

The Role of Local Taxes and Local Retributions to Provincial Government Local Own-Source Revenue (Pad) in Indonesia in 2019-2021 (Before and During the Covid-19 Pandemic)



Rakhmini Juwita

Universitas Terbuka, Tangerang- Indonesia

ABSTRACT: This study aims to analyze the role which in this case includes the effectiveness, growth rate, and contribution of local taxes and regional levies to the locally generated revenue (PAD) in Indonesia in 2019-2021, or a comparison of the phenomena before and during the Covid-19 period. The data is sourced from secondary data in the form of time series data obtained by researchers indirectly through intermediary media, the Directorate General of Fiscal Balance, Ministry of Finance of the Republic of Indonesia through the <https://djpk.kemenkeu.go.id> page. Methods of testing and data analysis using descriptive statistical tests by measuring the effectiveness, contribution, and growth rate. Based on the results of the research, the effectiveness of provincial government regional tax revenues or regional levies in 2019 – 2021 has fluctuated and tends to experience a drastic decline in 2020. However, it can still be categorized as less effective to very effective. The average growth rate of all provincial governments in Indonesia has not managed to experience growth in both local tax revenues and regional levies in 2019 – 2021. The contribution of local taxes to the locally generated revenue (PAD) of all provinces in Indonesia is classified as very good. Meanwhile, the contribution of regional levies to the PAD of all provinces in Indonesia is classified as very low.

KEYWORDS: Local Taxes; Locally Generated Revenue (PAD); Regional Levies.

I. INTRODUCTION

Each region in Indonesia is given the flexibility and authority by the central government to explore, develop, and optimize the existing potential in the region in financing development, operations, regulating and managing the interests of the government and its people following the regional autonomy implementation as stipulated in Law Number 23 of 2014 on Local Government. In practice, regional autonomy must be supported by large enough regional finances to meet the community's needs and demands and the government's operational administration.

According to Juwita (2017), regional financing is highly dependent on regional income since an increase in regional income will positively affect regional income for development and social welfare; hence, the regional income sector occupies a crucial position, mainly local own-source revenue (PAD). Furthermore, Simanjuntak et al. (2013) stated that local governments need to optimize local own-source revenue (PAD) further to fund regional spending and not hamper regional economic activities. According to Rosidin (2015), one-way local governments can increase local own-source revenue (PAD) is to optimize revenues of local taxes and local retributions.

Table 1. The Ratio of Local Tax Realization to Local Own-source Revenue (PAD) Nationally in 2019-2021

Year	Local Tax (PD) (Billion Rupiah)	Local Own-source Revenue (PAD) (Billion Rupiah)	Ratio of PD- PAD (%)
2019	208,938.20	293,659.55	71.14%
2020	179,170.49	264,065.97	67.85%
2021	199,306.00	297,009.78	67.10%

Source: www.djpk.kemenkeu.go.id (Data processed, 2022)

Based on Table 1, in the 2019-2021 range, nationally, local taxes contributed more than 60% to local own-source revenue (PAD). However, there was a decrease in the ratio, especially from 2019 to 2020. In 2019, the national PAD was IDR 293,659.55 billion, with a local tax contribution of IDR 208,938.20 billion or 71.14%. However, in 2020, it decreased quite significantly, i.e., a

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national PAD of IDR 264,065.97 billion, with a local tax contribution of IDR 179,170.49 billion or 67.85%. Meanwhile, in 2021, the total national PAD was IDR 297,009.78 billion, with a local tax contribution of IDR 199,306.00 billion or 67.10%.

