

FORMULATION OF REGIONAL TAX REVENUE STRATEGY FOR 2018 - 2023

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ABSTRACT

This study aims to identify the right strategy as an effort to increase regional income, especially income sourced from local taxes with a SWOT analysis approach and Root Cause Analysis. The method used in this research is a descriptive and qualitative method in which the data is obtained from secondary data in the form of regional income data sourced from local taxes, and primary data in the form of revenue management data from local taxes. The data obtained were analyzed by identifying the root cause, the efforts that have been made, the supporting or driving factors, and the problems/obstacles both internal and external factors, based on each type of tax. The results of this study indicate that there are variously internal and external inhibiting and driving factors that can affect the management of local tax revenues including, improving the quality and quantity of resources, restructuring institutions, as well as monitoring and evaluating data collection, assessment, and payment mechanisms for several types of taxes. areas that are considered not optimal. In an effort to increase regional income, the XYZ City Regional Revenue Agency (BAPENDA) must make changes and organize collection systems and procedures and improve its performance. These efforts are carried out through the intensification and extensification of the potential for regional taxes. Intensification activities are activities to explore the true potential of the Taxpayer. Meanwhile, the extensification activity is to attract new taxpayers from the potential local taxes in XYZ City.

Keywords: *Regional Tax, Tax Development, Tax Planning Strategy.*

INTRODUCTION

The implementation of regional autonomy in Indonesia is required to always try to increase the source of local revenue (PAD). Efforts to increase PAD can be done by continuously trying to find and explore new sources. The need for new sources of funding can be needed so that regions in Indonesia do not depend on the center, the fact is that the contribution of PAD to overall regional revenues is still small, and the structure of regional revenues in almost all regions in Indonesia still depends on balancing funds, especially general allocation funds.

Implementation of Law No. 22 of 1999 concerning Regional Autonomy and Law no. 25 of 1999 concerning Fiscal Decentralization, later revised by Law no. 32 of 2004 and Law no. 33 of 2004

concerning the same matter, has led to a fundamental change in the relationship between the center and the regions, especially in the financial relationship between the center and the regions, which is better known as regional autonomy. In the concept of regional autonomy, regional governments have an important role in regulating and managing regional households, including regional financial management. Local governments are expected to be better able to explore the potential of regional revenue sources in financing all regional development activities through increasing PAD.

Local taxes are an important source of regional income to finance the administration of government and regional development. This is in accordance with the mandate of Law no. 28 of 2009 concerning

Regional Taxes and Levies Article 2 paragraph (2) types of taxes collected by the Regional Government, in this case the XYZ City Government, are: Hotel Tax, Restaurant Tax, Entertainment Tax, Parking Tax, Advertising Tax, Street Lighting Tax, Groundwater Tax, Land and Building Rights Acquisition Fee and Land and Building Tax which have been collected started January 2013.

One of the parameters that can be used to measure the level of success of a region in collecting taxes from its tax sources is by using tax capacity and tax effort. The condition of XYZ City's tax effort for the last three years from 2015 to 2017 can be seen in table 1.

Table 1. XYZ City Regional Tax Conditions 2015 – 2017

Year	Tax Type	Actual Tax (Rp)	Tax Capacity (Rp)	Tax Effort	
2015	Total Local Tax	1,484,397,682,544	1,598,000,000,000	0.929	
	Hotel Tax	215,285,361,236	260,000,000,000	0.828	
	Restaurant tax	181,401,845,809	170,000,000,000	1.067	
	Entertainment Tax	50,429,747,411	60,000,000,000	0.840	
	Street Lighting Tax	178,144,137,262	180,000,000,000	0.990	
	Parking Tax	20,087,991,504	30,000,000,000	0.670	
	Land and Building Rights Acquisition Fee	399,890,360,294	428,150,000,000	0.934	
	Advertisement tax	18,107,052,376	15,000,000,000	1.207	
	Groundwater Tax	30,250,272,573	32,850,000,000	0.921	
	Land and Building Tax	390,800,914,079	422,000,000,000	0.926	
	2016	Total Local Tax	1,710,820,783,914	2,186,416,770,000	0.782
		Hotel Tax	274,809,381,603	260,000,000,000	1.057
		Restaurant tax	241,788,513,937	235,000,000,000	1.029
		Entertainment Tax	69,831,106,484	68,000,000,000	1.027
		Street Lighting Tax	177,358,328,595	173,200,000,000	1.024
Parking Tax		28,699,948,562	26,000,000,000	1.104	
Land and Building Rights Acquisition Fee		440,329,093,979	660,000,000,000	0.667	
Advertisement tax		25,646,023,584	316,716,700,000	0.081	
Groundwater Tax		33,686,169,278	32,500,000,000	1.036	

	Land and Building Tax	418,672,217,892	415,000,000,000	1.009
2017	Total Local Tax	2,189,235,677,714	2,400,097,134,060	0.912
	Hotel Tax	295,385,661,260	300,000,000,000	0.985
	Restaurant tax	278,746,865,424	267,500,000,000	1.042
	Entertainment Tax	85,094,974,308	85,000,000,000	1.001
	Street Lighting Tax	193,033,924,175	185,000,000,000	1.043
	Parking Tax	47,361,273,330	37,500,000,000	1.263
	Land and Building Rights Acquisition Fee	695,876,761,086	672,548,500,000	1.035
	Advertisement tax	18,782,011,110	240,548,500,000	0.078
	Groundwater Tax	32,198,095,700	33,500,000,000	0.961
	Land and Building Tax	542,756,111,321	578,500,000,000	0.938

Source: XYZ City BAPENDA 2017

Total local tax revenues or the realization of XYZ City local taxes for the last three years have continued to increase from 2015 amounting to Rp. 1.48 Trillion until 2017 amounting to Rp. 2.18 Trillion, but the actual tax increase is not directly proportional to the tax effort or the government's ability to explore the existing tax potential, this happens because the tax potential or capacity in XYZ City each year has increased in line with the growing economic activities of XYZ City.

