



The Analysis of Regional Tax Revenue in Increasing Regional Original income (PAD) of Deli Serdang

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ABSTRACT

Regional Tax is the contribution of Regional Taxpayers owed by individuals or entities that are compelled by law, without getting a direct imbalance and are used for regional needs for the greatest prosperity of the people. Local tax collection is used to finance the government and increase local revenue. The purpose of this study was to analyze the Regional Tax Revenue of Deli Serdang Regency in increasing the Regional Original Income (PAD) of Deli Serdang Regency. The type of research conducted in this research is descriptive quantitative. This research was conducted with time series data from 2017-2021. This study uses secondary data sourced from the Financial and Asset Management Agency of Deli Serdang Regency and the Central Statistics Agency. The results of this study indicate that the Regional Tax of Deli Serdang Regency can increase the Regional Original Income of Deli Serdang Regency. It can be seen that every year from 2017 to 2021 the Regional Tax revenue of Deli Serdang Regency can contribute between 65.18% to 79.06% of Deli Serdang Regency's Original Revenue.

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INTRODUCTION

On the basis of Pancasila and the 1945 Constitution, the objective of the Administration of the Republic of Indonesia is to prosper society by achieving a just, prosperous and equitable society. Government in Indonesia consists of Provincial Governments and consists of Regency Governments and City Governments, each of which has the right and obligation to regulate and manage its own government affairs with the aim of increasing the efficiency and effectiveness of government administration and services to the community.

Each autonomous region, in this case the Province, Regency or City in Indonesia, has the ability to explore the potential of the region and local government. To explore the potential of the area must have the same commitment and goals by inviting the community to be able to participate in assisting the government in exploring the potentials of each region. The Republic of Indonesia has very productive natural resources and economic potential so that if utilized optimally it can make a major contribution to the receipt of regional original income which is beneficial for national development and regional development. The Law on Regional Government

and Financial Balance between the center and the regions has stipulated regional taxes and levies as sources of Regional Original Revenue (PAD) originating from these regions.

Local Own Revenue (PAD) is a source of revenue for routine and development financing in a regional autonomy. Components of Regional Original Revenue that are good to be developed are regional taxes. The amount of regional tax and regional levies component revenue is influenced by the types of regional taxes and regional levies that are applied and adjusted to the applicable regulations related to the receipt of regional tax components and regional levies. Regional Taxes are levies made by Regency/Municipal governments based on statutory regulations.

Regional Taxes are managed by Regional Governments at the Provincial, Regency and City levels. Regional Taxes consist of Provincial Taxes and Regency/Municipal Taxes, Provincial Taxes consist of Motor Vehicle Taxes, Motorized Vehicle Transfer Fees, Motor Vehicle Fuel Taxes, Surface Water Taxes and Cigarette Taxes. Meanwhile Regency/Municipal Taxes consist of Hotel Tax, Restaurant Tax, Entertainment Tax, Advertising Tax, Street Lighting Tax, Non-Metal and Rock Mineral Tax, Parking Tax, Groundwater Tax, Swallow's Nest Tax, Rural and Urban Land and Building Tax, Land and Building Rights Acquisition Fees.

Deli Serdang Regency is one of the Regencies/Cities in North Sumatra Province which has natural resources to optimize local tax revenues as a source of Local Own Revenue (PAD). The ability to optimize local tax revenue sources must be followed by the ability to set targets according to potential and the ability to reduce costs incurred in collecting them. With this ability, Deli Serdang Regency can increase revenue and increase high Regional Original Income (PAD). In the table below, you can see the Regional Tax and Local Revenue of Deli Serdang Regency in 2017-2021.

Based on the above data sourced from the Deli Serdang Regency Financial and Asset Management Agency, it can be seen that the development of Regional Tax and Dareh Original Revenue (PAD) of Deli Serdang Regency has fluctuated from 2017-2021. However, the Deli Serdang Regency Region can carry out regional autonomy by organizing and managing its own household.

