Solid State Technology
Volume: 63 Issue: 4
Publication Year: 2020

The Effect of the Revenues from Billboard Tax, Street Lighting Tax, and Acquisition Tax of the Rights of Land and Building on the Locally-Generated Revenue of Bandung Regency for the Period of 2015 – 2019

Edo Satria*, Dylla Yulianty, Priyanka Primesti Putri, Zia Safira, Hafied Noor Bagja
Accounting Department, Faculty of Economics & Business, Widyatama University, Indonesia
*edo.satria@widyatama.ac.id

Abstract- This study aims to analyze the effect of revenue from billboard tax, street lighting tax, and acquisition tax of right of land and building on the Locally-Generated Revenue (PAD, for its acronym in Indonesia) of Bandung Regency for the period 2015-2019. The method of the research is descriptive analysis with a quantitative approach and secondary data type. Based on the results of the study, it can be concluded that partially the revenues from billboard tax and street lighting tax do not positively affect the PAD. However, the revenue from the acquisition tax of the rights of land and building has a positive effect on the PAD. Meanwhile, the revenues from billboard tax, street lighting tax, and the acquisition tax of the rights of land and building affect the PAD of Bandung Regency simultaneously by 21.1% and the remaining 78.9% is influenced by other factors that are not included in this study test variables.

Keywords: *Tax Revenue, Billboard Tax, Street Lighting Tax, BPHTB, Locally-Generated Revenue.*

Introduction

In governance, Indonesia uses a decentralized system under Law Number 23 of 2014 regarding the handover of government power by the central government to autonomous regions based on the principle of autonomy. Therefore, local governments have the right, authority, and responsibility for governance in the regions and are not fully dependent on the central government. Based on the law, regional governments have the authority which consists of administering government according to the principle of autonomy and task of assistance, carrying out concurrent government affairs, and carrying out general government affairs. It may include the management of regional resources which are used as income in the Locally Generated Revenue (PAD, for its acronym in Indonesia) which is used to organize governance and implement regional development.

Based on the Law of the Republic of Indonesia Number 33 of 2004 Article 6 (1) regarding the financial balance between the central government and regional governments, the Locally-Generated Revenue (PAD) comes from regional taxes, regional levies, and the results of regional wealth management that are separated, and other legitimate locally-generated revenues. Hence, regional taxes are one of the sources that have an influence on the PAD in the implementation of local government. Due to the high PAD received by a region, the level of dependence of the Regional Government on the Central Government in terms of regional revenue and expenditure budget will be less (Anggoro, 2017).

Table 1. Percentage of Locally-Generated Revenue in 2015 – 2019

Year	Target of Pad	Realization of Pad	%
2015	672.548.761.360,90	784.216.215.215,60	116,60
2016	760.763.107.744,68	856.512.240.274,37	112,59
2017	815.659.590.119,96	936.905.730.680,24	114,86
2018	834.706.298.691,51	927.543.321.132,26	111,12
2019	937.419.374.552,00	992.862.000.000,00	105,91

Source: Regional Financial and Asset Agency of Bandung Regency (processed data)

According to the data from the Regional Government of Bandung Regency, Locally-Generated Revenue (PAD) decreased from 2015 to 2016. In 2015, the decrease was up to 116.60% and in 2016 was up to 112.59%. Nevertheless, in 2017, it increased by 114.8%. Furthermore, in 2018 there was a decrease of 111.12% and 105.91% in 2019. From the data, a conclusion can be drawn that the PAD of Bandung Regency has fluctuated from 2015 to 2019. One of the contributors to Bandung Regency PAD comes from regional taxes, particularly billboard taxes, street lighting taxes, and acquisition taxes of the rights of land and building.

LITERATURE REVIEW

Tax

According to Prof. Dr. Rochmat Soemitro, taxes are people's contributions to the State treasury based on the law (which can be enforced) without receiving lead services (counter-achievement) which can be directly demonstrated and used to pay for general expenses (Basic Concepts of Taxation, 2013).

Tax Revenue

Income derived by the government from people's taxes is the definition of tax revenue. Funds received in the state treasury will be used for government expenditures for the greatest prosperity of the people, as the goal of the country agreed by the early founders of this country, that is to assure the welfare of the people and establish prosperity based on social justice (Suherman, 2011).

