

## **Tax Contribution Region Against Regional Original Income (PAD)**

### **Tanah Datar District**

**Feby Hidayat<sup>1</sup> , Aldri Frinaldi<sup>2</sup> , Asnil<sup>3</sup>**

Padang State University, Faculty of Social Sciences <sup>1</sup>

[febyhidayat96@gmail.com](mailto:febyhidayat96@gmail.com)

### **Abstract**

Regional taxes are mandatory payments made by persons or entities to the regions by applicable laws and regulations and are used to finance the administration of government in the context of encouraging the growth and welfare of the population. The purpose of this study is to estimate the contribution of local taxes to PAD. Descriptive quantitative studies are what we do here. The Tanah Datar Regency PAD papers for 2020–2022 are the source of the documentation method used in data collection. Based on the study findings, regional taxes will contribute 14.57% to PAD in 2020, 16.17% in 2021, and 17.22% in 2022. Regional taxes in general make a larger contribution to PAD each year, however, due to categorization rules, these contributions are included to increase revenue from the local tax sector, the Tanah Datar District Government should optimize its human resources and infrastructure through the Regional Revenue Management Agency.

### **Keywords:**

**Contributions, Regional Taxes, Local Original Revenue (PAD),**

### **Introduction**

Source income main For financing routine and development in the area autonomous is income original area (PAD). The amount difference type taxes and levies applied area and adjusted \_ with rule related reception second component the impact significant to the total components reception tax area and fees area.

According to Law 23 of 2014 concerning Regional Government, "Regional Own Revenue" (PAD) is defined as "money earned by the regions and collected by statutory regulations". Local government is no longer completely dependent on the federal government, unlike government affairs that used to be regulated. Responding to this, the government is now building a decentralization system, which is driven by the fact that the demands and problems of society are increasingly varied. The principle of autonomy is the basis for the decentralization of handing over the responsibilities of the Central Government to autonomous regions, according to Law 23 of 2014 concerning Regional Government.

Ability something area autonomous For control and manage activity government and society known with autonomy area. Authority For organizing and managing territory Alone given to area as part of formation autonomy area. To control costs and expand the economy, the area you want independence must find ways innovative For make money. With the autonomy area, it is believed area will be capable show independence in operating government and society. independence financial is one condition implementation autonomy area.

When it comes For doing growth, money is very important. Because the financial area is a very important aspect in planning development, then need done analysis of circumstances and projections finance area To make accurate predictions about the ability area For finance plan development and effectively handle issues strategic.

Budget Controlled Regional Revenue and Expenditure (APBD). area determines how much Good government areas carry out development. According to Muhammad et al. (2015), the income area, is one APBD component, a namely component very important area that can be used To fund every initiative in government-designed areas To increase well-being in economic and social areas.

Following This outlined How Field Administrative Regional Finance Affairs Delegated Government to the appropriate region with Constitution Number 23 of 2014 concerning Regional Government :

1. Giving source regional revenue in the form of Regional Taxes and Regional Levies.
2. Sourced funding from balance finance between Central and Regional Governments.
3. Provision of maintenance funds autonomy special For Certain Regional Governments determined in law.
4. Giving loans and/ or grants, emergency funds, and incentives ( fiscal ).

Based on Constitution Number 23 of 2014 concerning government area, source income area namely :

1. Income (PAD), which consists of above :
  - a) Tax.
  - b) Retribution.
  - c) Management Results in Regional Wealth being separated.

- d) Other legitimate regional original revenues.
2. Transfer Income
3. Other legal regional income.

Government areas must be capable increase the income original area (PAD) with explore and develop the whole potency original area by regulating existing legislation If want to free divert the budget. Must area capable realize the whole potential For increasing source income ( Cahyo & Sebastiana, 2019).

Management Correct Local Original Revenue (PAD). as source income for government areas needed For rapid growth. According to Landiyanto (2019), the capacity area For coordinating governance and development increases with increasing PAD participation. Constitution Number 28 of 2009 concerning Regional Taxes and Regional Levies regulate gift Genre income area form tax area and fees area. one factor PAD supporters are tax area. Tax areas can make collected by the government area To raise the PAD that will help performance finance area.

Financing development areas and administration government are heavily influenced by taxes area. Ability area picks up tax area and becomes gauge measuring application autonomy area. must For maximizing potency To use increased reception tax for government areas, especially those that are mandatory tax areas.

