A Study of Prospective Local Own-Source Revenues in Central Mamuju, Indonesia

Andi Lukman Irwan[1*)], Haryanto[2], Muhammad Chaeroel Ansar[1]

[1]*Department of Government Studies, Faculty of Social and Political Sciences, Universitas Hasanuddin, Perintis Kemerdekaan Km. 10, Tamalanrea, Makassar, 90245, Indonesia.*
[2]*Department of Political Science, Faculty of Social and Political Sciences, Universitas Hasanuddin, Perintis Kemerdekaan Km. 10, Tamalanrea, Makassar, 90245, Indonesia.*

Abstract

The local own-source revenues is crucial to be addressed. This study aims to provide an overview of the taxes and levies revenue and analyzes prospective local own-source revenues in Central Mamuju Regency. It uses primary and secondary data collected with direct observation in the field of research, literature study, in-depth interview, and focus group discussions (FGD) with stakeholders. The observation and literature study took place on several objects of taxes and levies: ten items of tax and eight items of retribution. Furthermore, the in-depth interview and online FGD were conducted. As a result, the potential for revenue from regional taxes and levies in Central Mamuju Regency is still more significant compared to the targets and realizations that the Central Mamuju government has initiated. Therefore, other potentials have not been optimized as a source of regional income. For instance, terminal retribution, market retribution, and waste retribution, after an in-depth study, the actual amount of potential is greater than the target set by the local government and the realization that has been achieved. Therefore, it requires more attention from the government to optimize the existing potential to increase local revenue.

Keywords: Local Own-Source Revenues; Local Tax; Retribution; Local Government

*)Corresponding Author.
E-Mail : andi_lukman_irwan@unhas.ac.id

INTRODUCTION

Regional development is an integral part of national development, aiming to increase the standard of living and the welfare of the people in the region (Hansen, 2022; Pike, Rodríguez-Pose, & Tomaney, 2007; Rodríguez-Pose, 2013). National development or regional development has a broader meaning than economic development (Faggian, 2019).

Economic development is critical because it aims to increase the rate of economic growth (Visvizi, Lytras, Damiani, & Mathkour, 2018). High economic growth is needed to drive and spur development in other fields, as well as the main force of development, to realize equitable distribution of development and its results by giving more opportunities to the people to play an active role in development. Such development must be carried out in a harmonious and integrated manner, both between sectors and regions, within the framework of an efficient and effective development plan, toward achieving regional independence and equitable progress.

In the autonomy era, regions gain greater authority to regulate and manage their households. The aim is not merely to bring government services closer to the community (Asmorowati, Schubert, & Ningrum, 2022; Barter & Wangge, 2021; Talitha, Firman, & Hudalah, 2020), and make it easier to monitor and control the use of funds sourced from the Regional Budget and Expenditure Revenues (APBD). But also to create fair competition between regions and the emergence of innovation (Strumpf, 2002; Taylor, 2007). In line with this authority, local governments are expected to be better able to explore financial potential, especially to meet government and development financing in their regions through Local Own-Source Revenues (PAD). Local governments should be more creative in increasing PAD. Potential sources of regional revenue must be explored to the fullest, but of course, within the corridors of applicable laws and regulations, including regional taxes and regional levies, which are the main elements of PAD.

To improve regional financial capacity to carry out autonomy, the government has implemented various regional tax policies, including enacting Law no. 28 of 2009 concerning Regional Taxes and Regional Levies. The granting of authority in the imposition of regional taxes and levies is expected to encourage local governments to continue striving to optimize revenues, especially those from regional taxes and regional levies.

This sizable revenue is reflected in revenues, which include local taxes and regional levies (Andjarwati, Budiarti, Soemadijo, & Yasin, 2021). However, if we look further at the existing revenues, sources of income are still quite potential to be explored and developed to increase regional revenues in Central Mamuju. Therefore, the government should further optimize the potential of existing regional revenue sources. Both efforts to manage revenue sources intensively (intensification) and the possibility of expanding the object as a new source of revenue (extensification) (Albab, Ramadhani, & Komariyah, 2020; Siregar et al., 2020). It can be done by optimizing the potential of existing revenue sources more effectively and efficiently and identifying possible new regional revenue sources.