Regional Tax

Based on Law Number 28 of 2009 concerning Regional Taxes and Regional Levies, Article 1 paragraph 10, it is stated that regional taxes, hereinafter referred to as taxes, are compulsory contributions made by individuals or institutions to the regions without a balanced direct compensation, but can be enforced based on laws and regulations used in the government administration and regional development. Additionally, it is described in Law Number 28 of 2009, Article 2 that:

1) Provincial Taxes, consist of:
   a. Tax on Motor and Road Vehicles
   b. Tax on Motor Vehicle Name Change Fee (BBNKB, for its acronym in Indonesia)
   c. Tax on Motor Vehicle Fuel (PBB-KB)
   d. Tax on Extraction and Utilization of Ground Water
   e. Tax on Cigarettes
2) Regional/City Taxes, consist of:
   a. Tax on Hotel
   b. Tax on Restaurant
   c. Tax on Entertainment

d. Tax on Billboard
e. Tax on Street Lighting
f. Tax Non-Metallic Minerals and Rocks
g. Tax on Parking
h. Tax on Groundwater
i. Tax on Swallow's Nest
j. Tax on Rural and Urban Land and Building
k. Tax on Acquisition of the Rights of Land and/or Building

Billboard Tax

Based on the Regulation of the Regent of Bandung Number 32 A of 2012 concerning Technical Guidelines for the Implementation of Billboard Tax Management, the billboard tax is a mandatory contribution made by an individual/person or institution without receiving direct compensation that can be enforced based on laws and is used for funding the implementation of Regional Government and Development. In addition, according to Bandung Regency Regional Regulation Number 17 of 2017 Article 59 concerning the Second Amendment to Bandung Regency Regional Regulation Number 1 of 2011 concerning Regional Taxes, the billboard tax rate is set at 25%.

Street Lighting Tax

Law Number 28 of 2009 ruled that Street Lighting Tax is a tax on the use of electric power, both self-generated and obtained from other sources. Street lighting is the use of electricity to illuminate public roads for which the local government pays the bill. Based on Bandung Regency Regional Regulation Number 17 of 2017 Article 26 concerning the Second Amendment to Bandung Regency Regional Regulation Number 1 of 2011 concerning Regional Taxes, the tax rate is set as follows:

1) The use of electricity that comes from other sources or that is not produced for industrial purposes, the tariff for Street Lighting Tax is set at 6%;
2) The use of electricity from other sources by industry, mining, oil and natural gas, the tariff for Street Lighting Tax is set at 3%;
3) The use of self-generated electricity for industry, the tariff for Street Lighting Tax is set at 1.5%.

Acquisition Tax of the Rights of Land and Building (BPHTB)

Based on Bandung Regency Regional Regulation Number 17 of 2017 Article 1 concerning the Second Amendment to Bandung Regency Regional Regulation Number 1 of 2011 concerning Regional Taxes, Acquisition Tax of the Rights of Land and Building is a tax on the acquisition of rights of land and/or building. Acquisition of the Rights of Land and/or Building is a legal act or event that results in the acquisition of rights of land and/or building by individuals or institutions. The Rights of Land and/or Building are rights to land, including management rights, along with the buildings on the land, as referred to in the law on land and building. According to Bandung Regency Regional Regulation Number 17 of 2017, Article 59 concerning the Second Amendment to the Bandung Regency Regional Regulation Number 1 of 2011 concerning Regional Taxes, the tariff for the acquisition of the rights of land and building is set at 5%.

Locally-Generated Revenue (PAD)

It is explained on Law Number 33 of 2004 concerning Financial Balance between Central and Regional Government, Article 1, paragraph 18 that Locally-Generated Revenue, hereinafter referred to as PAD (for its acronym in Indonesia), is revenue obtained by regions which is collected based on Regional Regulations in accordance with statutory regulations. In addition, PAD sources consist of:

1) The revenue of regional taxes are levies made by the regional government on all tax objects, such as individuals/institutions, animate/inanimate objects.
2) The revenue of regional retribution is levies made in connection with a service/facility applied by the regional government in a direct and real manner.
3) The revenue from regional owned companies and the management of regional assets are separated between dividend profits and sales of shares owned by regions.
4) Other legitimate PAD include the revenue from sales of fixed assets, current account services, interest income, gains on the difference in the value of Rupiah and foreign currencies, commissions, deductions, and other forms as a result of sales or procurement of goods and services by the regions.

RESEARCH METHOD

Research Type

The type of research used is descriptive analysis with a quantitative approach to identify the effect of the revenues from billboard tax, street lighting tax, acquisition tax of the rights of land and building on locally-generated revenue of Bandung Regency in the Regional Financial and Asset Agency of Bandung Regency from 2015 through 2019.

Research Object

The research objects are the revenues from billboard tax, street lighting tax, and acquisition tax of the rights of land and building, as well as the locally-generated revenue of Bandung Regency in the period of 2015-2019.