Tax area is one source of PAD of Tanah Datar Regency, which also comes from other legitimate sources like dues blood, and income other. Organization Regional Devices (OPD), especially the Management Board Regional Income, duty manage tax area in Tanah Datar regency. Management Agency The regional income of Tanah Datar Regency is the OPD in charge income area expected capable increase the PAD of Tanah Datar Regency by existing Regional Regulation Number 3 of 2022 Concerning Amendment to Regional Regulation Number 9 of 2016 concerning Formation and Arrangement Regional Devices.

The ability local government of Tanah Datar regency to expand PAD through tax area, donation, or dues from tax area to PAD is expected can support the maintenance of the government area and development area in Tanah Datar regency. The writer wants to know how big the contribution tax area to the Regional Original Revenue (PAD) of Tanah Datar Regency is based on the introduction given.

## Literature Review

### Tax

According to Mardiasmo (2020), taxes contribution to public finance general to the appropriate state treasury regulation statutory nature forced and used For pay costs general. Besides that, grouping tax based on the organization that picked it up separated become tax area and center tax. According to Riftiasari (2019), taxes is the source of the main state money used For support expenditure government.

Taxes are obligatory contributions given by the public to the state. Every penny of tax revenue collected from the public goes to the state revenue office. It is used to fund national and local government spending for the benefit of society.

Tax money is used for public interest, not for personal gain. Government funding for central and regional development, including public infrastructure development, health and education budget funding, and other beneficial activities, comes from taxes. Because tax collection is carried out according to the law, it can be forced.

Change Third Over the Law Number 6 of 1983 concerning Provision General and Tax Procedures, Act Number 28 of 2007, Tax is payment must to the government carried out by persons or entities forced by law. The No in a manner direct causes imbalance and use For funds needed by government and welfare residents in a manner whole. According to KUP Law Number 28 of 2007, article 1 paragraph 1, understanding tax is a payment must to the country owed by someone or a body that is forced based on law, with No direct get balance and use for the country's need for profusely people's prosperity.

Based on some definitions of the tax given above, can conclude that tax is payment mandatory for residents general to the government required by law and used To increase well-being social.

Tax is shared into two categories based on characteristics: taxes No direct and tax directly :

<b>Tax No Direct</b>	<b>Tax Direct</b>
Known taxes as tax No direct is only tax paid must tax moment involved in an activity or certain events.	According to the letter decree tax issued by the office tax, tax direct is payment is repeatedly done to must tax. Amount

because that is, taxes No direct only can collect if happen incident or deed certain coercion must tax For pay taxes; they No can be collected in a manner regular.	must tax paid must tax be included in the letter decree tax.
For example, Tax Sale on Goods Luxury ( PPnBM ) is only imposed to must selling tax goods luxury.	Tax direct No can bestow to party third; must be paid by someone who becomes subject must tax. For example including tax income and Tax Earth and Income (PBB).

*Source: Official (2020)*

### Regional Tax

According to Constitution Number 1 of 2022 concerning the Connection Finance between Central Government and Local Government, Regional Tax is payment forced to mandatory regions performed by a person or entity and used To fund Regional needs for big people's prosperity.

Whereas Local Tax is an obligation public To deliver part of their income to the area as a condition or provision For giving something position, however No as something punishment or law, claims Raharjo (2019). Tax area according to Suandy (2020) is payment obligatory performed by the person or organizations, and the government is the responsible answer For picking it up through the service income area.

From several of the meaning above can We conclude that the tax area is payment obligatory society to government working area as a source of income original area for the maintenance of government area and development For advance area.

According to Constitution Number 1 of 2022, there are two groups of tax namely those collected by the Province and those collected by the Regency /City. Reception tax Province includes :

1. Tax Vehicle Motorized.
2. Vehicle Name Transfer Fee motorized.
3. Heavy Equipment Tax.
4. Tax Vehicle Fuel Motorized.
5. Surface Water Tax.

6. Tax Cigarettes.
7. Option Tax.
8. Option Mineral Tax No Metal and Rock.

Meanwhile, the taxes collected by districts/cities include :

1. Tax Earth and Buildings Rural and Urban.
2. Fees for Acquisition of Land and Building Rights.
3. Tax Certain Goods and Services.
4. Tax Advertisement
5. Ground Water Tax.
6. Mineral Tax No Metal and Rock.
7. Tax nest Bird Swallow.
8. Option Tax Vehicle Motorized.
9. Vehicle Name Transfer Fee Option motorized.