Table 2. The Ratio of Local Retribution Realization to Local Own-source Revenue (PAD) Nationally in 2019-2021

Year	Local Retribution (RD) (Billion Rupiah)	Local Own-source Revenue (PAD) (Billion Rupiah)	Ration of RD-PAD (%)
2019	9,790.45	293,659.55	3.33%
2020	8,410.25	264,065.97	3.18%
2021	8,481.22	297,009.78	2.85%

Source: www.djpk.kemenkeu.go.id (Data processed, 2022)

Meanwhile, in Table 2, in the 2019-2021 range, nationally, local retributions contributed an average of 3% to local own-source revenue (PAD). Then, it can be seen that there was a decrease in the ratio from year to year. It is also known that in 2019, the national PAD was IDR 293,659.55 billion, with a local retribution contribution of IDR 9,790.45 billion or 3.33%. In 2020, it decreased, i.e., the national PAD of IDR 264,065.97 billion with a local retribution contribution of IDR 8,410.25 billion or 3.18%. Meanwhile, in 2021, the total national PAD was IDR 297,009.78 billion, with a local retribution contribution of IDR 8,481.22 billion or 2.85%.

The fluctuations that occurred were suspected as implications for the socio-economic situation at that vulnerable time, namely the COVID-19 pandemic, which attacked Indonesia in early 2020. Based on the description above, the main objective of this study was to analyze the role, which in this case, includes effectiveness, growth rate, and local tax and local retribution contributions on provincial government local own-source revenue (PAD) in Indonesia in 2019-2021 or a comparison of phenomena before and during the COVID-19 era that hit Indonesia.

II. LITERATURE REVIEW

A. Regional Autonomy and Decentralization

Indonesia is one of the countries that adhere to and implements the regional autonomy system, which began in 1999. The regional autonomy implementation aims to expedite all government activities. Through regional autonomy, each region is given the right to manage its area. However, it is still controlled by the central government and statutory law.

According to Taluke (2013: 387), regional autonomy implementation is not only a constitutional obligation but also an objective administrative requirement of the current government. The previous model of centralized government was out of date, not only because it was inefficient and expensive but also because it did not keep up with developments in people's lives that had changed due to internal and external factors. To carry out this role, the regions are given the broadest possible powers accompanied by rights and obligations to carry out regional autonomy in one unit.

B. Local Own-source Revenue (PAD)

According to Law Number 33 of 2004, concerning the Financial Balance between the Central Government and Local Governments, local own-source revenue (PAD) is income earned by regions collected based on regional regulations under laws and regulations. In addition, local own-source revenue (PAD) is one of the regional finances that is the primary determinant in implementing local government autonomy (Jonathan, 2018). Local own-source revenue can also be used as a measuring tool to assess regional economic development since a region's economic growth level depends on the area's tax capacity (Sulastri et al., 2020).

Based on Law Number 33 of 2004, article 6, PAD sources can be separated into four types or components of income, as follows:

1. Local taxes
2. Local retributions
3. Proceeds from locally owned companies and separated regional wealth management results, and
4. Other legal PAD

C. Local Tax

Included in Law Number 28 of 2009 concerning Local Taxes and Local Retributions, local taxes, hereinafter referred to as taxes, are a mandatory contribution to the area owed to individuals or entities that are coercive but still based on the law, by not getting compensation directly and used for regional needs for the greatest prosperity of the people. According to Rahardjo (2014: 100), local taxes can be interpreted as taxes collected by local governments based on national laws and regulations, but local governments regulate the application of rates.

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Local taxes themselves are divided into two parts, namely provincial taxes and regency/city taxes, each of which has its types, as follows:

1. Provincial taxes consist of the following:
 - a. Motor Vehicle Tax
 - b. Excise/Tax for Transfer of Ownership of Motor Vehicle
 - c. Vehicle
 - d. Motor Vehicle Fuel Tax
 - e. Surface Water Tax
 - f. Cigarette Tax
2. Regency/city taxes, consisting of:
 - a. Hotel Tax
 - b. Restaurant Tax
 - c. Entertainment Tax
 - d. Advertising Tax
 - e. Street Lighting Tax
 - f. Tax on Non-Metal Minerals and Rock
 - g. Parking Tax
 - h. Ground Water Tax
 - i. Tax on Swallows' Nests
 - j. Rural and Urban Land and Building Tax
 - k. Excise/Tax for Acquiring Right on Land, and
 - l. Building

D. Local Retribution

Under Law Number 28 of 2009 concerning Local Taxes and Local Retributions, local retributions are regional levies as payment for particular services or granting of permits, which are expressly provided and/or given by the local government for the benefit of individuals or entities. According to Adisasmita (2014), local retributions are levies related to facilities provided by the government directly and are felt in real-time by the community. Meanwhile, the objects of retribution are as follows:

1. Public Services
2. Business Services
3. Certain Permits

III. RESEARCH METHODOLOGY

In this research, local own-source revenue (PAD) was variable Y (independent variable). Meanwhile, local taxes and local retributions acted as the dependent variable, with local taxes as X_1 and local retribution as X_2 .