Population and Sample

The population in this study is the Realization Report of Regional Revenue and Expenditure Budget at the Regional Financial and Asset Agency (BKAD) of Bandung Regency. The samples used are the realization of locally-generated revenue, the realization of the taxes of Billboard, Street Lighting, and Acquisition of the Rights of Land and Building in Bandung Regency in the period of 2015-2019 that are obtained from 60 monthly Regional Revenue and Expenditure Budget Realization Reports.

Data Collection Method

The type of data used in this study is secondary data. The secondary data obtained in this study is the Regional Revenue and Expenditure Budget Realization Reports in 2015-2019. Furthermore, the data analysis and interpretation process are carried out in accordance with the research objectives. The data collection method used in this research is the literature study and documentation.

The Technique of Data Analysis

The technique of data analysis used to support the research is by using the classical assumption test, correlation test, determination coefficient test, partial test (t-test), simultaneous test (F test), simple linear regression analysis, and multiple linear regression analysis.

RESULTS AND DISCUSSION

1. Results of Multiple Correlation Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,459[a]	,211	,168	22545481072,69319	2,278

a. Predictors: (Constant), BPHTB, Billboard Tax, Street Lighting Tax
b. Dependent Variable: Locally-Generated Revenue
Source: Output SPSS 20.0

Based on the results of the calculation of the table illustrated above, the multiple coefficient value (R) is 0,459 which is included in the moderate criteria. It shows that the level of relationship between the revenues from billboard tax, street lighting tax, and acquisition tax of the rights of land and building (BPHTB) has a sufficient effect on Locally-Generated Revenue.

2. Results of Multiple Linear Regression Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	51949949744,873	28064358610,436		1,851	,069		
	Billboard Tax	11,826	22,338	,064	,529	,599	,960	1,042
	Street Lighting Tax	-,380	2,443	-,020	-,155	,877	,840	1,190
	BPHTB (for its acronym in Indonesia)	1,933	,556	,451	3,478	,001	,838	1,194

a. Dependent Variable: Locally-Generated Revenue
b. Source: Output SPSS 20.0

The multiple linear regression model in the table can be formulated in the equation model as follows:

$$Y = 51949949744{,}873 + 11{,}826X_1 - 0{,}380X_2 + 1{,}933X_3$$

From the results of the multiple regression equation above, the contribution of each variable can be interpreted to Locally-Generated Revenue as follows:

a. The constant value is positive 51949949744,873 which indicates that if the variable of revenues from billboard tax, street lighting tax, or BPHTB does not change or is equal to 0, it will increase Bandung Regency Locally-Generated Revenue to 51,949,949,744,873.
b. The variable of revenue from the billboard tax has a positive regression coefficient value of 11,826. It suggests that if X_1 (Billboard Tax) increases by 1 rupiah, with the assumption that other variables are constant, the Locally-Generated Revenue of Bandung Regency will increase to 11,826.
c. The variable of revenue from the street lighting tax has a negative regression coefficient value of 0,380. It indicates that if X_2 (Street Lighting Tax) decreases by 1 rupiah, with the assumption that other variables are constant, the Locally-Generated Revenue of Bandung Regency will decrease to 0,380.
d. The variable of revenue from the acquisition tax of the rights of land and building (BPHTB) has a positive regression coefficient value of 1,933. It shows that if X_3 (BPHTB) increases by 1 rupiah, with the assumption that other variables are constant, the Locally-Generated Revenue of Bandung Regency will increase to 1,933.

3. Results of Research Hypothesis Test

1) Results of Determination Coefficient Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,459[a]	,211	,168	22545481072,69319	2,278

a. Predictors: (Constant), BPHTB, Billboard Tax, Street Lighting Tax
b. Dependent Variable: Locally-Generated Revenue
Source: Output SPSS 20.0

Based on the test carried out by examining the value of determination coefficient R Square = 0,211 or 21,1%, which means partially the revenues from billboard tax, street lighting tax, and BPHTB have an effect of 21,1% on the Locally-Generated Revenue of Bandung Regency.

2) F Test Result

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7590705238156049000000.000	3	2530235079385349600000.000	4.978	.004[b]
	Residual	28464728140753350000000.000	56	508298716799167000000.000		
	Total	36055433378909400000000.000	59			

a. Dependent Variable: Locally-Generated Revenue
b. Predictors: (Constant), BPHTB, Billboard Tax, Street Lighting Tax
Source: Output SPSS 20.0

a. H_{01}: $\mu_1=\mu_2=\mu_3$: Revenues from Billboard Tax, Street Lighting Tax, and BPHTB do not have a simultaneous effect on Locally-Generated Revenue.
b. H_{01}: $\mu_1\neq\mu_2\neq\mu_3$: Revenues from Billboard Tax, Street Lighting Tax, and BPHTB have a simultaneous effect on Locally-Generated Revenue.

