

Remodelling Regional Taxation Laws Based on Fiscal Decentralization to Increase Regional Tax Contributions in Bandar Lampung City Post the Implementation of Law Number 1 of 2022



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ABSTRACT: The aim of this research is to analyze and determine the regional taxation model so that it can measure the potential of regional taxes and their contribution to the Regional Original Income of the City of Bandar Lampung, comparing the regional tax arrangements according to Law No.1 of 2022 with the existing regional regulations in the City of Bandar Lampung, so that it is known the impact on people's lives and regional finances of changes to regional tax arrangements in the City of Bandar Lampung. The research method used in this research is a normative juridical research method with a statutory approach and other related documents that apply in the field of regional taxation in Bandar Lampung City. The research results show that with the renewal of regional tax law after the issuance of Law No.1 of 2022, there is a potential for a decrease in tax revenue as a result of a reduction in tax rates for several types of regional taxes. However, on the other hand, there is a new type of tax that can be levied by the Bandar Lampung City government which has great potential in the form of Motor Vehicle Tax Option and Motor Vehicle Title Transfer Fee Opten which are rights that can be received directly by the Bandar Lampung City government.

KEYWORDS: Local Tax, Local Tax Simplification, Local Original Revenue

I. INTRODUCTION

The issuance of Law Number 1 of 2022 concerning Financial Relations Between the Central Government and Regional Governments on January 5 2022, making Law Number 28 of 2009 concerning Regional Taxes and Regional Retributions which has been the guideline for tax collection in the Region was declared no longer valid and replaced, because it was deemed no longer appropriate to the development of the situation and the implementation of fiscal decentralization. Throughout its enactment, the Law Number 28 of 2009 has submitted several requests for review to the Constitutional Court and only 4 (four) requests were granted by the panel of judges, namely recorded in Constitutional Court Decision Number 52/PUU-IX/2011, Constitutional Court Decision Number 46/PUUXII/2014, Constitutional Court Decision Number 15/PUU-XV/2017, and Constitutional Court Decision Number 80/PUU-XV/2017.

In the Constitutional Court Decision Number 52/PUU-IX/2011, the Constitutional Court granted the applicant's request in its entirety and stated that the word "golf" in Article 42 paragraph (2) letter g Law Number 28 of 2009 contradicts the 1945 Constitution of the Republic of Indonesia and has no binding legal force. In the Constitutional Court Decision Number 46/PUU-XII/2014, the Constitutional Court granted all of the applicant's requests in full and stated that the Elucidation to Article 124 Law Number 28 of 2009 states that considering that the level of use of services which are supervisory and controlling is difficult to determine and for ease of calculation, the levy rate is set at a maximum a high of 2% (two percent) of the sales value of the tax object used as the basis for calculating Land and Building Tax for telecommunications towers, where the amount of the levy is linked to the frequency of supervision and control of the telecommunications tower, is contrary to the 1945 Constitution of the Republic of Indonesia and has no force binding law.

In the Constitutional Court Decision Number 15/PUU-XV/2017, the Constitutional Court granted the applicant's request in its entirety and stated that Article 1 number 13 along the phrase "includes heavy equipment and large equipment which in its operation uses wheels and motors and is not attached to permanent", Article 5 paragraph (2) along the phrase "including heavy equipment and large equipment", Article 6 paragraph (4), and Article 12 paragraph (2) Law Number 28 of 2009 are contrary to the 1945 Constitution of the Republic of Indonesia and have no legal force tie. In Constitutional Court Decision Number 80/PUU-XV/2017, the Constitutional Court granted the Petitioner's request in part and stated that Article 1 number 28, Article 52

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paragraph (1) and paragraph (2), and Article 55 paragraph (2) and paragraph (3) Law Number 28 of 2009 is contrary to the 1945 NRI Constitution so it no longer has binding legal force. The use of electricity is still subject to tax, but there needs to be a difference in regulations regarding the use of electricity produced by oneself or generated from other sources and the use of electricity produced by the government, in this case State Electricity Company. Therefore, the Law Number 28 of 2009 is considered no longer relevant and needs to be replaced.

