

# Regional Retribution Revenue on Regional Original Income of Tana Toraja and North Toraja Regencies, Indonesia

<sup>1</sup>Vicha Angellady, <sup>2</sup>Abdul Rakhman Laba, <sup>3</sup>Fauziah Umar

<sup>1</sup>Vicha Angellady Master in Management Science, Faculty of Economics and Business, Hasanuddin University

<sup>2</sup>Abdul Rakhman Laba Master in Management Science, Faculty of Economics and Business, Hasanuddin University

<sup>3</sup>Fauziah Umar Master in Management Science, Faculty of Economics and Business, Hasanuddin University

**Abstract:-** The regional government has the right to access financial resources, including details of Capitalization that has been submitted from the government in accordance with the authority is collected and utilized local taxes and levies. Have sovereignty for the division of usefulness of national resources and balance funds and balance funds, manage wealth and procure legitimate sources of income and financing in the region. This study aimed to analyze regional retribution revenue's growth, efficiency, effectiveness, and contribution to regional Original Income (PAD). Descriptive qualitative methods were used in analyzing secondary data annually for a long period, specifically, 2016-2020. The results showed that the fluctuating regional retribution revenue affected the management of revenue to PAD. This led to fraud in collecting regional retributions, which negatively affected the duty performance. In general, regional retribution revenue on PAD depends on the government's criteria to maximize the performance of all related aspects, meaning that supervision is needed in every collection.

**Keywords:-** Growth, Regional Retribution, Regional Original Income.

## I. INTRODUCTION

The 1998 reform led to regional autonomy, which gave the Provincial/Regency/City government the rights, powers, and obligations the interests of the community and the government that are regulated and managed. Community economic standards, conveyances, human resources, infrastructure, integrity, regional funding section, and characteristics. designate whether the area is underdeveloped. Regional governments have the right to access financial resources, including details of capital of sovereignty according for the busyness of being registered, the authority to form and ride it regional livies and retributions. Further, it has the right to obtain profit sharing from national resources and balance funds, manage wealth and procure legitimate sources of income and financing in the region. Therefore, the government is expected to perform its financial management duties properly when the regional

income sources are increased. Tangkilisan (2015) stated that the government's position is determined by good management of state finances.

Financing refers to any income that should be repaid and expenses received, either in the relevant or in the following fiscal year. This right includes the money received through the regional general treasury account, which increases the fund equity and is not expected to be repaid. Regional income sources include PAD, transfer revenue, and other legitimate regional incomes. It aimed to optimize regional income sources to increase Regional fiscal capacity and maximize government administration for the community services. Regional retributions are levied as service payments or certain granting permission specifically and/or from the regional government for body or industrial needs. According to Regulation Number 28 of 2009, individuals or entities are mandatory retributions who are required to pay according to the laws and regulations, specifically collecting or withholding certain retributions. Regional Retribution Payment Letter (SSRD) is among the documents used in regional retributions. It approves the payment or deposit of retributions made to the regional treasury through other channels appointed by the Regional Head.

Tana Toraja Central Statistics Agency (2014) stated that Tana and North Toraja Regencies were national tourism areas after Bali Province. These regions have diverse wealth, both natural and cultural traditions. This always occupies space and time in every activity in the Tana Toraja community. The traditional ceremonies belong to tours that captivate the tourists' hearts. Although many types of attractions exist in Tana and North Toraja as examples of places with historical value, or locations that separate the hereditary traditions of Tana people. Furthermore, regional retributions are imposed on services, providing facilities for recreation local governments that own and manage sports. In managing retribution, the Tana and North Toraja Regencies' government refers to article 9 number 7 of the Regional Regulation of 2011, where tax is levied on tourism and sports recreation services. The objects for regional retribution are services for local governments that own and manage recreation, tourism and sports that have been provided.