In the form of regional taxes and levies, revenue receipts to support regional development activities can be further increased (Hill, 1998; Wijaya, Darma, & Pusriadi, 2020). Based on the preceding, as a new autonomous region, Central Mamuju needs to conduct a comprehensive Local Own-Source Revenues (PAD) to minimize the gap between potential and targets and provide direction in the development of models and strategies related to the existence of the potential source of PAD in Central Mamuju.

RESEARCH METHODS

This research was carried out in the Central Mamuju Regency, West Sulawesi. The population is the total number of units of regional tax and retribution revenue in the study area. Furthermore, the sampling stage was carried out using the Stratified Random Sampling method (Zaman, 2021). The types of data needed in this study are primary and secondary data. Primary data was collected from interviews with competent parties related to this research, including the Head of the Regional Revenue Service of Central Mamuju Regency, the Head of Regional Development Planning Agency, and several other informants. At the same time, secondary data was obtained from related agencies in Central Mamuju Regency, including Regional Revenue Service (Dispenda), Central Statistics Agency (BPS), and Regional Development Planning Agency (BAPPEDA).

The required data were obtained by observation, interviews, FGDs, and literature review. The literature review was carried out by collecting the results of reports in the form of periodic data from relevant agencies related to the research focus. Meanwhile, other primary data were obtained by observing the conditions in the tax and levy activities field. Interviews with relevant informants to provide information on data relating to actual needs and the development of local potentials, and the last through Focus Group Discussions involving agencies and stakeholders related to research problems.

Observations and interviews were conducted by visiting four guesthouses/inns, eight houses/food stalls, and cafes with a range of 15-25% samples of the population, located in Tobadak and Topoyo sub-districts.

Then, observation data is used to calculate the tax potential formula. Regional tax potential data for each tax object can be seen below:

$$Y = \text{tax subject rate} \times \text{average rate} \times$$

$$365 \text{ days} \times \text{tax rate } (10\%)$$

Where Y is the potential tax revenue, tax subject a guest house, restaurant, etc, the average rate is the price of tax subject, the tax rate is 10% tax.

RESULTS AND DISCUSSION

Potential Tax Areas

The implementation of regional autonomy implemented by the government is more focused on increasing Regional Original Revenue which reflects regional independence in managing its finances (Badrudin & Siregar, 2015). The existence of a potential tax area supports local revenue. The potential tax area has a positive impact on development efforts initiated by the local government. Even though there are dynamics, Various types of potential tax areas in Central Mamuju, Indonesia contribute directly to the sustainability of the area.

Hotel Tax

The object of hotel tax is the service provided by payment at the hotel. Hotel taxpayers are individuals or entities that operate hotels. The basis of hotel tax imposition is the amount paid or should be delivered to the hotel (Collins & Stephenson, 2018). The hotel tax rate is set at a maximum of 10%. The principal amount of hotel tax owed is calculated by multiplying the basic tax rate by the base tax.

The observation showed that Central Mamuju Regency has no hotel facilities. However, there are 23 guesthouses and inns with several rooms (Indonesia, 2020). The total inns' tax is Rp. 229,385,126 based on a sample of 4 guesthouses/inns of 23 inns. Therefore, the estimated potential for 100% of the Hotel/Guesthouse/Inn tax object in a year

is around 1. 3 billion rupiahs.

Table 1 shows a significant difference between the number of targets and realization in 2019 and the amount of potential possessed by the Central Mamuju Regency. The hotel tax target in 2019 is only around Rp. 3,100,000 and the realization exceeded the target at Rp. 6,290,000. However, after an assessment of the potential, it was found that the potential for hotel taxes in a year reached Rp. 1,319,063,404. The potential is more than 100 times the actual realization.

Restaurant Tax

Restaurant tax is a contribution to the services provided by the restaurant to guests or consumers who use the services and are carried out by the restaurant (Sukarno & Haryono, 2022). The object of the restaurant tax is a variety of services provided by the restaurant which is used to find out the payment transaction system by consumers. The basis for imposing restaurant taxes is the number of payment transactions paid by restaurant service users to restaurants. Meanwhile, the restaurant tax rate is set at 10%. There are 47 restaurants (Indonesia, 2020).

