

***THE EFFECTIVENESS OF REGIONAL RETRIBUTION RECEIVES AND THEIR  
CONTRIBUTION TO REGIONAL ORIGINAL REVENUE REVENUE IN DKI JAKARTA  
PERIOD 2015-2019***

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***ABSTRACT***

*This study aims to find out (1) how the effectiveness of receiving Jakarta levies for the 2015-2019 period (2) how the contribution of local levies to increasing local revenue in DKI Jakarta for the period 2015-2019. This study used descriptive qualitative method.*

*Data techniques through observation, documentation and interviews. The data used are local retribution and local revenue. Data on the target of regional levies for 2015-2019 and the realization of revenue from regional levies in 2015- 2019, and the realization of local revenue for 2015-2019. The data analysis used in this study is an analysis that has authority and contribution analysis*

*The results of the study are: (1) The level of effectiveness for regional levies during 2015-2019 is categorized as quite effective. (2) The contribution of the regional levies to the increase in the original regional income of DKI Jakarta from 2015-2019 contributed very little and the contribution ratio tends to decrease every year.*

**Key Word : Regional Retribution, Local Revenue, Effectiveness, Contribution**

## 1. Introduction

Development at the national and regional levels is currently being carried out to improve the welfare and prosperity of the people. In accordance with the ideals of the Indonesian people as stated in the 1945 Constitution which reads "to advance the general welfare", so that development in the regions is part of the National development. Meanwhile, efforts are made for regional development so that the region can manage the potential of its region with the community as well as increase development in the economic sector and create new jobs for its people.

The regional autonomy policy which was effectively implemented in January 2001 caused pro and contra reactions in society, however for local governments that have natural resources that have responded enthusiastically to these regional autonomy regulations, on the other hand, local governments that lack natural resources feel a little worried. This concern is because regional governments always receive donations from the central government to fund their regions.

The welfare of the community will depend a lot on the regional government since the existence of this regional autonomy, so that the regional government must explore as much as possible the sources of Regional Original Income, because PAD is an indicator in measuring the success of implementing regional autonomy. The higher the PAD, the higher the ability of local governments to finance their own needs. This means proving that the regional government has succeeded in implementing regional autonomy. On the other hand, if the PAD received by the regional government is decreasing or has decreased, then the implementation of regional autonomy has not been maximized.

DKI Jakarta is one of the top 10 provinces with the largest population in Indonesia and has made Jakarta the center of the economy. This has led to the rapid development of office buildings, private residences, hotels, restaurants and other places which have an impact on building permits fees and become one of the factors that can increase local revenue.

But on the other hand, levies from building permits are still difficult to help PAD because the quality of supervision carried out by the Cipta Karya, Spatial Planning and Land Service (CKTRP) is still a question. One example, a two-story steel construction shop building in Rawasari Village, Cempaka Putih, Central Jakarta, lists the IMB for only one floor using a yellow banner which is usually used to show the building permit for a residence.

Effectiveness is how well the work is done, the extent to which people produce the expected output. This means that if a job can be completed with planning, both in time, cost and quality, it can be said to be effective (Ravianto, 2014: 11). The effectiveness of local levies is a value calculated based on the percentage of the comparison of the realization of local levies and the target of receiving local levies (Puspitasari, 2014: 46).

According to Ahira (2012: 77) contributions in English are contribute, contribution, which means participation, involvement, involvement and donations. In this case the contribution can be in the form of material or action. The amount of this contribution can be found by comparing the local retribution revenue with the PAD revenue. The greater the value of the contribution, the greater the role of local retribution in increasing local revenue (Yuliasti and Dewi, 2017).

It is hoped that in this study, evidence of the relationship between the effectiveness of regional levies acceptance, the contribution of regional levies to increasing local income in DKI Jakarta for the 2015-2019 period is expected. Based on the background described above, the problem formulations in this study are:

1. How is the effectiveness of regional levies receipts on increasing local revenue in DKI Jakarta for the period 2015-2019?
2. What is the Contribution of Regional Retribution Receipts to the Increase of Original Regional Revenue in DKI Jakarta for the 2015-2019 period?

## **2. Literature Review**

### **2.1 Previous Research**

Research by Ersita and Elim (2016) shows the results of the effectiveness of regional levies. By looking at the average effectiveness of the Regional Levies of North Sulawesi Province which is less than 100% or an average of 86.708%, this shows that the performance in collecting the Regional Levies of North Sulawesi Province is not good. If seen from the percentage results, the average contribution of regional retribution revenue is said to be moderate because it only reaches 26.104%.