The tax effort or tax effort for the total local tax of XYZ City in 2015 has a value of 0.92 with two tax items that have a value of more than 1, namely for restaurant taxes and advertisement tax items, this condition illustrates that the overall ability of XYZ City in 2015 has not been maximized in exploring the potential for existing taxes, especially on tax items that have a very small tax effort value, such as the parking tax which indicates that there is a possibility of revenue leakage so that the potential for parking taxes has not been explored to the fullest.

Based on table 1 for 2016 the tax effort or tax effort of XYZ City in total actually decreased even smaller than the tax effort in 2015 which was only 0.78 if viewed per taxation, most of the tax items had a fairly good performance with tax efforts. more than one, such as hotel tax,

restaurant tax, entertainment tax, PPJ, parking tax, groundwater tax and land and building tax (PBB). One of the reasons for the decline in the value of the tax effort or tax effort of the XYZ City in 2016 was the very low actual tax revenue from the billboard tax compared to the potential tax, although in nominal terms the revenue from the billboard tax increased from 2015 but the tax effort actually decreased significantly. drastic because the potential tax has a much larger value in 2016.

Meanwhile, for 2017 the tax effort of XYZ City experienced a better condition than 2016, this can be seen from the value of the tax effort of 0.91 which is greater than the previous year, as a whole the tax sector has a fairly good tax effort, especially for parking taxes. the value of tax efforts every year continues to increase in line with the continuous improvement of parking arrangements from year to year. Just like the parking tax, the Land and Building Rights Acquisition Fee (BPHTB) tax in 2017 has a much better tax effort than the previous year, one of which is due to the influence of the tax amnesty policy which has a positive impact on BPHTB tax revenues. But for tax items that have low tax effort or tax effort, it is the advertisement tax.

Overall, from the last three years, no one has a value of more than 1, this shows that there is still tax potential that has not been explored and utilized optimally as a source of regional income for XYZ City, so that more appropriate efforts are needed to explore tax potential. that exist both through program and policy instruments that are carried out as well as through collaboration with taxpayers to increase awareness of paying local taxes.

The XYZ City Government through the Regional Revenue Management Agency (BAPENDA) continues to strive to increase local revenue, especially those sourced from local taxes. In an effort to develop revenue from the blood tax side, careful planning is needed so that revenue

receipts from the regional tax side can be implemented effectively and efficiently.

The XYZ City BAPENDA has compiled a study of the Grand Design and Road Map of the XYZ City Regional Tax Service which explains the comprehensive, integrated planning process with its components and elements in improving local tax services. Based on the local tax conditions of XYZ City for the last three years and to be in line with this, it is necessary to study the preparation of regional tax revenue strategies for 2018-2023 which can be used as a reference document for increasing regional income from the side of regional taxes in XYZ City.

METHOD

The method used in this research is descriptive and qualitative methods. The framework for this research is as follows:

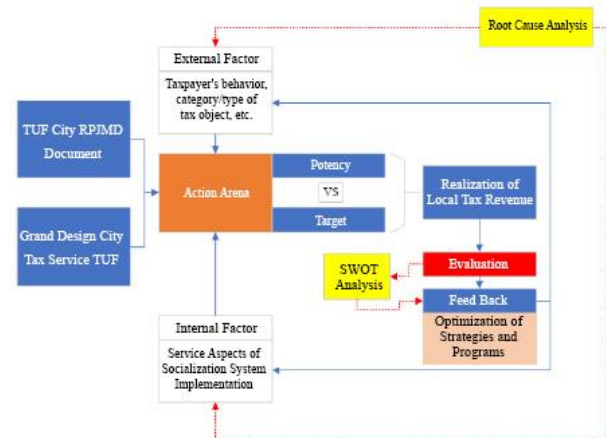


Figure 1. Framework for Formulating XYZ City Regional Tax Revenue Strategy 2018 – 2023

The purpose of this research is to prepare a strategic document for regional tax revenues for the next 2018-2023 years, with the intention of providing direction and at the same time being a reference for the government in an effort to realize an increase in the capacity of local tax revenues, in accordance with the vision, mission and direction of synergistic XYZ City development, coordinate and complement each other in a pattern of attitudes and patterns of action. So based on these aims and objectives, the initial step taken is to identify the planning document, namely the XYZ City RPJMD with the

XYZ City Regional Tax Service Grand Design.

This study was conducted in XYZ City which aims to try to provide an overview of Data Updates and assessments of Potential Regional Taxes and Levies. The main data used are primary data and secondary data on local revenue, especially local tax revenues in the form of input from stakeholders and documentation at the XYZ City BAPENDA.

In addition to secondary data, data collection is through primary data with an interview approach and direct observation of the development of tax objects and levies and related retribution objects in XYZ City. Data analysis used the growth ratio approach, additional ratio, and proportion.

