

Contribution of Advertisement Tax to Makassar City Regional Original Income

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Keywords:

Advertising Tax, Contribution, Local Own Revenue

Abstract

This study aims to determine how big the contribution of advertising tax is to local revenue in the city of Makassar. The type of research used in this research is to use a qualitative approach in which the research is descriptive in nature. The data used in this study is quantitative, namely target data and realization of advertisement tax in 2013-2023 as well as primary data, namely data taken from interviews. The results of this study with descriptive analysis show that advertisement tax revenue in Makassar City is still not optimal. This can be seen from the contribution of advertisement tax to Regional Original Income in 2013-2023 which averaged only 2.72% or according to very low criteria, which was caused by a lack of public awareness in paying taxes and the Makassar mayor's regulation regarding the installation of advertisements that are no longer allowed to be carried out on national roads so as to reduce advertisement tax revenue.

1. Introduction

Development is a process of activities carried out in the context of development or making changes towards a better situation. The development that the Indonesian people want to achieve is to create a just and prosperous society that is equitable and educates the nation in terms of intellectual intelligence, emotional intelligence, And spiritual intelligence based on Pancasila and the 1945 Constitution. In order to achieve national development, the preparation of the development program follows a pattern or order that has been determined by the Indonesian government.

In achieving these development goals, the government creates implementation stages, both for the long and short term, which include planning, implementation, financing, monitoring and evaluation without minimizing the importance of the role of other parties in participating in making national development a success. The division of Indonesia's regions consisting of large regions and small regions with the form of government structure determined by law, based on this, the principle

of decentralization and the principle of deconcentration are implemented. The realization of these two principles means that in our country there are regional governments that are administrative and autonomous in nature, hereinafter referred to as regions, which are legal community units that have certain regional boundaries, have the authority to regulate aspirations of the people within the bounds of the Unitary State of the Republic Indonesia (Law No. of 1999 concerning Regional Government). In carrying out the obligations and authority to regulate and look after House the stairs Alone factor source income area very determine implementation of development in area.

To improve and determine government administrators and development in areas in a way equally, so done utilization apparatus government area Which implementation And its security Also required exists supervision Which effective And efficiently so that national development runs well. Utilization Government officials are very important in managing regional income For dig source Income Original Area To use finance development area.



In financing development, one of the efforts of the regional government is absorb from sector tax And retribution , though No lost importance income from various other income sectors. M. Farouq S (018) in his book Which title Law Tax in Indonesia, say that law tax is Wrong One tool legitimacy And instrument policy Which used country For collect fund tax Which used For organize the way wheel government and finance development. For country Which pick up tax in accordance condition And provision, room scope and limitations, established administrative procedures and procedures based on regulation legislation taxation.

The increase in Original Regional Income in the city of Makassar continues to be carried out remember in the city Makassar is city Which have rate growth very tall Where activity economy And centralized government in the city. Centralization of all activities in the city Makassar which causes economic growth in the city more advanced than surrounding areas such as Gowa And maros matter That can showed by many industry And trade in the city of M Makassar. Increased trade and industry in the city of Makassar , so that growth economy in City Makassar make writer interested in research.

Efforts to increase Regional Original Income can be done by increasing resources existing power, in this matter is tax area. Tax interpreted as dues people to cash state based on law (which can be enforced) without get lead services (counterperformance) that can be directly demonstrated and which is used to pay general expenses (Rochmat Soemitro, 003). Regional taxes are one important source of revenue will used For finance maintenance government area And regional development. Based on Law No.8 of 009 in article 1 paragraph (6) concerning Regional Taxes and Regional Levies, advertising tax is a tax regarding advertising. Advertisements are objects, tools, actions, or media or forms and patterns designed for objective commercial

introduce, recommend , promote, to attract public attention to goods, services, people, which can be seen, read, heard, felt, and/or enjoyed by general.

From various types tax Which collected by city Makassar, tax advertising is Wrong One type tax Which own prospect positive aspects that can be developed and their role can increase PAD. Makassar is city Which growth And development its economy Can said relatively fast from various sectors, especially industrial and property development as well as trade Competition in the property sector in M Makassar City is very rapid .