Based on the results obtained from the comparison of F_{count} with F_{table}, Ho_1 is rejected because F_{count} (4,987) > F_{table} (2,54). Thus, it can be concluded that the revenues from billboard tax, street lighting tax, and BPHTB have a simultaneous effect on Locally-Generated Revenue. The results of this study indicate the revenues from billboard tax, street lighting tax, and BPHTB together affect the Locally-Generated Revenue of Bandung Regency.

3) Analysis of the Effect of the Revenues from Billboard Tax, Street Lighting Tax, and BPHTB on Locally-Generated Revenue of Bandung Regency

a. Analysis of the Effect of the Revenue from Billboard Tax on Locally-Generated Revenue of Bandung Regency

a) Simple Correlation Analysis

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.138[a]	.019	.002	24693913839.97189	2.028

a. Predictors: (Constant), Billboard Tax
b. Dependent Variable: Locally-Generated Revenue
Source: Output SPSS 20.0

Based on the results of the table illustrated above, the result of the simple coefficient calculation (R) is 0,138 which is considered to be in the very low criteria. This shows that there is still a very weak relationship between billboard tax revenue and the Locally-Generated Revenue of Bandung Regency.

b) Analysis of Determination Coefficient

Based on the test carried out by examining the determination coefficient R Square = 0,019 or 1,9%, which means that the billboard tax revenue partially influences the Locally-Generated Revenue of Bandung Regency by 1,9%.

c) Analysis of T Test Result

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	67354891 133,638	7845436099,093		8,585	,000
	Billboard Tax	25,452	23,968	,138	1,062	,293

a. Dependent Variable: Locally-Generated Revenue
Source: Output SPSS 20.0

Ho_2: Billboard Tax Revenue does not partially positively affect the Locally-Generated Revenue.
Ha_2: Billboard Tax Revenue partially positively affects the Locally-Generated Revenue.

Based on the results obtained from the comparison of t_{count} to t_{table}, Ho is accepted since $-t_{table}$ (-1.67252) < t_{count} (1.062) < t_{table} (1.67252). Therefore, a conclusion can be drawn that the billboard tax revenue has no partial positive effect on the Locally-Generated Revenue of Bandung Regency.

b. Analysis of the Effect of the Revenue from Street Lighting Tax on Locally-Generated Revenue of Bandung Regency

a) Simple Correlation Analysis

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.165[a]	.027	.011	24590024689.15581	2.086

a. Predictors: (Constant), Street Lighting Tax
b. Dependent Variable: Locally-Generated Revenue
Source: Output SPSS 20.0

Based on the results of the table illustrated above, the result of the simple coefficient calculation (R) is 0,165 which is considered to be in the very low criteria. This shows that the relationship between street lighting tax revenue and the Locally-Generated Revenue of Bandung Regency is in a very weak state.

b) Analysis of Determination Coefficient

Based on the test carried out by examining the determination coefficient R Square = 0,027 or 2,7%, which means that partially the street lighting tax revenue influences the Locally-Generated Revenue of Bandung Regency by 2,7%.

c) Analysis of T Test Result

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	36838594140,352	30048017268,050		1,226	,225
	Street Lighting Tax	3,116	2,442	,165	1,276	,207

a. Dependent Variable: Locally-Generated Revenue
Source: Output SPSS 20.0

Ho_3: Street Lighting Tax Revenue does not partially positively affect the Locally-Generated Revenue.
Ha_3: Street Lighting Tax Revenue partially positively affects the Locally-Generated Revenue.

Based on the results obtained from the comparison of t_{count} to t_{table}, Ho is accepted since $-t_{table}$ (-1,67252) < t_{count} (-1,276) < t_{table} (1,67252). Therefore, a conclusion can be drawn that the street lighting tax revenue has no positive effect partially on the Locally-Generated Revenue of Bandung Regency.

c. Analysis of the Effect of the Revenue from BPHTB on Locally-Generated Revenue of Bandung Regency

a) Simple Correlation Analysis

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.454[a]	.206	.193	22210682633.34820	2.293

a. Predictors: (Constant), BPHTB
b. Dependent Variable: Locally-Generated Revenue
Source: Output SPSS 20.0