This study will be conducted in a one-time cross-sectional manner through secondary data collection and observation to take an inventory of existing regulations and practices as well as benchmarking/referencing from other cities/countries to answer the research objectives. This study will be carried out in four stages as follows:

1) First Stage: Analysis of secondary data and primary data

- a. This stage will be done by collecting data. The data used are secondary data and primary data.
- b. Secondary data is in the form of data on existing conditions, work programs, and realization reports related to local taxes.
- c. Primary data was collected by conducting direct observations with stakeholders through interviews with the strategic planners of the XYZ City BAPENDA and implementers as well as the community and stakeholders.
- d. Furthermore, to complete the primary data, a focus group discussion (FGD) will be held with relevant representations.
- e. Conduct a study of financial and regulatory aspects related to

contributions related to local taxes to PAD.

2) Second Stage: Grouping of Parameter Determination in Local Tax Administration Practices with Benchmarking approach.

By benchmarking, all parameters regarding the administration of local taxes will then be identified and analyzed, and will also discuss whether the current performance is in accordance with its targets and potential so that it can be concluded whether the performance of local taxes is good or not in the aggregate.

3) Third Stage: Trend of XYZ City Regional Tax Administration Performance.

From these historical data, a time-series analysis plot will be plotted to see the development of the implementation of the regional tax to see an increase in performance or a decrease in the performance of the regional tax administration.

4) Fourth Stage: Recommendations and Proposed Regional Tax Service Strategies in XYZ City

Descriptive analysis was carried out on the data that had been collected from the results of depth interviews with key persons and field surveys. Analytical activities consist of: grouping and separating data according to their classification; and next is data analysis to answer the study objectives. Data analysis is also carried out to examine the determination of parameters and simulations so that the results can be studied and interpreted briefly and meaningfully.

1) Regulatory Analysis

Regulatory analysis concerns regional regulations relating to the administration of local taxes. This study will also examine whether the implementation of local tax administration is in accordance with local policies and regulations.

2) Operational Analysis of Operational Executors

Operational aspects will be studied, especially those related to measuring the performance of local tax administrators.

3) **Root Cause Analysis (RCA)**

Root Cause Analysis (RCA) is a structured approach to identify factors that influence one or more past events so that they can be used to improve performance). Root cause analysis is the most basic reason for the occurrence of unexpected events. If the main problem cannot be identified, then small obstacles will appear and the problem will not end. Therefore, identifying and eliminating the root of a problem is very important. Root cause analysis is a process of identifying the main causes of a problem using a structured approach. In the context of formulating a regional tax revenue strategy in XYZ City.

4) **SWOT analysis**

SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) according to Wheelen and Hunger (2012:16) is a step to be able to identifying internal and external factors that influence the achievement of organizational goals. The external environment contains opportunities and threats variables that are outside the organization and are not things that can be controlled by the organization's leadership in the near future. The internal environment of the organization consists of variables of strengths and weaknesses that are within the organization itself and are usually not under the control of the leadership of the organization in the near future. Included in this variable are organizational structure, culture, and resources. The SO strategy uses its internal strengths to take advantage of existing environmental opportunities. All managers want their organization to be able to take advantage of the opportunities that exist by using their capabilities. Organizations will generally try to fulfill a WO, ST, or WT strategy to create a situation where the SO strategy can be implemented. When

an organization has a major weakness, the organization will try to overcome it and make it stronger. Likewise, when an organization faces a major threat, an organization will avoid it and concentrate on opportunities. Organizations will generally try to fulfill a WO, ST, or WT strategy to create a situation where the SO strategy can be implemented. When an organization has a major weakness, the organization will try to overcome it and make it stronger. Likewise, when an organization faces a major threat, an organization will avoid it and concentrate on opportunities. Organizations will generally try to fulfill a WO, ST, or WT strategy to create a situation where the SO strategy can be implemented. When an organization has a major weakness, the organization will try to overcome it and make it stronger. Likewise, when an organization faces a major threat, an organization will avoid it and concentrate on opportunities.

RESULTS AND DISCUSSION

Result of Root Causes Analysis (RCA)

Every problem has a root cause. It is very important to know the root of the problem in order to take corrective and preventive actions effectively. To measure the effectiveness of corrective actions, the following tips may be used as a reference for establishing effective criteria:

- 1) the same case is not repeated
- 2) can be applied
- 3) does not require a very high investment
- 4) flexible with other components
- 5) easy to evaluate

If it is currently effective, is it possible that next month or next year the same problem will reappear? very possible, because the variation factor will arise naturally from the man, material, method, and machine factors. Root cause analysis (RCA) is a method for finding and correcting the most important reasons for performance problems. The root problem analysis technique is a gradual and focused

analysis technique to find the root cause of a problem, and not just look at the symptoms of a problem.