Seeing this development, the acceptance of PAD The advertising tax sector certainly has quite large potential, because Every company or individual will use media a lot advertising For promote various type business And product they. This can also be seen from various corners of the city of Makassar good in the city center as well as in the suburbs many different types are installed advertising. If you look at the increase in advertising tax from year to year, the realization is there was a significant increase, the most significant increase occurred in 017, Rp. 3,8,115.16 compared to the previous year as big as Rp. 18,354,864,487 happen enhancement between year 016-017 around 114%.

The general problems faced in the advertising tax sector are: lack of awareness or understanding public about importance paying taxes and the role of the community in increasing advertising taxes is due to the lack of local government outreach to the community regarding advertising tax, apart from that there is also a lack of supervision from the authorities government city in frame its management. Wrong One for example There are many advertisements without permission from the government to install them city or advertisement the license is dead. On the other hand, advertising tax contributions continue It is hoped that this will increase from year to year PAD so that the aim of regional autonomy

is to create regional independence in the sector finance will be able to materialized. Looking at the situation that is happening, there should be a potential advertising tax as a source of Regional Original Income needs to be further improved, between other with look for objects advertising new Which can subject to advertising tax, which is where objects in the past No worn tax. From party Bapenda And government area city Makassar must provide explanation supervision And fine to mistakes which is conducted by obligation tax. Based on the description above, the author chooses the title "Tax Contribution Advertising T against Income Original Area City Makassar"

2. Review References

2.1 Tax Regions and Retribution Area

Law no. 33 of 2004 regulates regional income sources which consist of several main components. Sources of regional income include Original Regional Income which includes regional taxes, regional levies, proceeds from regionally owned companies, and various types of original regional income that are valid according to law. Apart from that, the Balancing Fund is also part of regional income, which includes income from profit sharing funds and assistance from the central government which is distributed to the regions.

Based on Law no. 106 of 1948 concerning Regional Finance, regional income sources are further defined. This law states that regional income comes from three main sources: Regional Taxes and Levies, Income from Regional Company Results, as well as State Taxes Given to Regions such as subsidies, sales or rentals of state-owned goods.

2.2 Regional Levy

Levy is a type of government levy which is included in the Regional Original Income (PAD) component. Levy can be interpreted as the result of regional levies that are given as compensation for certain services obtained

from the use of services, work, regional government services, or services provided by regionally owned business entities, which are implemented in accordance with regional regulations based on applicable statutory provisions. . According to Law Number 18 of 1997 concerning Regional Taxes and Regional Levies, levies are levies imposed as payment for certain services that are specifically provided or provided by the regional government for the benefit of individuals or legal entities (Article 1 paragraph 1). Levies aim to regulate payments for goods or services provided by the government, with an emphasis on economic efficiency. This means that individuals or legal entities can choose whether or not to pay for certain services they wish to enjoy.

Taxes have two main functions in the context of state finances. The first function is the budgetary function, where taxes function as a source of funds for the government to finance routine expenditure and state development. This function is the main function of taxes that have existed since time immemorial, namely to collect as much funds as possible to finance the country's needs. The second function is the regulatory function, where taxes are used as a tool to implement social, economic, political and legal policies with certain objectives. This function complements the budget function, for example by increasing taxes on certain goods to reduce consumption, or providing tax incentives to encourage exports which can increase production and state income.

Taxes can be categorized into several types based on various criteria. According to the group, taxes can be divided into direct taxes and indirect taxes. Direct taxes are taxes that must be borne by taxpayers themselves, such as Income Tax (PPh), where this tax cannot be transferred to other parties; Taxpayers are responsible for paying the tax even though payment can be made through other parties. Meanwhile, indirect taxes are

taxes that can be transferred from taxpayers to other parties, such as Value Added Tax (VAT), where this tax is imposed on final consumers even though the tax collector is the seller.

According to their nature, taxes can also be divided into subjective taxes and objective taxes. Subjective taxes are taxes that in their application take into account the taxpayer's personal conditions, such as Personal Income Tax, where the amount of tax is influenced by the taxpayer's personal circumstances. On the other hand, objective taxes are taxes whose assessment is only based on the tax object without considering the taxpayer's personal conditions, such as Land and Building Tax (PBB) and Sales Tax on Luxury Goods (PPnBM), where taxes are imposed based on the nature of the tax object itself.