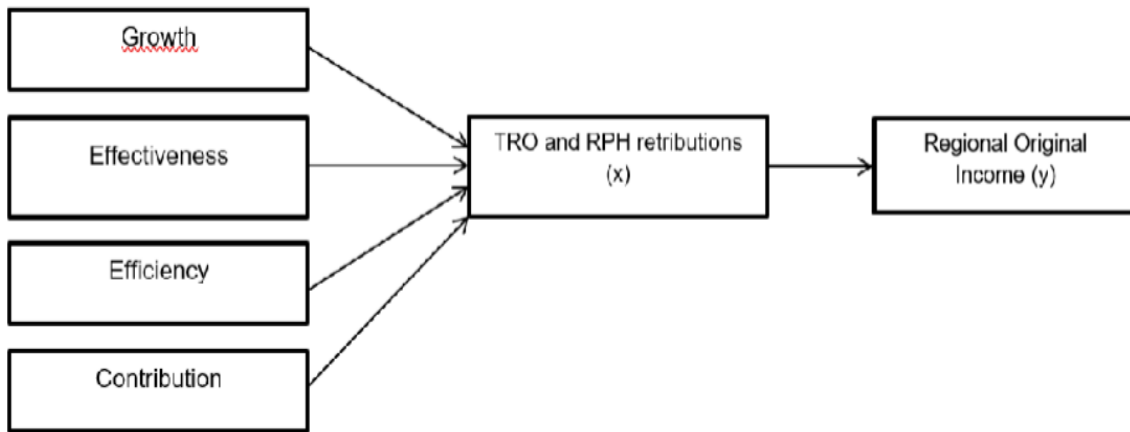


Fig 1

## II. METHODS

### A. Research Location and Time

This study was conducted in Tana and North Toraja Regencies. The retribution for slaughterhouses, recreation, and sports were objects under study. A descriptive qualitative method was used to analyze the data.

### B. Data Types and Sources

This study used annual time series secondary data in several periods 2016-2020. This data was obtained from several sources. Specifically, retribution data for these places found by two regencies' Regional Financial and Asset Management Agency. However, the Central Statistics Agency obtained PAD (Regional Original Income) data.

### C. Analysis Method

A descriptive qualitative method was used to analyze the data. Noor (2011) stated that researchers used a process and understanding to investigate social phenomena and human problems. It described the object in a systematic, factual, and actual way, relating to facts, characteristics, and operational linkages with the problem under research (Herdiansyah, 2010). The data obtained in numbers and tables were then interpreted correctly.

### D. Data Analysis

The qualitative method was used in data analysis to understand the phenomena by collecting data and information. The results were obtained by analyzing revenue

retribution for abattoirs, recreation, and sports to PAD (Regional Original Income). A document related to regional retribution was accessed to find out its revenue for PAD in Tana and North Toraja Regencies which identified similar problems. The supportive information supported the target data and the realization of the retribution in increasing PAD in regencies.

The data was collected through observation, interviews, and documentation. After observations and interviews, the data were processed, compared with existing documents, and transcribed to make a written report about the results.

The data was collected in this process, then their validity and reliability were tested. According to Sugiyono (2010), the validity test confirmed whether the reported data and actual situation were the same. However, the reliability test was conducted to determine the data's consistency and stability. This validity test in the qualitative study included data credibility (internal validity), transferability (external validity), interrelationship (reliability), and confirmation test (objectivity).

After data collection, a validity test was conducted, which included (Sugiono, 2010). After that, a written data report was made from interviews, documentation, observations, and as a group on these results. The data analysis was related to regional revenue retribution on PAD in the two regencies, which concluded from these results.

