



Analysis of the Effectiveness and Contribution of Local Taxes as a Source of Regional Original Income in South Kalimantan Province (2014-2022 Period)

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Abstract

This research was conducted to determine the effectiveness and contribution of local taxes to local revenue in South Kalimantan Province for the period 2014 - 2022. It is a consequence of the regional government in carrying out regional autonomy where the regional government needs funding sources to carry out its main tasks and functions in the region. This study uses quantitative descriptive techniques and documentation. The research data in this paper is secondary data. Based on the results of the analysis, shows that in 2015, 2017, and 2020 the effectiveness of the realization of tax revenues for the Province of South Kalimantan is included in the criteria of being quite effective. While 2014, 2016, 2018, 2019, and 2021 are included in the effective criteria. And the remainder in 2022 is included in the very effective criteria because the realization of South Kalimantan Province's tax revenue reached 106.94%. The results of the contribution analysis show that the highest contribution rate was in 2014, namely 82.65%, and the lowest in 2022, amounting to 41.71%. The advice given by the author in this study is that the South Kalimantan Provincial Revenue Service can improve its performance in collecting data on all potential local taxes, carry out strict supervision in the tax collection process, and educate taxpayers, the South Kalimantan Provincial Revenue Service. Conduct tax intensification and extensification to increase revenue from regional taxes. As well as facilitating procedures in tax collection. Keywords: effectiveness, contribution, PAD, local taxes.

Keywords: Local Tax, Original Income

INTRODUCTION

The era of globalization and free markets does not only need to be anticipated institutionally nationally but what is no less important is the form of anticipation locally, in this case, the Regional Government and individuals, namely individual communities. These complex global challenges require a response in public administration, both at the national and local levels. The role of the State and Local Government which are involved in direct operations in the economic sector shifts to the role of directing, controlling, and empowering through all policies. The



main role in the life and development of the nation will be in the hands of the business world and the people themselves, and no longer in the hands of the government. Services to the community are carried out in partnership, and no longer have to be borne solely by the public bureaucracy.

When regional autonomy was implemented, almost all of the authority of the central government was handed over to the regions, except for five areas; Foreign Politics, Defense and Security, Judiciary, Monetary, Fiscal, and Religion. And this has resulted in increased responsibility for administering the government, for example, such as the provision of public goods and economic development at the regional level which is relatively very large. However, it can be said that the ability of the regions to improve the implementation tends to be limited. And given the relatively low role of Regional Original Income (PAD) in city/district regional budget revenues and the readiness of human resources (HR) and management capabilities at the regional level which are still very limited.

On the other hand, the implementation of autonomy is a political choice as a result of implementing the form of a unitary state with the characteristic of centralized power. And as a result, the demands of the aspirations of the people in the region are not met and gradually growing disappointment and inequality. When this condition is sustainable, momentum will be created that can drive the reverse flow. In the past it was from the regions to the center, now it is from the center to the regions.

In general, several basic principles must be adhered to by all parties in the preparation and implementation of regional autonomy first, regional autonomy must be carried out in the context of a unitary state. Second, the implementation of regional autonomy uses decentralized procedures so that the role of the regions is very decisive. The three implementations of regional autonomy must start by defining authority, organization, personnel, and then finance, not the other way around. Fourth, there is a financial balance both horizontally/between regions (between Provinces, and between Regencies/Cities within one province) as well as a vertical balance between the center and regions. Fifth, the function of the central government is still very vital, both in terms of strategic authority (foreign policy, defense and security, judiciary, monetary and fiscal, religion, and other areas of authority) as well as in overcoming inequalities between regions.

On the other hand, to support regional autonomy, a source of funds is needed that can guarantee regional autonomy so that it can run smoothly and sustainably. For this reason, regional revenue needs to be increased in its potential to support development. And local taxes are one of the supporting factors that have a role in increasing local revenue (PAD). Regional taxes are obligatory contributions made by individuals or entities to the regions without obtaining a balanced direct reward, which can be imposed based on the applicable laws and regulations, which are used to finance the administration of regional administration and regional development.

One of the factors that influence the effectiveness of tax revenue in South Kalimantan Province is the level of public awareness of paying taxes. Based on data from the Primary Tax Service Office in Banjarmasin, the awareness level of taxpayers in South Kalimantan province is relatively low, with only around 40% of the total registered taxpayers. However, the Provincial Government of South Kalimantan continues to make various efforts to increase the effectiveness of tax



revenues. Several efforts have been made, among others, through outreach and education to the public regarding the importance of paying taxes, as well as improving the quality of service at the local Tax Office.