Original Regional Revenue (PAD) as a source of regional revenue previously received less attention, this was due to the dependence of local governments on the central government, in this case the sources of regional development funds were mostly obtained from the central government, while local governments had limitations in regulating development of the fund. The greater the regional tax received, the greater the Regional Original Income (PAD) generated. Therefore, the greater the local taxes earned, the local government can finance expenses to carry out regional authorities and responsibilities to the community, for example helping to provide assistance with facilities and infrastructure to the community such as in the fields of education, health, agriculture, trade and others. From the description of the background, the purpose of this study is to analyze how much local tax revenue has increased Regional Original Income (PAD) in Deli Serdang Regency.

According to Putra et al., (2019) taxes are contributions paid by the people to the state that are included in the state treasury which implement them according to laws and their implementation can be forced without any remuneration. Taxes are people's contributions to the state treasury based on law (which can be enforced) with no reciprocal services (counter-performance) that are directly addressed and used for public expenditure (Sumarsan, 2013)

Definition of Tax according to Mardiasmo (2012) Taxes are people's contributions to the state treasury based on laws that can be enforced without receiving lead services (counter-performance) that can be directly shown and used to pay public expenses. In general, taxes are collections from the public by the State (Government) based on laws that can be forced and owed by taxpayers by paying them and the proceeds are used to finance state expenditures in governance and development. Regional taxes are obligatory contributions made by the regions to individuals or entities without equal direct compensation, which can be enforced based on the applicable laws

and regulations, which are used to finance regional government administration and regional development.

Regional Tax according to Law Number 28 of 2009 is the contribution of Regional Tax payable by individuals or entities that are coercive based on the Law, by not getting compensation directly and used for regional needs for the greatest prosperity of the people. According to Mardiasmo (2012), the characteristics of taxes are as follows: Taxes are collected by the State, either by the central government or local governments, Tax payments must go to the state treasury, In paying taxes, it cannot be shown that there is individual contra- achievement by the government The administration of government in general is a manifestation of the state's counter-achievement to the taxpayers, Taxes are collected due to circumstances, events and actions which are subject to tax according to tax laws and regulations.

According to Mardiasmo (2012) there are 2 tax functions, namely: Budgetair function, The function of the budgetair, namely taxes as a source of funds for the government to finance state expenditures. In carrying out the routine tasks of the state and to carry out development, the state really needs funds. Costs in this case can be obtained from tax revenues. Tax revenues can be used as routine financing, for example personnel expenditures, goods expenditures, capital expenditures, maintenance expenditures and others. To finance the construction of the money issued comes from government savings.

Regularend function, The regularend function is tax as a tool to regulate or implement government policies in the social and economic fields. With the regulating function, tax revenue can be used as a tool to achieve goals. For example, in investing, various kinds of tax relief facilities are provided. With the existence of taxes, the government has funds to carry out policies related to price stability so that inflation can be controlled by the government. In this case, this can be done by regulating the circulation of money in society, collecting taxes and using taxes in an effective and efficient manner. Tax revenue that has been collected by the state will be used to finance public interests, such as financing development so that it can be used to create jobs and provide opportunities for people to work so as to increase people's income.

Zuraida (2014) suggests the characteristics of local taxes are as follows: Collected by the Regional Government based on the power of laws and regulations. The collection is carried out in the event that there are circumstances or events which according to laws and regulations may be subject to regional taxes. The collection can be forced, if the taxpayer does not fulfill the obligation to pay regional taxes, he can be subject to administrative and criminal sanctions. There is no direct relationship to the payment of local taxes with direct compensation or services. Regional tax revenues are deposited into the regional treasury. Used for regional needs for the greatest prosperity of the people

Locally-generated revenue, Regional Original Revenue (PAD) in Law Number 33 of 2004 concerning Financial Balance between the Center and the Regions is the income obtained by the regions which is collected based on regional regulations in accordance with statutory regulations. According to Law Number 28 of 2009, Local Own Revenue is a regional financial source that is excavated from the area of the region concerned consisting of tax proceeds, regional levies, results of separated regional wealth management and other legitimate regional original income. Regional Original Revenue (PAD) is revenue obtained from the regional tax sector, regional levies, results of regionally owned companies, results of separated regional wealth management, other legitimate regional original income (Mardiasmo, 2012).