### III. RESULTS

#### A. Descriptive Analysis

Table 1. Growth of Regional Original Income (PAD) of Tana Toraja and North Toraja Regencies in 2016-2020

| Year         | Tana Toraja               |                           | %              | North Toraja              |                           | %              |
|--------------|---------------------------|---------------------------|----------------|---------------------------|---------------------------|----------------|
|              | Buged                     | Realization               |                | Buged                     | Realization               |                |
| 2016         | 93.231.215.000,00         | 101.993.901.924,06        | 109,4%         | 44.045.099.325,00         | 34.896.616.655,55         | 79,23%         |
| 2017         | 150.563.647.813,00        | 140.418.241.243,93        | 93,26%         | 156.508.990.500,00        | 44.165.976.209,12         | 28,22%         |
| 2018         | 184.700.000.000,00        | 106.108.442.618,94        | 57,45%         | 58.220.028.100,00         | 41.975.878.751,30         | 72,10%         |
| 2019         | 187.752.107.000,00        | 119.464.168.341,55        | 63,63%         | 56.220.028.100,00         | 51.882.966.518,99         | 92,29%         |
| 2020         | 125.559.974.000,00        | 110.936.063.512,19        | 88,35%         | 77.433.903.735,00         | 55.672.229.593,93         | 72,00%         |
| <b>Total</b> | <b>741.806.943.813,00</b> | <b>578.920.817.640,67</b> | <b>412,09%</b> | <b>235.919.059.260,00</b> | <b>228.593.667.729,89</b> | <b>343,84%</b> |

Source: BAPENDA, 2020

Table 1 explains the growth of Regional Original Income (PAD), where the authority increases its income by directing regional financial policies. The results of the two regencies showed that the growth of Tana Toraja is relatively larger or its management is better and has more income objects than North Toraja.

| Year | Tana Toraja                        |                    | Contribution (%) | North Toraja                       |                   | Contribution (%) |
|------|------------------------------------|--------------------|------------------|------------------------------------|-------------------|------------------|
|      | Realization (Regional Retribution) | Total (PAD)        |                  | Realization (Regional Retribution) | Total (PAD)       |                  |
| 2016 | 5.619.200.900,00                   | 101.993.901.924,06 | 5,51%            | 7.446.871.551,00                   | 34.896.616.655,55 | 2,13%            |
| 2017 | 8.146.401.492,00                   | 140.418.241.243,93 | 5,80%            | 9.417.800.962,50                   | 44.165.976.209,12 | 2,13%            |
| 2018 | 10.418.281.371,00                  | 106.108.442.618,94 | 9,82%            | 14.106.452.735,50                  | 41.975.878.751,30 | 3,36%            |
| 2019 | 12.803.711.427,00                  | 119.464.168.341,55 | 10,72%           | 16.632.524.812,00                  | 51.882.966.518,99 | 3,20%            |
| 2020 | 7.163.530.253,75                   | 110.936.063.512,19 | 6,46%            | 13.990.053.435,00                  | 55.672.229.593,93 | 2,51%            |

Table 2. Contribution of Regional Retribution Revenue to Regional Original Income (PAD) of Tana Toraja and North Toraja Regencies 2016-2020

Source: BAPENDA, 2020

Table 2 shows the contribution of regional retribution to PAD which indicates a decline in the two regencies. It was caused by various factors, including increased targets, the realization of Regional Original Income, fluctuations or decreases, and annual increases in different sources of income.

| Year          | North Toraja         |                           | Percentage (%) | Tana Toraja          |                           | Percentage (%) |
|---------------|----------------------|---------------------------|----------------|----------------------|---------------------------|----------------|
|               | Target (IDR billion) | Realization (IDR billion) |                | Target (IDR billion) | Realization (IDR billion) |                |
| 2015          | 39,20                | 33,81                     | 86,24          | 69,46                | 79,20                     | 114,02         |
| 2016          | 44,05                | 34,90                     | 79,23          | 93,23                | 101,99                    | 109,40         |
| 2017          | 66,51                | 44,17                     | 66,41          | 150,56               | 141,78                    | 94,17          |
| 2018          | 58,22                | 41,98                     | 72,10          | 184,70               | 106,11                    | 57,45          |
| 2019          | 56,22                | 51,86                     | 92,26          | 187,75               | 119,46                    | 63,63          |
| <b>Bahasa</b> | <b>52,84</b>         | <b>41,344</b>             | <b>79,248</b>  | <b>137,14</b>        | <b>109,708</b>            | <b>87,734</b>  |

Table 3. Target and Realization of Regional Original Income (PAD) of North Toraja and Tana Toraja Regencies in 2010-2019

Source: BAPENDA, 2020

Table 3 shows the target and realization of PAD, which strives to achieve the set goals. As a result, the increase in its management can be maximized and achieve optimal realization targets every year. In this regard, Tana was higher than North Toraja Regency.

