

The Role of Regional Taxes and Regional Retribution on Regional Income (Case Study of the Regional Revenue Management Agency of Pamekasan Regency 2020-2022)



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ABSTRACT: This research aims to determine the role of regional taxes and regional levies on Pamekasan Regency's Regional Original Income for the 2020-2022 period, both simultaneously and partially. The population in this research is the Regional Government Budget Realization Report Pamekasan Regency in 2020-2022. The sample selection technique used is judgment sampling and obtained 34 samples consisting of January to December 2020-2022. The data analysis method used is multiple regression analysis. The research results show that there are significant differences simultaneously between regional taxes and regional retribution on Regional Original Income. Partially, regional taxes have a significant and positive effect on Regional Original Income, and regional retribution have a significant and positive effect on Regional Original Income.

KEYWORD: regional taxes, regional retribution, Regional Original Income

I. INTRODUCTION

Indonesia is a unitary country that adheres to the principle of internal decentralization administering government by providing opportunities and freedom to the regions to implement regional autonomy, as stated explained in Law Number 32 of 2004 concerning Government Area. The emergence of Law Number 12 of 2008 concerning amendments secondly on Law Number 32 of 2004 concerning Regional Government brought huge changes to the implementation of regional development. This law expressly gives authority to regions to organize and manage the interests of local communities according to initiatives itself based on the aspirations of the community or in other words based on Law Number 12 of 2008 has given regional authority to implementing regional autonomy. Regional financial sources in implementation Decentralization consists of regional income and regional financing. Source Regional finances that originate from regional income include: Regional Original Income, balancing funds and other income. A fundamental regional financial source, owned and managed by regional government is Regional Original Income. Original Income Regional is revenue originating from the region itself consisting of regional tax proceeds, regional levy proceeds, regionally owned company proceeds and results of management of separated regional assets, and other income native to the legitimate area. Optimizing Regional Original Income is expected to be a buffer In carrying out regional government activities, there are increasingly more needs The area that can be financed by Regional Original Income, the higher the level of quality regional autonomy, so that the region becomes more independent in its fields his finances.

Mariani (2022), explain On the one hand, regional autonomy must be guaranteed smooth implementation of economic policies national, regional, and on the other hand opening up opportunities for local governments develop regional policies for utilize economic potential in the area. In this context, Regional autonomy will give rise to various government initiatives in offering investment facilities, offering business licensing processes, and local tax contributions themselves.

Pamekasan Regency is one of the districts in East Java province are also given the authority to regulate and manage regional income sources Alone. For the continuity and progress of Pamekasan district, it is hoped that Pamekasan district is able to explore, manage and maximize resource potential in Pamekasan Regency. By continuing to multiply, manage, and maximizing the potential of existing resources in Pamekasan Regency in the future will be able to increase regional levies so as to maximize income native to the region. One source of original regional income is regional levies as income to meet regional development needs (Anggoro, 2017). In order to optimize and increase regional original income Pamekasan district government should increase regional taxes drastically professional and transparent. To support this, we need to analyze the effectiveness of local taxes and knowing the extent of the contribution made by taxes regional revenue to local revenue. Optimal tax management can be realized regional autonomy as well as good and equitable regional development so that it can be achieved used for the benefit of society. Therefore analysis needs to be carried out the effectiveness of regional tax revenue in Pamekasan Regency and how big it is contribution of regional taxes to Pamekasan Regency's Regional Original Income.

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II. THEORETICAL REVIEW AND HYPOTHESIS

The relationship between regional taxes and Regional Original Income

Article 1 of Law Number 28 of 2009 provides a concise definition of Regional tax is a mandatory contribution to the region that is owed by a body or person personal and forced based on legislation, without directly obtaining rewards, and used to optimize regional interests for the prosperity of the people. Regional taxes are taxes that are collected local government at city/district and provincial levels (Inggur & Curry, 2022; Jatmiko & Wicaksono, 2019) One source of original income from a region comes from regional taxes. Therefore, the suspicion that can be raised is that regional taxes have influence on PAD, which has a positive or proportional direction of relationship straight. In other words, the higher the local taxes in a region, the more the region's PAD is also high. Conversely, the lower the local taxes in a country region, the lower the region's PAD. Base on this explanation, the hypothesis :

H1: regional taxes have a significant role to the Regional Original Income

The relationship between regional retribution and Regional Original Income

Levy is a regional levy as levies made by the government as a result of contravention provided by the local government based on achievement/service given by the Regional Government based on regulations applies, Halim (2011). In Law Number 28 of 2009 concerning Regional Taxes and Regional Levies.

Regional levies are one component that contributes to PAD of an area. Thus, it can be tentatively assumed that retribution regions have a positive influence on PAD. According to Halim (2011), regional levies The higher it is in an area, the higher the PAD will be that region. Conversely, the lower the regional levies in a region, the lower the Regional Original Income. Base on this explanation, the hypothesis :

H1: regional retribution have a significant role to the Regional Original Income

METHODOLOGY

Population and sample

Population is a generalization area which consists of: object/subject have certain qualities and characteristics determined by the researcher to be studied And Then with drawn the conclusion (Wijaya, 2011). So the population is deep This research is a Realization Report Regional Development Planning Board in Pamekasan Regency for the 2020-2022 period is shown in table below this

Table 1. Report Regional Development Planning Board in Pamekasan Regency for the 2020-2022

no	Fiscal year	Regional taxes (Rp)	Regional retribution (Rp)	Regional Original Income (Rp)
1	2020	15.105.137.447,34	6.633.787.964,25	104.178.050.264,95
2	2021	30.586.986.140,12	3.347.435.556,43	108.139.161.756,21
3	2022	33.753.440.532,76	3.889.907.389,46	113.600.115.641.87

RESULTS

Multiple Linear Regression Analysis.