Bandar Lampung City as the capital of Lampung Province has great potential in collecting regional taxes. With the promulgation of Law Number 1 of 2022, the Government aims to allocate national resources more efficiently, so that there are 16 types of taxes under the authority of the Regional Government, of which 7 are the authority of the Provincial Government and the other 9 are the authority of the Regency/City Government. In the area of regional levies, there is a rationalization of the number of types of levy objects, simplified from 32 types to 18 types of services. These changes will of course have an impact on the collection of Regional Taxes and Regional Retributions in the City of Bandar Lampung, which leads to the results of Regional Original Income which comes from Regional Taxes and Regional Levies.

Based on the description above, the problems that will be answered in this article include:

- 1) What is the potential local taxes and their contribution to the Regional Original Income of Bandar Lampung City?
- 2) What is the comparison between regional tax regulations according to Law Number 1 of 2022 and existing regional regulations in Bandar Lampung City?
- 3) What are the impacts on people's lives and regional finances of changes to regional tax regulations according to the Law Number 1 of 2022 in Bandar Lampung City?

II. METHOD RESEARCH

The method used in this research is a normative juridical research method, in the form of a review of statutory regulations and tax theory, regarding new provisions as mandated in the Law Number 1 of 2022. The normative approach used is the approach to statutory regulations (statute approach) and other related documents that apply in the field of regional taxation in Bandar Lampung City.

III. RESULT AND DISCUSSION

A. Potential Regional Taxes and Their Contribution to Bandar Lampung City Regional Original Income

Bandar Lampung City is the capital of Lampung Province. Therefore, apart from being the center of government, social, political, educational and cultural activities, this city is also the center of economic activity in the Lampung region. The city of Bandar Lampung is located in a strategic area because it is a transit area for economic activities between the islands of Sumatra and Java, making it beneficial for the growth and development of the city of Bandar Lampung as a center for trade, industry and tourism. In the field of Bandar Lampung City Government Finance, the Original Regional Income of Bandar Lampung City is depicted in the following table.

Table 1. Revenue from Regional Taxes and Regional Levies in Bandar Lampung City and Their Contribution to Regional Original Income

Number	Type of Tax/Levy	YEAR			
		2018	2019	2020	2021
1	Local tax (IDR)	398.448.008.99 2,24	480.420.824.00 1,04	410.455.262.26 8,6	416.921.523.70 7
	Contribution to Regional Original Income (%)	89,96	91,10	89,72	90,24
2	Regional Levy (IDR)	29.579.486.070	29.661.488.615	25.725.636.298	22.099.157.927
	Contribution to Regional Original Income (%)	7	6	6	5

Source : Central Bureau of Statistics Bandar Lampung City in 2022, data processed.¹

¹ Bandar Lampung City in Numbers, Year 2022, <https://bandarlampungkota.bps.go.id/publication/2022> accessed on August 21, 2023.

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Based on the data above, the potential for Regional Taxes and Regional Levies collection results is quite large in contributing to the Regional Original Income of Bandar Lampung City. Even though there is a trend towards decreasing revenue from regional levies, it can still contribute to the Regional Original Income of Bandar Lampung City. The Regional Tax Sector is stable at achieving a contribution above 80%.

B. Comparison of Law Number 1 of 2022 and Existing Regional Tax Regulations in Bandar Lampung City

Until the end of 2023, the City of Bandar Lampung is still collecting regional taxes guided by Regional Regulation Number 1 of 2011 as last amended by Regional Regulation Number 8 of 2019 concerning the Second Amendment to Regional Regulations of the City of Bandar Lampung Number 1 of 2011 concerning Regional Taxes. It is hoped that the issuance of the Law Number 1 of 2022 can overcome problems in collecting Local Taxes and Local Levies in the regions, especially Bandar Lampung City. For this reason, a new Regional Tax and Regional Retribution Regulation is needed to implement the mandate of Article 187 Law Number 1 of 2022.

The birth of the Law Number 1 of 2022 changed policies in the field of tax and levy collection in the regions. In the area of regional taxation, this law restructures the types of district/city regional taxes, especially consumption-based ones (hotel tax, restaurant tax, entertainment tax, parking and street lighting tax) into a Certain Goods and Services Tax. Apart from that, there is a new mechanism regarding Motor Vehicle Tax “Opsen” (known as the piggyback tax system) and Motor Vehicle Transfer of Title Fee “Opsen” which is a transfer of provincial tax revenue sharing to districts/cities from the Motor Vehicle Tax sector. The amount of the Motor Vehicle Tax “Opsen” tax rate imposed by the district/city government is a single rate determined at 66% by the Law Number 1 of 2022.