### IV. DISCUSSION

About Local Government (Number 32 of 2004) and On Financial Balance between Central and Local Government (Number 33 of 2004) require regional governments to implement decentralization and spur economic growth. This is to improve people's welfare since this implementation

improves public services and promotes the regional economy. The average growth revenue retribution for abattoirs, recreation, and sports places in the two regencies fluctuates and is not optimal for PAD. This results from improper supervision in collecting the retribution and even some fraud during direct collection in the field. Therefore, the government should follow procedures to increase annual revenue for the two regencies.

The total contribution from the two retributions tends to fluctuate. David (2017) showed from the previous studies that the revenue potential was not optimal because the actual income was below its potential, ranging far from PAD. In this regard, the North has a larger contribution than Tana Toraja, however, the efforts of the Tana government are more optimal and promote the potential of regional income. Moreover, even though North Toraja is a division of Tana, it can effectively manage its retributions.

Githa (2020) stated that the efficiency of regional retribution is calculated based on the percentage comparison of the collection cost with its realization. In relation, the regional retribution realization cost is 5%. However, not all of them can be subject to collection costs, but only those whose effectiveness ratio is more than 100%. The efficiency ratio of regional retribution compares the number earned income from expenses incurred and the existence. On average, the efficiency of retribution for recreation and sport places in these regencies is 163%. This is included in the inefficient and 67.65% efficient category. The average revenue from recreation and sport places in the North is greater than Tana Toraja. Contrastingly, slaughterhouses in Tana and North Toraja are 132.38% and 119.63%, respectively, which is included in the inefficient category. This implies that the cost of retribution revenue from slaughterhouses, recreation, and sport places more efficient when matched in Tana Toraja Regency.

The average effectiveness of retribution revenue for recreation and sport places in Tana and North Toraja is 68.57% in the less effective and 122.34% in the very effective category.

Performance and financial assessment of the whiteness of the minister of home affairs number 690,900,327 of 1996 is the basis for measuring effectiveness (see Fazilah, 2002). The average retribution for slaughterhouses in Tana and North Toraja is 90.33% in the effective and 87.77% in the moderately effective category. This shows that the retribution revenue from these places in Tana is more effective than North Toraja Regency.

## V. CONCLUSIONS AND SUGGESTIONS

The average growth of retribution revenues from slaughterhouses, recreation, and sports places in these regencies is still fluctuating, which is said not to be optimal against PAD. The lack of supervision in collecting the retribution and some fraud found during direct collection in the field led to this effect. The government must follow the

procedures, consequently, the retribution revenue from these places can increase each year in the two regencies.

Therefore, socialization should be actively conducted on the collection and uses of retribution for these places to raise community awareness on the importance of paying the revenue and reporting livestock brought in every formal event held in these regencies. Also, there should be a systematic calculation of potential retribution. These strategies are important to be more realistic in determining the retribution target and performance appraisal tool. As stipulated in the regional regulations of the Tana and North Toraja regencies, administrative sanctions are imposed to the mandatory retribution that is in arrears.

This research used the scope of BAPENDA (Regional Revenue Agency) in these regencies. Future research is expected to be conducted at BAPENDA or in other regions in Indonesia. The current study only discussed the regional retribution revenue on PAD in Tana and North Toraja regencies. Further research is recommended to conduct a broader analysis of this subject. Besides, topics related to receiving regional retribution, especially for slaughterhouses, recreation, and sports places, can be used.