Based on the results of the table illustrated above, the result of the simple coefficient calculation (R) is 0,454 which is considered to be in the moderate criteria. This shows that the relationship between BPHTB revenue and the Locally-Generated Revenue of Bandung Regency is still weak.

b) Analysis of Determination Coefficient

Based on the test carried out by examining the determination coefficient R Square = 0,206 or 20,6%, which means that partially the BPHTB revenue influences the Locally-Generated Revenue of Bandung Regency by 20,6%.

c) Analysis of T Test Result

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	50672921 302,339	68803998 95,957		7,365	,000
	BPHTB	1,946	,501	,454	3,884	,000

a. Dependent Variable: Locally-Generated Revenue
Source: Output SPSS 20.0

Ho_4: BPHTB Tax Revenue does not partially positively affect the Locally-Generated Revenue.
Ha_4: BPHTB Tax Revenue partially positively affects the Locally-Generated Revenue.

Based on the results obtained from the comparison of t_{count} to t_{table}, Ho is declined since t_{count} (3,884) > t_{table} (1,67252). Therefore, a conclusion can be drawn that the BPHTB tax revenue has a positive effect partially on the Locally-Generated Revenue of Bandung Regency.

CONCLUSION

Based on the results of the hypothesis test by testing through statistical data using SPSS Software version 20.0, which is conducted by using the classical assumption test, correlation test, determination coefficient test, and multiple linear regression test, the following conclusions can be deduced:

1. The revenue from billboard tax, street lighting tax, and acquisition tax of right of land and building affects the Locally-Generated Revenue of Bandung Regency simultaneously by 21,1%. It shows that the revenue from billboard tax, street lighting tax, and acquisition tax of right of land and building together affects the Locally-Generated Revenue and the relationship is in moderate criteria.
2. The revenue from the billboard tax partially does not affect the Locally-Generated Revenue positively. The relationship between the two variables is very low and the effect of billboard tax revenue to the Locally-Generated Revenue partially is 1,9%.
3. The revenue from street lighting tax partially does not affect the Locally-Generated Revenue positively. The relationship between the two variables is low and the effect of street lighting tax revenue to the Locally-Generated Revenue partially is 2,7%.
4. The revenue from the acquisition tax of the rights of land and building partially affects the Locally-Generated Revenue positively. The relationship between the two variables is very well and the effect of acquisition tax of right of land and building revenue to the Locally-Generated Revenue partially is 20,6%.

REFERENCES

1. Abdullah, S. (1987). Studi Implementasi Latar Belakang Konsep Pendekatan dan Relevansinya Dalam Pembangunan. 40.
2. Anggoro, D. D. (2017). Pajak Daerah dan Retribusi Daerah. Malang: UB Press.
3. Ghozali, I. (2018). Aplikasi Analisis Multivariate. Semarang: Badan Penerbit Universitas Diponegoro.
4. Indrawati, S. M. (2020). Penerimaan Pajak 2019 Hanya Capai 84,4 Persen dari Target. Retrieved from Liputan 6: http://www.liputan6.com.
5. Peraturan Bupati Bandung Nomor 32 A Tahun 2012 tentang Petunjuk Teknis Pelaksanaan Pengelolaan Pajak Reklame.

6. Peraturan Daerah Kabupaten Bandung Nomor 17 Tahun 2017 tentang Perubahan Kedua atas Peraturan Daerah Kabupaten Bandung Nomor 1 Tahun 2011 tentang Pajak Daerah.
7. Rahman, F. (2018). Teori Pemerintahan. Malang: UB Press.
8. Sari, D. (2013). In D. Sari, Konsep Dasar Perpajakan. pp. 34. Bandung: PT Refika Aditama.
9. Suherman, A. (2011). Analisis Pengaruh Kompetensi Account Representative dan Independensi Account Representative serta Penerapan Benchmarking Laporan Keuangan Wajib Pajak Terhadap Penerimaan Pajak Kanwil Djp Sumut I Medan: Universitas Sumatera Utara.
10. Undang-Undang Nomor 23 Tahun 2014 tentang Penyerahan Kekuasaan Pemerintahan oleh Pemerintah Pusat kepada Daerah Otonom Berdasarkan Asas Otonomi.
11. Undang-Undang Republik Indonesia Nomor 33 Tahun 2004 Pasal 6 Ayat 1 tentang Perimbangan Keuangan antara Pemerintah Pusat dan Pemerintahan Daerah.
12. Undang-Undang Nomor 28 Tahun 2009 tentang Pajak Daerah dan Retribusi Daerah.
13. Undang-Undang Nomor 33 Tahun 2004 tentang Perimbangan Keuangan antara Pusat dan Daerah.