Motor Vehicle Tax “Opsen” is an Opsen imposed by districts/cities on the principal of Motor Vehicle Tax in accordance with the provisions of statutory regulations. Tax opportunities are actually nothing new in regional tax collection, especially for provincial taxes. Previously, in the Law Number 28 of 2009 regime, tax opportunities already existed in the form of Cigarette Tax, although opportunities that adopted the Piggyback Tax System were rarely used in Indonesia, except for certain types of tax such as cigarette tax, for example.²

The following is a comparison of the tax rates between Law Number 1 of 2022 concerning Financial Relations between the Central and Regional Governments and Bandar Lampung City Regional Regulation Number 1 of 2011 as last amended by Bandar Lampung City Regional Regulation Number 8 of 2019 Regarding the Second Amendment to Bandar Lampung City Regional Regulation Number 1 of 2011 concerning Regional Taxes.

Table 2. Comparison Of The Tax Rates Between Law Number 1 Of 2022 And The Existing Regional Tax Regulation For The City Of Bandar Lampung

Number	Name	Law Number 1 of 2022	Existing Regional Tax Regulation	Information
1	Tax Type	Rural and Urban Land and Building Tax	Rural and Urban Land and Building Tax	Regional Regulation Number 1 of 2011
	Tax Subjects / Taxpayers	an individual or entity that actually has a right to the land and/or obtains benefits from the land, and/or owns, controls, and/or obtains benefits from the building.	an individual or entity that actually has rights to the land and/or obtains benefits from the land, and/or owns, controls, and/or obtains benefits from the building.	
	Tax Object	a. land and/or buildings owned, controlled and/or utilized by individuals or entities, except for areas used for plantation, forestry and mining business activities. b. The sales value of non-taxable tax objects is at least	a. land and/or buildings owned, controlled and/or utilized by individuals or entities, except for areas used for plantation, forestry and mining business activities. b. NJOP Tidak Kena Pajak Rp10 juta untuk setiap Wajib Pajak	

² Ghina Kamilia, Implementation of cigarette tax policy (Study of central government activities in preparing cigarette tax collection), https://lib.ui.ac.id/file?file=pdf/abstrak/id_abstrak-20385968.pdf accessed October 10, 2022.

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		IDR 10 million for each taxpayer		
	Tariff	the highest is 0,5%	0,2%	
2	Tax Type	Fees for Acquisition of Land and Building Rights	Fees for Acquisition of Land and Building Rights	Regional Regulation Number 1 of 2011
	Tax Subjects / Taxpayers	an individual or entity that obtains rights to land and/or buildings.	an individual or entity that obtains rights to land and/or buildings.	
	Tax Object	Acquisition of Rights to Land and/or Buildings.	Acquisition of Rights to Land and/or Buildings.	
	Tariff	the highest is 5%	5%	
3	Tax Type	Certain Goods and Services Tax		
	A. Food and/or Drinks		Restaurant tax	Regional Regulation Number 8 of 2019
	Tax Subjects / Taxpayers	a. the subjects are food and/or drink consumers. b. taxpayer are individual or entity that sells, delivers and/or consumes food and/or drinks	a. the subjects are orang pribadi atau Entities that purchase food and/or drinks from restaurants b. taxpayers are individuals or entities that operate restaurants.	
	Tax Object	sale, delivery and/or consumption of food and/or drinks provided, sold and/or delivered, either directly or indirectly, or through orders by the restaurant.	services provided by the Restaurant include: a. food and/or drink sales services by buyers, whether consumed at the service location or elsewhere; b. culinary/food and drink festival activities or the like that are incidental for a fee; c. services provided by restaurants whose sales value exceeds IDR 250,000 per day	
	Tariff	the highest is 10%	10%	
	B. Electric Power		Street Lighting Tax	Regional Regulation Number 1 of 2011
	Tax Subjects / Taxpayers	a. The subject are consumers of electric power. b. Taxpayers are individual or entity that sells, delivers and/or consumes electric power	a. The subject are a private person or entity that can use electrical power. b. Taxpayers are private persons or entities that use electric power, including electric power providers	
	Tax Object	use of electricity by end users.	use of electrical power, whether generated by oneself or obtained from other sources.	
	Tariff	a. the highest is 10% b. consumption of electric power from other sources by industry,	a. Street Lighting Tax rates are determined progressively with the following provisions:	

