

CHAPTER I INTRODUCTION

1.1 Background

Tax is a compulsory contribution made to the State that is imposed by law for the needs of the State and the prosperity of the people. Payment of taxes is a form and obligation as citizens and taxpayers to directly participate in the State; according to the philosophy of tax law, paying taxes is not only an obligation but also the right of every citizen to participate in financing the State of national development. Provincial taxes are a source of regional revenue used to invest in regional government administration and development capital. The regional government is directed to increase the accountability of the provincial government and provide the potential for increasing regional revenue to finance regional development. Tax potential is directly related to sectoral economic activities and the system and ability of local government apparatus to explore potential tax sources that can be used as the primary basis of Regional Original Revenue (Adi, 2006) ; (Saputra et al., 2019).

Studies on management accounting in the public sector Information Creation Relevant and reliable accounting focused on decision-makers with the purpose of planning (strategic planning, information sharing, investment appraises, budgeting, determination of service fees, and performance appraises). Control measuring management performance by achieving goals by the program that has been planned Sujarweni, (2015) local revenue agency (BAPENDA). BAPENDA is intimately connected to local initiatives, investigating and expanding regional revenue sources, particularly those derived from original regional revenue (PAD) through local taxes (UU no. 1, 2022). Additionally, the regional revenue agency coordinated management. Consequently, Bapenda is leading the way in implementing regional autonomy in handling and managing funds, particularly in terms.

According to (Azima, 2015), the factors become significant barriers to setting local original revenue targets: data collection and taxpayer registration, tax collection implementation, tax collection regulation, and monitoring of tax collection. In this study, these factors will become the phenomenon. According to Mardiasmo (2002), the regional revenue target estimates the results of regional revenue calculations that are minimally achieved in one budget year. Regional taxes collected by the provincial and regional governments are motorized vehicle taxes, transfer of ownership of motor vehicle , surface water tax, motor vehicle fuel tax and cigarette taxes . Motor Vehicle Tax is a potential regional tax that is quite large for revenue receipts in the province of West Kalimantan.

In May and July 2019, state revenues mostly came from tax revenues. This phenomenon occurred again in August 2019. Based on August 2019 data, state revenues had only reached Rp 1,189.3 trillion, or 54.9 percent of the target in the 2019 APBN, which was Rp 2,165.1 trillion. This revenue comes from domestic revenue. If broken down, consisting of tax revenues of Rp 920.15 trillion, this amount increased by 1.4 percent compared to the realization of the same period last year. Taxes are the primary source used to carry out national development that aims to improve the welfare and prosperity of the community.

Tabel 1. 1 Number of Motorized Vehicles by Vehicle Type in West Kalimantan Province, 2016-2021

Year	Passenger car	Bus Car	Truck Car	Motorcycle	AMOUNT
2016	110.756	1.409	77.949	1.912.060	2.102.174
2017	119.115	1.445	82.855	2.026.981	2.230.396
2018	129.570	1.506	88.790	2.172.674	2.392.540
2019	138.484	1.550	93.779	2.294 387	2.528.200
2020	141.397	1.560	94.785	2.343.626	2.581.368

2021	152.179	1.588	100.604	2.472.946	2.727.317
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Source: West Kalimantan Police Traffic Directorate in BPS 2022

As seen in table 1.1, the number of motorized vehicles in West Kalimantan is also increasing every year in line with the increasing population and the number of economic activities, trade, services, and others. 2016 it was 2,102,174. In 2017 it was 2,230,396. In 2018 it was 2,392,540. In 2019 it was 2,528,200. In 2020 it was 2,581,368, and in 2021 it was 2,727,317.

Tabel 1. 2 Target and Realization of Motor Vehicle Tax (PKB)

Year	Target	Realization	
	(Rp)	(Rp)	(%)
2016	Rp 415.000.000.000.00	Rp 430.936.190.556.00	103.84%
2017	Rp 420.000.000.000.00	Rp 470.803.202.756.64	112.10%
2018	Rp 425.000.000.000.00	Rp 520.716.918.411.00	122.52%
2019	Rp 525.200.000.000.00	Rp 561.864.391.121.00	106.98%
2020	Rp 512.082.400.000.0	Rp 522.325.166.597.00	102.00%
2021	Rp 613.832.013.486.00	Rp 604.300.144.903.00	98.45%
Average	Rp 485.185.733.333.00	Rp 518.491.000.000.00	107.64%

Data source: Regional Budget Target & Realization of Dp 5 UPT PPD Sekalbar

In Table 1.2 of the target and realization data for 2016–2021, In 2016, the realization of the Motor Vehicle Tax (PKB) reached Rp. 430.936.190.556.00, with a presentation reaching 103.84%. In 2017 and 2018, realization increased by Rp 470,803,202,756.64 and Rp 520,716,918,411.00, with a percentage of 112.10% and 122.52%, respectively. In 2019, the realization reached Rp 561,864,391,121.00, but the percentage fell to 106.98%. Then in 2020, the realization fell drastically to Rp 522,325,166,597,0, with a percentage of 102.00%.

In 2021, the realization will increase to Rp 604,300,144,903.00, with the percentage decreasing to 98.45%. From these data, from that explanation, the motor vehicle tax is still not optimal, and the motor vehicle tax is still less than optimal.