In this study, the data were sourced from secondary data in the form of time series data obtained by researchers indirectly through intermediary media, the Directorate General of Fiscal Balance, Ministry of Finance of the Republic of Indonesia via the <https://djpk.kemenkeu.go.id/> website, related to the following data:

1. Local government budgets (APBD) for all provinces in Indonesia in 2019-2021, especially local taxes, local retributions, and local own-source revenue (PAD), expressed in billions of rupiah.
2. Data on the realization of local tax revenues for all provinces in Indonesia in 2019-2021, expressed in billions of rupiah.
3. Data on the realization of local retribution revenues for all provinces in Indonesia in 2019-2021, expressed in billions of rupiah.
4. Data on the realization of PAD revenues for all provinces in Indonesia in 2019-2021, expressed in billions of rupiah.

Research data were collected through library research with documentation techniques on local taxes, local retributions, and local own-source revenue (PAD) for all provincial governments in Indonesia. The population in this study was all provincial governments in Indonesia, where the entire population was also the research sample.

Testing and data analysis methods used descriptive statistical tests measuring effectiveness, contribution, and growth rates.

A. Analysis of the Effectiveness of Local Taxes and Local Retributions

According to Halim & Kusufi (2018), the effectiveness of local taxes is a value or amount calculated based on comparing the real percentage of local tax revenue to the target or local tax revenue ceiling/budget. Meanwhile, the effectiveness of local retribution is a value calculated from the percentage comparison of the real, local retribution revenue with local retributions that have been set through budget targets/ceilings. The formula of the two analyzes is as follows:

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$$Efektivitas Pajak Daerah = \frac{Realisasi Pajak Daerah}{Target Anggaran Pajak Daerah} \times 100 \quad (1)$$

$$Efektivitas Retribusi Daerah = \frac{Realisasi Retribusi Daerah}{Target Anggaran Retribusi Daerah} \times 100 \quad (2)$$

Local Tax Effectiveness: Local Tax Realization/Local Tax Budget Target X 100%

Local Retribution Effectiveness: Local Retribution Realization/Local Retribution Budget Target X 100%

The effectiveness level of local taxes and local retributions can be categorized as follows:

Table 3. Effectiveness Category

Percentage	Criteria
>100%	Very effective
90% – 100%	Effective
80% - 90%	Effective enough
60% - 80%	Less effective
<60%	Ineffective

Source: Ministry of Home Affairs, Decree of the Minister of Home Affairs No. 690.900.327 in 2006

B. Analysis of the Growth Rate of Local Taxes and Local Retributions

According to Halim & Kusufi (2018), the growth rate indicates the ability of a region to maintain and/or increase the success achieved by an area from one particular period to the next. Meanwhile, the formula for calculating the growth rate is as follows:

$$gX = \frac{X_t - X(t-1)}{X(t-1)} \times 100\%$$

Description:

gX = The growth of local taxes/local retributions

X_t = The realization of local taxes/local retributions for a specific year

X(t-1) = The realization of local taxes/local retributions in the previous year

The growth rate of local taxes and local retributions can be categorized as follows:

Table 4. Growth Rate Category

Percentage	Criteria
85% - 100%	Very Successful
70% - 85%	Succeed
55% - 70%	Successful
30% - 55%	Enough
30% - 55%	Less successful
>30%	Not successful

Source: Decree of the Minister of Home Affairs No. 690.900.327 in 2006

C. Analysis of Local Tax and Local Retribution Contributions

According to Halim & Kusufi (2018), contributions determine how much local taxes and retributions contribute to accumulating local own-source revenue (PAD). To find out the contribution, a comparison was made between local tax and local retribution revenues for a certain period with a particular PAD. The greater the results, the more significant the role of local taxes and local retributions in PAD, and vice versa.