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	<p>petroleum and natural gas mining, is set at a maximum of 3%</p> <p>c. Consumption of self-generated electricity is set at a maximum of 1.5%</p>	<p>1) up to 450 Va = 8 %</p> <p>2) up to 450 Va = 10%.</p> <p>b. Use of electric power from other sources by industry, petroleum and natural gas mining = 3%</p> <p>c. Use of self-generated electricity = 1.5%</p>	
C. Hospitality Services		Hotel Tax	Regional Regulation Number 12 of 2017
Tax Subjects / Taxpayers	<p>a. The subject are consumers of hotel services.</p> <p>b. Taxpayers are Individuals or entities that sell, deliver and/or consume hospitality services.</p>	<p>a. The subject are an individual or entity that makes payments to an individual or entity that operates a hotel</p> <p>b. Taxpayers are private person or entity that operates a hotel.</p>	
Tax Object	Hospitality services include services for providing accommodation and supporting facilities, as well as renting meeting/meeting rooms from hotel service providers.	<p>a. Services provided by hotels for payment, including supporting services as hotel equipment that provide convenience and comfort, including sports and entertainment facilities.</p> <p>b. Supporting Services are telephone, fax, telex, internet, photocopying, washing, ironing, transportation and other similar facilities provided or managed by the hotel.</p> <p>c. Room/venue rental services for meetings, receptions, gatherings and the like at hotels</p>	
Tariff	the highest is 10%	10%	
D. Parking Services		Parking Tax	Regional Regulation Number 1 of 2011
Tax Subjects / Taxpayers	<p>a. The subject are parking service consumers.</p> <p>b. Taxpayers are a private person or entity that sells, delivers and/or consumes parking services</p>	<p>a. The subject are a private person or entity that parks motorized vehicles.</p> <p>b. Taxpayers are the private person or body that operates the parking lot.</p>	
Tax Object	Services for providing or organizing off-street parking spaces and/or services for parking vehicles to be placed in parking areas, whether provided in connection with the main business or provided as a business, including the provision of storage space for motor vehicles. includes:	organizing off-road parking spaces, whether provided in connection with the main business or provided as a business, including the provision of storage space for motor vehicles.	
	a. provision or operation of		

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		parking spaces; and/or b. vehicle parking services (valet parking).		
Tariff		the highest is 10%	30%	Tariff reduction from 30% to a maximum of 10%
E. Arts and Entertainment Services			Entertainment Tax	Regional Regulation Number 8 of 2019
Tax Subjects / Taxpayers		a. The subject are consumers of arts and entertainment services b. Taxpayers are individual or entity that sells, supplies and/or consumes arts and entertainment services	a. The subject are a private person or entity who enjoys entertainment. b. Taxpayers are a private person or entity that organizes entertainment	
Tax Object		services for providing or organizing all types of spectacles, performances, games, stunts, recreation and/or entertainment to be enjoyed include: a. watching films or other forms of audio-visual spectacles shown live at a certain location; b. art, music, dance and/or fashion performances; c. beauty contest; d. bodybuilding contests; e. exhibition; f. circus, acrobatics, and magic shows; g. horse racing and motor vehicle competitions; h. dexterity games; i. sports games using places/spaces and/or equipment and supplies for sports and fitness; j. recreational water rides, ecological rides, educational rides, cultural rides, snow rides, game rides, fishing, agrotourism and zoos; k. massage and reflexology parlours; and l. discotheque, karaoke, nightclub, bar and steam bath/spa.	Entertainment organizing services for a fee	
Tariff		a. the highest is 10% b. Special rates for entertainment services at discos, karaoke, nightclubs, bars and steam baths/spas are set at a minimum of 40% and a maximum of 75%	a. Film Viewing = 20% of the entrance fee b. Local/traditional fashion shows, beauty contests and bodybuilding = 0% c. National class fashion shows, beauty and bodybuilding	Law Number 1 of 2022 reduces rates other than entertainment services at discotheques, karaoke, nightclubs,