Subsequent research by Sartika (2019) shows that the 2014-2018 city levies of Palembang are not effective and only in 2015 are in less effective conditions. The cause of the ineffectiveness of local fees is due to internal and external factors. The most ineffective levies are retribution for replacing map prints, fees for provision and / or latrines, levies for the use of regional assets (mining permits), levies on regional wealth and parking fees.

Furthermore, research by Yoduke and Ayem (2015) found that the level of effectiveness of local taxes in 2009, 2011, 2012, 2013, 2014 was very effective, and in 2010 it was effective. The efficiency of levies for 2009-2014, all of them exceed 100% and very ineffective. Regional Tax Contribution in 2009 at the ofless level; In 2010, 2011, 2014 being; 2012 and 2013 are quite good. The contribution of the 2009 levies was at a very good level, the criteria for 2010-2013 were lacking, 2014 was very lacking.

Further research by Wijoyo, et al (2019) Based on the results of research conducted for the period 2014 to 2018 in the City of Kediri. Based on the results of the research above, it is evident that tax and retribution revenues have an influence on revenue from local revenue, either simultaneously or partially.

Hengyun Li. et al (2016) research conducted in China supports the claim that tourism can reduce regional income inequality in China. shows that tourism contributes more significantly to regional economic growth, this study also provides evidence that domestic tourism can accelerate the increase in regional income and economic growth faster than international tourism. Given that the tourism sector can rapidly develop less investment and lower human capital to reduce the economic gap with the development of eastern regions, it can be expected that tourism development will accelerate the 'economic growth of western regions with the support of government policies.

Research by Zeynep, et al (2018) on the results of a two-stage least squares estimation provides salient evidence on the positive effects of deforestation and regional income in Turkey. Statistically significant reciprocal relationships can also be seen for rural population density; However, it is lost when rural population growth and income growth factors are examined in the same model. Like Turkey, it is imperative to implement green growth policies to prevent environmental damage and promote economic growth at the same time.

Paolo Di Caro (2017) has documented that regional income gaps are relevant between and within Italy's four NUTS-1 regions. In addition, supporting evidence has been provided on the idea that gender and age profiles play an important role in understanding the differences in regional income disparities across Italy. Exploratory analysis, further, suggests that factors such as individual preferences about inequality and the quality of regional institutions can be useful in explaining spatial differences in regional income across Italy.

## **2.2 Theoretical Basis**

### **2.2.1 Regional Autonomy**

The definition of regional autonomy based on Law No.32 of 2004 concerning Regional Government, in Article 1 states that regional autonomy is the rights, powers and obligations of an autonomous region to regulate and manage government affairs and the interests of local communities in accordance with statutory regulations. . Apart from the Law above, the meaning of regional autonomy can also be taken from Greek, namely the word autonomy comes from the words autos and namos. Autos means itself and namos means rules or laws. Whereas a region is a legal community unit that has territorial boundaries. So it can be concluded that regional autonomy is a legal community unit that has territorial boundaries that have the authority to regulate and manage its own government.

## **222 Local Own Revenue**

Siregar (2015: 31) states that Regional Original Revenue (PAD) is revenue obtained by the Regional Government from sources within its own territory which is collected based on Regional Regulations. According to Warsito (2011: 128) Regional Original Revenue (PAD) is revenue that is sourced and collected by local governments. To finance regional expenditure, local governments have their own source of income, namely Regional Original Income.

## **223 Regional Retribution**

Many definitions of levies put forward by experts. According to Windhu (2018: 185), regional fees are fees paid by the people to enforced regions that receive direct returns. According to Yoyo (2017: 108) Regional fees are regional levies as payment for services or the granting of certain permits specifically provided and / or given by local governments for the benefit of individuals or entities.

### **2.2.3.1 Object of Local Retribution**

Based on Law Number 28 of 2009 concerning Regional Taxes and Regional Levies, they are categorized into three categories as follows:

1. General Service Levies
2. Business Service Levies
3. Retrieval of Certain Permits

## **224 Effectiveness**

According to Ravianto (2014: 11) Effectiveness is how well the work is done, the extent to which people produce output as expected. This means that if a job can be completed by planning, both in time, cost and quality, it can be said to be effective.