The observation showed that Central Mamuju has not been based on analysis or calculations of actual potential. Because in a sample of 8 restaurants of 47 restaurants, the total restaurant tax is Rp. 308,492,160. Therefore, the estimated potential for 100% restaurant tax objects in one year is around 1,8 billion rupiahs (Table 2).

Entertainment Tax

Entertainment tax is a tax on providing entertainment, covering all types of spectacles, shows, games, and crowds enjoyed for free (Singgih, Anisa, & Permatasari, 2022). Suppose the tax object is an entertainment service for which a fee is collected. In that case, the tax subject is the entertainment connoisseur, either an individual or an entity paying for enter-tainment, taxpayers are people or entities that organize entertainment. The observation shows that there are 6 entertainment venues that can be taxed. However, the actual entertainment tax can also be imposed on the organizers of incidental entertainment activities such as night markets, concerts, sporting events, and others.

The average tariff was Rp. 17,200 with an estimated number of guests is 21 per day. If Sapo Cafe is selected as a sample, the potential for entertainment taxes is quite significant, Rp. 13,183,800. Therefore, the estimated potential for 100% entertainment tax object in a year is around 79 million rupiahs. This number can be increased if it is calculated by incidental entertainment activities.

Advertisement Tax

According to Olson (2015) the reason why political science literature and legislative studies specialists have two words to denote what is ostensibly the same object is a basic problem of translation from English political science jargon into UAdvertising plays an important role in economic development in Indonesia. Advertising is a means of presenting a message through goods or services (Kofler & Sinnig, 2019). The local government manages advertisements and there is a tax from the advertisement, often referred to as the advertisement tax (Hosseini, Paydar, & Hajiaghaei-Keshteli, 2021). The revenue from the advertisement tax is minimal compared to the large number of billboards installed along the roads in Central Mamuju. In 2020, the total regional income from advertisement tax is Rp. 24,978,000. The study found that the estimated total of 1,224 billboards per year from 4 sub-districts was Rp. 196,040,000. The total advertising tax revenue for the last 5 years can be seen in the table 4.

Over the last five years, there has been a decline in income from advertising

Table 1. Target, Realization, and Potential of Hotel Tax in 2019
Source: Processed by the Authors (2021)

Target (Rupiah)	Realization (Rupiah)	Potential (Rupiah)
3,100,000	6,290,000	1,319,063,404

Table 2. Target, Realization, and Potential of Restaurant Tax in 2019
Source: Processed by the Authors (2021)

Target (Rupiah)	Realization (Rupiah)	Potential (Rupiah)
1,400,000,000	1,429,225,026	1,812,527,380

Table 3. Target, Realization, and Potential of Entertainment Tax in 2019
Source: Processed by the Authors (2021)

Target (Rupiah)	Realization (Rupiah)	Potential (Rupiah)
2,000,000	1,231,000	79,134,453

Table 4. Advertising Tax in the last 5 years
Source: Processed by the Authors (2021)

Year	Advertising Tax (Rp)
2016	132,838,000
2017	79,555,000
2018	49,605,000
2019	43,695,000
2020	24,978,000
Total revenue in the last 5 years	**330,671,000**

Table 5. Target, Realization, and Potential of Advertisement Tax in 2019
Source: Processed by the Authors (2021)

Target (Rupiah)	Realization (Rupiah)	Potential (Rupiah)
60,000,000	43,695,000	196,040,000

Table 6. Target, Realization, and Potential of Electricity Tax in 2019
Source: Processed by the Authors (2021)

Target (Rupiah)	Realization (Rupiah)	Potential (Rupiah)
2,400,000,000	3,026,852,196	8,215,830,000

tax. The decline in revenue occurred quite significantly, from 2017 to 2020. The largest revenue from advertising tax was in 2016 with a total income of Rp. 132,838,000, and the smallest income was obtained in 2020 with a total of Rp. 24,978,000.

Furthermore, the most crowded billboard spots were in Tobadak and Topoyo Subdistricts as the center of the capital city in Central Mamuju. Advertisers take advantage of squares, monuments, shops, and axis roads. The crowd points are about 2 KM in Topoyo Subdistrict, 1 KM Tobadak Subdistrict, 1 KM Budong-budong Subdistrict, 1 KM for Pangale Subdistrict, and 2 KM for Karossa Subdistrict. Meanwhile, the distance for billboards is about 6 meters for shops, and banners and billboards are 150 meters. The potential tax of the five advertisements is 196 million rupiahs.