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			<p>contests are set at = 30%</p> <p>d. Fashion shows, beauty contests and international class bodybuilding = 35%</p> <p>e. National class music and dance performances = 25%</p> <p>f. International class music and dance performances = 30%</p> <p>g. Local/traditional class music and national dance performances = 0%</p> <p>h. Non-commercial exhibitions = 0%</p> <p>i. Commercial exhibitions = 20%</p> <p>j. Discotheques, karaoke, nightclubs and the like = 30%</p> <p>k. Local/traditional class acrobatics and magic circus, = 0%</p> <p>l. National class acrobatics and magic circus = 20%</p> <p>m. International class acrobatics and magic circus = 30%</p> <p>n. Pool games using AC = 35%</p> <p>o. Pool games that do not use AC = 30%</p> <p>p. Bowling game = 35%</p> <p>q. Local/traditional class horse racing = 0%</p> <p>r. National and international class horse racing = 30%</p> <p>s. Motor vehicle racing = 30 %</p> <p>t. Dexterity games (including game center and similar) = 30%</p> <p>u. Massage parlors, reflexology, steam bath/spa = 35%</p> <p>v. Fitness center = 30%</p> <p>w. Local/traditional sports competitions = 0%</p> <p>x. National class sports competitions = 20%</p> <p>y. International class sports competitions = 30%</p>	bars and steam baths/spas to a maximum of 10%, but provides the opportunity for high rates to be charged for entertainment services at discotheques, karaoke, nightclubs, bars and steam baths/ spa starting from 40% to 75%
4	Tax Type	Advertisement tax	Advertisement tax	Regional Regulation Number 1 of 2011
	Tax Subjects / Taxpayers	<p>a. The subjects are private person or entity that uses advertisements.</p> <p>b. Taxpayers are private person or</p>	<p>a. The subjects are private person or entity that uses advertisement</p> <p>b. Taxpayers are private person</p>	

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		body that organizes advertisements.	or entity that organizes advertisements.	
	Tax Object	all advertising operations	all advertising operations	
	Tariff	the highest is 25%	25%	
5	Tax Type	Groundwater Tax	Groundwater Tax	Regional Regulation Number 1 of 2011
	Tax Subjects / Taxpayers	a. The subjects are private person or entity that extracts and/or utilizes groundwater. b. Taxpayers are private person or entity that extracts and/or utilizes groundwater	a. The subjects are private person or entity that extracts and/or utilizes groundwater. b. Taxpayers are private person or entity that extracts and/or utilizes groundwater	
	Tax Object	extraction and/or utilization of ground water.	extraction and/or utilization of ground water.	
	Tariff	the highest is 20%	20%	
6	Tax Type	Tax on Non-Metal Minerals and Rocks	Tax on Non-Metal Minerals and Rocks	Regional Regulation Number 1 of 2011
	Tax Subjects / Taxpayers	a. The subjects are Individuals or Entities who can take Non-Metal Minerals and Rocks. b. Taxpayers are private person or entity taking Non-Metal Minerals and Rocks.	a. The subjects are Individuals or Entities who can take Non-Metal Minerals and Rocks. b. Taxpayers are private person or entity taking Non-Metal Minerals and Rocks.	
	Tax Object	retrieval activities Non-Metal Minerals and Rocks	retrieval activities Non-Metal Minerals and Rocks which includes: asbestos; slate; semi-precious stones; limestone; pumice; gemstones; bentonite; dolomite; feldspars; rock salt (halite); graphite; granite/andesite; plaster cast; calcite; kaolin; leucite; magnesite; mica; marble; nitrate; option; ocher; sand and gravel; quartz sand; perlite; phosphate; talk; absorptive soil (fuller earth);	

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			diatomaceous earth; clay; alum (alum); tras; yarosif; zeolite; basalt; tractite; and other Non-Metal Minerals and Rocks, in accordance with statutory provisions.	
	Tariff	the highest is 20%	25%	Tariff reduction from 25% to a maximum of 20%
7	Tax Type	Swallow's Nest Tax	Swallow's Nest Tax	
	Tax Subjects / Taxpayers	private person or entity that collects and/or cultivates swallow nests	private person or entity that collects and/or cultivates swallow nests.	
	Tax Object	taking and/or processing swiftlet nests.	taking and/or processing swiftlet nests.	
	Tariff	the highest is 10%	10%	
8	OPSEN		THERE ARE NO OPSEN	
	A. vehicle tax	Opsen imposed by districts/cities on vehicle tax principal is in accordance with statutory provisions at a rate of 66%		Bandar Lampung City Rights
	B. motor vehicle title transfer fee	Opsen of motor vehicle title transfer fee is Opsen imposed by districts/cities on motor vehicle title transfer fee principal in accordance with statutory provisions at a rate of 66%		Bandar Lampung City Rights
	C. Tax on Non-Metal Minerals and Rocks	Opsen Tax on Non-Metal Minerals and Rocks is the Opsen imposed by the province on the Tax on Non-Metal Minerals and Rocks principal in accordance with the provisions of statutory regulations at a rate of 25%	The Tax on Non-Metal Minerals and Rocks rate fell from 25% as regulated in Regional Regulation Number 1 of 2011 to only 20% due to the Tax on Non-Metal Minerals and Rocks opsen levied by Lampung Province	Hak Provinsi Lampung