Based on the findings of the review team in the information collected through

questionnaires, it was found the root of the problem in XYZ City's local tax revenue. The root cause mapping for each tax item will be described in table 2

Table 2. Mapping the Root of the Problem for Each Type of Tax

TAX TYPE	EFFORTS THAT HAVE BEEN DONE	SUPPORTING OR ENCOURAGEMENT FACTORS	PROBLEMS / OBSTACLES (INTERNAL OR EXTERNAL)	SOLUTION
Hotel Tax	Conducting hotel tax intensification and extensification in the form of waiting for hotel tax objects.		The cancellation of NPWPD Positions that have been issued cannot be executed because the mayor has the authority to cancel the NPWPD.	Coordination with related regional apparatus
	Kos house data update.		There are no large-scale events with a long time span.	Socialization to increase awareness and compliance of taxpayers in paying taxes.
	Take action against tax arrears.		The increase in the number of hotels is not matched by an increase in the number of visitors.	
	Propose hotel taxpayers to carry out inspections related to the fairness of tax payments.		The implementation of OTA has an impact on reducing hotel rates.	
			Lack of Human Resources in collecting and updating boarding house tax data.	
Restaurant tax	Carry out intensification and extensification of restaurant taxes in the form of waiting for restaurant tax objects, as well as collaborating with technical offices to find and register new taxpayers.	The installation of the Tapping Box, it gives a psychological influence to taxpayers to report their taxes according to the amount that should be.	There is still a lack of awareness of taxpayers in making payments in the right amount.	Optimizing the use of Tapping Box
	Take action against tax arrears.			
	Propose restaurant taxpayers to carry out inspections related to the fairness of tax payments.			
Entertainment Tax	Data collection, monitoring, field research, intensification and extensification, recording of transaction data electronically, socialization, coaching, inspection and continuous action.	There is an additional number of entertainment taxpayers who have not been identified.	There are taxpayers' objections to the high entertainment tax rate.	Efforts to disseminate information to entertainment taxpayers regarding entertainment tax rates.
Parking Tax	Data collection, monitoring, field research, intensification and extensification, recording of transaction data electronically, socialization, coaching, inspection and continuous action.	There is an increase in the number of parking taxpayers who have the potential to not collect data	Lack of understanding of taxpayers regarding the imposition of parking rates on business premises they manage.	Efforts to disseminate information to parking tax payers and the public about objects subject to parking taxes.
Land and Building Rights Acquisition Fee (BPHTB)	Coordination with the Director General of Taxes (KPP) in 5 (five) regions related to the implementation of Tax Amnesty	With the central government's policy on Tax Amnesty ending on 31 December 2017, it significantly increased BPHTB's revenue, which almost reached approximately 150 billion.	Basically, 2017 revenue with the tax amnesty and income from several apartments, significantly boosted BPHTB 2017, but there is also a policy from BPN ATR which issued a PTSL program policy, where in making certificates, which should be done first, BPHTB can be owed which will be paid if the land is sold / transferred in the future.	Regarding the PTSL program, the XYZ municipal government is in accordance with Law 28 of 2009 concerning regional taxes and regional levies, that BPHTB is final, namely paid directly, so that the PTSL program is not a receivable recorded in the XYZ City Government balance sheet, so PTSL is the full
	Coordination with BPN related to the validation of BPHTB payments and	With the payment of BPHTB by a notary		

TAX TYPE	EFFORTS THAT HAVE BEEN DONE	SUPPORTING OR ENCOURAGEMENT FACTORS	PROBLEMS / OBSTACLES (INTERNAL OR EXTERNAL)	SOLUTION
	information on PPAT who signed before the BPHTB payment, which resulted in the issuance of administrative fines/sanctions.	several developers in XYZ City		responsibility of BPN and ATR .
	Coordination with PPAT in this case is represented by the chairman and management of the Association of Land Deed Maker Officials related to reporting on the making of the deed, information on the implementation of the tax amnesty.			
	Coordination with PPAT / Notary to implement appeals to taxpayers, especially apartments and tax amnesty taxpayers to make BPHTB payments immediately without waiting for the end of the year.			
Street Lighting Tax	Coordinate with Electric Company XYZ Region and other Region related to PPJ payments.	The increase in TDL, has an impact on the increase in PPJ revenue.		
Advertisement tax	Carry out refinements and improvements to the advertisement tax (potential) database (indoor and outdoor).	There is a control over the application for a permit for the administration of advertisements.	The potential for advertisement data is not yet perfect.	Conducting socialization to advertisement tax payers to pay advertisement tax.
	Coordinate with the Spatial Planning Office related to the preparation of the Draft Perwal regarding the implementation of billboards.		There are still a large number of unlicensed billboards, while the advertisement tax paid must be based on permits.	Coordinate with PD related to Completion of advertisement potential data
			Less than optimal punishment for unlicensed advertisements.	
Groundwater Tax	Implementation of metering, calculation and reporting of NPA to the Provincial ESDM Office in a timely manner.	The issuance of related regulations regarding guidelines for determining the acquisition value of groundwater	Determination of NPA from the ESDM Office which is sometimes late so that it affects the time of checking SKPD PAT	Optimal coordination with Provincial BPPT to improve data quality of potential Tax Payer PAT candidates
	There is a follow-up to Taxpayers who are in arrears in PAT payments in the form of submission of warning letters I, II, and III	Plan for the implementation of sanctions for closing groundwater wells for taxpayers who are in arrears in paying groundwater tax	An error occurred in inputting the data from the recording of the meter	Acceleration of NPA determination by Provincial ESDM
	Optimizing timeliness of PAT . SKPD distribution		The existence of such a large increase in tariffs has resulted in many taxpayers objecting to paying PAT, especially housing taxpayers who have artesian fees	Optimizing the implementation of socialization on obligations and compliance in paying Groundwater Tax
			There is no copy from the Provincial BPPT regarding data on entrepreneurs who already have SIPA (Ground Water Intake Permit)	
Land and Building Tax	Collaborating with UPT regarding the distribution of SPPT to the community.		For some taxpayers, there is data adjustment so that the potential in the field is appropriate.	Adding payment points for Land and Building Tax payments, for example in modern minimarkets
	Conducting socialization to the public about the obligation to pay Land and Building Tax in various media.		Land and Building Tax payments can only be made through ABC Bank and the Post Office, so there is still a	BAPENDA coordinates with ABC bank in order to overcome the density of payments at maturity, ABC Bank is advised to