Research on the effectiveness of regional tax revenues on Regional Original Income (PAD) in South Kalimantan can provide a clearer picture of the problems faced in local tax revenues in the region, as well as provide appropriate solutions and recommendations in increasing the effectiveness of local tax revenues. In this study, an analysis will be carried out on how much influence local tax revenue has on PAD in South Kalimantan.

LITERATURE REVIEW

Definition of Regional Revenue

Regional revenue is money that goes into the regional treasury. Regional revenues in the implementation of decentralization consist of income and financing. Regional revenue is the right of the regional government which is recognized as an addition to net worth in the year in question. While financing is all receipts that need to be repaid and/or expenses that will be received back, both in the relevant fiscal year and in the following fiscal years. Funding according to article 5 paragraph (3) of Law Number 33 of 2004 comes from:

- a. Remaining more calculations of the regional budget
- b. Regional loan receipts
- c. Regional reserve fund
- d. Proceeds from the sale of separated regional assets

Regional revenue according to article 5 paragraph (2) of Law Number 33 of 2004 comes from:

Locally-generated revenue

Regional original income is regional income originating from the results of regional taxes, regional levies, separated regional wealth management results, and other legitimate regional original revenues, which aims to provide flexibility to the regions in exploring funding and implementation of regional autonomy as a manifestation decentralization principle. (Nurlan Darise, 38:2006).

Indicators of success in efforts to increase revenue can be seen from regional independence in exploring each potential Regional Original Revenue (PAD) in financing regional expenditures every year so that the desired regional autonomy is achieved. As stipulated in article 6 of Law Number 33 of 2004, sources of Regional Original Revenue (PAD) consist of:

1. Local Tax

Tax according to Article 1 paragraph 1 of Republic of Indonesia Government Regulation Number 65 of 2001 concerning regional taxes, what is meant by regional taxes is mandatory contributions made by individuals or entities to the region without a balanced direct reward which can be imposed based on the applicable laws and regulations. used to finance government administration and regional development.

2. Balancing Fund

Balancing funds are regional funds originating from the APBN which consist of Revenue Sharing Funds (DBH), General Allocation Funds (DAU), and Special Allocation Funds (DAK). Balancing funds are intended not only to assist



regions in funding their authority but also to reduce disparities in government funding sources between the center and regions, as well as to reduce gaps in government funding between regions. The three components of the balancing fund are a tranche system

3. Other Legal Income

One source of regional revenue as regulated in Article 5 paragraph (2) of Law Number 33 of 2004, namely other income, then in Article 43 other income consists of grants and emergency funds.

Grants are Regional Revenues originating from foreign governments, foreign agencies/institutions, international agencies/institutions, the government, domestic agencies/institutions, or individuals, both in the form of foreign exchange, rupiah, and goods and/or services, including experts and training provided no need to pay back.

Whereas what is meant by emergency funds are funds originating from the APBN which are allocated to regions experiencing national disasters, extraordinary events, and/or solvency crises that cannot be handled by the regions using APBD sources.

Taxes are Managed by the Provincial Government

Based on Law No. 28 of 2009 which are included in the types of provincial taxes are:

1. Motor Vehicle Tax (PKB)
2. Transfer Fee for Motorized Vehicles (BBNKB)
3. Motor Vehicle Fuel Tax (PBBKB)
4. Surface Water Tax
5. Cigarette Tax

While the types of district/city taxes according to Law No. 28 of 2009 are:

1. Hotel Tax
2. Restaurant Tax
3. Entertainment Tax
4. Advertisement Tax
5. Street Lighting Tax
6. Non-Metal and Rock Mineral Tax (MBLB)
7. Parking Tax
8. Ground Water Tax
9. Swallow's Nest Tax
10. Rural and Urban Land and Building Tax
11. Fees for Acquisition of Land and Building Rights (BPHTB)

The following types of taxes are managed by the Regional Government level 1:

1. Motor Vehicle Tax.

A motorized vehicle is a vehicle with two or more wheels and their trailer used on all types of roadways and driven by technical equipment, in the form of a motor or other equipment, which functions to convert a certain energy resource into the driving force of the motorized vehicle in question. Including large moving tools.

2. Motorized Vehicle Transfer Fee Tax.



The subject of the Motor Vehicle Title Transfer Fee is an individual or entity that accepts the delivery of motorized vehicles. Delivery of motorized vehicles and/or vehicles on the water is the transfer of ownership of motorized vehicles and/or vehicles on the water as a result of an agreement between two parties or unilateral actions or circumstances that occur due to buying and selling, or exchange. Grants- include bequests and gifts, inheritance, or entry into a business entity.