Electricity Tax

Electricity is one of the important infrastructures for maintaining an area's facilities (Maulidia, Dargusch, Ashworth, & Ardiansyah, 2019). An annual increase of around 3,612 electricity customers in last three years, and for next year is projected to increase to 30,429 electricity customers, while the estimated average bill amount is Rp. 225,000/month. Therefore, the potential street lighting tax in Central Mamuju is Rp. 6,846,525,000.

Groundwater Tax

Groundwater tax is a tax withdrawn by local governments, whose sources come from individuals or non-profit organizations that use water as basic raw material. The underground water tax is imposed on all users of underground water, except for the use of water for public activities such as daily needs, water, and irrigation as well as for social activities such as houses of worship.

According to regulations, the tax object for groundwater is: (1) the extraction and/or utilization of soil water, (2) the services, such as the sale of food and beverages consumed by the buyer. However, the object of the groundwater tax is excluded from taking or utilizing groundwater for basic household purposes, irrigating people's agriculture and fisheries, as well as worship.

The potential for groundwater tax revenue in Central Mamuju comes from the drinking water depot business. The study identified at least thirteen drinking water depot companies that have complied with paying taxes. The tax revenue reached Rp. 1,460,000 per year, with the use of water, reaches 100 to 350 per cubic meter per month. However, the potential revenue is more significant than the realization, which is only Rp. 1,460,000 per year. Therefore, the potential for groundwater tax in Central Mamuju is around 23 million rupiahs per year.

Property Tax

Property tax (PBB) is a tax on land and buildings that are owned, controlled, and utilized by individuals or entities, except for areas used for plantation, forestry, and mining business activities. Earth is the surface of the earth which includes land and inland waters as well as the sea in the regency area. The Building is a technical construction that is permanently planted or attached to land and/or inland waters and/or sea. To calculate the potential magnitude of PBB-P2, the steps taken are calculate the total area of potential tax area (WPP) by subtracting the total area by the area used for public green open space (RTHP) or which is not an object of land and building tax (Rahmawati & Soesilowati, 2019).

The area of Central Mamuju is 3100.87 km2 (Indonesia, 2020). This area will later be reduced by the area that is not subject to PBB-P2 tax, in the area used for plantations, forestry, and mining. In addition, the object of the tax which is not subject to the rural and urban land and

Table 7. Target, Realization, and Potential of Groundwater Tax in 2019
Source: Processed by the Authors (2021)

Target (Rupiah)	Realization (Rupiah)	Potential (Rupiah)
2,400,000,000	3,026,852,196	8,215,830,000

Table 8. Target, Realization, and Potential of Property Tax in 2019
Source: Processed by the Authors (2021)

Target (Rupiah)	Realization (Rupiah)	Potential (Rupiah)
2,400,000,000	3,026,852,196	8,215,830,000

Table 9. Types and Areas of Protected Areas
Source: Processed by the Authors (2021)

No	Area Type	Wide (Ha)
1	Protected Forest Area	16712.58
2	Water Body	2889,28
3	Green open space	2922.58
4	Peaty Area	968.73
5	Water Catchment Area	1911.46
6	Coastal Area	972.49
7	Riverfront Area	2742,20
8	Nature Reserve Area, Nature Conservation	54104.39
9	Cultural heritage	75.61
10	Wildlife reserve	2098.06
	Total	85,397.38

Table 10. Target, Realization, and Potential of Building Permit Retribution in 2019
Source: Processed by the Authors (2021)

Target (Rupiah)	Realization (Rupiah)	Potential (Rupiah)
800,000,000	640,030,000	706,250,983

building tax is the object of the tax which used:

1. By the Government and Regions for the administration of government;

2. To serve the public interest in the fields of worship, social, health, education culture, which is not intended to obtain profit.

3. For graves, and ancient relics.

4. To protect the forest, nature reserve forests, tourism forests, national parks, grazing land controlled by the village, and state land that has not been encumbered with a right.

5. By diplomatic representatives and consulates based on reciprocal treatment.

6. By agencies or representatives of international institutions as stipulated by a Ministerial Regulation Finance.

To calculate the area of the tax potential area, it should separate the areas that can become tax objects and those that do not become tax objects. The pattern consists of cultivation areas and protected areas. The total cultivated area in Central Mamuju is 225,750.22 hectares. Seven of the sixteen types of cultivation areas are included in the non-taxable areas: permanent production forest, limited production forest, conversion production forest, plantation areas, defense and security areas, as well as government office areas.