TAX TYPE	EFFORTS THAT HAVE BEEN DONE	SUPPORTING OR ENCOURAGEMENT FACTORS	PROBLEMS / OBSTACLES (INTERNAL OR EXTERNAL)	SOLUTION
			density of payments approaching maturity.	increase bandwidth capacity.

SWOT Analysis Results of XYZ City Regional Tax Management

Based on the results of the analysis and observations made at the XYZ City BAPENDA, it can be described in a SWOT analysis consisting of strengths,

weaknesses, opportunities and threats. SWOT analysis is used for efforts to collect local tax revenues in determining strategies for increasing local tax revenues in XYZ City.

Table 3. Matrix of SWOT Analysis Results

	Strengths	Weaknesses
Internal	1. There are Regional Regulations 2. Availability of Budget, Facilities, and Infrastructure 3. Supporting IT 4. Transfer of central taxes to local taxes.	1. Discipline and taxpayer compliance are still low. 2. The quantity and quality of the tax apparatus' resources are not sufficient. 3. Lack of Implementation and Socialization of Regional Tax Regulations to Taxpayers.
External		
Opportunity	SO Strategy	WO Strategy
1. Increasing Population 2. High economic growth 3. High Tax Potential 4. Regional Autonomy/Authorities 5. Tax Service Information Network. 6. Opportunities for cooperation with outside parties are open.	1. Optimizing the Local Tax Revenue Intensification and Extensification Program 2. Cooperating with the private sector and other SKPD 3. Utilization of the local tax service information system network facilities to the maximum. 4. Cooperating with private parties/NGOs in the management (collection) of local taxes.	1. There needs to be a Regional Technical Implementation Unit (UPTD) in each region 2. Increasing the socialization of Regional Tax Regulations. 3. Increase the number of BAPENDA personnel and improve the skills of the apparatus 4. Adding facilities and infrastructure, online local tax base, and conducting Taxpayer Profiling.
Threats	ST strategy	WT Strategy
1. Lack of thorough socialization 2. Lack of IT insight of BAPENDA apparatus	1. Improve supervision and evaluation of BAPENDA apparatus 2. Adjusting the Regional Regulation on the collection of regional taxes and regional levies 3. Intensify the procedure system for collecting local revenue sources in accordance with the main tasks and functions of each local revenue management agency/institution.	1. Improve good coordination between BAPENDA apparatus and related agencies/services (partners). 2. Conducting intense mentoring and training for BAPENDA apparatus and partners 3. Reconcile and update data related to optimizing the management of Regional Taxes.

Analysis of strengths, weaknesses (weaknesses), opportunities (opportunities), and challenges (threats) or SWOT analysis is an analysis that results from the identification of factors that are internal and external from the actual operational conditions of BAPENDA in optimizing local tax revenues in XYZ City. Internal factors, in this case, were identified from the analysis of the variables of strength and weakness, while the analysis of external factors was seen from the identification of the variables of opportunities and challenges. The purpose of using SWOT analysis in the framework of XYZ City's local tax revenue strategy formulation is so that the determination of

future regional tax revenue strategies can be planned starting from the policy design stage by combining 4 (four) SWOT factors through the composition of the right strategy related to how to prepare strengths, overcome weaknesses (weaknesses), find opportunities (opportunities) and strategies to deal with various threats (threats). In the end, when the strategy can be implemented correctly by combining the four results of the SWOT element analysis, it is hoped that the implementation of the vision, mission, programs and activities of optimizing local tax revenues in XYZ City will be better with more optimal results.

Strengths, Weaknesses, Opportunities, and Threats in Determining a Hotel Tax Revenue Strategy

By paying attention to the analysis and discussion related to the development of tax revenues originating from hotel taxes, several things identified as factors of strength, weakness, opportunities and challenges in optimizing hotel tax revenues in XYZ City are as follows:

- 1) **Strength:** (a) The main functions of the BAPENDA organization can answer the need for division of tasks and authorities in carrying out hotel tax collection activities; (b) There are continuous efforts to reform and innovate policies in optimizing hotel tax revenues; (c) Simultaneous updating of hotel taxpayer data; and (4) There is an increase in the quality and quantity of human resources for the tax apparatus.
- 2) **Weaknesses:** (a) Control aspects are not optimal; (b) Moral support from regional leaders (Mayor/Vice Mayor) in terms of socialization and education has not been massive; (c) Organizational revitalization and mutations within the organization have not been running optimally; (d) HR performance assessments and performance contracts with each element within the BAPENDA organization have not been implemented; (e) The application of software and hardware aspects of information technology has not been running optimally; and (f) Slow updating and action on inputs found in the field.
- 3) **Chance:** (a) The number of hotels continues to grow; (b) XYZ City's economy (macro economy and welfare) is getting better; (c) Foreign tourist arrivals are increasing; (d) Visits of residents from outside the area to XYZ City are getting higher; and (e) XYZ City Infrastructure is getting better.
- 4) **Weaknesses:** (a) BAPENDA coordination with related external institutions (private and government) is

still not optimal; (b) Hotel taxpayer support is still low; (c) Online travel agent information support is not optimal; (d) Hotel management's information disclosure support is still low; and (e) Information disclosure of boarding house owners is still low.