Source: Law Number 1 of 2022, Regional Regulation Number 1 of 2011, Regional Regulation Number 8 of, data is processed.

C. Impact on Community Life and Regional Finances of Changes in Policy Types, Tax Subjects/Taxpayers, Objects and Regional Tax Rates in Bandar Lampung City

The tax arrangements currently regulated in the existing Tax Regulation in Bandar Lampung City, can still be reused in the upcoming Regional Tax Draft Regulation as ordered by the Law Number 1 of 2022, because the regulations regarding tax subjects/taxpayers, and tax objects, and the basis for tax imposition have not changed much, except for certain types of taxes which will ultimately have an impact on the community and the Bandar Lampung City Government, especially in the area of regional finance (in this case Locally-generated revenue).

Several changes in regional tax collection that will have consequences for the community and regional finances of Bandar Lampung City include::

1. Rural and Urban Land and Building Tax

It is possible for the tariff setting in the Law Number 1 of 2022 to be applied at a maximum of 0.5%, however the Regional Government must be able to believe that revenue from Rural and Urban Land and Building Tax will remain stable as if it were

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collected at a rate of 0.2% as specified in Regional Regulation Number 1 of 2011. Rural and Urban Land and Building Tax Revenue Bandar Lampung City should have huge potential, considering Bandar Lampung City's position as the capital of Lampung Province and at the same time as a trade center, business center, and so on. Increasing supervision and the imposition of administrative sanctions need to be emphasized to ensure optimal income of Rural and Urban Land and Building Tax proceeds into regional treasuries.³ For the community, providing tax facilities will also help the community with tax relief, especially for people from economically weak and disadvantaged groups.⁴

2. Certain Goods and Services Tax - Parking Services (Parking Tax)

Law Number 1 of 2022 lowering the highest limit for parking tax rates to only 10%. Article 50 UUHKPD includes parking as part of the Certain Goods and Services Tax, namely the tax paid by final consumers for the consumption of parking services. Parking Services are services for providing or organizing off-street parking spaces and/or services for parking vehicles to be placed in parking areas, whether provided in connection with the main business or provided as a business, including the provision of storage for motor vehicles.

On all Certain Goods and Services Tax the rate allowed is a maximum of 10%, apart from entertainment services (discotheques, karaoke, nightclubs, bars and steam baths/spas) and electric power (consumption of electric power from other sources by industry, oil mining earth and natural gas, consumption of self-generated electric power). In the existing Regional Regulation, the previous Parking Tax rate was 30%, so there is the potential for tax revenue from parking services to decrease. This reduction cannot be avoided, because the 10% tariff regulated in Law Number 1 of 2022 is an absolute tariff that must be adhered to. For the public, this reduction in rates should be able to ease the burden on the community, if parking service managers also reduce the prices of their parking services. However, if the tax rate decreases, but the price of parking services is the same, it will benefit parking service managers who are obliged to collect Certain Goods and Services Tax. The local government can adopt policies regarding this matter that can provide benefits and advantages for all parties, especially the community.

3. Certain Goods and Services Tax – Arts and Entertainment Services (Entertainment Tax)

Arts and Entertainment Services is one part of the Certain Goods and Services Tax type. Law Number 1 of 2022 stipulates that all Certain Goods and Services Tax is subject to a maximum rate of 10%, except for entertainment services at discos, karaoke, nightclubs, bars and steam baths/spas which are determined from 40% to 75%. This means that there is a potential decrease in tax revenue from arts and entertainment services from the previous 0% to 35%, but there is an opportunity to increase tax revenue from entertainment services in discotheques, karaoke, nightclubs, bars and steam baths/spas (the rate increase will be the lowest is 40% and the highest is 75%).