In addition to cultivation areas, there are also protected areas. The total protected area is 85,397.38 hectares. Furthermore, the potential revenue from urban and rural land and building taxes (PBB) is around 81 billion rupiahs. The following are the types and areas of protected areas in Central Mamuju in table 9.

Potential Retribution Areas

The potential for user fees is related to service users, where an increase in user fees will automatically encourage an increase in the quality of public services, thus local governments are challenged to improve their performance in providing services to the public (Pratama, 2019; Pribadi, 2021). The definition or understanding of regional levies is payments made by the community to the region for services received directly or for permits obtained (Noviyanti & Zaini, 2019). In contrast to taxes that are not imposed based on direct services, levies can only be imposed if the local government provides services directly to the community or the local government permits to carry out certain activities (Basri, Felix, Hanna, & Olken, 2021; Dewi & Cynthia, 2018; Inasius, Darijanto, Gani, & Soepriyanto, 2020).

Building Permit

The levy for a building permit is regulated in the Central Mamuju Regent Regulation Number 18 of 2017. A building permit is a permit is given by the local government to the applicant to build a new building, rehabilitate/renovate, and/or restore to preserve the building by following per under the applicable administrative and technical requirements. Building permit applications include buildings and building infrastructure.

Buildings refer to residential, religious, business, social and cultural, as well as dual/mixed. In detail, as follows:

The residential function consists of residential buildings, simple residential buildings, and non-residential houses simple. Religious functions consist of mosques/prayer rooms, churches, monasteries, pagodas, temples, and complementary buildings religious. Business functions consist of commercial offices, modern markets, shops houses, shop houses, malls/supermarkets, hotels, restaurants, and others. Socio-cultural functions consist of sports buildings, cemeteries, arts/cultural buildings, bus terminals/bus stops, educational buildings, health buildings, government offices, nursing home buildings, etc. Dual/mixed functions consist of hotels, apartments, malls/shopping centers, sports halls, and/or entertain-

Table 11. Number of Customers and Water Distributed by District in Central Mamuju Regency in 2019
Source: Processed by the Authors (2021)

No	Sub-districts	Customer	Distributed water (m³)
1	Pangale	-	-
2	Budong	-	-
3	Tobadak	246	79,026
4	Topoyo	1,110	366,841
5	Karossa	311	67,955
	Central Mamuju Regency	1,657	513,812

Table 12. Target, Realization, and Potential of Clean Water Retribution in 2019
Source: Processed by the Authors (2021)

Target (Rupiah)	Realization (Rupiah)	Potential (Rupiah)
2,500,000,000	2,737,817,750	2,982,600,000

Table 13. Target, Realization, and Potential of Parking Retribution in 2019
Source: Processed by the Authors (2021)

Target (Rupiah)	Realization (Rupiah)	Potential (Rupiah)
60,000,000	61,757,000	314,880,000

Table 14. Estimated Number of Vehicles per Day
Source: Processed by the Authors (2021)

Vehicles	Operating hours (observation)				Total
	Morning (08-10)	Afternoon (12-14)	Afternoon (16-18)	Evening (21-23)	
Pick up/Truck	48	40	40	48	176
Bus	8	4	4	8	24
Total	**56**	**44**	**44**	**56**	**200**

Table 15. Target, Realization, and Potential of Terminal Retribution in 2019
Source: Processed by the Authors (2021)

Target (Rupiah)	Realization (Rupiah)	Potential (Rupiah)
20,000,000	27,443,000	172,280,000

ment.

Building infrastructure refers to (1) courtyards for parking, tennis courts, basketball courts, and golf courses, (2) foundations, tank foundations, (3) wall/iron fences and embankments/stucco, piers, (4) septic tank/reservoir used for dirty water, (5) infiltration wells, (6) terrace without roof or washroom, (7) retaining walls, (8) people crossing bridges, residential road bridges, (9) planting tanks, tank bases, water treatment buildings, electrical substations, telephone substations, towers, electricity/telephone poles, (10) swimming pools, swift fish ponds, (11) gates, statues, billboards, monuments, and so on.