Overall, levies and taxes are important instruments in the regional financial system that support various government and development activities at the local level. Levies serve as rewards for certain services provided by the government, while taxes have a dual role in raising funds for the state budget and as a policy tool in various areas of social and economic life.

2.3 Advertising And Tax Advertising

Various authors have attempted to define advertising in simple terms, but the essence of advertising itself is very complex. Advertising can be defined as an object, tool, or action which, based on the form of presentation and pattern, has the meaning of an effort to seek profit. Advertising is used to introduce, recommend, or attract the attention of the general public to goods, services, or individuals that can be seen, read, or heard by the public, except those carried out by the government. Advertising tax is a tax on advertising that is imposed as a regional tax.

Advertising tax is a type of direct tax, namely a tax that is charged directly to taxpayers without any direct compensation from the government. Advertising tax is

regulated based on regional regulations and implemented by the regional government, in this case the Makassar City Government. Advertising tax is imposed on every advertising or advertising activity carried out as a form of local tax collection as regulated by applicable laws and regulations.

2.4 Income Original Area

Based on Law no. 33 of 2004 concerning Financial Balance between the Central Government and Regional Governments, in Article 1 Paragraph (18) it is explained that Regional Original Income (PAD) is income obtained by regions from sources in their own territory which is collected based on regional regulations in accordance with regulations. current regulation. PAD reflects a region's ability to collect financial resources to finance routine expenditure. In other words, PAD is income obtained from regional government efforts to utilize the potential financial resources available in the region to support financing for government administration and regional development.

In terms of sources of income that are the rights of regional governments, Law no. 33 of 2004 Article 85 Paragraph (1) regulates that regional income sources consist of several components. First, Regional Original Income includes regional taxes, which are contributions collected by regional governments from the community to finance regional government activities, such as hotel taxes, restaurant taxes and entertainment taxes. Apart from that, there are regional levies, namely fees paid by the community to obtain certain services from the regional government, such as parking levies, health service levies and licensing levies. Another source of PAD is the results of separated regional wealth management, namely income from regional wealth management that is inseparable from regional assets, such as dividends from regional companies or rental proceeds from regional assets. Apart from that,

there is also other legitimate regional original income, namely other sources of income regulated by regional laws and regulations, such as income from business activities carried out by the regional government.

Apart from Original Regional Income, the Law also regulates other legitimate regional income, which includes several types of income such as proceeds from the sale of regional assets that are not separated, namely income from the sale of assets that are not part of separated regional assets. There is also income from checking account services, which is income obtained from checking account services or regional banks, as well as income from interest, namely income derived from interest on regional deposits at banks or other financial institutions. Apart from that, there are also profits from the difference in the rupiah exchange rate against foreign currencies, namely income obtained from the difference in exchange rates between the rupiah and foreign currencies, as well as commissions, discounts, or other forms of sales or procurement of goods and services by regions, which are income from commissions or discounts related to goods and services procurement activities by local governments.

With an understanding of the various sources of regional original income regulated in Law no. 33 of 2004, we can see how PAD functions as the main source of funding to support government and development activities in the region. This income not only reflects regional financial potential but also shows regional efforts in managing and utilizing existing resources to achieve development goals and community welfare.

3. Research Methods

This research adopts a qualitative approach with descriptive methods to explain the contribution of advertising tax to Makassar City's Regional Original Income (PAD). The main objective of this research is to illustrate

how advertising taxes can help increase PAD in Makassar City. The location of this research focuses on the Makassar City Regional Revenue Agency Office which is located on Jl. Urip Sumoharjo. This research was conducted for approximately two months to collect the necessary data and carry out relevant analysis.

In this research, the data collected consisted of quantitative and qualitative data. Quantitative data includes figures showing the realization of advertising tax revenue, while qualitative data is obtained from various documents and interviews. Secondary data was collected through documents containing evidence of targets and realization of advertising tax revenue, while primary data was obtained through direct interviews with related parties, especially officials or staff involved in tax management.

In addition, contribution analysis is used to assess how much advertising tax contributes to PAD by referring to the contribution percentage criteria which are grouped in the following table: 0%-10% is considered very less, 10%-20% is less, 20%-30% is sufficient, 30%-40% good, 40%-50% very good, and above 50% very good. These criteria were taken from the R&D Team of the Department of Home Affairs-Fisipol UGM, 1991 (in Handoko: 2013).