For the public, reducing rates should provide benefits in the form of lowering the prices of arts and entertainment services, if parking service managers also reduce the prices of their services. The application of high tariffs for discos, karaoke, nightclubs, bars and steam baths/spas is also indirectly the application of the regular end function of tax, for example the imposition of high tariffs causes people, especially teenagers, to reduce the use of entertainment services from discotheques, karaoke, nightclubs, etc. bar, and the aforementioned steam bath/spa.

4. Tax on Non-Metal Minerals and Rocks

For Tax on Non-Metal Minerals and Rocks, there has been a reduction in rates from 25% to 20%, this is due to the existence of an opportunity scheme in collecting Tax on Non-Metal Minerals and Rocks. Previously, a Profit Sharing Fund scheme was used between the Province and Bandar Lampung. The Profit Sharing Fund of Tax on Non-Metal Minerals and Rocks concept disappeared and was replaced by Opsen Non-Metal Minerals and Rocks. Law Number 1 of 2022 defines opsen as an additional tax levy according to a certain percentage, where the subjects and taxpayers of opsen follow the opsen tax. Law Number 1 of 2022 article 74, additional levies carried out by the provincial government at a rate of 25% of the Tax on Non-Metal Minerals and Rocks with a maximum of 20% (20% district/city and 5% provincial opsen), then this provision will not increase the burden on taxpayers, either individuals or bodies. This is because the rate that taxpayers must pay does not exceed the Tax on Non-Metal Minerals and Rocks rate in the regulations of Law 28 of 2009 concerning regional taxes and regional levies, namely a maximum of 25%. If we refer to the mineral and coal Law and Law Number 23 of 2004 concerning Regional Government, these provisions are more appropriate because regulating permits and supervision of mineral and coal falls under the authority of the central government and is then partially delegated to the provincial government.

5. Opsen of Motor Vehicle Tax and Motor Vehicle Title Transfer Fee

Regarding Opsens of Tax, the Bandar Lampung City Government has the right and authority to collect Motor Vehicle Tax Opsens and Motor Vehicle Title Transfer Fee Opsens which previously Motor Vehicle Tax and Motor Vehicle Title Transfer

³ <https://kupastuntas.co/2022/11/08/dua-tahun-tidak-bayar-pajak-pemkot-bandar-lampung-segel-gedung-transmart>, diakses 12 November 2022

⁴ <https://news.ddtc.co.id/sebar-ratusan-ribu-sppt-pemkot-langsung-tawarkan-diskon-pajak-pbb-37192>, diakses 7 November 2022

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Fee were under the authority of the Lampung Provincial Government to collect them. So far, the scheme used for the results of Motor Vehicle Tax and Motor Vehicle Title Transfer Fee collections uses the Profit Sharing Fund scheme, giving rise to underpayments and overpayments of Profit Sharing Fund and potentially giving rise to the difference in excess of budget revenues and expenditures during one budget period (SiLPA). The city of Bandar Lampung has to wait for the transfer of Profit Sharing Fund from Motor Vehicle Tax and Motor Vehicle Title Transfer Fee, and cannot immediately use the funds, whereas in the province it creates a SiLPA.

With Opsen Motor Vehicle Tax and Opsen Motor Vehicle Title Transfer Fee, the Bandar Lampung City Government will immediately receive its rights from the proceeds of these two taxes, with a single rate of 66% of the Motor Vehicle Tax amount and 66% of the Motor Vehicle Title Transfer Fee amount paid. Taxpayer. This will provide additional benefits for the City of Bandar Lampung both from tax revenues and from the freedom to utilize tax proceeds based on statutory provisions. The determination of the new tariff makes the portion of Bandar Lampung City higher when compared to The Profit Sharing Fund scheme which is regulated in Article 94 Law Number 28 of 2009 at 30%, where the profit share received by Bandar Lampung City from the Motor Vehicle Tax rate is only 0, 6%.

CONCLUSIONS

The conclusion from the description above is that, with the renewal of regional tax law after the issuance of the Law Number 1 of 2022, there is a potential for a decrease in tax revenue as a result of a reduction in tax rates for several types of regional taxes. However, on the other hand, there is a new type of tax that can be collected by the Bandar Lampung City government which has great potential in the form of Motor Vehicle Tax Opsen and Motor Vehicle Title Transfer Fee Opsen which are the rights of the Bandar Lampung City government.

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