The integrated index is calculated based on the function, classification, and time of use which in detail can be seen in the attachment to the Regulation of the Central Mamuju Regent Number 18 of 2017 concerning the Permit to Construct Buildings. This index uses the numbers 0–4 so that the calculation can be different for buildings of the same area. For residential buildings with the same area, for example, the fees paid by the subject of the levy may differ due to the location, complexity of the building, permanent/non-permanent building, vulnerability, or ownership different.

The complexity of calculating the integrated index causes the calculation of potential IMB retribution requires complete data.

The available field data from the Licensing Service and the Public Works Service is not complete enough to be used in calculating the potential IMB retribution. For this reason, the integrated index data is interpreted based on the amount of retribution that must be paid by each IMB applicant. The amount of the retribution is divided by the total building area so that the Building Unit Price per meter is found. This price will be multiplied by the estimated building area data in 2020.

The data referred to Monument Con-

struction, Telecommunication Transmitters, and Religion. The final result of calculating the potential income from the IMB levy is Rp. 706,250,983.

Clean Water

The clean water levy is one of the regional revenues and hoped that the clean water levy can be used as an alternative to government funding to support the increase in regional revenue. This is very potential considering that clean water is one of the basic human needs. For this reason, the local government through the Central Mamuju Regional Tax and Levy Management Agency should oversee the process of implementing the clean water levy.

In Central Mamuju Regency, data on clean water customers from 2019 can be seen in the following table 11.

The table 11 shows that three of the five sub-districts in the Central Mamuju Regency have data on water customers. It is still under investigation whether in that area no one uses clean water services, or whether there is no record of clean water customers. Furthermore, the study found that the clean water levy charged to the community was an average of Rp. 150.000 per month. In the three sub-districts (Tobadak, Topoyo, and Karossa) with a total of 1,657 customers, The estimated cost of retribution for clean water is Rp.248,550,000 per month.

Parking

Parking levies are objects of local tax revenue sourced from local government parking provision activities. Parking levies are charged to parking users, assuming that the local government has provided parking facilities, and with the intent and purpose of regulating the orderliness of road users. The amount of parking for each driver is charged at Rp. 2,000 for two-wheeled vehicles, and Rp. 3,000 for users of four-wheeled vehicles.

The potential parking points in

Central Mamuju are in the market area. A market is a place for meetings between traders and buyers. This activity makes the market a center of activity that is often visited by people. At the same time, there is potential for revenue in the market which, if optimized, can contribute significantly to Central Mamuju. The observation shows the number of motorized vehicles parked on market days can reach 30-40 vehicles per day. Each market has at least four parking points in the market area. With a parking fee that must be paid by the community of Rp. 2,000 for motorized vehicles.

Look at these conditions, the potential revenue that can be obtained from parking is around 314 million rupiah.

Terminal

Terminal fees are collected for the use of terminal services. The object of the terminal levy is the service of providing parking spaces for passenger vehicles and public buses, goods transporting vehicles, places of business activity, and other facilities in the terminal environment provided, owned, and/or managed by the regional government. The subject of terminal retribution is an individual or entity that uses/enjoys the service of using the terminal. The level of use of terminal services is measured based on the classification of the terminal, type of vehicle, and time of use. The principles and targets in determining the structure and the amount of the terminal retribution fee are administrative costs, construction costs, maintenance costs, depreciation costs, cleaning costs, and costs. maintenance.

Observing the development of transportation in Central Mamuju Regency, the potential for terminal fees is considered quite potential. It's just that the existing terminal has been converted into an office by the local police. During the field research, the researcher found that terminal retribution was levied on the side of the road.

However, there is also a confusing policy implementation where the Transportation Service officer in an interview at the retribution post said that for vehicles transporting goods such as pick-ups and trucks, parking fees are imposed. This was done under the pretext that every vehicle that passes through the Central Mamuju area has stopped and parked on the shoulder of the Central Mamuju road.