In terms of operational definitions, this research identifies one dependent variable, namely advertising tax, and one independent variable, namely PAD. Advertising tax is defined as a tax imposed on advertising with the aim of improving the regional economy and increasing PAD. The data used in this research is advertising tax revenue data in Makassar City. Meanwhile, PAD is income obtained by a region from sources within its own territory, which is collected based on applicable laws and regulations. PAD reflects regional government efforts to utilize potential resources to support financing for government administration and regional development.

4. Results and Discussion

4.1 Research Results

a. Regional Original Income (PAD)

According to Law No. 17 of 2003, regional income is the right of regional governments which is recognized as an addition to net wealth value. Regional Revenue (cash basis) is receipt by the regional general treasurer or by other government entities which adds to the equity of current funds in the relevant fiscal year period. This revenue is the right of the government and does not need to be paid back by the government. Regional Income (accrual basis) is a government right that is recognized as an addition to the value of net assets. Original Regional Income (PAD) based on article 157 letter (a) of Law number 32 of 2004 concerning Regional Government indicates that regional governments in managing their own households need to provide sources of income or regional financial receipts to finance all activities in the context of carrying out their duties. - government and development duties for the welfare of society in a fair and equitable manner (Nursyam, 2019).

Regional autonomy is regional empowerment in making regional decisions with greater freedom to manage the resources they have with the potential and interests of the region itself. The mistake that makes natural resources the main source of regional income must be changed immediately because one day natural resources will run out. Regional governments must start looking for other sources in their area to rely on as the backbone of Regional Original Income (PAD). To be able to implement optimal regional autonomy, sufficient funds are needed (Nursyam, 2019). Bastian (2006), states that local original income is the accumulation of tax revenue items containing regional taxes, non-tax revenue items containing the results of state-owned companies. Halim (2007) further stated that Original Regional Income (PAD) is all regional revenue originating from original

regional economic sources. Original Regional Income in each region is different. Regions that have capabilities in the industrial sector or have abundant natural resources tend to have much greater Original Regional Income than other regions, and vice versa. Because of this, there is an inequality in Regional Original Income. On the one hand, there are regions that have a strong influence on Regional Original Income. Makassar City is rich because it has high Original Regional Income and on the other hand there are regions that are left behind because they have low Original Regional Income (Suandi, 2016).

Original Regional Income consists of regional taxes, levies, regional business profits and other legitimate income. In order to optimize the receipt of Original Regional Income from the levy sector, especially regional taxes, it requires, among other things, a study and calculation of how much regional tax contributes to Original Regional Income generated from year to year. The contribution of regional levies to Original Regional Income (PAD) uses a comparison percentage between the realization of regional taxes and the realization of original regional income. Contribution is used to find out how large a portion of Original Regional Income is a contribution from regional tax posts.

Based on Law Number 33 of 2008 concerning financial revenues between the Center and the Regions Article 1 Number 8 that "Original Regional Income called PAD is income obtained by the Region which is collected based on regional regulations in accordance with statutory regulations". PAD Regional Original Income aims to provide authority to regional governments to mark the implementation of regional autonomy in accordance with regional potential as an embodiment of decentralization.

Makassar City's Original Regional Income (PAD) has experienced various changes in the last ten years. One source of regional income is Regional Original Income (PAD) which consists

of regional taxes, regional levies, the results of separate regional wealth management and other legitimate Regional Original Income (PAD), Original Regional Income, namely the results of taxes, regional income levies. from departments, BUMN, etc. which is calculated in the form of thousands of rupiah every year. Regional Original Income (PAD) is a source of regional revenue.

The greater the Regional Original Income (PAD), indicates that a region is able to implement fiscal decentralization and reduced

dependence on the central government. Regional Original Income (PAD) is a levy based on regional income. To find out how far the Makassar City government is in managing the sources of Regional Original Income (PAD), and developments in supporting the implementation of development and the running of government in Makassar City. The following is data regarding the development of the realization of Regional Original Income (PAD) from 2010 to 2019. h reflects the level of regional independence.