3. Motor Vehicle Fuel Tax.

The subject is consumers of motor vehicle fuel. The object of the tax is motor vehicle fuel consisting of gasoline, diesel, and gas fuel supplied or deemed to be used for motorized vehicles, including fuel used on water.

What is meant by "considered" used for motorized vehicles is fuel obtained from between Public Fuel Filling Stations (SPBU), and Public Fuel Stations for Vehicles on Water.

Motor vehicle fuel taxpayers are individuals or entities that use motor vehicle fuel.

4. Surface Water Tax

Surface Water Tax based on Law Number 28 of 2009 concerning Regional Taxes and Regional Levies is a tax on the collection and/or utilization of surface water originating from all water found on the surface of the land, excluding seawater, both in the sea and on land.

In Article 21, the object of this tax is the collection and/or utilization of surface water.

5. Cigarette Tax

The cigarette tax is a collection of cigarette excise which is collected by the regional government in authority together with the collection of cigarette excise. The main purpose of implementing the cigarette tax is to protect the public against the dangers of smoking. The object of the Cigarette Tax as defined in the Law of the Republic of Indonesia Number 28 of 2009 is cigarette consumption. Cigarettes are referred to include cigarettes, cigars, and leaf cigarettes. Excluded from the object of the Cigarette Tax are cigarettes that are not subject to excise based on laws and regulations in the field of excise.

Effectiveness Theory

Effectiveness is the relationship between output and goals or it can also be said to be a measure of how far a certain output level, policies, and procedures are from the organization. Effectiveness is also related to the degree of success of an operation in the public sector so an activity is said to be effective if the activity has a major influence on the ability to provide community services which is a predetermined target (Devas, 1989).

Effectiveness is used to measure the relationship between the results of a tax collection and the goals or targets that have been set (Mardiasmo, 2002).

Effectiveness focuses on outcomes (results). An organization, program, or activity is considered effective if the output produced can meet the expected goals, or is said to be spending wisely (Mahmudi, 2007).

The formula for measuring the effectiveness for tax collection is as follows:
Efektiveness = $\frac{\text{Tax Realization}}{\text{Tax Potential}} \times 100\%$



Tax Target

According to Richard Steer in Halim (2001), in Selot, (2009), effectiveness must be assessed based on the objectives implemented, not based on the maximum objective concept. Effectiveness is measured using standards according to the Ministry of Home Affairs Research and Development reference (1991) as in the following table1:

Tabel 1.
Standard Measures of Effectiveness
(In Percent)

Efektiveness Ratio	Achievement Level
Under 40	Very Ineffective
40 – 59.99	Ineffective
60 – 79.9	Effective enough
Di atas 80	Very effective

According to Subagyo (2000) effectiveness is the suitability between the output and the goals set. Effectiveness is a goal that occurs because it is desired, then the person's work is said to be effective if it causes consequences or has the intended purpose (Gie, 1997).

1. Regional Revenue and Expenditure Budget (APBD)

The Regional Revenue and Expenditure Budget (APBD), is the annual financial plan of the Regional Governments in Indonesia which is approved by the Regional People's Representative Council. APBD is stipulated by Regional Regulation. The APBD budget year covers a period of one year, starting from January 1 to December 31.

APBD is the Revenue and Expenditure Plan of a Region (APBD) for one year running (1 period) stipulated by Regional Regulation (Perda). The budget has several functions which are grouped into two, namely as a function of fiscal policy and as a function of management.

2. As a function of fiscal policy.

First, the budget can be used to regulate expenditure allocations for the procurement of public goods and services. Second, as a distribution tool that aims to create equity or reduce disparities between regions, social classes, and sectors. Third, as a function of stabilization, for example, if there is a very extreme imbalance, the government can intervene through the budget to return to normal conditions.

3. As a management function.

First, provide guidelines for the government to carry out its duties in the coming period. Second, the budget is a means of public control over the policies made by the government. Third, to assess how far the government has achieved in implementing planned policies and programs.