The observation showed that in 15 minutes there were 5 vehicles in the form of pickups cars and trucks and 1 bus that took the retribution ticket. If it is averaged over for of 2 hours, the density of vehicles, namely in the morning, afternoon, evening, and night, and the number of vehicles passing through the retribution post is considered significantly potential. Even so, the number of vehicles that pass is greater, but some do not want

Table 16. Number of Households
Source: Processed by the Authors (2021)

No.	Sub-districts	Household	Member Household (mean)
1	Pangale	3520	3.67
2	Budong	6502	4.47
3	Tobadak	6952	4.53
4	Topoyo	7495	4.49
5	Karossa	5865	4.58
	Central Mamuju Regency	30334	4.42

to pay the retribution, especially trucks transporting oil palm.

The total levy collected is Rp. 2000 for pick up cars /trucks and Rp 5000 for bus vehicles. Therefore, in one year the estimated potential for terminal retribution in Central Mamuju Regency is Rp. 172,280,000.

Market

Market retribution is one of the potentials that can be maximized by the region. Market levies are objects of regional revenue obtained from tax revenues from activities that take place in the market. In principle, market retribution is one of the objects of tax revenue because it is considered that the government has provided facilities and infrastructure to support buying and selling activities in the market, as well as various other activities. The potential revenue from the allocation of market levies is significantly high, including retribution for the use of stalls (stands) in the market, retribution for cleanliness, and retribution for vehicle arrangement activities for visitors and traders.

The observation several potentials have not been optimized. There are at least 41 markets in Central Mamuju that can be used as objects for collecting retribution for revenue. The potential retributions in the market area, include levies for physical buildings, daily rental fees, and user fees, and rubbish.

Physical Building Retribution

Levies for physical buildings are a source of revenue from building rentals.

By Following Per Under the provisions of Regional Regulation No. 4 of 2018 concerning Markets, the amount for retribution for physical buildings varies widely. Starting from the lowest of IDR 20,000 and the highest of IDR 100,000 per month. This levy does not include the entrance fee that is paid in advance, the amount of which depends on the type of building to be used and the duration of time it will take used. The amount of revenue that can be obtained from the monthly levy is around 75 million rupiahs.

Daily Retribution

Daily levies are levies made by market managers on each activity (Market Day). The daily market levy is regulated by the provisions of the Central Mamuju regional. For the amount of daily retribution charged at Rp. 2,000 for all types of activities in the market area. From this explanation, the daily levy for the market can be calculated by calculating the number of traders with the levy amount. Therefore, the potential for market retribution that can be obtained is around 520 million rupiahs. This figure is considered to be relatively small compared to the reality in the research because the researcher estimates that the market is only used twice a week. In actual conditions based on field observations, it was found that several markets carried out their activities every day.

Market Garbage Retribution

The retribution for waste management in the market has not been carried out by the Department of Industry and

Table 17. Target, Realization, and Potential of Parking Retribution in 2019
Source: Processed by the Authors (2021)

Target (Rupiah)	Realization (Rupiah)	Potential (Rupiah)
70,000,000	89,545,000	908,230,000

Trade. Waste management in the new market is carried out by local people. The traders are charged a cleaning fee by the local community of Rp. 2,000 per day. Even though if ordered, waste retribution in the market area is considered to be a very potent source of income. The potential retribution for market waste is about 520 million rupiahs in a year.

Rubbish

Garbage retribution, hereinafter referred to as garbage levies are payments for waste/cleaning services which include collection, transportation, and disposal as well as the provision of locations for disposal/destruction of household, industrial, and trade waste, excluding services for cleaning public roads, parks and, public rooms/places.

The waste currently managed by the Central Mamuju government consists of household waste, household waste, and specific waste. Meanwhile, according to the type and source of waste, it is grouped household waste, namely, wastes originating from household activities, commercial waste, namely waste originating from and commercial activities such as markets, shops, restaurants, entertainment venues, inns, workshops, kiosks, and so on. Building waste, namely waste originating from development activities including restoration and demolition of a building, and public facilities waste, namely waste originating from cleaning and sweeping roads, sidewalks, parks, fields, recreation areas, and other public facilities.

The number of households in Central Mamuju reaches 30,334 families spread over 5 sub-districts. The highest number of households is in the sub-district capital, namely Topoyo with 7,495 households, while the least is in Pangale with a total of 3,520 households. The study found that the waste retribution fee was charged as much as Rp. 2,000 per type of commercial waste and Rp. 10,000 per type of household waste. One of the 5 sub-districts is the most crowded point, which is in Tobadak and Topoyo.