Strengths, Weaknesses, Opportunities, and Threats in Determining a Restaurant Tax Revenue Strategy

By paying attention to the analysis and discussion related to the development of tax revenues originating from restaurant taxes, several things identified as strengths, weaknesses, opportunities and challenges in optimizing restaurant tax revenues in XYZ City are as follows:

- 1) **Strength:** (a) The main tasks and SOPs for restaurant tax are continuously updated; (b) The existence of BAPENDA efforts to improve the implementation of the use of information technology; (c) Updating of restaurant taxpayer information is carried out simultaneously; (d) additional personnel in line with the increase in the number of restaurants in XYZ City; and (e) Innovation is carried out in line with the problems encountered in the field.
- 2) **Weakness:** (a) Control aspects are not optimal; (b) moral support from regional leaders (Mayor/Vice Mayor) in terms of socialization and education has not been massive; (c) Organizational revitalization and mutations within the organization have not been running optimally; (d) HR performance assessments and performance contracts with each element within the BAPENDA organization have not been implemented; (e) The application of software and hardware aspects of information technology has not been running optimally; and (f) The slow pace of updating and taking action on the dynamics of the problems encountered.

- 3) **Chance:** (a) Increasing the number of restaurants in XYZ City; (b) Improving macroeconomic conditions and the level of welfare of the people of XYZ City; (c) Increasing the number of visits from outsiders to XYZ City, and (d) The development of culinary products in XYZ City.
- 4) **The challenge:** (a) The awareness of restaurant taxpayers is still low; (b) The variety of culinary markets and their segmentation; (c) The administrative system of restaurant financial records is not yet optimal, and (d) The dualism of the restaurant business with the cake shop

Strengths, Weaknesses, Opportunities, and Threats in Determining an Entertainment Tax Revenue Strategy

By paying attention to the analysis and discussion related to the development of tax revenue originating from the entertainment tax, some of the things identified as factors of strength, weakness, opportunities and challenges in optimizing entertainment tax revenue in XYZ City are as follows:

- 1) **Strength:** (a) The main tasks and SOPs for entertainment tax are continuously updated; (b) Increased realization in line with the target; and (c) There is an effort to always make updates.
- 2) **Weakness:** (a) Control aspects are not optimal; (b) moral support from regional leaders (Mayor/Vice Mayor) in terms of socialization and education has not been massive; (c) Organizational revitalization and mutations within the organization have not been running optimally; (d) HR performance assessments and performance contracts with each element within the BAPENDA organization have not been implemented; and (e) The slow pace of updating and taking action on the dynamics of the problems encountered.
- 3) **Chance:** (a) Increasing the number of entertainment venues in XYZ City; (b) Improving macroeconomic conditions

and the level of welfare of the people of XYZ City; and (c) Increasing the number of visits from outsiders to XYZ City.

- 4) **The challenge:** (a) The awareness of entertainment taxpayers is still low; (b) The administrative system for recording transactions for entertainment tax subjects is not yet optimal; and (d) Entertainment business practices are vulnerable to activities that are prohibited or contrary to legal norms.

Strengths, Weaknesses, Opportunities, and Threats in Determining a Street Lighting Tax Revenue Strategy

By paying attention to the analysis and discussion related to the development of tax revenues originating from the street lighting tax in, several things identified as factors of strength, weakness, opportunities and challenges in optimizing street lighting tax revenues in XYZ City are as follows:

- 1) **Strength:** (a) PPJ's main tasks and SOPs are continuously updated; (b) Increased realization in line with the target; and (c) There are efforts to always make administrative updates.
- 2) **Weakness:** (a) Control aspects are not optimal; (b) moral support from regional leaders (Mayor/Vice Mayor) in terms of socialization and education has not been massive; (c) Organizational revitalization and mutations within the organization have not been running optimally; (d) HR performance assessments and performance contracts with each element within the BAPENDA organization have not been implemented; and (e) The slow pace of updating and taking action on the dynamics of the problems encountered.
- 3) **Chance:** (a) The increasing number of electricity service users in XYZ City; (b) Improving macroeconomic conditions and the level of welfare of the people of XYZ City; and (c) Increasing electricity tariffs and the use of electricity services.

- 4) **The challenge:** (a) It is still difficult to obtain information data on electricity service customers; and (b) The administrative system for recording street lighting tax transactions is not yet optimal.