The Transfer of Ownership of a Motor vehicle (BBNKB) is a tax on the transfer of motorized vehicle ownership rights in a business entity as a result of an agreement between two parties or unilateral actions or circumstances that occur as a result of buying and selling, exchanging, grants, inheritance, or revenue to other parties (Law No. 1 of 2022)

Tabel 1. 3 Targets and Realization of The Transfer of Ownership of Motor Vehicles 2016-2021

Year	Target	Realization	
	(Rp)	(Rp)	(%)
2016	Rp 380,000,000,000.00	Rp 360,616,083,780.00	94.90%
2017	Rp 395,000,000,000.00	Rp 457.761.464.164.16	115.89%
2018	Rp 390,000,000,000.00	Rp 576,829,939,493.00	147.91%
2019	Rp 564,000,000,000.00	Rp 578,664,183,500.00	102.60%
2020	Rp 538.143.296.542.0	Rp 401.218.330.350.0	74.56%
2021	Rp 654,828,486,741.00	Rp 604.525.777.472.00	92.32%

Data source: Regional Budget Target & Realization of Dp5 UPT PPD Sekalbar

From table 1.3 can see that the performance of regional apparatus organizations or local government human resources will be good or ideal if the planning (target) is realized. The performance of the transfer of ownership of motor vehicle tax consistently exceeds the minimum target because the regional government's collection of motor vehicle tax is a fundamental public obligation to pay this Tax. The percentage of transfer of ownership of motor vehicles (BBNKB) that BBNKB realized during the 2016–2021 period is still below 100%, as can be

seen from the table of targets and realizations above. Studying the variables influencing the collection of motor vehicle taxes and transfer ownership fees is highly interesting. The Regional Tax and Retribution Management Agency must have a strategic plan to improve the revenue from transferring titles for motorized vehicles.

Tabel 1. 4 Target and Realization of Surface Water Tax Revenue (PAP)

Year	Target	Realization	
	(Rp)	(Rp)	(%)
2016	2,100,000,000	2,554,973,347	121.67%
2017	5,000,000,000	6,210,012,514	124.20%
2018	2,500,000,000	5,369,608,660	214.78%
2019	5,500,000,000	7,173,848,159	130.43%
2020	8,000,000,000	10,098.064,925	126.23%
2021	13,750,287,146	16,785,583,695	117.57%

Data Source: Bapenda of West Kalimantan Province

The Surface Water Tax (PAP) is one of the local taxes whose revenue potential is still very likely to be developed, so it is essential to pay more attention to increasing the Province of West Kalimantan's regional original revenue. Table 1.2, from that data from BAPENDA of West Kalimantan Province, showed that in 2016 and 2017, there was an increase. In 2018 Realization decreased, and in 2019, 2020, and 2021 Realization increased again.

1.2 Problem Statement

This study calculates the potential for regional taxes and estimates the target of local tax revenues for 2016 - 2021 in the form of Motor Vehicle Tax, Transfer of Ownership of Motor Vehicle, and Surface Water Tax in West Kalimantan Province. PKB and BBN-KB contributions become more significant and comparatively substantial as more citizens pay them. Surface Water Tax

(PAP) in West Kalimantan Province is taxpayer compliance (WP), information program, surface water infiltration and area of use, and volume of water used. Among the factors that affect the surface water tax revenue, if the maximum level is reached, The target will achieve the target set by the government. Based on the realization of tax objects, these taxes deserve to be investigated. So far, they have become a regional revenue base that had decreased due to the Covid Pandemic in 2020. This study aimed to calculate the potential and target of provincial tax revenues for the Province of West Kalimantan for 2016-2021, especially for Motor Vehicle Tax (PKB), Transfer of Ownership of Motor Vehicle (BBNKB), and Surface Water Tax (PAP). Motor Vehicle Taxes (PKB), Transfer of Ownership of Motor Vehicle (BBN-KB), and Surface Water Tax (PAP) are set by local governments through the Regional Revenue Agency (Bapenda).

1.2.1 Research Questions

Based on the background of the problem, the formulation of the problem is as follows:

1. Does the Motor Vehicle Tax (PKB) affect to increase the Original Regional Revenue?
2. Does the Transfer of Ownership Fee for Motor Vehicles (BBN-KB) affect to increase the Original Regional Revenue?
3. Does the Surface Water Tax (PAP) partially affect to increase the Original Regional Revenue?

1.3 Research purposes

1. To determine the effect of Motor Vehicle Tax (PKB) to increase the Original Regional Revenue (PAD).
2. To determine the effect of the Transfer of Ownership of a Motor Vehicle (BBN-KB) to increase the Original Regional Revenue (PAD)
3. To determine the effect of Surface Water Tax (PAP) to increase the Original Regional Revenue (PAD) .

1.4 Research Contribution

1.4.1 Theoretical Contributions

1.4.2 Practical contribution

- a. This research is expected to provide valuable inputs for related agencies, especially the Regional Revenue Agency of West Kalimantan Province.
- b. This research is expected to provide information regarding whether there is an increase in revenue from the sector of Motor Vehicle Tax, Transfer of Motor Vehicle Title Fees, and Surface Water Tax by looking at whether there is an effect of increasing the tax sector mentioned above on Regional Original Revenue.