According to Halim (2017), Regional Original Revenue (PAD) are all regional revenues originating from original economic sources in the form of regional taxes, regional levies, results of separated regional property management, and other legitimate PAD. Sources of Local Own Revenue (PAD) according to Law Number 33 of 2004 are as follows: Regional Original Income (PAD) consists of: Local Tax Results The results of regional taxes are regional levies according to regulations set by the regions for financing their households as public legal entities, Results of

Regional Retribution, The results of regional levies are levies that have legally become regional levies as payment for use or for obtaining services or for obtaining work services, business or property of the local government concerned. Proceeds of Regional Owned Companies and Results of Separated Regional Wealth Management

The results of regionally owned companies are regional income from the net profits of regional companies in the form of regional development funds and a share for regional budgets which are deposited into the regional treasury, both regional companies are separated, in accordance with the motives for establishment and management, the nature of regional companies is a production unit that is increase regional income, provide services, organize public benefits, and develop the regional economy.

Other Legitimate Regional Revenues, Other legitimate regional revenues are revenues that are not included in the types of regional taxes, regional retribution, revenue from government agencies. Other legal regional businesses have characteristics that open up local governments to carry out activities that produce either material in the activity aimed at supporting, widening, or strengthening a regional policy in a particular field.

Regional Retribution, regional levies are regional levies for services or the granting of certain permits specifically granted and or provided by the local government for individuals or entities. The object of regional levies consists of general service levies, business service levies and certain licensing levies.

Balancing Fund, Balancing Funds are funds originating from APBN revenues allocated to regions to finance regional needs. Balancing funds consist of profit sharing funds, general allocation funds, and special allocation funds. Other Legitimate Regional Revenues, Other legitimate regional revenues are regional revenues from other sources, for example donations from third parties to the regions carried out in accordance with applicable laws and regulations. Other legitimate regional revenues consist of grants and emergency funds.

RESEARCH METHOD

This type of research uses quantitative descriptive research. According to Sugiyono (2012), quantitative descriptive research is research conducted to determine the value of independent variables, either one more (independent) variable without making comparisons, or connecting with other variables. This research is limited to only include the variables of Regional Tax and Local Own Revenue in Deli Serdang Regency. This research was conducted using time series data from 2017-2021. This study uses secondary data sourced from the Financial and Asset Management Agency for Deli Serdang Regency and the Central Bureau of Statistics.

The data collection method in this study used library research. Library research is obtained from reading books, journals and articles related to research variables. The data analysis used in this study is the Quantitative Descriptive Analysis research method, which is an analysis that collects, compiles, processes, and analyzes numerical data, in order to provide an overview of a particular situation so that conclusions can be drawn. In processing and analyzing research results, the formula used is as follows:

- a. Growth of Regional Original Income (PAD) of Deli Serdang Regency

$$G = \frac{PAD(t) - PAD(t-1)}{PAD(t-1)} \times 100\%$$

Information :

G=Growth Rate of Local Own Revenue

PAD (t) = Total Local Original Revenue for the Current Year

PAD (t-1) = Total Local Original Revenue in the Previous Year

- b. Tax Contribution to Regional Original Income (PAD) of Deli Serdang Regency

$$\text{Kontribusi} = \frac{\text{Penerimaan Pajak Daerah}}{\text{Penerimaan Pendapatan Asli Daerah}} \times 100\%$$