Strengths, Weaknesses, Opportunities, and Threats in Determining a Parking Tax Revenue Strategy

By paying attention to the analysis and discussion related to the development of tax revenues sourced from street parking taxes, several things identified as factors of strength, weakness, opportunities and challenges in optimizing parking tax revenues in XYZ City are as follows:

- 1) **Strength:** (a) The main tasks and SOPs for parking are kept up to date; (b) Increased realization in line with the target; (c) There are efforts to always carry out administrative updates; and (d) Updating of data and information continues.
- 2) **Weakness:** (a) Control aspects are not optimal; (b) moral support from regional leaders (Mayor/Vice Mayor) in terms of socialization and education has not been massive; (c) Organizational revitalization and mutations within the organization have not been running optimally; (d) HR performance assessments and performance contracts with each element within the BAPENDA organization have not been implemented; and (e) The slow pace of updating and taking action on the dynamics of the problems encountered.
- 3) **Chance:** (a) The increasing number of vehicle users in XYZ City; (b) Improving macroeconomic conditions and the level of welfare of the people of XYZ City; (c) Not all parking spaces have not been explored as either tax subjects or objects; and (d) Additional parking tax objects in XYZ City.
- 4) **The challenge:** (a) It is still difficult to obtain information on data on parking taxpayers; and (b) the administration

system for recording parking tax transactions is not yet optimal, and (c) parking tax intensification has not been optimal.

Strengths, Weaknesses, Opportunities, and Threats in Determining the Land and Building Rights Acquisition Fee Tax (BPHTB) Revenue Strategy

By paying attention to the analysis and discussion related to the development of tax revenues originating from BPHTB taxes, several things were identified as factors of strength, weakness, opportunities and challenges in optimizing BPHTB tax revenues as follows:

- 1) **Strength:** (a) The main duties and SOPs of BPHTN taxes are continuously updated; and (b) There are efforts to always make administrative updates.
- 2) **Weakness:** (a) Control aspects are not optimal; (b) moral support from regional leaders (Mayor/Vice Mayor) in terms of socialization and education has not been massive; (c) Organizational revitalization and mutations within the organization have not been running optimally; (d) HR performance assessments and performance contracts with each element within the BAPENDA organization have not been implemented; and (e) The slow pace of updating and taking action on the dynamics of the problems encountered.
- 3) **Chance:** (a) Increase in the number of tax subjects and objects of BPHTB in XYZ City; (b) Improving macroeconomic conditions and the level of welfare of the people of XYZ City; and (c) Increasing NJOP rates in line with BPHTB revenues.
- 4) **The challenge:** (a) It is still difficult to obtain data on customer information on BPHTB tax; (b) The administrative system for recording BPHTB tax transactions is not yet optimal; (c) Recognition that the transaction price has not matched the market price; and (d) There are regulations/policies that are not in line with the increase in

BPHTB revenue (Complete Systematic Land Registration, revision of Law No. 28 of 2011).

Strengths, Weaknesses, Opportunities, and Threats in Determining a Land and Building Tax Revenue Strategy

By paying attention to the analysis and discussion related to the development of tax revenues originating from land and building taxes in, several things were identified as factors of strength, weakness, opportunities and challenges in optimizing land and building tax revenues as follows:

- 1) **Strength:** (a) Supported by Perda PBB-P2; (b) Economic growth in the XYZ city area is quite high; (c) The amount of potential PBB-P2 is quite large and has not been explored; (d) The existence of a Technical Implementation Unit to manage PBB-P2 as an extension of the BAPENDA; (e) Sufficient infrastructure and financial resources.
- 2) **Weakness:** (a) Service is not maximized; (b) PBB-P2 service facilities are not adequate; (c) The limited number and competence of Human Resources of Technical Implementing Units that can assist in counseling PBB-P2 regulations; (d) PBB-P2 socialization has not been evenly distributed; (e) The transition in the use of technology has not been optimal; and (f) Weak coordination between DPOs.
- 3) **Chance:** (a) PBB-P2 Transfer Policy from the center to the regions; (b) The population growth is quite high; (c) Regulated in Regional Regulations; (d) Development of e-government and communication technology; (d) PBB-P2 is a type of tax that is realized for all elements of society; and (e) Opening opportunities for cooperation with external parties.
- 4) **The challenge:** (a) PBB-P2 collection facilities and infrastructure are still lacking; (b) The culture of the people who refuse to pay taxes; (c) The public's awareness of paying PBB-P2 is still low;

(d) The geographical area of XYZ city is limited.

Strengths, Weaknesses, Opportunities and Threats in Determining a Groundwater Tax Revenue Strategy

By paying attention to the analysis and discussion related to the development of tax revenues originating from the Groundwater Tax, several things were identified as factors of strength, weakness, opportunities and challenges in optimizing the revenue of the Groundwater Tax as follows:

- 1) **Strength:** (a) There is local government support. Although groundwater tax revenue; (b) The use of underground water in the business sector (malls, industry, car washes) is very profitable compared to using PDAM water.
- 2) **Weakness:** (a) There are few registered groundwater taxpayers; (b) The ineffectiveness of officers from the Regional Tax Management Agency in conducting data collection for taxpayers who use groundwater tax; (c) Limited number and knowledge of groundwater tax management officers.
- 3) **Chance:** (a) Limited data on groundwater taxpayers; (b) The potential for collecting underground water tax; (c) There is potential to increase the capacity of groundwater tax management officers.
- 4) **The challenge:** (a) Decreasing surface water; (b) Pollution occurs which causes the quality of groundwater to decrease; (c) Along with the development of the population, the community's need continues to increase.