Data processing uses multiple linear regression analysis which aims to measure the strength of the relationship between two or more variables. The variables used in this research are regional taxes (X1), regional retribution (X2), as independent variables that influence Regional Original Income (Y) as the dependent variable. Based on the results of data processing using SPSS, the results obtained are as in table 2 below:

Coefficient of determination (R) The coefficient of determination is a value that shows the influence of the independent variable on the dependent variable. The coefficient of determination value can be seen in Table 2.

Table 2. Determination Coefficient Test Results

R	R square	Customized R Square	St. Estimation Error
9,46	0.802	14,043,7 18,631.7 3678	2117

Source: Processed Data (2023)

Table 2 shows an R Square value of 0.802, which means that the problem of performance decline is determined by regional taxes and regional retribution variables of 80.2%, while the remaining 19.8% is influenced by other factors not examined in this research. This means that the selection of regional taxes and regional retribution variables is appropriate in predicting Regional Original Income.

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T Test (Partial Test)

The t test is used to test whether the independent variables individually influence the dependent variable. The t test results for coefficients 1 and 2 can be seen in Table 3.

Table 3. Summary of Partial Test Results

Variable	Regression Coefficient	t-test	Sig.	Information
Constant	65113783347,34			
Regional taxes (X1)	1,734	2,054	0,000	Significant
Regional retribution (X2)	1,776	1,137	0,000	Significant

Source: Processed Data (2023)

1. The Regional taxes variable (X1) 1,734 is $>$ t table is 1.98434 with a significance value of 0.000 which is smaller than 0.05 ($0.000 < 0.05$), and the regression coefficient is positive so that the first hypothesis states that "regional taxes has a positive effect on Regional Original Income is accepted.
2. The Regional retribution variable (X2) has a value of 1,776 $>$ t table of 1.98434 with a significance value of 0.000 less than 0.05 ($0.000 < 0.05$), and the regression coefficient is positive, so the second hypothesis states that " regional retribution has a positive effect on Regional Original Income.

F Test (Simultaneous Testing)

The F test is used to test whether regional taxes and regional retribution effect on Regional Original Income simultaneously by comparing the F test value with the F table with the test criteria if the F test $>$ F table then H_0 is rejected and H_a is accepted. The F test calculation can be seen in Table 4.

Table 4. F Significance Test Results

Variable	F-test	F-Table	Sig.	Information
Regional taxes (X1), Regional retribution (X2)	63.450	15,165	0,000	Significant

Source: Processed Data (2023)

DISCUSSION

Regional taxes Has a Positive and Significant Role On Regional Original Income (H1 Accepted).

Based on the results of the analysis, it shows that the regional tax variable plays a positive and significant role in Original Regional Income. The results of this research are in line with previous theory and research (Sintia & Suryono, 2019), which found the results of the analysis that Regional Taxes have a positive effect on Original Regional Income in Pamekasan Regency. Then research by Sudarmana & Sudiarta (2020), obtained analysis results that regional taxes had a significant effect on Original Regional Income and next was research by Leatemia (2017), which found that there was a significant influence of regional taxes on Original Regional Income. This is because Regional Taxes are able to contribute to Original Regional Income, the funds of which are allocated and used to provide good public services and for the welfare of the community. High local revenue will reduce the fiscal dependence of regional governments on the central government and the independence of a region based on the principle of decentralization will improve.

Regional retribution has a positive and significant role on origin regional income (H2 is accepted)

Based on the results of the analysis, it shows that the Regional retribution variable plays a positive and significant effect in Original Regional Income. This research is in line with theory and previous research conducted by Sudarmana & Sudiarta, (2020), which found that there is a significant influence of Regional retribution on Original Regional Income. Then, in previous research also by Sintia & Suryono (2019), also found that Regional retribution had a positive and significant effect on Regional Original Income. This is because Regional retribution are one source of original income where these funds are allocated as a source of financing for government administration and regional development in order to equalize community welfare. In Regional retribution there is an important role in the implementation of decentralization in an effort to fulfill regional independence in managing Regional Original Income.

CONCLUSION

Based on the results of the analysis and discussion that has been carried out, it can be concluded that:

1. Regional taxes has a positive and significant effect on Regional Original Income. This means that a good Regional taxes will improve Regional Original Income in Pmekasan Regency

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2. Regional retribution has a positive and significant effect on Regional Original Income. This means that the higher the regional retribution provided, the better Regional Original Income in Pamekasan Regency.

SUGGESTION

In accordance with the implementation of decentralization and regional autonomy, the government are expected to be able to manage regional finances to realize independence regions in order to manage regional taxes and levies well because they become source of regional income to carry out development.

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