The formula of the two analyzes is as follows:

$$Kontribusi Pajak Daerah = \frac{Realisasi Pajak Daerah}{Realisasi PAD} \times 100 \quad (1)$$

$$Kontribusi Retribusi Daerah = \frac{Realisasi Retribusi Daerah}{Realisasi PAD} \times 100 \quad (2)$$

Local Tax Contribution: Local Tax Realization/PAD Realization X 100%

Local Retribution Contribution: Local Retribution Realization/PAD Realization X 100%

The contribution level of local taxes and local retributions can be categorized as follows:

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Table 5. Contribution Category

Percentage	Criteria
>50%	Very good
40% - 50%	Good
30% - 40%	Good enough
20% - 30%	Moderate
10% - 20%	Not enough
>10%	Very less

Source: Decree of the Minister of Home Affairs No. 690.900.327 in 2006

IV. RESULTS AND DISCUSSION

Before further data analysis, it was necessary to pay attention to each provincial government's local tax and local retribution revenues since it would later have implications for determining the effectiveness, growth, and contribution ratios.

Table 6. Realization of Local Tax and Local Retribution Revenues of Provincial Governments in Indonesia in 2019-2021

No	Provincial government	Local Tax Realization (Billion Rupiah)			Local Retribution Realization (Billion Rupiah)		
		2019	2020	2021	2019	2020	2021
1	Aceh	1,409.25	1,477.99	1,529.61	17.09	8.16	8.31
2	North Sumatra	5,058.44	5,071.60	5,730.57	38.41	30.22	27.13
3	West Sumatra	1,872.93	1,809.81	2,060.85	19.48	7.93	9.10
4	Riau	2,989.75	2,783.42	3,327.50	15.74	12.48	13.79
5	Jambi	1,345.11	1,292.73	1,558.11	19.11	18.59	12.62
6	South Sumatra	3,145.56	3,081.80	3,523.79	12.04	8.23	9.31
7	Bengkulu	622.48	561.78	778.55	4.66	3.01	3.73
8	Lampung	2,627.89	2,386.35	2,721.14	11.07	17.08	14.66
9	DKI Jakarta	40,298.12	31,895.26	34,575.56	587.38	496.33	383.86
10	West Java	19,626.35	17,035.96	18,847.18	56.22	40.22	43.26
11	Central Java	11,951.92	11,139.17	11,718.38	114.86	93.28	91.63
12	Yogyakarta Special Region	1,773.94	1,646.56	1,688.44	42.42	36.55	38.51
13	East Java	15,522.20	14,412.67	15,400.86	146.82	84.10	110.95
14	West Kalimantan	1,959.34	1,808.97	2,121.97	45.88	37.14	32.04
15	Central Kalimantan	1,438.98	1,243.22	1,415.41	41.57	14.37	24.01
16	South Kalimantan	2,765.97	2,214.72	2,631.76	39.97	22.08	38.36
17	East Kalimantan	4,984.52	3,900.43	4,774.89	26.49	9.75	13.59
18	North Sulawesi	1,050.10	930.42	1,075.92	102.67	114.78	113.65
19	Central Sulawesi	896.32	914.78	1,074.42	12.67	14.69	19.11
20	South Sulawesi	3,710.61	3,362.62	3,846.74	40.88	36.93	38.39
21	Southeast Sulawesi	864.17	752.77	1,052.63	22.22	21.12	34.67
22	Bali	3,464.00	2,607.99	2,458.53	33.84	18.97	14.30
23	West Nusa Tenggara	1,404.96	1,328.31	1,418.22	21.48	16.47	10.45
24	East Nusa Tenggara	908.21	924.19	925.86	60.83	34.96	69.89
25	Maluku	361.09	382.36	382.36	79.64	94.08	94.08
26	Papua	1,469.23	986.67	1,627.37	27.25	40.02	38.78
27	North Maluku	322.56	314.13	400.03	10.95	1.57	2.78
28	Banten	6,720.75	5,659.65	6,670.93	20.85	8.73	10.97
29	Bangka Belitung	761.00	613.62	813.81	8.73	6.51	5.95
30	Gorontalo	387.40	352.17	400.75	22.28	6.50	5.74
31	Riau Islands	1,185.27	1,033.43	1,191.20	7.16	5.73	12.27
32	West Papua	369.67	339.81	370.71	3.54	3.26	4.67
33	West Sulawesi	291.49	290.12	346.23	24.20	1.05	2.92
34	North Kalimantan	417.54	348.95	392.69	5.91	4.86	6.21