Strengths, Weaknesses, Opportunities and Threats in Determining Advertising Tax Revenue Strategy

By paying attention to the analysis and discussion related to the development of tax revenue originating from the Advertising Tax, several things were identified as factors of strength, weakness,

opportunity and challenge in optimizing the Advertising Tax revenue as follows:

- 1) **Strength:** (a) There is a clear object and subject of advertisement tax; (b) There is a clear legal basis; (c) supporting facilities and infrastructure; (d) The existence of adequate operational costs and levy wages; (e) There is clear coordination and division of tasks.
- 2) **Weakness:** (a) Limited professional human resources; (b) The determination of the advertising tax revenue target has not been in accordance with the existing potential; (c) Weak legal oversight and sanctions; (d) Limited facilities other than transportation for the improvement of billboards; (e) The implementation of the Duties and Duties of the Dispenda has not been optimal.
- 3) **Chance:** (a) There is a new advertisement tax object that has not been explored and optimized; (b) There is development by higher education institutions; (c) Cooperation with universities in organizational efficiency and regional potential calculation; (d) The extent of potential billboard installation points in XYZ City.
- 4) **The challenge:** (a) The existence of cooperation between officers and taxpayers; (b) Awareness of tax benefits for taxpayers and for local governments is still low; (c) The skills of the advertising tax collectors are still lacking; (d) Unsupportive organizational culture; (e) The reluctance of the private sector to cooperate.

CONCLUSION

The conclusion explains what is expected in the Introduction section, as well as conclusions from the Results and Discussion section. Conclusions can also be added to the development plan for the implementation of future services.

A strategy is an overall approach related to the implementation of ideas, planning, and execution of activity within a certain period of time. In a good strategy, there is a coordination of the work team,

having a theme, identifying supporting factors that are in accordance with the principles of implementing ideas rationally, being efficient in funding, and having tactics to achieve goals effectively.

In an effort to increase regional income, the XYZ City Regional Revenue Agency must make changes and organize collection systems and procedures and improve their performance. These efforts are carried out through the intensification and extensification of the potential for regional taxes. Intensification activities are activities to explore the true potential of the Taxpayer. Meanwhile, the extensification activity is to attract new taxpayers from the potential local taxes in XYZ City.

Based on the description of the problem, the inhibiting and driving factors that are expected to affect the management of Regional Revenue from Regional taxes, the Strategic issues of the XYZ City Revenue Agency are as follows:

- 1) Improvement of service quality management of regional revenue management apparatus in serving Taxpayers.
- 2) Strengthening supervision, strengthening regulations, law enforcement and strengthening cooperation with other parties.
- 3) Improving the quality and quantity of Apparatus Resources who have competence and commitment in the management of Regional Taxes through in-house training activities, namely training carried out in their own offices to improve the understanding of the Dispenda apparatus so that it will improve services to the community. The development of this apparatus includes increasing technical capabilities such as tax audits, PBB assessments, customer service and general regional taxation capabilities.
- 4) Carry out institutional restructuring of BAPENDA (reorganization, HR and regulations).

- 5) Increased awareness, understanding and compliance of taxpayers and levies on rights and obligations.
- 6) Improved internal control of the apparatus, systems and mechanisms, taxpayers.
- 7) Improved Coordination and Cooperation with related OPD, Stakeholders, Organizations, and Community Leaders in an effort to increase Regional Taxes
- 8) For taxpayers with self-assessment payments, periodic monitoring and inspection are carried out. Regional tax audits on taxpayers are intended to test and at the same time increase awareness of the fulfillment of local tax obligations of each taxpayer.
- 9) Online application through optimizing the Tapping Box for business transaction data reporting systems for hotel, restaurant, and entertainment taxpayers, where every transaction made is connected in real-time to the system at BAPENDA. So that at the end of each month it can be seen how many transactions and taxes must be deposited by the taxpayer.
- 10) Evaluation of the effectiveness of P2 Land and Building Tax Data Collection and Up-Dating Assessment, namely conducting data collection again, through Land and Building Tax Service Information System, which is an activity to update data on Land and Building Tax objects in the form of land for all villages with re-measurement according to current conditions because of the many problems that occur, especially regarding the assessment/determination of NJOP and also NJOP values that are not in accordance with field conditions and the number of land and/or building ownership mutations that are not reported or have changed functions by implementing the Tax Object Information and Management System and Land Value Zone (ZNT) activities.
- 11) Cooperating with the DEF minimarket to make it easier for taxpayers to pay PBB-P2 so that they no longer need to go to the appointed bank or local dispenda. As well as launching a service car around the village to collect PBB-P2.
- 12) Monitoring and Evaluation (Monev) of the effectiveness and optimization of tax services after the implementation of tax services using the electronic Self Assessment Tax Reporting Application.
- 13) Evaluation of the effectiveness and optimization of the implementation of the e-parking system that will directly link parking payments through machines that have been prepared so as to prevent leaks that may be carried out by parking attendants.
- 14) Implement e-tax online tax payments and electronic-local tax returns (e-SPTPD) for all types of taxes.
- 15) Tax payer Profiling through e-SPTPD Application Development. That is an application that is built based on a web that is intended for taxpayers from registration to tax liability reporting online that is connected in real-time with the Regional Tax Information System. Via Profiling effect on taxpayers, there will be a classification that is closer to the objective. Taxpayers who are relatively obedient will not be the target of inspection. On the other hand, the target will lead to non-compliant taxpayers. So with this Profiling will create efficiency and effectiveness
- 16) Preparation of Legal Products in the Regional Tax Sector as a reference for BAPENDA in carrying out local tax collection, as well as to provide legal certainty and justice for the community, especially taxpayers, BAPENDA must continue to

improve existing regulations in accordance with the needs of the government/local government and social changes in society consistently refers to higher laws and regulations, in the form of regional regulations.

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