



Optimizing Land and Building Tax Management in Increasing Original Regional Income (PAD) in Rejang Lebong Regency

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ARTICLE INFORMATION

Received: 25 October 2023

Revised: 10 November 2023

Accepted: 22 November 2023

Available online: 28 December 2023

KEYWORDS

SIMPEG, SOP, Communication, resources, disposition

CORRESPONDENCE

Master of Public Administration

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ABSTRACT

This research aims to examine the implementation of optimization of Land and Building Tax Management in increasing Original Regional Income (PAD) in Rejang Lebong Regency. The approach in this research uses qualitative methods with data collection methods through interviews and documentation. Aspects to study regarding optimizing Land and Building Tax management are expanding the revenue base, strengthening the collection process, increasing supervision, increasing administrative efficiency and reducing collection costs, and increasing revenue capacity through better planning. In this research, it was found that optimization of land and building tax management has been carried out by the Rejang Lebong Regency Regional Financial Management Agency. Several policies have been issued to optimize the management of land and building taxes, such as launching the Tax Object Information System application, where this application was created to facilitate public access to pay land and building taxes without having to come to pay at official payment counters or at partner banks. However, researchers also found that the level of public awareness of paying land and building taxes is also considered to be still low, so tax management is not yet optimal. Researchers suggest that it is necessary to carry out field verification to carry out checks on the value of tax objects owned by each citizen. Apart from that, we can collaborate with other parties to increase people's awareness of paying taxes.



INTRODUCTION

Through adequate financial resources, it supports government administration, development and public services. Programs or activities held by the government will be realized with adequate regional *finances*, both from central assistance and original regional revenue sources. The ability of regional governments to increase Regional Original Income (PAD) shows regional independence to finance the administration of their own government, so that development and services to regional communities do not depend on the central government in terms of financing. The need for large revenue resources encourages regions to continue to be creative and innovate in creating new revenue sources to increase revenue sources as best as possible.

Based on these regional income sources, only Regional Original Income (PAD) is a source of financing as an indication of an autonomous source of income. Because the source of regional income in the form of balancing funds is determined by the central government and other legitimate regional income is determined by the juridical size determined by the central government. As for Original Regional Income (PAD), which is an illustration of regional financial potential, it generally relies on elements of Regional Taxes and Levies which make a large contribution to Original Regional Income (PAD), especially in Rejang Lebong Regency, so it is hoped that it will focus on efforts to manage and develop potential sources that There is.

Based on Realized Regional Original Income (PAD) data in Rejang Lebong Regency in the 2022 fiscal year, Rejang Lebong Regency has a total Regional Original Income (PAD) of IDR 69,786,080,317.81. Where one of the largest

revenues from PAD comes from tax revenues, namely Rp. 14,746,102,795.42 means that around 21% of Rejang Lebong Regency's Original Regional Income (PAD) comes from regional tax revenues. This shows that tax is one of the regional revenues that has great potential to increase original regional income in Rejang Lebong Regency.

Based on target data and realization of Land and Building Tax revenue, from 2019 to 2021 data, the realization of Land and Building Tax revenue always does not meet the targets that have been set. This means that the land and building tax sector has not been able to stimulate regional growth and empowerment, as can be seen from the results obtained from land and building tax in the last 3 years. One of the factors that is considered to have an influence on this condition is that the implementation of the existing Land and Building Tax (PBB) collection is not yet optimal and can be developed in accordance with the circumstances and conditions in Rejang Lebong Regency. And there is still weakness and lack of supervision carried out by tax officials in Rejang Lebong Regency. So this is a problem in the management of Land and Building Tax in Rejang Lebong Regency. Of course, this management cannot be separated from the factors that hinder the management of Land and Building Tax which resulted in the target not being achieved in the last 3 years.

The occurrence of taxes owed each year has an impact on Land and Building Tax revenues not meeting annual revenue targets. This is influenced by the existence of obstacles in optimizing Land and Building Tax revenue so that it is not achieved properly. Based on initial interviews conducted by researchers regarding the management of Land and Building Tax, the following problems were found:



1. There are undetected changes to the tax object, for example the addition of buildings, air conditioning, marble ceramics and so on but are not reported by the taxpayer, so that the tax value obtained is smaller;
2. Make tax arrears every year, and only make payments if you need proof of tax payment for certain government administration matters ;
3. Payment applications that change frequently, resulting in inconsistent data;
4. Settlement of receivables is very difficult to do because the Regional Government itself received a receivables grant from KPP Pratama in 2014, to settle these receivables there is always a buildup, for example if you pay off 2014 receivables in 2020, then the 2020 tax will become an accumulation of receivables for the coming year;
5. There are unscrupulous tax collection officers who play a role in carrying out billing which is still a polemic, because they only provide proof of temporary tax payment receipts, and do not provide proof of payment for bank deposits because the billing officers are dishonest by not paying the tax to the bank.

LITERATURE REVIEW

Public policy

In his book Pasolong (Theory of Public Administration: 2007, 57), William N Dunn, says that public policy is a series of interconnected choices made by government agencies or officials in areas related to government tasks, such as defense and security, energy, health, education, public welfare, crime, urban areas and others.

According to Makmur's thought (2011: 9) in a policy it always begins with thoughts about the preparation or formulation, implementation

or implementation to evaluation or assessment, all of these activities require various rational and objective thoughts so as to create justice. If thoughts are always carried out rationally and objectively and implemented in just and dignified actions, of course it will provide the greatest possible benefit to life for living things in general and especially for humans themselves.