Source: Processed data, 2022

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Table 6 above shows that the realization of provincial government local tax and local retribution revenues in Indonesia on average decreased, especially during the transition from 2019 to 2020, and recovered in 2021. However, several provinces have not returned to the same or exceeded the achievements of 2019. Local retributions for each province also drastically declined from 2019 to 2021, as experienced by the Provinces of North Maluku, Banten, West Sulawesi, and several other provinces. In addition, the stability of increasing revenue from both local taxes and local retributions in 2019-2021 was only experienced by the Central Sulawesi Provincial Government. Meanwhile, Bali Province experienced a yearly decline in the 2019-2021 range. Thus, it can be concluded that in 2019-2021, provincial government local tax revenues and local retributions decreased on average, especially from 2019 to 2021. It was also found in research conducted by Yahaya & Agusta (2020) that in 2016-2018, the realization of local tax and local retribution revenues at the BAPENDA Bulukumba Regency tended to fluctuate every year. Besides, the same thing was reported in the research results of Sartika, Ulfa, and Ilyas (2019) that local tax and local retributions revenues for the regency/city in West Sumatra for the 2013-2016 period tended to fluctuate every year.

A. Effectiveness of Provincial Government Local Taxes and Local Retributions for 2019-2021

Based on data from the DJPK of the Ministry of Finance, several provincial governments were optimistic about increasing their local tax and local retribution revenue targets in the 2019-2021 range. However, in reality, it turned out that there was a pandemic in early 2020, which affected various aspects of society, including the economy. Thus, the realization of achievements varied, but the majority experienced a decline in 2020. It aligns with research conducted by Sartika, Ulfa, and Ilyas (2019) that the target of local tax and local retribution revenues in districts/cities in West Sumatra for 2013-2016 was always optimistic about increasing every year, but they tended to fluctuate every year. Data on the effectiveness of provincial government local tax revenues and local retribution can be seen in Table 7 below.

Table 7. Effectiveness of Local Taxes and Local Retribution of Provincial Governments in Indonesia in 2019-2021