Table 4.2 Makassar City Original Regional Income 2010-2019

NO	Year	Locally-generated revenue	Percentage (%)
1	2010	34,842,143,749.72	-
2	2011	33,780,847,477.28	-3.04
3	2012	52,347,658,040.42	54.96
4	2013	85,874,602,728.88	64.04
5	2014	155,427,196,665.98	80.99
6	2015	159,777,772,085.62	2.79
7	2016	180,156,598.90	-99.88
8	2017	280,478,099.49	55.68
9	2018	214,246,216.58	-23.61
10	2019	230,462,002.38	7.56

Source: Makassar City Central Statistics Agency, 2023

Based on label 4.2 above, in the last ten years, namely 2010 to 2019, Makassar City's Regional Original Income (PAD) has fluctuated every year, where Regional Asi Income in 2010 was 34,842,143,749.72 and in 2011 it was 33,780,847 477 28, in 2012 it was 52,347,658,040.42, in 2013 it was 85,874,602,726.58, in 2014 it was 155,427,196,665.98, in 2015 it was 159,777,772,085.62 in 2016 amounting to 180,156,595.90, in 2017 amounting to 280,478,099/49, in in 2015 it was 214,246 216.58 and in 2019 it was 230,462,002.38

b. Advertisement tax

Advertising tax is a fee that must be paid to obtain an advertising permit. If the advertising tax is not paid, the billboards or banners placed can be taken over by the authorities. Advertising tax is regulated in Regional Regulation Number 12 of 2011 concerning Advertising Tax, which explains that advertising tax is a levy imposed on all advertising operations. Advertisements are often synonymous with large advertising media such as billboards placed in strategic locations such as roadsides, with attractive and informative illustrations.

The advertising tax service flow can be described as follows. The process begins with the applicant submitting an advertising application to the District BAPENDA secretariat. Once the application is approved, Division III will inspect the requested location and provide approval in accordance with the Mayor's regulations. If the application is not approved, the applicant must reapply. The general administration secretariat then collects applications from taxpayers according to the requested location. Next, the determination section makes calculation notes and issues a Regional Tax Assessment Letter (SKPD). Taxpayers then make payments at the counter in accordance with the SKPD received. If taxpayers do not pay tax, they are required to

pay immediately so that the Regional Revenue Agency can issue an Advertising Placement Permit and legalize the advertisement that has been paid for. Finally, the taxpayer takes an advertising permit and places the approved advertisement.

c. Types of Regional Taxes in Makassar City

Based on the data obtained and existing references, tax is a mandatory contribution to the state that owes debts to individuals or entities that are coercive based on law. The types of regional taxes collected by the regional revenue agency in M Makassar City can be seen in the table below: Below is a table of targets and realization of Makassa City advertising tax

**Table 4.3 . Target and Realization of Makassar City Advertising Tax
2013-2022**

Year	Target	Realization
2015	Rp. 21,000,000,000	Rp. 19,682,419,591
2016	Rp. 23,248,645,000	Rp. 19,859,383,752
2017	Rp. 24,748,645,000	Rp. 19,080,173,516
2018	Rp. 25,590,346,000	Rp. 18,354,864,487
2019	Rp. 26,000,000,000	Rp. 39,282,116,126
2020	Rp. 35,000,000,000	Rp. 44,880,644,293
2021	Rp. 53,000,000,000	Rp. 53,641,688,525
2022	Rp. 41,000,000,000	Rp. 46,606,813,357

Source: Makassar City Regional Revenue Agency, 2023

Based on data obtained from the Regional Revenue Agency (BAPENDA) of Makassar City, it shows that every year advertising taxes in Makassar City continue to increase from 2013 to 2022, the most significant increase occurred in 2016, Rp. 18,354,864,487 in 2017, an increase of IDR. 39,282,116,126 increased by about 18% this is a very significant spike. As time goes by, from year to year it continues to increase, the Advertisement Tax has the potential to increase the PAD of Makassar City, in 2016-2017 it decreased by around 7.3%, in

2018 it increased by 2.3% Rp. 44.880.644.293 . 2019 increased to Rp. 53,000,000,000 16% achievement. 2020 fell to Rp. 46,606,813,357 , -15% achievement. 2020 was a year that experienced a drastic decline, there were many factors that influenced the decline in realization, one of which was the absence of large events, a ban on gatherings and others related to event issues. Below is a table of contribution percentages for types of regional taxes in Makassar City