The budget needed is the same as the importance of a country, there are several reasons the budget is needed:

1. To create social order
2. Guarantee the rights of the community.
3. Organizing or financing services to the community



Legal basis

1. Law of the Republic of Indonesia Number 18 of 1997 concerning Regional Taxes and Regional Levies
2. Law of the Republic of Indonesia Number 34 of 2000 concerning Amendments to Law Number 18 of 1997 concerning Regional Taxes and Regional Levies.
3. Law of the Republic of Indonesia Number 22 of 1999 concerning Regional Government.
4. Law of the Republic of Indonesia Number 32 of 2004 concerning Regional Government.
5. Perpu Number 3 of 2005 concerning Amendments to Law Number 32 of 2004 concerning Regional Government.
6. Law of the Republic of Indonesia Number 8 of 2005 concerning Stipulation of Perpu Number 3 of 2005 to Become Law.
7. Law of the Republic of Indonesia Number 12 of 2008 concerning the second Amendment to Law Number 32 of 2004 concerning Regional Government.
8. Law of the Republic of Indonesia Number 33 of 2004 concerning Financial Balance between the Central Government and Regional Governments.
9. Law of the Republic of Indonesia Number 28 of 2009 concerning Regional Taxes and Regional Levies.
10. Regional Regulation of South Kalimantan Province Number 9 of 2013 concerning Cigarette Tax.

Previous research

1. Mohammad Riduansyah, researched the Contribution of Regional Taxes and Regional Levies to Regional Original Revenue (PAD) and the Regional Revenue and Expenditure Budget (APBD) to Support the Implementation of Regional Autonomy (Case Study of Bogor City Government).
Which contains Regional Original Revenue (PAD) which is a significant source of revenue for routine financing and development in an autonomous region. The amount of regional tax and regional levies component revenue is strongly influenced by the number of types of local taxes and regional levies that are applied and adjusted to the applicable regulations related to the receipt of these two components. The contribution of regional tax revenues and regional levies to the Bogor City Government's PAD revenues during 1993/1994 – 2000 Fiscal Year (TA) was quite significant with an average contribution of 27.78% per year. The contribution of regional tax revenues and regional levies to the total revenue acquisition of the Bogor Regional Government is reflected in its APBD, in terms of its ability to implement regional autonomy which looks quite good. The regional tax component during the 1993/1994 – 2000 academic year contributed an average of 7.81% per year with an average growth of 22.89% per year. Meanwhile, the income from the regional retribution component, during the same period, contributed an average of 15.61% per year with an average annual growth of 5.08% per year.
2. Rizka Ernila Yari (2009), has conducted research on the Analysis of Increasing Local Revenue (PAD) in Banjarbaru Through Motorized Vehicle Tax Receipts in the Context of Implementing Regional Autonomy.



Based on this research, it can be concluded that motorized vehicle tax revenue is a source of regional government income from the regional tax sector which has enormous potential in increasing Banjarbaru's PAD for Regional Development.

The determination of local tax revenue targets in the city of Banjarbaru is still below the potential it should be. Although seen every year in general motor vehicle tax revenue can reach the target or exceed it, the value obtained is still very small.

In determining the target of motorized vehicle tax revenue, a deeper study is needed from various aspects. So that in determining the correct target for motorized vehicle tax, it must be based on the sources owned so that the target and realization of revenue will be appropriate.

3. Nurul Umamah (2008), researched the Analysis of the Contribution of Advertising Tax Revenue in Increasing Regional Original Income in Malang City.

The conclusions that can be drawn from this research include that from year to year the target of advertisement tax revenue is always increased and accompanied by the achievement of realization that can exceed the planned target. The rise and fall of advertising tax contributions are influenced by the number or number of incidental activities such as exhibitions, concerts, and performances in the city of Malang because these activities greatly affect advertising revenue.

One way that DISPENDA has done to increase advertisement tax is by increasing the effectiveness and efficiency of managing regional revenue sources. Related to the condition of the city of Malang, the advertisement tax is very likely to be misappropriated, therefore the efforts made by DIPENDA to avoid fraud against advertisement taxes greatly influence DIPENDA's success or failure in optimizing regional income.

4. Afni Nooraini (2018), researched the Analysis of the Effectiveness and Contribution of Local Taxes as a Source of Original Revenue for the City of Batu (Study at the Regional Revenue Service of Batu City, East Java Province). Based on the results of the author's analysis, shows that 2012 has the highest effectiveness (130.24%) and 2017 has the lowest level of effectiveness (107.41%), and for 2012 the contribution has the largest contribution (157.36%) and 2013 had the smallest contribution (75.15%). The advice given by the author in this study is that the Batu City Regional Revenue Service is further improving its performance in collecting data on all potential local taxes, carrying out strict supervision in the tax collection process, outreach to all stakeholders, and collecting taxes directly to the public. In addition, the Batu City Regional Revenue Service has intensified and extended taxes to increase revenue from the regional tax sector.

RESEARCH METHODS

The type of research used by the author is quantitative descriptive research. Descriptive research is research that explains a situation and solves problems based on data, both primary data and secondary data, in addition to explaining data, descriptive can also be interpreted as research whose contents interpret and analyze



data (Narbuko and Achmadi, 2008). Meanwhile, quantitative research is research conducted to obtain data or convert qualitative into numbers (Sugiyono, 2018). The data used is secondary data sourced from data from the South Kalimantan Province Regional Finance Agency for 2014 -2021.