No	Provincial Governments	Local Tax			Local Retribution		
		Effectiveness (%)			Effectiveness (%)		
		2019	2020	2021	2019	2020	2021
1	Aceh	93.34	91.38	111.28	59.22	24.15	68.51
2	North Sumatra	66.70	93.69	105.38	104.55	75.70	89.33
3	West Sumatra	102.80	92.51	113.16	79.48	69.68	35.37
4	Riau	95.67	81.94	98.10	82.11	50.55	64.08
5	Jambi	103.75	91.82	125.80	80.80	71.83	58.48
6	South Sumatra	104.23	95.36	108.32	110.66	70.83	104.14
7	Bengkulu	72.24	61.57	100.75	86.94	52.17	74.60
8	Lampung	97.49	84.33	97.27	84.83	104.15	128.26
9	DKI Jakarta	91.21	63.57	79.71	82.71	65.67	50.79
10	West Java	106.70	72.02	80.34	117.39	75.62	88.79
11	Central Java	102.04	82.88	92.59	91.10	73.73	79.40
12	Yogyakarta Special Region	103.13	87.17	100.94	127.43	91.58	125.11
13	East Java	113.65	94.91	116.88	189.15	77.27	96.86
14	West Kalimantan	111.56	86.27	96.16	117.10	94.91	77.65
15	Central Kalimantan	111.21	86.87	104.36	331.76	33.42	91.92
16	South Kalimantan	93.33	71.13	93.65	128.27	59.55	90.54
17	East Kalimantan	112.77	74.48	112.09	92.56	29.33	76.18
18	North Sulawesi	98.95	85.98	95.73	77.60	85.94	674.48
19	Central Sulawesi	108.78	107.60	122.10	153.95	129.09	150.71
20	South Sulawesi	100.81	87.36	90.90	45.11	46.61	69.61
21	Southeast Sulawesi	122.39	76.48	112.96	153.88	107.81	142.21
22	Bali	112.86	79.88	89.46	67.95	38.56	73.86
23	West Nusa Tenggara	104.79	88.87	95.33	90.21	83.86	22.13
24	East Nusa Tenggara	103.64	84.94	60.38	199.18	20.55	33.97
25	Maluku	100.15	102.63	107.43	95.26	140.38	101.50
26	Papua	219.31	97.94	116.39	65.50	170.52	139.95
27	North Maluku	100.47	87.66	121.24	454.36	14.63	34.15
28	Banten	96.46	73.05	98.88	112.28	42.17	91.11

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29	Bangka Belitung	106.93	72.16	128.21	71.97	40.21	29.62
30	Gorontalo	108.45	86.80	116.61	171.38	23.40	51.71
31	Riau Islands	107.44	89.87	121.34	9.73	8.84	5.67
32	West Papua	111.32	85.73	111.67	168.57	81.91	180.31
33	West Sulawesi	98.69	95.57	112.02	53.85	47.30	78.07
34	North Kalimantan	114.86	72.69	91.24	29.10	22.09	108.00
Average		105.83	84.92	103.78	117.23	65.41	99.62

Source: Processed data, 2022

In Table 7, in 2019, only North Sumatra and Bengkulu Provinces were categorized as less effective because they only reached 66.70% and 72.24%, respectively. However, in 2020, North Sumatra Province had actually improved with an effective achievement of 93.69%, while Bengkulu was still in the less effective category along with several other provinces, which experienced a decline. From 2019-2021, DKI Jakarta Province experienced a drastic decrease in the effectiveness of local tax revenues. Meanwhile, in 2022, several increases in effectiveness have been felt in various provincial governments, especially Bengkulu and Bangka Belitung Provinces. In 2022, there are also several provinces whose effectiveness is still lacking, such as DKI Jakarta and East Nusa Tenggara, which only reached 79.71% and 60.38%, respectively.

Furthermore, the effectiveness of receiving local retributions for 2019-2021 tended to fluctuate and vary. In fact, several regions experienced an increase in the effectiveness of local retributions in the 2019-2021 timeframe, as experienced by the Lampung and North Sulawesi Provinces. Also, Lampung Province was one of the provinces with the highest effective local retribution in 2020, with an achievement of 104.15%, and then North Sulawesi Province was the highest in 2021, with an achievement of 674.48%. Unfortunately, in the 2019-2021 range, several regions experienced declining achievements yearly, such as DKI Jakarta, Central Java, North Maluku, Gorontalo, and various other areas. It can be concluded that both provincial government local tax and local retribution revenues in 2019-2021 fluctuated and tended to experience a drastic decline in 2020. It was because, in 2020, the COVID-19 pandemic began to enter Indonesia, thus affecting several aspects of life, including economic activity. The results of this study are consistent with research conducted by Ishak (2021) that before and after the announcement of the first case of COVID-19 in Indonesia, there was a significant difference between the provincial government's local own-source revenue.

B. Growth of Provincial Government Local Taxes and Local Retributions for 2019-2021

The data analysis results showed the growth of local taxes and local retributions for the provincial government for 2019-2021 in the following table.