Table 4. 4 Percentage Contribution of Types of Regional Taxes to Makassar City Regional Original Income 2018-2022

Types of Taxes	Year(%)					Average (%)
	2018	2019	2020	2021	2022	
Hotel Tax	8.01	9.78	10.93	11.22	6.34	9.26
Restaurant tax	13.07	14.83	17.55	19.60	15.71	16.15
Entertainment Tax	3.09	3.32	4.06	3.74	1.66	3.02
Advertisement tax	3.54	4.47	4.47	4.99	5.36	4.37
Street Lighting Tax	19.14	20.40	22.38	21.43	25.29	21.72
Mineral Tax	0.05	0.01	-	-	-	0.03
Parking Tax	1.73	1.73	1.78	1.87	1.14	1.65
Groundwater Tax	0.09	0.19	0.29	0.36	0.05	0.20
Swallow's Nest Tax	0.00	0.00	0.00	0.00	0.00	0.00
BPHTB Tax	21.47	28.72	22,20	21.69	23.93	23.60
PBB Sector P2	17.53	15.42	15.56	15.24	19.52	16.65

Source: Makassar City Regional Revenue Agency (data processing), 2021

Based on the table above, none of the types of regional taxes on Original Regional Income of Makassar City are good enough to contribute to local original income. The type of tax that contributes the most The big one is the BPHTB tax (duty for acquiring rights to land and buildings), namely with an average of 23.60 % from 2016 to 2020, where the largest contribution occurred in 2017, namely 28.72 %. Types of local taxes The least contribution to local revenue is taxes swallow's nest, mineral tax with an average of 0.03 %, also advertising tax with an average of only 4.37 % from 2016 to 2022, of course this is inversely proportional to the assumption that Makassar is the center of the city where the rate of economic growth is more advanced when compared with cities in surrounding areas such as Maros and Gowa, as well as many existing industries and shopping centers. Of course, looking at this situation, the government, especially the Regional Revenue Agency, still has to continue to explore the tax potential in the city of Makassar so that regional taxes continue to increase and make a large contribution to the Regional Original Income for the development of the city of Makassar.

If more attention is paid to advertising tax, it is possible that advertising tax could become one of the mainstay taxes in providing a large contribution to Original Regional Income when compared with other taxes, considering that the city of Makassar is the center of the capital of South Sulawesi which is the center of business and become an attraction for entrepreneurs to introduce their products for commercial purposes. By increasing advertising taxes, of course this can help finance all forms of development and finance all government activities through Regional Original Income in the city of Makassar.

d. Analysis of Makassar City Advertisement Tax Contribution

Advertisement tax is a tax on carrying out advertisements. Advertisements are objects, tools for making media or which according to their various forms and styles have commercial purposes, are used to introduce, recommend or praise a good, service or person, or to attract public attention to a good, service or person that is placed or can be seen, read, and/or heard from a place by the public except those carried out by the

government. Regional original income (PAD) is a source of regional income that comes from all economic activities of the region itself. In general, it can be said that regional original income is Income obtained from activities to manage regional original potential in accordance with applicable laws and regulations. Based on data that has been

collected by researchers regarding the development of Advertisement Tax revenues towards Original Regional Income, then to find out how much contribution is received each year, the following formula is used. Based on the formula above, the amount of contribution received each year is as follows.

Table 4.5 Contribution of Realized Advertisement Tax Revenue to Makassar City Regional Original Income in 2013-2022

Year	Advertisement tax	Locally-generated revenue	Contribution	Criteria
2015	Rp. 19,682,419,591	Rp. 612,056,765,277	3.21%	Very less
2016	Rp. 19,859,383,752	Rp. 655,362,121,024	3.03%	Very less
2017	Rp. 19,080,173,516	Rp. 709,962,895,492	2.68%	Very less
2018	Rp. 18,354,864,487	Rp. 879,579,142,506	2.08%	Very less
2019	Rp. 39,282,116,126	Rp. 858.212.312.270	3.54%	Very less
2020	Rp. 44,880,644,293	Rp. 947.371.868.404	4.47%	Very less
2021	Rp. 53,641,688,525	Rp. 1,073,061,660,653	4.99%	Very less
2022	Rp. 46,606,813,357	Rp. 868,699,900,035	5.36%	Very less