The data collection technique used in this research is a documentary technique, using a decision-making method through data that has been published by government agencies. Meanwhile, the data analysis technique uses several formulas to answer the problem formulation. To calculate the contribution value use the formula:

Data analysis

Analyze and describe the level of effectiveness of local tax collection. Regional tax effectiveness analysis, namely an analysis that describes the ability of local governments to realize local taxes obtained compared to the budget set based on the real potential of the region. (Halim, 2004: 135). The effectiveness calculation formula is as follows :

$$\text{Effectiveness Analysis} = \frac{\text{Regional Tax Realization}}{\text{Local Tax Targets}} \times 100\%$$

Table 2. Provincial Tax Effectiveness Criteria

Percentage	Criteria
More than 100%	Very effective
90% - 100%	Effective
80% - 90%	Effective enough
60% - 80%	Less effective
Kurang dari 60%	Ineffective

Source: Nurlan dan Darise, 2006

Analyze and describe the contribution of local taxes to local revenue. Regional Tax Contribution Analysis is an analysis that is used to find out how much contribution can be donated from tax revenue to regional taxes, then a comparison is made between the realization of tax revenue to regional taxes, while the analysis of Regional Tax Contribution to Regional ASI Revenue is an analysis used to determine how much the amount of contribution that can be donated from Regional Tax to PAD. The formula used to calculate contributions is as follows (Handoko, 2013: 3):

$$\text{Analysis of local tax contributions} = \frac{\text{Provincial Tax Realization}}{\text{PAD realization}} \times 100\%$$

Table 2. Criteria for Provincial Tax Contribution to PAD

Percentage	Criteria
≥50	Very good
40 – 50	Good
30 – 40	Currently
20 – 30	Enough
10 – 20	Not enough
≤10	Very less

Source: Halim, 2004



RESULTS AND DISCUSSION

Regional Tax Effectiveness Analysis, namely an analysis that describes the ability of local governments to realize the planned regional original income compared to the targets set based on the real potential of the region. (Halim, 2002). The formula used to calculate effectiveness is as follows:

$$\text{Effectiveness Analysis} = \frac{\text{Regional Tax Realization}}{\text{Local Tax Targets}} \times 100\%$$

The author describes the recapitulation of Regional Taxes for the Province of South Kalimantan from 2014 to 2022 in table 3. The development of the realization of regional tax revenues for the Province of South Kalimantan from 2014 to 2022 has experienced significant fluctuations from year to year. As of 2020, there was a decrease from 2019 of IDR 551,238,807,175.59. 2020 was the lowest reduction in the realization of regional tax revenues during the period from 2014 to 2022. This was due to the economic contraction in almost all parts of the world as a result of the Covid-19 pandemic outbreak. Where is the social policy of Large-Scale Social Restrictions (PSBB) in Indonesia. Some economic activity stopped at that time. And luckily the following year the economy began to recover gradually. And in 2022 the economy in South Kalimantan Province is recovering, one of which is proven by the increase in the realization of total Provincial Tax revenue, which is Rp. 1,157,869,997,814.60. From the original Rp. 2,631,763,313,358.60 to Rp. 3,789,633,311,173.20.

Motor Vehicle Tax (PKB) from 2014 to 2022 tends to increase every year except in 2020 there is a decrease in Motor Vehicle Tax (PKB) revenue from IDR 730,998,168,259 in 2019 to IDR 713,178,219,223.00 in 2020 in other words growth was at -2.44% from the previous year.

Then the realization of Motor Vehicle Fuel Tax (PBBKB) revenue from 2014 to 2022 is experiencing fluctuating conditions. And the highest achievement is in 2022, which is Rp. 2,048,038,200,538.20 or experienced a growth of 79.98% from the previous year in 2021.

Motorized vehicle ownership transfer fees (BBNKB) also experience fluctuating conditions in their tax revenues. From 2018 there was a significant increase from the previous Rp. 391,066,482,372.00 in 2017 to Rp. 527,391,756,676.00. The growth was quite high from the previous year, or 34.86%. However, 2020 there was a decrease in tax revenue in 2020, amounting to -34.40% from 2019. And in 2022 revenue from the BBNKB tax has again increased with a total of Rp. 572,241,727,350.00.

Meanwhile, the Surface Water Tax tends to experience a steady increase from 2014 to 2022. The most significant increase will occur in 2022, namely IDR 8,477,825,135.00 from the previous year of IDR 4,981,243,779.60 in 2021. In other words, experienced a growth of 70.19%.