Table 8. Growth of Local Taxes and Local Retributions of Provincial Governments in Indonesia in 2019-2021

No	Provincial Governments	Local Tax Growth (%)			Local Retribution Growth (%)		
		2019	2020	2021	2019	2020	2021
1	Aceh	7.65	4.88	3.49	-17.68	-52.25	1.84
2	North Sumatra	-3.08	0.26	12.99	4.92	-21.32	-10.23
3	West Sumatra	4.19	-3.37	13.87	-0.15	-59.29	14.75
4	Riau	-2.80	-6.90	19.55	0.06	-20.71	10.50
5	Jambi	-2.12	-3.89	20.53	-5.44	-2.72	-32.11
6	South Sumatra	-1.64	-2.03	14.34	1.01	-31.64	13.12
7	Bengkulu	-8.38	-9.75	38.59	13.66	-35.41	23.92
8	Lampung	1.95	-9.19	14.03	41.20	54.29	-14.17
9	DKI Jakarta	7.35	-20.85	8.40	1.52	-15.50	-22.66
10	West Java	8.11	-13.20	10.63	14.31	-28.46	7.56
11	Central Java	3.87	-6.80	5.20	9.53	-18.79	-1.77
12	Yogyakarta Special Region	3.30	-7.18	2.54	-2.77	-13.84	5.36
13	East Java	3.06	-7.15	6.86	63.35	-42.72	31.93
14	West Kalimantan	2.09	-7.67	17.30	13.34	-19.05	-13.73
15	Central Kalimantan	6.22	-13.60	13.85	231.24	-65.43	67.08
16	South Kalimantan	-1.79	-19.93	18.83	43.67	-44.76	73.73
17	East Kalimantan	5.68	-21.75	22.42	39.72	-63.19	39.38
18	North Sulawesi	-0.21	-11.40	15.64	19.97	11.80	-0.98
19	Central Sulawesi	7.28	2.06	17.45	12.82	15.94	30.09

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20	South Sulawesi	7.18	-9.38	14.40	-41.91	-9.66	3.95
21	Southeast Sulawesi	25.45	-12.89	39.83	5.26	-4.95	64.16
22	Bali	7.22	-24.71	-5.73	-15.90	-43.94	-24.62
23	West Nusa Tenggara	10.65	-5.46	6.77	0.99	-23.32	-36.55
24	East Nusa Tenggara	4.85	1.76	0.18	120.64	-42.53	99.91
25	Maluku	-0.79	5.89	0.00	-0.31	18.13	0.00
26	Papua	83.04	-32.84	64.94	-54.06	46.86	-3.10
27	North Maluku	20.48	-2.61	27.35	23.31	-85.66	77.07
28	Banten	11.41	-15.79	17.87	53.87	-58.13	25.66
29	Bangka Belitung	-3.33	-19.37	32.62	14.72	-25.43	-8.60
30	Gorontalo	10.55	-9.09	13.79	93.74	-70.83	-11.69
31	Riau Islands	7.84	-12.81	15.27	-47.12	-19.97	114.14
32	West Papua	7.39	-8.08	9.09	20.00	-7.91	43.25
33	West Sulawesi	7.07	-0.47	19.34	232.42	-95.66	178.10
34	North Kalimantan	7.51	-16.43	12.53	260.37	-17.77	27.78
Average		5.76	-13.25	11.17	9.97	-21.47	-0.73

Source: Processed data, 2022

Based on the table above, on average, all provincial governments in Indonesia were not in the category of successful growth, both local tax and local retribution revenues in 2019-2021. In 2019, it was discovered that only Papua Province experienced successful growth in local tax revenue of 83.04%. In 2020, all provincial governments were unsuccessful in local tax revenue growth, with an average of -13.25% growth. The most considerable increase was only experienced by Maluku, with 5.89%, while Papua experienced the lowest, with a decrease of -32.84%. In 2021, there was no significant growth in local tax revenues for every provincial government in Indonesia, and substantial growth has only been experienced by the Papua Province of 64.94%, which was successful enough.