RESULTS AND DISCUSSIONS

Development of Regional Original Income of Deli Serdang Regency

Local Own Revenue for Deli Serdang Regency is obtained from regional tax revenues, results of regional levies, results of separated regional wealth management and other legitimate regional original revenues. The Regional Original Revenue of Deli Serdang Regency for 2017-2021 has fluctuated or experienced increases and decreases. The development of Regional Original Income for Deli Serdang Regency for 2017-2021 can be seen in the table below:

Table 1. Development of Regional Original Income for Deli Serdang Regency in 2017-2021

Year	Regional Own Revenue (Rupiah)	Development (%)
2017	849,286,151,151	-
2018	729,648,594,488	-14.09
2019	825,375,281,296	13.12
2020	809,719,829,265	-1.90
2021	928,687,258,003	14.69

Source: Financial and Asset Management Agency of Deli Serdang Regency

Based on the development table for the 2017-2021 Deli Serdang Regency Regional Original Revenue, it can be seen that the growth of the Deli Serdang Regency Regional Original Revenue for 2017-2021 has fluctuated. In 2018 the Regional Original Revenue of Deli Serdang Regency has decreased from the previous year, namely from 849,286,151,151 decreased by 729,648,594,488 with a decrease in growth of minus 14.09%. This is due to a decrease in local revenue from the previous year. Then in 2019 the growth of Regional Original Revenue increased by 13.12%, this was due to an increase in the acquisition of Regional Original Revenue of 825,375,281,296 from the previous year of 729,648,594,488. In 2020 the Regional Original Revenue of Deli Serdang Regency has again decreased from the previous year's 825,375,281,296 to 809,719,829,265, with the development of Regional Original Revenue decreasing by minus 1.90%. This is due to a decrease in local revenue from the previous year. Furthermore, in 2021 the Regional Original Revenue of Deli Serdang Regency has increased from the previous year of 809,719,829. 265 and will increase to 928,687,258,003 in 2021. The growth of local revenue for Deli Serdang Regency in 2021 has increased by 14.69%. The increase in the growth of the original regional income of Deli Serdang Regency has increased better than in previous years due to an increase in the original regional income of the Deli Serdang Regency from each source of the original regional income of the Deli Serdang Regency.

Table 2. Development of Regional Taxes for Deli Serdang Regency for 2017-2021

Year	Local Tax (Rupiah)	Development (%)
2017	553,600,461,549	-
2018	558,329,598,200	0.85
2019	652,563,113,786	16.88
2020	596,316,675,899	-8.62
2021	672,462,837,506	12.77

Source: Financial and Asset Management Agency of Deli Serdang Regency

Based on the development table for the Regional Tax of Deli Serdang Regency for 2017-2021, it can be seen that the growth of the Regional Tax for Deli Serdang Regency for 2017-2021 has fluctuated. In 2007 the Regional Tax revenue of Deli Serdang Regency 553,600,461,549 and in 2018 it has increased with local tax revenue of 558,329,598,200 with an increase of 0.85%. Then in 2019 Regional Tax revenue for Deli Serdang Regency increased from the previous year's 558,329,598,200 to 652,563,113,786 with an increase of 16.88%. Furthermore, in 2020 Deli Serdang Regency Regional Tax revenue has decreased to 596,316,675,899 which was previously 652,563,113,786 in 2019. This decrease amounted to minus 8.62% in Deli Serdang Regency Regional Tax revenue in 2020. In 2021 Deli Regency Regional Tax revenue Serdang amounted to 672,462,837,506 or there was an increase in local tax revenue from the previous year of 596,316,675,899 in 2020.