## REFERENCES

- [1]. Adisasmita, R. (2011). *Pengelolaan, Pendapatan dan Anggaran Daerah*. Makassar: Graha Ilmu.
- [2]. Alex. (2020). *Pengajar. Efisien dan Efektif*. Jakarta : Salemba Empat.
- [3]. Andi Hafidah. (2021). *Analysis of Market Retribution Management Systems in Efforts of Increasing Regional Original Income in The Office of Pd. Makassar Raya Market, Makassar City*. Business and Entrepreneurial Review.
- [4]. Aniek Juliarini. (2020). *Komparasi Penerimaan Pajak Daerah Kota dan Kabupaten di Indonesia Setelah Berlakunya Undang-Undang Pajak Daerah dan Retribusi Daerah*. Jurnal BPPK Volume 13.
- [5]. Bastian, Indra. 2001. *Akuntansi Sektor Publik*. Badan Penerbit Fakultas Ekonomi UGM, Yogyakarta.
- [6]. Besse Asniwati. (2019). *Model of Financial Performance Analysis In Regional Governments*. International Journal of Scientific & Technology Research Volume 8.
- [7]. Boqiang Lin. (2019). *Tax rate, government revenue, and economic performance*. A. China Economic Review 56, 101307.
- [8]. Bratakusumah, D., & Solihin, D . (2004). *Otonomi Penyelenggara Pemerintah Daerah*. Jakarta: Salemba Empat
- [9]. Christian F Guswai. (2007). *How To Opera Your Store Effectively Yet Effectienly*. Jakarta.
- [10]. Dewi Githa Kurnia. (2020). *Efektivitas, Efisiensi, Dan Kontribusi Retribusi Daerah Terhadap Pendapatan Asli Daerah Kabupaten Sidoarjo*.
- [11]. Emy Iryanie . (2018). *Pajak daerah dalam Pendapatan Asli Daerah*. Yogyakarta.