### **2.2.4.1 The Effectiveness of Regional Retributions on Increasing Local Revenue**

$$\text{Efektivitas} = \frac{\text{Realisasi Retribusi Daerah}}{\text{Target Retribusi Daerah}} \times 100\%$$

The effectiveness of local levies is a comparison between the realization and the target of receiving local levies, so that it can be used as a measure of success in making levies. (Yuliasti and Dewi, 2017). The effectiveness of local retribution can be said to be effective when the final result of the calculation has reached the percentage of 80% (Ministry of Home Affairs, Kepmendagri No. 690,900,327 of 2006).



## 225 Contribution

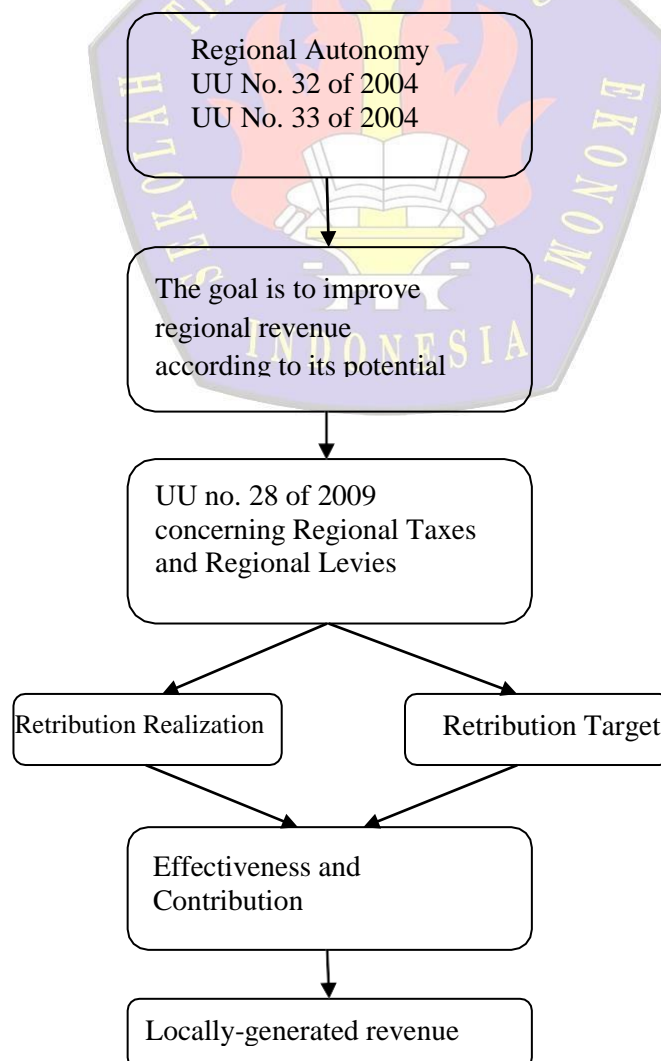
According to Ahira (2012: 77) contributions in English are contribute, contribution, which means participation, involvement, involvement and donations. In this case the contribution can be in the form of material or action.

### 2.2.5.1 Regional Retribution Contribution to Increased Local Own Revenue

The contribution of the regional retribution itself is the level of the regional retribution contribution to PAD. and local retribution can be said to have contributed to the increase in local revenue when the final calculation results reached a percentage above 40% (Ministry of Home Affairs, Kepmendagri No. 690,900,327 of 2006). If the final result has met these criteria, then it can be said that the contribution plays a role in increasing local revenue.

$$\text{Kontribusi} = \frac{\text{Realisasi Retribusi Daerah}}{\text{Realisasi PAD}} \times 100\%$$

## 2.3 Kerangka Alur Penelitian





### **3. RESEARCH METHOD**

#### **3.1 Research Strategy**

This research strategy uses a descriptive method with a qualitative approach, namely the study of the Effectiveness of Regional Retribution Receipts and Their Contribution to the Increase of Local Own Revenue in DKI Jakarta. According to Sugiyono (2018: 213) qualitative research methods are research methods that are based on philosophy, which are used to research on scientific conditions (experiments) where researchers as instruments, data collection techniques and qualitative analysis emphasize more on meaning.