And lastly, the realization of cigarette tax revenue has also fluctuated in its revenue. The realization of the lowest revenue was in 2014, namely Rp.113,198,041,815.00. This is also related to the new stipulation of Cigarette Tax as revenue from Provincial taxes. And the realization of the largest cigarette tax



revenue is in 2022, which is IDR 319,459,418,877.00, experiencing a growth of 26.19% from 2021.

Table 3.
Realization of Regional Tax Revenue in South Kalimantan Province
Period 2014 -2022

No	Year	Tax Type					Total
		PKB	PBBKB	BBNKB	Surface Water Tax	Cigarette Tax	
1.	2014	Rp.547.521.576.570,00	Rp.1.247.640.329.457,50	Rp.484.571.070.722,00	Rp.2.794.487.716,00	Rp.113.198.041.815,00	Rp2.395.725.506.280,50
2.	2015	Rp.555.818.082.056,00	Rp.915.714.250.568,00	Rp.381.968.876.721,00	Rp.2.549.810.042,00	Rp.184.541.194.938,00	Rp2.040.592.214.325,00
3.	2016	Rp.587.010.910.753,00	Rp.727.760.645.003,45	Rp.344.928.691.465,00	Rp.2.496.665.032,00	Rp.205.221.519.473,00	Rp1.867.418.431.726,45
4.	2017	Rp.633.822.231.872,00	Rp.980.823.743.282,40	Rp.391.066.482.372,00	Rp.2.308.661.212,00	Rp.223.827.047.561,00	Rp2.231.848.166.299,40
5.	2018	Rp.681.092.354.195,00	Rp.1.385.215.466.751,86	Rp.527.391.756.676,00	Rp.2.959.618.270,60	Rp.219.602.199.735,00	Rp2.816.261.395.628,46
6.	2019	Rp.730.998.168.259,00	Rp.1.309.518.950.641,47	Rp.540.478.726.875,00	Rp.2.938.359.638,00	Rp.182.033.800.871,00	Rp2.765.968.006.284,47
7.	2020	Rp.713.178.219.223,00	Rp.917.410.484.024,88	Rp.354.571.289.647,00	Rp.4.414.761.245,00	Rp.225.154.444.969,00	Rp2.214.729.199.108,88
8.	2021	Rp.770.624.936.511,00	Rp.1.137.955.122.368,00	Rp.465.053.893.287,00	Rp.4.981.243.779,60	Rp.253.148.117.413,00	Rp2.631.763.313.358,60
9.	2022	Rp.841.416.139.273,00	Rp.2.048.038.200.538,20	Rp.572.241.727.350,00	Rp.8.477.825.135,00	Rp.319.459.418.877,00	Rp3.789.633.311.173,20

Source: Regional Finance Agency of South Kalimantan Province (processed data)

Table 4.
Regional Tax Revenue Target in South Kalimantan Province
Period 2014 -2022

No	Years	Tax Type					Total
		PKB	PBBKB	BBNKB	Surface Water Tax	Tax Cigarette	
1.	2014	Rp.522.000.000.000,00	Rp.1.376.000.000.000,00	Rp.513.975.000.000,00	Rp.2.000.000.000,00	Rp.141.515.000.000,00	Rp2.555.490.000.000,00
2.	2015	Rp.559.475.642.000,00	Rp.1.178.725.511.000,00	Rp.449.138.693.000,00	Rp.2.633.735.000,00	Rp.171.910.534.000,00	Rp2.361.884.115.000,00
3.	2016	Rp.568.074.872.000,00	Rp.769.191.000.000,00	Rp.358.257.399.000,00	Rp.2.601.500.000,00	Rp.204.318.902.000,00	Rp1.902.443.673.000,00
4.	2017	Rp.740.000.000.000,00	Rp.1.178.725.511.000,00	Rp.530.000.000.000,00	Rp.2.601.500.000,00	Rp.230.000.000.000,00	Rp2.681.327.011.000,00
5.	2018	Rp.655.780.535.000,00	Rp.1.351.752.000.000,00	Rp.559.703.026.727,00	Rp.2.861.873.000,00	Rp.250.000.000.000,00	Rp2.820.097.434.727,00
6.	2019	Rp.721.352.000.000,00	Rp.1.429.752.000.000,00	Rp.559.701.000.000,00	Rp.2.862.000.000,00	Rp.250.000.000.000,00	Rp2.963.667.000.000,00
7.	2020	Rp.694.000.000.000,00	Rp.1.070.000.000.000,00	Rp.482.357.200.000,00	Rp.4.000.000.000,00	Rp.275.000.000.000,00	Rp2.525.357.200.000,00
8.	2021	Rp.850.000.000.000,00	Rp.1.110.000.000.000,00	Rp.557.000.000.000,00	Rp.15.000.000.000,00	Rp.295.361.450.856,00	Rp2.827.361.450.856,00
9.	2022	Rp.805.710.000.000,00	Rp.1.900.000.000.000,00	Rp.542.000.000.000,00	Rp.10.000.000.000,00	Rp.285.901.876.638,00	Rp3.543.611.876.638,00

