia, Universitas Sumatera Utara. <https://repository.usu.ac.id/bitstream/handle/123456789/12180/157022002.pdf?sequence=1&isAllowed=y>.
- Pandia, S., Tanata, S., Rachel, M., Otiva, C., & Sialagan, N. (2018). Effect of Fermentation Time of Mixture of Solid and Liquid Wastes from Tapioca Industry to Percentage Reduction of TSS (Total Suspended Solids). *IOP Conference Series: Materials Science and Engineering*, 309, 012086. DOI: 10.1088/1757-899X/309/1/012086.
- Pandiangan, Saut Maruli Tua, Oktafiani, Fida, Panjaitan, Santi Rohdearni, Shifa, Mutiara, & Jefri, Riny. (2022). Analysis of Public Ownership and Management Ownership on the Implementation of the Triple Bottom Line in the Plantation Sector Listed on the Indonesia Stock Exchange. *Budapest International Research and Critics Institute-*

- Journal, 5(1), 3489-3497. DOI: <https://doi.org/10.33258/birci.v5i1.4016>.
- Pandiangan, Saut Maruli Tua, Resmawa, Ira Ningrum, Simanjuntak, Owen De Pinto, Sitompul, Pretty Naomi, & Jefri, Riny. (2021). Effect of E-Satisfaction on Repurchase Intention in Shopee User Students. *Budapest International Research and Critics Institute-Journal*, 4(4), 7785-7791. DOI: <https://doi.org/10.33258/birci.v4i4.2697>.
- Pandiangan, Saut Maruli Tua, Rujiman, Rahmanta, Tanjung, Indra I., Darus, Muhammad Dhio, & Ismawan, Agus. (2018). An Analysis on the Factors which Influence Offering the Elderly as Workers in Medan. *IOSR Journal of Humanities and Social Science (IOSR-JHSS)*, 23(10), 76-79. DOI: 10.9790/0837-2310087679. <http://www.iosrjournals.org/iosr-jhss/papers/Vol.%2023%20Issue10/Version-8/K2310087679.pdf>.
- Pandiangan, Saut Maruli Tua. (2015). Analisis Lama Mencari Kerja Bagi Tenaga Kerja Terdidik di Kota Medan. Skripsi. Medan: Fakultas Ekonomi dan Bisnis, Program Studi Ekonomi Pembangunan, Universitas Sumatera Utara. [https://www.academia.edu/52494724/Analisis\\_Lama\\_Mencari\\_Kerja\\_Bagi\\_Tenaga\\_Kerja\\_Terdidik\\_di\\_Kota\\_Medan](https://www.academia.edu/52494724/Analisis_Lama_Mencari_Kerja_Bagi_Tenaga_Kerja_Terdidik_di_Kota_Medan).
- Pandiangan, Saut Maruli Tua. (2018). Analisis Faktor-faktor yang Mempengaruhi Penawaran Tenaga Kerja Lanjut Usia di Kota Medan. Tesis. Medan: Fakultas Ekonomi dan Bisnis, Program Studi Ilmu Ekonomi, Universitas Sumatera Utara. <http://repositori.usu.ac.id/bitstream/handle/123456789/10033/167018013.pdf?sequence=1&isAllowed=y>.
- Pandiangan, Saut Maruli Tua. (2022). Analysis of Factors Affecting Interest in Buying a House. *Journal of Innovation Research and Knowledge*, 2(6).
- Pandiangan, Saut Maruli Tua. (2022). Effect of Packaging Design on Repurchase Intention to the Politeknik IT&B Medan Using E-Commerce Applications. *Journal of Production, Operations Management and Economics (JPOME)*, 2(1), 15–21. <http://journal.hmjournals.com/index.php/JPOME/article/view/442>.
- Rahayu, Siti Kurnia. (2010). *Perpajakan Indonesia*. Yogyakarta: Graha Ilmu.
- Sidik, DR Machfud. (2002). Optimalisasi Pajak Daerah dan Retribusi Daerah dalam Rangka Meningkatkan Kemampuan Keuangan Daerah. Orasi Ilmiah Wisuda XXI STIA LAN.
- Tobing, Murniati, Afifuddin, Sya'ad, Rahmanta, Huber, Sandra Rouli, Pandiangan, Saut Maruli Tua, & Muda, Iskandar. (2018). An Analysis on the Factors Which Influence the Earnings of Micro and Small Business: Case at Blacksmith Metal Industry. *Academic Journal of Economic Studies*, 5(1), 17-23. <https://www.ceeol.com/search/article-detail?id=754945>.