#### **3.2 Research Objects and Time**

This research will be conducted at the DKI Jakarta Regional Tax and Retribution Agency (BPRD) which is located at JL. Abdul Muis No.66, RT.4 / RW.3, Petojo Selatan, Kec. Gambir, Central Jakarta City. The research time is planned for three months, namely from June 2020 to August 2020. The research is planned to be scheduled and interviews with respondents (Head of the Extension and Retribution Data Processing Unit). Regarding the effectiveness and contribution of local user fees to increase PAD. The reason for choosing the object of research in BPRD is because BPRD is an agency that handles or manages data specifically on local taxes and levies.

#### **3.3 Population and Sample**

##### **3.3.1 Population**

In general, the population in this study is the Financial Statements of the DKI Jakarta City Government in the 2015-2019 fiscal year.

##### **3.3.2 Sample**

The sample in this study uses data from the Regional Tax and Retribution Agency (BPRD) of DKI Jakarta. The sample used in the research that is being carried out is a report on the realization of regional levies and revenue from the city of DKI Jakarta in the 2015-2019 fiscal year.

#### **3.4 Research Methods**

This research uses descriptive qualitative research, namely analysis that puts more emphasis on meaning. Qualitative research methods aim to analyze and describe phenomena or research objects through social activities, attitudes and perceptions of people individually or in groups (Sugiyono, 2018: 213). The data collected is in the form of qualitative data such as the results of interviews, documentation and also data on retribution income in the form of numbers.



### **3.5 Data Analysis Methods**

The data analysis method used in this research is descriptive analysis method. In addition, this research also uses qualitative analysis. And also use the basic calculations used to calculate the efficiency and effectiveness of local taxes and levies, as well as the contribution of local levies to local revenue. Meanwhile, qualitative data analysis is used to determine the factors that affect the effectiveness and contribution of levies collection in DKI Jakarta for the 2015-2019 period. The following is an analysis of the data used in this study:

- a. Descriptive Analysis Method
- b. Analysis of the Effectiveness of Local Retribution Receipts on Local Revenue
- c. Analysis of the Contribution of Regional Levies to Local Revenue
- d. Interview Method
- e. Observation Method
- f. Documentation Method

## **4. Research Result**

### **4.1 BPRD Profile**

In accordance with Government Regulation Number 18 of 2016 concerning Regional Apparatus and Regional Regulation of the Province of DKI Jakarta Number 5 of 2016 concerning the Formation and Composition of Regional Apparatus for the Special Capital Region of the Province of Jakarta, the DKI Jakarta Provincial Tax Service Office carries out organizational reforms by returning to the previous regional retribution function. only do local tax services. The Tax Service Office or DPP changed its name and function to Regional Tax and Retribution Agency, abbreviated as BPRD. This name change is intended to make the organization more focused on carrying out its duties as a regional revenue manager in collecting local taxes and levies.

Based on Regional Regulation Number 5 of 2016 concerning the Establishment and Composition of Regional Apparatus for the Special Capital Region of Jakarta Province and Governor Regulation Number 262 of 2016 concerning the Organization and Work Procedure of Regional Tax and Retribution Agencies, Regional Tax and Retribution Agencies (BPRD) are the implementing elements of supporting government affairs in the financial sector in the sub-sector of regional taxes and levies led by a Head of Agency who is domiciled under and responsible to the Governor through the Regional Secretary. As well as in carrying out its duties and functions, the Regional Tax and Retribution Agency is coordinated by the Regional Secretary for the Economy and Finance Assistant.

#### 4.2 Effectiveness of Local Retribution Receipts in DKI Jakarta 2015-2019

**Tabel 1. Calculation of the Effectiveness of the Regional Retribution for DKI Jakarta for 2015-2019**

Years	Target	Realisasi	Efektivitas (%)	Kriteria
2015	610.000.000.000	459.459.498.063	75,32	Kurang efektif
2016	649.175.000.000	675.475.066.072	104,05	Sangat Efektif
2017	680.152.300.000	624.137.343.759	91,76	Efektif
2018	671.490.000.000	578.555.603.994	86,16	Cukup Efektif
2019	710.131.000.000	587.535.570.632	82,74	Cukup Efektif

*Sumber : Depdagri, Kepmendagri No. 690.900.327 Tahun 2006*

Based on table 1. above, it shows that the receipt of regional levies in DKI Jakarta varies greatly, seen from the realization that it never reaches the target. Only in 2016 the effectiveness reached 104.05. However, the final result shows that the effectiveness of receiving local fees is 88.08 and is included in the criteria that are quite effective.