Discussion

a. Local Taxes Against Regional Original Revenues of Deli Serdang Regency

The contribution from the regional tax revenues of Deli Serdang Regency to the revenues of the Regional Original Revenues of the Deli Serdang Regency by comparing them and multiplying them by 100% means the result is the amount of the contribution of the Regional Tax revenues of the Deli Serdang Regency to the Regional Original Revenues of the Deli Serdang Regency. The results of these contributions can be seen in the following table:

Table 3. Contribution of Local Taxes to Local Revenue of Deli Serdang Regency for 2017-2021

Year	Local Tax (Rupiah)	Regional Own Revenue (Rupiah)	Regional Tax Contribution to PAD (%)
2017	553,600,461,549	849,286,151,151	65.18
2018	558,329,598,200	729,648,594,488	76.52
2019	652,563,113,786	825,375,281,296	79.06
2020	596,316,675,899	809,719,829,265	73.64
2021	672,462,837,506	928,687,258,003	72.41

Based on the table of Regional Tax contribution to the Regional Original Revenue of Deli Serdang Regency for 2017-2021, it can be seen that in 2017 the contribution of Regional Tax revenue for Deli Serdang Regency was 65.18%, then in 2018 the contribution of Regional Tax revenue for Deli Serdang Regency has increased to 76.52 % of the previous one 65.18% in 2017. In 2019 the contribution of Regional Tax revenue for Deli Serdang Regency has increased from the previous year of 79.06%. Then in 2020 the contribution of Regional Tax revenue for Deli Serdang Regency has decreased to 73.64% which was previously in 2019 amounted to 79.06%. Furthermore, in 2021 the contribution of Regional Tax revenue for Deli Serdang Regency will slightly decrease from the previous year, namely from 73.64% decreased by 72.41%.

CONCLUSION

Based on the research results obtained, the conclusions of the research are as follows: The growth of Regional Original Revenue for Deli Serdang Regency in 2018 decreased with a decrease in development of minus 14.09%. This is due to a decrease in local revenue from the previous year. Then in 2019 the growth of Regional Original Income increased by 13.12%, In 2020 the Regional Original Revenue of Deli Serdang Regency again experienced a decline from the previous year with the growth of Regional Original Revenue decreased by minus 1.90%. Furthermore, in 2021 the Regional Original Revenue of Deli Serdang Regency has increased from the previous year, experiencing an increase in development of 14.69%. The increase in the growth of the original regional income of Deli Serdang Regency has increased better than in previous years due to an increase in the original regional income of the Deli Serdang Regency from each source of the original regional income of the Deli Serdang Regency.

Development of Local Taxes of Deli Serdang Regency in 2018 it increased by 0.85%. Then in 2019 Regional Tax revenue for Deli Serdang Regency increased from the previous year 5 with an

increase of 16.88%. Furthermore, in 2020 the Regional Tax revenue for Deli Serdang Regency has decreased by minus 8.62% in the Regional Tax revenue for Deli Serdang Regency. In 2021 the regional tax revenue for Deli Serdang Regency will increase local tax revenue from the previous year with an increase in the development of Regional Tax revenue for Deli Serdang Regency by 12.77%.

The Regional Tax Contribution to the Local Revenue of Deli Serdang Regency in 2017 the contribution of Regional Tax revenue to Deli Serdang Regency was 65.18%, then in 2018 the contribution of Regional Tax revenue to Deli Serdang Regency increased by 76.52 % In 2019 the contribution of Regional Tax revenue for Deli Serdang Regency increased from the previous year of 79.06%. Then in 2020 the contribution of Regional Tax revenue for Deli Serdang Regency has decreased to 73.64% which was previously in 2019 amounted to 79.06%. Furthermore, in 2021 the contribution of Regional Tax revenue for Deli Serdang Regency will slightly decrease from the previous year, namely from 73.64% decreased by 72.41 %.

Regional Tax of Deli Serdang Regency can increase the Local Revenue of Deli Serdang Regency. It can be seen that every year from 2017 to 2021 Regional Tax revenue for Deli Serdang Regency can contribute between 65.18% to 79.06% of the Regional Original Revenue of Deli Serdang Regency.

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