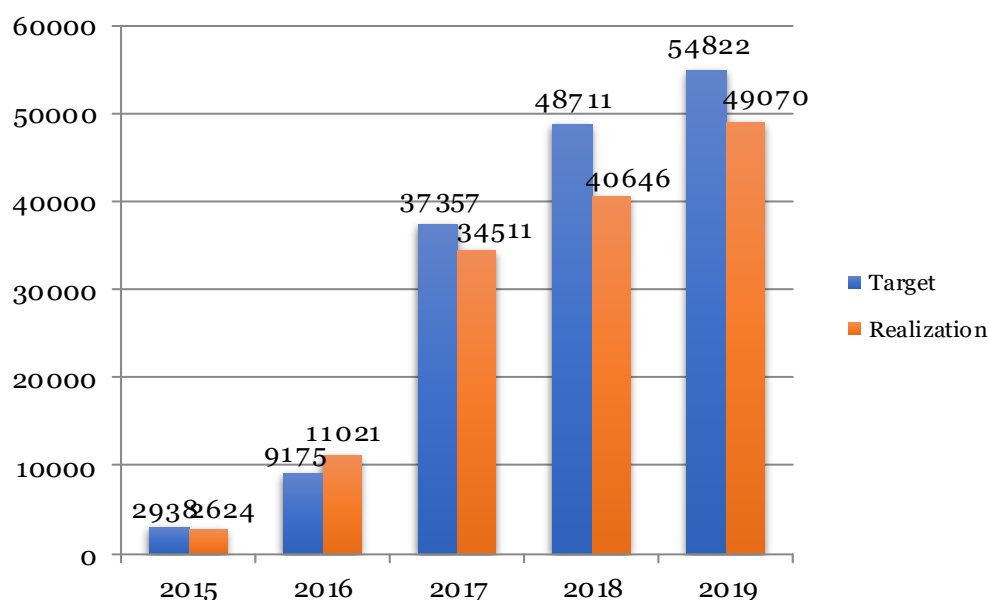The estimated retribution for household waste and commercial waste

Figure 1. Graph of Target Trends and Realization of PAD 2015-2019 (million rupiahs)
Source: Processed by the Authors (2021)

are shops and kiosks with 2 samples are about 908 million per year.

Regional Wealth Usage Retribution (Asset)

Local wealth usage retribution is collected as payment for the use of regional wealth. The object of retribution is granting of rights to the use of regional assets for a certain period time, such as the use of buildings and the use of vehicles/heavy equipment belonging to the region. The calculation of this potential is quite clear, namely the length of time for the use of regional assets based on the contract of the rights user. In 2019, for example, the retribution for the use of vehicles/heavy equipment is quite significant, accounting for Rp. 408,200,000. Even though this realization is only 36% of the target, which is Rp. 1,120,000.

Target and Realization

The determination of PAD targets is based on the Regional Long-Term Development Plan (RPJPD), the Regional Medium-Term Development Plan (RPJMD), and the Regional Government Work Plan (RKPD). In the preparation of the RPJMD and RKPD documents, it is necessary to have an analysis of regional financial management to find out about the capacity or ability of regional finances in funding the implementation of regional development embodied in the APBD.

The factors to be considered in setting the target the average rate of growth of regional income in the past, macroeconomic indicators, policies on intensification and extensification of regional income, especially the PAD component, as well as policies in the field of state finance. If the realization of PAD revenue exceeds the monthly target, it can be projected that the target until the end of the year will be achieved.

CONCLUSION

The tax and retribution revenue has several potential objects to be improved in the study area. This study shows that the income for all tax objects is possible to be increased many times from the previous realization. In terms of potential tax areas, the highest revenue potential is the hotel, entertainment, and advertising taxes. In addition, other potential taxes are groundwater and property taxes. The rest, contributing enough, is electricity and restaurant tax.

In terms of potential retribution areas, the highest potential revenue is parking, terminal, and market area (such as rubbish) retributions. In addition, other retribution areas are building permits, clean water, and regional wealth usage.

In terms of financial target and realization, this study reveals a significant difference between the target and budget realization in five years (2015-2019). This is due to several factors: (1) institutional management of revenue (PAD) has not been maximized, (2) the budgeting plan management has not been systematically designed, and (3) lost human resources capacity.

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