Source: Makassar City Regional Revenue Agency (processed data), 2022

Based on the table above, it can be concluded that the contribution of advertising tax revenue to local revenue in the city of Makassar in 2013-2022 experienced fluctuations. During 2013 - 2022 the highest contribution was in 2022, namely 5.36%. Other increases such as: hotel tax, restaurant tax, entertainment tax, parking tax, BPHTB tax. As a result of the COVID-19 pandemic in the last two years and it has had a big impact on local tax contributions with the central government regulations PSBB (Large-Scale Social Restrictions) and PPKM (Implementation of Restrictions on Community Activities), and Makassar City is included in these restrictions, this has had a big impact on tax contributions regional tax, but in advertising tax there was an increase in the contribution of Makassar City Regional Tax because PPKM and PSBB did not have much influence on the field of advertising and advertisement tax.

Meanwhile, the biggest decline occurred in 2016 amounting to 2.08%. This is thought to be caused by the decreasing interest of industrial consumers in placing advertisements on the street, especially those with pictures or slogans on cigarettes about "Cigarettes Can Kill You", so that it has a big impact on advertising tax revenues and is also caused by the issuance of Government Regulation (PP) Number 34 of 2006 regarding Installation. Billboards are no longer allowed on national roads, so according to the former Head of the Spatial Planning and Building Service (DTRB), many billboards have expired and have not been renewed by Bapenda. Apart from that, people complain about the many billboards because the city is not well organized and increasingly chaotic, as well as the lack of awareness of paying taxes.

The lack of optimal advertising tax revenue is also caused by the government, especially the Regional Revenue Agency of Makassar City, in collecting and processing

advertising tax. One of them focuses on weak enforcement and supervision carried out by local governments, for example many advertisements whose permits have expired are still being posted.

The large increase in PAD also caused the advertising tax contribution to decrease drastically. The factor causing the increase in PAD from year to year is also caused by the tax revenue sharing component for BPHTB Tax and PBB Tax sector 2 and others. On average, the contribution of Advertisement Tax revenue to Original Regional Income in 2013-2022 is 2.72%. Based on previously determined criteria and indicators, it can be concluded that the contribution of advertising tax to local revenue (PAD) is still very low. This shows that the regional government of Makassar City must improve and explore further in utilizing, paying attention to and optimizing all sources of income related to advertising tax so that this advertising tax will provide quite large potential revenue in order to finance the development of the city of Makassar. City in the future, however, based on the table above, the contribution of advertising tax is as follows: Regional taxes still make a very small contribution to Original Regional Income (PAD) in the city of Makassar.

4.2 Discussion

Makassar City is a city that has a very high growth rate where economic and government activities are concentrated in the city. The centralization of all activities in the city of Makassar has resulted in economic growth in the city which is more advanced compared to surrounding cities such as Maros and Gowa. This can be shown by the large number of industries and trade in the city of Makassar. Increasing industry and trade in the city of Makassar will have an impact on economic growth and development in the city of Makassar. Regional taxes are one of them an important source of revenue that will be used to finance regional government administration

and regional development. According to Blakely (1989:44) argue that "tax policy has always been the main component of economic development policy." In practice in Indonesia, the main sector that makes the greatest contribution to regional financial capacity in general is the regional tax and regional levy sector.

This research focuses on advertising tax as a part of local taxes. Based on Law no. 28 of 2009 in Article 1 paragraph (26) concerning Regional Taxes and Regional Retributions, Advertisement Tax is a tax on the operation of advertisements. Advertisements are objects, tools, actions, or media whose shapes and various styles are designed for commercial purposes to introduce, recommend, promote, or to attract public attention to goods, services, people, or bodies, which can be seen, read, heard, felt, and/or enjoyed by the public.

As for the types of taxes collected by the Makassar city government, advertising tax is one type of tax that has positive prospects that can be developed and its role can increase PAD. Makassar is a city whose economic growth and development can be said to be relatively fast compared to surrounding areas. This can be seen from the economic development in the city of Makassar from various sectors, especially industry and trade, which is growing very rapidly. If monitored from a trade perspective, it can be seen from the increasing number of centers shopping mall established in the city of Makassar. By looking at this development, PAD revenues from The advertising tax sector certainly has quite large potential, because every company or individual will use more advertising media to promote various types of business activities and their products. We can see this from various corners of the city of Makassar, both in the city center and outskirts of the city, where various kinds of advertisements are installed.