Optimization

According to Masyhuri and Zainuddin (2008 :219) , optimization is the process of finding the maximum value of an objective function. Rao (2009) optimization is a process of obtaining conditions that provide the maximum or minimum value of a function. Optimization is an effort to increase business so that the results can be close to or even the same as the potential Kosasih (2010 : 63) .

Local tax

Regional taxes according to Suandy (2011:37) are "Taxes whose authority to collect lies with the local government and the implementation is carried out by the Regional Revenue Service". Regional Tax according to Rahayu and Suhayati (2010:45) is a mandatory levy on individuals or bodies carried out by the regional government without direct, balanced counter-performance which can be enforced based on applicable laws and regulations which is used to finance the administration of regional government and regional development.

Property tax

Law Number 12 of 1985 does not explicitly provide an understanding or a definition of what is meant by the UN. However if all over provision Which arranged in Constitution intended noticed so can taken conclusion What Which intended with UN. Based on What Which become object tax And Who Which set



become subject And taxpayer, so Tax Earth And Building can interpreted as tax Which levied on ownership/control and/or use of land and buildings in Indonesia (Siahaan, 2009:77)

RESEARCH METHODE

In this research, the author used the method qualitative research with an inductive approach. Bongdan and Taylor (1955) in Suwenda (2018:4) explain that qualitative research is a research procedure that produces descriptive data in the form of written or spoken words from people and observable behavior. According to Moleong (2005:6) , qualitative research is research that aims to understand phenomena about what is experienced by research subjects, for example behavior, perceptions, motivation, actions, etc. holistically and by means of descriptions in the form of words and language. a natural context and by utilizing various natural methods. According to Koentjaraningrat (1983), qualitative research is research in the field of human sciences and humanity with activities based on scientific discipline to collect, classify, analyze and interpret facts of nature, society, human behavior and spirituality in order to discover the principles of knowledge and methods. new methods in an effort to respond to these things

RESULTS AND DISCUSSION

1. Expanding the UN Acceptance Base

Expanding the land and building tax revenue database is one strategy to improve or optimize land and building tax management. There are various ways to expand the land and building tax revenue database in Lebong Regency, in this research the researcher focuses on how to expand the database through:

a. Identifying Payers (Taxpayers)

Land and Building Tax (PBB) taxpayer identification involves the process of recognizing and recording individuals or entities who own property subject to PBB. Here are some common ways to identify PBB taxpayers:

- a. UN Registration System
- b. Land Ownership Registration
- c. Integrated Tax Information System
- d. Field Inspection
- e. Use of Technology
- f. Population Data Collection
- g. Public Announcement

b. Tax revenue capacity

Tax revenue capacity is an estimate or target of the amount of tax that should be collected from taxpayers per year. Tax revenue capacity can be done by analyzing data in the form of the identity of the taxpayer and the tax objects registered.

Optimizing tax revenue capacity can be carried out if taxpayer identity data in Rejang Lebong Regency is recorded properly and accurately. However, based on information obtained by researchers, the tax revenue capacity in Rejang Lebong Regency in the last few years from 2019 - 2022 has not increased or is almost the same every year. This is because the Rejang Lebong Regency BPKD plans land and building tax revenue targets based on previous data. The available data does not change much every year, if there is any change it is only small and not very significant.

2. Strengthening the UN Voting Process

Strengthening the Land and Building Tax (PBB) collection process is an effort to increase efficiency, transparency and compliance in



collecting tax payments from taxpayers. The following are several steps that can be taken to strengthen the PBB collection process in Rejang Lebong Regency:

- a. Online Services
- b. Electronic Notification
- c. Gradual Payment Processing
- d. Law enforcement
- e. Training and Counseling
- f. Continuous Evaluation and Improvement

3. Improve oversight

Improving supervision in the management of Land and Building Tax (PBB) is a key step to ensure taxpayer compliance, prevent potential fraud, and increase the efficiency of tax collection. The following are several ways to improve supervision in the management of Land and Building Tax in Rejang Lebong Regency:

- a. Regular Audits
- b. Use of Technology
- c. Online Reporting System
- d. Development of Community Complaints Services
- e. Public Reporting
- f. Law enforcement

4. Increase Administrative Efficiency and Reducing Collection Costs

Improving administrative efficiency and reducing the cost of collecting Land and Building Tax (PBB) is an important step to increase the effectiveness of the property tax system. The following are several strategies that can be implemented to increase the optimization of land and building tax revenues:

- a. Improving Administrative Procedures
- b. Mobile Application Development
- c. Tariff Policy Evaluation

5. Increasing Revenue Capacity Through Better Planning

Increasing the revenue capacity of Land and Building Tax (PBB) through better planning requires a holistic approach that involves improvements in several areas. The following are several strategies that can help increase PBB revenue capacity in Rejang Lebong Regency:

- a. Property Data Valuation and Updates
- b. Strategic Tax Planning
- c. Socialization and Education Campaign
- d. Use of Technology and Information Systems
- e. Monitoring and Evaluation

CONCLUSION

Based on the results of the research described above regarding the optimization of property tax revenues in Rejang Lebong Regency, the researchers drew several conclusions as follows:

- a. Optimization in the management of Land and Building Tax revenues in Rejang Lebong Regency is included in the quite good category;
- b. BPKD has several strategies to increase the optimization of Land and Building Tax revenues, namely:
 - Improving the Land and Building Tax revenue database
 - Strengthen the Property Tax collection process
 - Improve oversight
 - Administrative efficiency and costs
 - Do better planning
- c. BPKD has issued an application that can increase Land and Building Tax revenues;
- d. BPKD has limited resources to verify Tax Objects in the field



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