Source: Regional Finance Agency of South Kalimantan Province (processed data)

In table 4 above there is data on the target of regional tax revenues for South Kalimantan Province from 2014 to 2022. In summary, the target of tax revenues from 2014 to 2022 The government tends to set an increasing target from year to year, except in 2016. For PKB targets from 2014 to 2022 continues to increase from year to year. Except for 2018 and 2020, the Government of South Kalimantan has lowered the CLA revenue target from the previous year. The highest PKB target is in 2021, which is IDR 850,000,000,000.00, from the previous 2020 of IDR 4,000,000,000.00

As for PBBKB, the target set has also increased from year to year. Except in 2016, there was a decrease in the PBBKB target. In other years, the period from 2014 to 2022 also experienced increases and decreases, but not as big as in 2016. The biggest PBBKB target is in 2022, which is IDR 1,900,000,000,000.00.

For the target type of BBNKB tax from 2014 to 2022, there are still increases and decreases in target setting. The lowest BBNKB target in 2016 was IDR 358,257,399,000.00 from the previous year of IDR 449,138,693,000.00.



Meanwhile, the highest BBNKB revenue target was in 2018, namely IDR 559,703,026,727.00.

The Surface Water Tax target from 2014 to 2022 continues to increase. However, a very significant increase in the target set by the Government will occur in 2021, which is IDR 15,000,000,000.00 from the previous year 2020 of IDR 4,000,000,000.00. 2021 is also the year with the biggest target setting from 2014 to 2022.

For the target of Cigarette Tax for the period 2014 to 2022, the lowest was in 2014, namely IDR 141,515,000,000.00. And setting the highest tax target in 2021, which is IDR 295,361,450,856.00. The cigarette tax is a new type of tax that is determined as provincial tax revenue.

The following is the author's description in table 5 regarding the level of effectiveness of regional taxes in South Kalimantan Province from 2014 to 2022 for Motor Vehicle Tax (PKB):

Table 5.

South Kalimantan Province Tax Effectiveness Level 2014-2022			
Year	Target	Realization	Efektivity
2014	Rp2.555.490.000.000,00	Rp2.395.725.506.280,50	93,75
2015	Rp2.361.884.115.000,00	Rp2.040.592.214.325,00	86,40
2016	Rp1.902.443.673.000,00	Rp1.867.418.431.726,45	98,16
2017	Rp2.681.327.011.000,00	Rp2.231.848.166.299,40	83,24
2018	Rp2.820.097.434.727,00	Rp2.816.261.395.628,46	99,86
2019	Rp2.963.667.000.000,00	Rp2.765.968.006.284,47	93,33
2020	Rp2.525.357.200.000,00	Rp2.214.729.199.108,88	87,70
2021	Rp2.827.361.450.856,00	Rp2.631.763.313.358,60	93,08
2022	Rp3.543.611.876.638,00	Rp3.789.633.311.173,20	106,94

Source: Processed Data

From table 5 above it can be seen that the effectiveness of the realization of tax revenue against the provincial tax revenue target in South Kalimantan during the 2014 – 2022 period tends to be stable. Although there are still fluctuations up and down from the actual achievement of the target. But it can be said to be stable because it is still in the range of figures exceeding 80%. In 2015, 2017, and 2020 the realization of tax revenue for the Province of South Kalimantan against the target is still above 80%, in other words, it is still quite effective based on the criteria for the effectiveness of tax revenue. Whereas in 2014, 2016, 2018, 2019, 2020, and 2021 the realization of provincial regional tax revenues exceeded 90% or can be said to be very effective based on the criteria. In fact, in 2022 the realization of tax revenue exceeded the target, which was 106.94%. This is due to the more conducive economic conditions in South Kalimantan.

Table 6.