### **Regional Original Revenue**

Income (PAD) as meant in Constitution Number 23 of 2014 concerning Regional Government is money generated by the regions and collected by regulation legislation based on regulation area. Whereas Regional Original Income (PAD) is defined as Regional Original Revenue obtained from Regional Taxes, Regional Levies, Results of Management Separated Regional Assets, and Other Legitimate Regional Original Revenues according to Regulation Legislation in Constitution Number 1 of 2022 Concerning Finance. Connection between Central Government and Local Government.

Income original area is a representation of revenue generated by the area, according to Simanjuntak et al. (2020). The government area must be capable of maximizing income the area Alone For the finance expenditure area and avoid obstructing the growth economy area. Commercial area will grow together with Regional Original Income (PAD), and will There is more a lot of money spent On well being society ( Adriani & Yasa, 2021). Regional Original Income (PAD) is a source of income very helpful area in the development area. PADs are used as metrics For evaluating the ability area To find and use source power alone.

According to some of the definitions above, Regional Original Revenue (PAD) is defined as Revenue received by the region through levies to persons or entities by applicable laws and regulations and obtained from various sectors, including regional taxes, and regional taxes. retribution, the results of separated regional wealth management, and other legitimate local revenue.

### Contribution

According to Fauziah (2021), contributions are something to offer or given to something project that can give real influence. The magnitude tax collected area from the income area will donate PAD; the more tall reception tax area, and vice versa, the more low reception tax area so the more small PAD contribution.

The contribution tax area of the PAD of Tanah Datar Regency is calculated as follows:

$$\text{Contribution Local Tax} = \frac{\text{Realization Reception Regional Tax}}{\text{Realization PAD acceptance}} \times 100\%$$

**Table 1**

#### Criteria Contribution

Classification Contribution	Criteria	Percentage Criteria
0.00-10%		Very less
10.10-20%		Not enough
20.10-30%		Currently
30.10-40%		Enough Good
40.10-50%		Good
>50%		Very Good

*Source : R&D Team Depdagri-Fisipol UGM in Permatasari & Wicaksono (2022)*

### Methods

Study This uses design study quantitative and character descriptive. Sugiono (2017) defines study quantitative as research that collects data in the form of statistics or estimated qualitative data. Information quantitative that has collected writer explained or displayed. The 2020–2022 Tanah Datar Regency PAD document is used as the primary data source of the study. data collection writer will use To determine part tax area from the income original

area. Objective study This is To know the extent of the contribution tax area to the Regional Original Revenue (PAD) of Tanah Datar Regency between 2020 to with the year 2022.

Data analysis techniques used by researchers To give persistent and responsible results answer. And the method used To get data for the study This is studies literature, which is done with see through various relevant sources with development and literature.

## Results and Discussion

### Tanah Datar District Regional Tax for 2020-2022

one sign of readiness for something government area For autonomy area is the ability to tax the area it owns. Due to local money needed To arrange autonomy area and by theoretical should own strength and responsibility pure answer, then reception tax improvement oriented income area. Expected ability advice is actual This will come from the ability To manage the income tax area through action or possible rules made For sometimes see improvement. Collection tax government area must by fair allocation \_ of the total cost expenditure government For society. (Sato & Shinji, 2020).

Based on data from the Management Agency Regional Revenue of Tanah Datar Regency for tax area Tanah Datar Regency 2020-2022 got seen as following :

**Table 2**

#### Tax Target and Realization area \_ Tanah Datar Regency 2020-2022

Year	Target (IDR)	Realization (Rp)	(%)
2020	IDR 20,137,972,873.00	IDR 17,810,752,982.90	88.44%
2021	IDR 18,472,200,000.00	IDR 20,288,890,717.79	109.83%
2022	IDR 22,367,041,000.00	IDR 24,885,900,124.55	111.26%

*Source: Regional Revenue Board of Tanah Datar Regency in 2023*

Based on Table 2 above can be seen that the realization tax area in Tanah Datar Regency in 2020 is 88.44%, showing that the realization in 2020 no can exceed the target set, meanwhile, the realization tax area in 2021 of 109.83%, showing that realization 2021 exceeded the targets set, and realized tax in 2022 of 111.26%, showing realization 2022



exceeds the target set. kindly general realization tax area Tanah Datar District from 2020 to 2022 experienced growth.

### PAD of Tanah Datar Regency 2020-2022

one component of the Tanah Datar District APBD in charge arrange administration so you can give service for the growth area is Regional Original Revenue. Dependency government areas on reduced federal funding with income area. The growth economy demands PAD to fulfill budget shopping areas, however, No Can Walk in accordance plan If only submitted to hand government (Kusuma, 2019).