- [12]. Erik Loualiche. (2021). *State and local government employment in the COVID-19 crisis*. Journal of Public Economics 193, 104321.
- [13]. Fahmi, Irfan. 2010. *Manajemen Kinerja Teori dan Aplikasi*. Penerbit Alfabeta, Bandung.
- [14]. Gede Mertha Sudiarta. (2020). *Pengaruh Retribusi Daerah dan Pajak Daerah Terhadap Pendapatan Asli Daerah di Dinas Pendapatan Daerah*. E-Jurnal Manajemen, Vol. 9, No.4.
- [15]. Goh, T. S. (2010). *Perpajakan Indonesia: Pedoman Perpajakan yang Lengkap Berdasarkan Undang-undang*. Jakarta.
- [16]. Ghozali, Imam. 2006. *Aplikasi Analisis Multivariate dengan Program SPSS (Edisi Ke 4)*. Semarang: Badan Penerbit Universitas Diponegoro.
- [17]. Heryanto dan Toly, 2013. Pengaruh Kesadaran Wajib Pajak, Kegiatan Sosialisasi Perpajakan, dan Pemeriksaan Pajak terhadap Penerimaan Pajak Penghasilan di KPP Pratama Surabaya Sawahan. *Jurnal. Tax & Accounting Review*. Vol. No.I.
- [18]. Ifan Gumilar SP. (2016). *Analisis Efektivitas dan Kontribusi Penerimaan Retribusi Jasa Usaha terhadap PAD Kabupaten Bandung*.
- [19]. Jantje J. Tinangon. (2019). *Analisis Efektivitas dan Kontribusi Retribusi Daerah Terhadap Pendapatan Asli Daerah Provinsi Sulawesi Utara*.
- [20]. Jean Guillaume Forand. (2019). *Civil service and the growth of government*. *Journal of Public Economics* 177, 104045.
- [21]. Jonetta Triyanti. (2016). *Kontribusi Pajak Daerah Dan Retribusi Daerah Terhadap Pendapatan Asli Daerah Dalam Rangka Pelaksanaan Otonomi Daerah Kota Samarinda*.
- [22]. Kusuma B. (2015). *Tradisi Pemakaman Unik di Tana Toraja*.
- [23]. LMS Kristiyanti. (2018 ). *Improving Regional Original Income With Tax Receipt, Regional Retribution, and Regional Wealth Management Results In Solo Raya*. *International Journal of Economics, Business, and Accounting Research (IJE BAR)*.
- [24]. Lubis, I . (2010). *Menggali Potensi Pajak Perusahaan dan Bisnis dengan Pelaksanaan Hukum*. Jakarta: PT Alex Media Komputindo.
- [25]. Mardiasmo . (2010). *Akuntansi Sektor Publik* . Yogyakarta.
- [26]. Mardiasmo. (2018). *Perpajakan Edisi Terbaru 2018*. Yogyakarta: ANDI.
- [27]. Nainggolan, E. U. (2020). *Kementerian Keuangan. Kepala Daerah Mau, Daerah Maju*.
- [28]. Najah, Naqib.(2014). *Suku Toraja Fanatisme Filosofi Leluhur*. Makassar: ARUS TIMUR.
- [29]. Peraturan Daerah Kabupaten Tana Toraja Nomor 1 Tahun 2017 tentang Retribusi Perizinan Tertentu.
- [30]. Peraturan Daerah Kabupaten Tana Toraja Nomor 6 Tahun 2017 tentang Retribusi Jasa Umum.
- [31]. Peraturan Daerah Kabupaten Tana Toraja Nomor 7 Tahun 2017 tentang Retribusi Jasa Usaha.
- [32]. Rizki Ramadhani. (2020). *The Effect of Local Taxes, Local Retributions, and Capital Expenditures on Local Own-Source Revenue*. *International Journal of Business, Education, Humanities and Social Sciences*.
- [33]. Siagian, Sondang P. 2008. *Menejemen Sumber Daya Manusia*. Cetakan Keempat. Jakarta: Bumi Aksara.
- [34]. Soemarso. (2008). *Perpajakan*. Jakarta: PT Gramedia Pustaka Utama.
- [35]. Sugiono. (2018). *Metode Penelitian Bisnis*. Bandung: Alfabeta Bandung.
- [36]. Sugiono. (2010). *Metodologi Penelitian Bisnis*. Bandung: Alfabeta.
- [37]. Sutedi. (2008). *Hukum Pajak dan Retribusi Pajak*. Jakarta: Grafika Indonesia.
- [38]. Sutioningsih. (2021). *Analisis Pengaruh Retribusi Daerah Terhadap Pendapatan Asli Daerah Kabupaten Lombok Utara*. *Jurnal Ilmiah Akuntansi* Vol. 9 No. 1.
- [39]. Tangkilisan, H. N . (2005). *Kebijakan dan Manajemen Otonomi Daerah* . Yogyakarta.
- [40]. Tegari Manaopo. (2014). *Pemerintah Daerah. Pemerintah Daerah*.
- [41]. Undang-undang Nomor 28 Tahun 2009 tentang Pajak Daerah dan Retribusi Daerah.
- [42]. Undang-undang KUP Nomor 28 tahun 2007. (2007, July 17). *Perubahan Ketiga atas Undang-undang Nomor 6 tahun 1983 tentang Ketentuan Umum dan Tata Cara Perpajakan*. Retrieved from [www.dpr.go.id: http://www.dpr.go.id/dokjdih/document/uu/UU\\_2007\\_28](http://www.dpr.go.id: http://www.dpr.go.id/dokjdih/document/uu/UU_2007_28).
- [43]. Yani, A. (2012). *Hubungan Keuangan antara Pemerintah Pusat dan Daerah di Indonesia*. Jakarta: Raja Grafindo Persada.