Furthermore, it was strengthened by the results of interviews with the Head of the Extension Implementation Unit (Central Revenue Data and Information Unit, Regional Revenue Agency of DKI Jakarta Province) and also with the Charges Data Processor. The interest of the community in making permits is one of the factors for the ineffectiveness of local retribution receipts, and also due to the relaxation of regional levies by the DKI Jakarta provincial government which is one of the things that causes local retribution receipts to be not optimal so that it makes local retribution receipts less effective even though the calculation results in the table 4. shows the results that fall into the category of quite effective.

#### **4.3 Contribution of Local Retribution Receipts in Original Regional Revenues in 2015-2-19**

**Tabel 2. Calculation of Regional Levy Contribution for DKI Jakarta 2015-2019**

Tahun	Realisasi	PAD	Kontribusi (%)	Kriteria
2015	459.459.498.063	33.686.176.815.708	1,37	Kurang efektif
2016	675.475.066.072	36.888.127.587.716	1,83	Sangat Efektif
2017	624.137.343.759	43.901.488.807.743	1,42	Efektif
2018	578.555.603.994	43.327.136.602.811	1,34	Cukup Efektif
2019	587.353.570.632	45.707.400.003.802	1,29	Cukup Efektif

*Sumber : Depdagri, Kepmendagri No. 690.900.327 Tahun 2006*

It can be seen from the table 2. that the percentage of the contribution of regional levies to an increase in local revenue for five consecutive years did not reach 10%, even though in fact regional revenue from levies has increased each year, only in 2018 there has been a decrease in regional retribution receipts, as well as PAD which has increased every year and only in 2018 has it decreased.

This was reinforced by the results of interviews with the Head of the Extension Implementation Unit (Central Revenue Data and Information Unit, Regional Revenue Agency of DKI Jakarta Province) and also with the Charges Data Processor, the researcher asked about how the contribution of local levies to increasing PAD in DKI Jakarta, he stated that, The contribution of local retribution revenue to increasing local revenue is that the increase in regional revenue also increases original regional income but it cannot be said to have contributed well, because regional levies can be said to have contributed well if the calculation results reached 40 percent (Ministry of Home Affairs, Kepmendagri No. 690,900 .327 of 2006). Whereas in the calculation that the researchers can in table 4.3, the percentage results of the contribution rate of local fees to the increase in PAD have never reached 10 percent, this shows that in 5 consecutive years the government has not been able to maximize the role of levies in increasing local revenue.

## **5. Conclusions and Suggestions**

### **5.1 Conclusions**

Based on the results of calculations and the results of interviews with officials who work at the DKI Jakarta Regional Tax and Retribution Agency (BPRD) regarding the effectiveness and contribution of local levies to DKI Jakarta's regional revenue for the 2015-2018 period. Researchers got information from the results of interviews with the Head of the Extension and Data Processing Unit Charges which stated that:

1. The effectiveness of local retribution receipts in DKI Jakarta is above 100 percent, so it is declared very effective. The highest level of effectiveness occurred in 2016 by obtaining 104.05 percent. while the lowest level of effectiveness occurred in 2019 by obtaining 82.74 percent.
2. The contribution of the regional retribution in DKI Jakarta above only reached 1.43 percent, so it was declared very insufficient. The lowest contribution rate occurred in 2019 amounting to 1.29 percent, while the highest contribution rate occurred in 2016 by obtaining 1.83 percent.

### **5.2 Suggestions**

Based on the research results and conclusions above, it is hoped that the DKI Jakarta government in collecting local fees in carrying out its duties and obligations is in accordance with the procedures and employee cooperation which are interrelated. As for the suggestions that can be given in this study, namely:

1. It is hoped that the DKI Jakarta government will further increase its PAD, especially from regional retribus receipts, namely through the intensification and extensification of regional revenues.
2. Can maintain the ability to maintain the effectiveness of receiving local retribution and also in completing each job and obligations properly.
3. Can increase the ability of receiving local retribution against local revenue in DKI Jakarta.

### 5.3 Research Limitations

Researchers have conducted this research according to scientific procedures. However, researchers still have limitations, namely:

1. Lack of information held by researchers regarding the procedures that must be performed to obtain a research permit from one agency for another agency.
2. With a qualitative approach method through the interview process conducted online through circumstances that make it impossible to do it directly, the researcher gets incomplete answers and causes limited conclusions to be drawn by the researcher.
3. It is difficult to find more than two respondents, because in government agencies each official is assigned to only focus on one area, so that only one respondent can be obtained in one agency.



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