Based on data from the Management Agency Regional Revenue of Tanah Datar Regency for Income original area (PAD) of Tanah Datar Regency for 2020-2022 seen as follows:

**Table 3**  
**PAD Target and Realization Tanah Datar District**  
**Years 2020-2022**

Year	Target (IDR)	Realization (Rp)	(%)
2020	IDR 122,967,860,890.00	IDR 122,247,542,343.03	99.41%
2021	IDR 113,609,995,994.00	IDR 121,384,958,232.34	106.84%
2022	IDR 127,561,705,910.88	IDR 144,522,054,558.31	113.30%

*Source: Regional Revenue Board of Tanah Datar Regency in 2023*

Based on Table 3 above can We Look that, the realization of Tanah Datar Regency PAD for The year 2020 is 99.41% which means the realization in 2020 no \_ can exceed the set target, while in 2021 the realization of Tanah Datar Regency's PAD is 106.84%, which means realization in 2021 it exceeds the set target, meanwhile realization of PAD for Tanah Datar Regency in 2022 which is 113.30% which means realization in 2022 exceeds the target set. kindly general realization of PAD of Tanah Datar Regency Year 2020-2022 experienced improvement.

According to Tanah Datar District APBD documents for 2022, the revenue original area will give a contribution of about 11% of the total. However, because during this transfer funds constitute the majority financing maintenance government area, then the

development of Tanah Datar Regency will remain heavily dependent on transfers. Government area hope can increase income original area with optimization source sustainable power.

### Contribution Regional Tax on PAD of Tanah Datar Regency for 2020-2022

Based on sourced data processing from the Management Agency Regional Revenue of Tanah Datar Regency for contribution tax area to Income original area (PAD) of Tanah Datar Regency for 2020-2022 seen as follows:

**Table 4**

#### Contribution Regional Tax on PAD of Tanah Datar Regency Year 2020-2021

Year	Realized PAD (Rp)	Realization Tax (Rp)	Local Contribution
2020	IDR 122,247,542,343.03	IDR 17,810,752,982.90	14.57%
2021	IDR 121,384,958,232.34	IDR 20,288,890,717.79	16.71%
2022	IDR 144,522,054,558.31	IDR 24,885,900,124.55	17.22%

Source: Processed Data

Based on Table 4 above can We Look that contribution Tax area on PAD of Tanah Datar Regency in 2020 namely of 14.57%, while in 2021 contribution tax area on the PAD of Tanah Datar Regency namely 16.71%, and the contribution tax area on the PAD of Tanah Datar Regency in 2022 namely by 17.22%. The contribution tax area of the PAD of Tanah Datar Regency 2020-2022 experienced an increase, however, If seen from the classification criteria contribution, the contribution tax area on the PAD of Tanah Datar Regency is in the range of 10-20%, which means contribution tax area to the PAD of Tanah Datar Regency including in Fewer criteria.

Expected that the government of Tanah Datar district will be more Ready To investigate option finances, especially in matters using income original area (PAD) to fulfill the need for funding and development area. Tax area No influential direct against PAD

because is one \_ source income area so the contribution to income original area in Tanah Datar regency at the time this is very minimal.

Government Tanah Datar Regency is expected capable manage the source of the power it has with ok. In a period long, p This will profitable Government Tanah Datar District. The government of Tanah Datar Regency must strategize for increasing income area from tax area in a manner sustainable. The more big the contribution tax is given area to the income original area, then the more the great ability of area For development. This is strengthened by research by Asteria (2019) and Sipakoly (2019) which found that raising tax areas will too increase income original area.

## **Conclusion**

Based on level data analysis contribution tax area on the PAD of Tanah Datar Regency from The years 2020-2022 shows that in 2020 tax \_ area give a contribution of 14.57 %, in 2021 taxes area give a contribution of 16.71 % and in 2022 taxes area give a contribution by 17.22%. kindly general contribution tax area to the PAD of Tanah Datar Regency each year experience increase, however contribution against PAD is still not enough is the range between 10-20%.

## **Suggestions**

Based on the results study writer give suggestions as follows:

1. Government Tanah Datar District through the Management Board Local Revenue preferably explore and identify in a manner maximum possible sources to become PAD sources through tax area.
2. Government Tanah Datar District through the Management Board Local Revenue preferably socialization in a manner maximum to public nor body.
3. Government Tanah Datar District through the Management Board Local Revenue preferably optimizing source existing resources and facilities \_ in do collection tax area.
4. For researcher Next, research This expected can step on as reference related with contribution tax area on PAD for research furthermore deeper.

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