However, from the data presented in the previous chapter, it can be seen that the realization of advertising tax revenues from

2013-2017 experienced fluctuations. In 2013, the realization of advertising tax revenue was IDR . 19,681,419,591, in 2014 the realization of advertising tax revenue increased by 0.90% so that advertising tax revenue was Rp . 19,859,383,752, then in 2015 there was a decrease of 3.92% so that advertising tax revenue became Rp . 19,080,173,516, in 2016 the realization of advertising tax revenues decreased by 3.80% so that advertising tax revenues in 2016 were Rp . 18,354,864,487. In 2017, the realization of advertising tax revenues increased by 114%, so that advertising tax revenues amounted to Rp . 39.282.115.126.

Based on the results of research that has been carried out , researchers concluded that advertising tax revenues during 2013-2020 contributed The highest was in 20 22 , namely 5.36% , while the biggest decline occurred in 2016, amounting to 2.08%. It is suspected that this is due to the decreasing interest of industrial consumers in putting up billboards on the road, especially in 2019 entering the pandemic , so this has a big impact on billboard tax revenues and also caused by the issuance of government regulation (PP) number 34 of 2006 regarding the installation of billboards which are no longer permitted on national roads, so that according to the former head of the spatial and building planning service (DTRB), many billboards have expired and are no longer extended. by Bapenda, apart from that, people have complained about too many advertisements because the city is not well organized and increasingly chaotic, and there is also a lack of awareness about paying taxes. The less than optimal revenue from advertising tax is also caused by the less than optimal government, especially the Makassar City Regional Revenue Agency , in collecting and processing advertising tax. One of them is focused on the lack of control and supervision carried out by the local government, for example the large number of billboards whose

permits have been removed but are still installed.

The large increase in PAD also caused the advertising tax contribution to decrease drastically. The factor causing the increase in PAD from year to year is also due to the tax revenue sharing component for BPHTB Tax and PBB Tax sector 2 and others. On average, the contribution of Advertisement Tax revenues to Original Regional Income over the last five years starting in 2013-2020 was 2.72%. According to the criteria in the previously determined indicators, it can be concluded that the contribution of advertising tax to local revenue (PAD) is still very low. This shows that the regional government of Makassar City must further improve and explore further in utilizing, paying attention to and optimizing all sources of revenue related to advertising tax so that this advertising tax will provide quite large potential revenue in the context of finance the development of Makassar City in the future will date .

5. Closing

5.1 Conclusion

Based on the results of research and discussions carried out by the author regarding the contribution of advertising tax to Makassar City's original regional income can be concluded that:

1. Advertisement tax revenues from Makassar City Regional Original Income in 2013-20 22 Makassar City areas averaged 2.72%
2. The highest revenue achievement in 2019 was Rp . 53,641,688,525 and the lowest was in 2016, namely decreasing by -3.80%
3. The percentage contribution of advertising tax to local revenue in 2013-20 22 can be said to be still very low, which is caused by a lack of awareness of taxpayers and of government regulations themselves.

5.2 Suggestion

As for efforts to increase taxes, especially regarding advertising tax, the author tries to put forward the following suggestions:

1. To speed up the process of increasing Original Regional Income, it is necessary to make concrete efforts and collect data on sources of income, especially taxes and levies which have quite large potential to increase Original Regional Income .
2. To the government, especially the Regional Revenue Agency of Makassar City, in increasing advertising tax revenue so that it always achieves effective targets, it is best to carry out regular counseling and outreach so that it can increase taxpayers' awareness of their obligations in paying taxes .
3. Improving supervision, as well as efforts made include carrying out regular and even unannounced inspections, improving the supervision process, and implementing strict sanctions against taxpayers who violate regulations .
4. It is hoped that future research will discuss the same topic to expand the scope of research and increase the number of years of advertising tax revenue and add other variables to find out how big the influence of advertising tax is on Original Regional Income in the city of Makassar .

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