Analysis of South Kalimantan Province's Tax Contribution to Regional Original Revenue (PAD) in South Kalimantan Province for the 2014 – 2022 Period

Year	Realization of Province Tax Types	Realization of Regional Original Income (PAD)	Contribution Percentage (%)
2014	Rp.2.395.725.506.280,50	Rp.2.898.704.954.479,94	82,65



2015	Rp.2.040.592.214.325,00	Rp.2.684.908.314.000,00	76,00
2016	Rp.1.867.418.431.726,45	Rp.2.499.530.556.000,00	74,71
2017	Rp.2.231.848.166.299,40	Rp.2.848.892.105.000,00	78,34
2018	Rp.2.816.261.395.628,46	Rp.3.557.316.629.000,00	79,17
2019	Rp.2.765.968.006.284,47	Rp.3.503.912.280.000,00	78,94
2020	Rp.2.214.729.199.108,88	Rp.2.940.506.370.000,00	75,32
2021	Rp.2.631.763.313.358,60	Rp.3.564.914.942.945,30	73,82
2022	Rp.3.789.633.311.173,20	Rp.9.085.722.834.734,00	41,71

Regional Tax Contribution Analysis:

$$\text{Analysis of local tax contributions} = \frac{\text{Local Tax Realization}}{\text{PAD realization}} \times 100\%$$

From table 6 above it can be seen that the contribution of the realization of provincial regional tax revenues in South Kalimantan to Regional Original Revenue (PAD) in the period 2014 to 2022 has experienced various fluctuations. The provincial taxes consist of, among other things, motorized vehicle tax (PKB), motorized vehicle fuel tax (PBBKB), motorized vehicle ownership transfer fee (BBNKB), surface water tax, and cigarette tax. The percentage contribution of the Provincial Tax to Regional Original Income (PAD) was found in 2014, which was 82.65%. Then in 2015, it decreased from 82.65% to 76%. And the most significant decrease in the contribution of the realization of provincial tax revenue to PAD is in 2022, which is 41.71% from the previous 73.82% in 2021. 2022 is also the year with the lowest percentage contribution of provincial tax revenue to original income (PAD) in South Kalimantan Province during the period 2014 – 2022.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

Based on the results of the discussion of this study, the authors provide the following conclusions:

1. Based on the results of the analysis of the effectiveness of South Kalimantan Province tax revenues for the 2014 – 2022 period, then in 2015, 2017, and 2020 the effectiveness of the realization of local tax revenues for South Kalimantan Province from the target is included in the criteria of being quite effective. While 2014, 2016, 2018, 2019, and 2021 are included in the effective criteria. And the remainder in 2022 is included in the very effective criteria because the realization of tax revenue for the Province of South Kalimantan reached 106.94% of the target. At the same time, this is the highest achievement during the 2014 – 2022 period. This is due to the recovery of economic activity after the Covid-19 Pandemic.
2. Based on the results of the analysis of the contribution of the South Kalimantan Province Tax to Regional Original Revenue (PAD) in the period 2014 – 2022, it can be said that the contribution of the South Kalimantan Province Regional Tax to Regional Original Revenue (PAD) tends to be stable and is in very good criteria, where the percentage contribution is almost always above 50%. The highest percentage level of contribution from the realization of Regional Tax revenue to PAD of South Kalimantan Province was in 2014, namely 82.65%.



Meanwhile, the lowest contribution percentage level is in 2022, which is 41.71% and this is included in the good criteria. The decrease in the percentage level of the contribution of the realization of regional tax revenues to PAD in South Kalimantan in 2022 is because in that year regional revenues are more dominated by revenues from transfer funds, especially from SDA Minerba Revenue Sharing Funds (DBH) and Special Allocation Funds (DAU), as a result from Government Operations to revive the economic sector in South Kalimantan.

Recommendations

1. The Regional Revenue Service of the South Kalimantan Province should be able to better manage South Kalimantan Province Taxes by increasing performance in tax collection, be it through data collection on existing tax potentials, educating the public to become tax-aware taxpayers, carrying out strict supervision to tax sources to restore public confidence and avoid fraud from the tax sector by certain elements.
2. It is hoped that the South Kalimantan Provincial Government will continue to explore tax potential in South Kalimantan. So that existing regional tax revenues can be used to finance regional spending, especially those directly related to public services or improving infrastructure that supports the acceleration of regional economic growth. And in turn the hope to increase local revenue can be fulfilled.
3. The government is expected to be able to revitalize old sources of income and create new sources of income, so it is hoped that regional tax revenues will tend to increase in the future. The efforts that can be made are by way of intensification and extensification.
4. The Regional Government should be able to simplify procedures and processes in Motor Vehicle Title Transfer Fees, this will certainly increase the realization of Motor Vehicle Title Transfer Tax revenues. Likewise with other tax object collection procedures.

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