Then, the growth rate of provincial government local retributions in 2019-2021 was also categorized as unsuccessful on average. In 2019, several regions were classified as having very successful growth rates, such as Central Kalimantan (231.24%), East Nusa Tenggara (120.64), Gorontalo (93.74), West Sulawesi (232.42), and North Kalimantan (260.37), while several other areas were categorized as successful enough to less successful. In 2020, there was a drastic decline in the growth rate, with West Sulawesi experiencing the lowest at -95.66%. However, several regions experienced growth but were still categorized as less successful, such as Lampung (54.29%) and Papua (46.86%) Provinces. In 2021, there was an increase in growth in several provinces, and some had even returned to the very successful category, including the Provinces of East Nusa Tenggara (99.91%), Riau Islands (114.14%), and West Sulawesi (178.10) %. Even so, several provinces continued to experience declines, including Jambi (-31.11) and West Nusa Tenggara (-36.55).

C. Contribution of Local Taxes and Local Retributions to Provincial Government Local Own-Source Revenue (PAD) in 2019-2021

The data analysis results revealed the contribution of local taxes and local retributions to the provincial government's local own-source revenue (PAD) for 2019-2021 in the following table.

Table 9. Contribution of Local Taxes and Local Retributions to Local Own-source Revenue (PAD) of Provincial Governments in Indonesia in 2019-2021

No	Provincial Governments	PD-PAD Contribution (%)			RD-PAD Contribution(%)		
		2019	2020	2021	2019	2020	2021
1	Aceh	52.22	57.49	61.04	0.63	0.32	0.33
2	North Sumatra	87.80	91.69	89.50	0.67	0.55	0.42
3	West Sumatra	80.44	80.26	80.76	0.84	0.35	0.36
4	Riau	84.02	83.51	82.15	0.44	0.37	0.34
5	Jambi	81.47	84.21	84.52	1.16	1.21	0.68
6	South Sumatra	90.01	91.31	91.16	0.34	0.24	0.24
7	Bengkulu	75.30	78.86	79.09	0.56	0.42	0.38
8	Lampung	87.07	83.96	83.74	0.37	0.60	0.45
9	DKI Jakarta	88.17	85.25	83.10	1.29	1.33	0.92
10	West Java	92.38	91.98	92.69	0.26	0.22	0.21

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11	Central Java	82.78	81.50	79.74	0.80	0.68	0.62
12	Yogyakarta Special Region	85.17	87.74	88.82	2.04	1.95	2.03
13	East Java	80.31	80.29	81.33	0.76	0.47	0.59
14	West Kalimantan	85.14	83.98	84.63	1.99	1.72	1.28
15	Central Kalimantan	81.01	79.18	76.44	2.34	0.92	1.30
16	South Kalimantan	79.05	75.32	73.82	1.14	0.75	1.08
17	East Kalimantan	76.03	73.74	78.12	0.40	0.18	0.22
18	North Sulawesi	81.65	82.68	82.10	7.98	10.20	8.67
19	Central Sulawesi	82.17	81.48	71.90	1.16	1.31	1.28
20	South Sulawesi	89.66	86.44	86.07	0.99	0.95	0.86
21	Southeast Sulawesi	76.58	74.01	76.62	1.97	2.08	2.52
22	Bali	86.10	84.97	78.87	0.84	0.62	0.46
23	West Nusa Tenggara	77.73	73.16	75.10	1.19	0.91	0.55
24	East Nusa Tenggara	72.14	79.22	74.78	4.83	3.00	5.65
25	Maluku	74.79	70.06	70.06	16.50	17.24	17.24
26	Papua	72.46	71.06	76.06	1.34	2.88	1.81
27	North Maluku	74.42	70.23	72.42	2.53	0.35	0.50
28	Banten	95.71	95.82	95.16	0.30	0.15	0.16
29	Bangka Belitung	92.05	89.79	90.85	1.06	0.95	0.66
30	Gorontalo	89.38	84.89	78.46	5.14	1.57	1.12
31	Riau Islands	90.36	86.43	86.58	0.55	0.48	0.89
32	West Papua	76.42	70.01	76.60	0.73	0.67	0.96
33	West Sulawesi	84.44	83.64	84.86	7.01	0.30	0.72
34	North Kalimantan	63.66	62.58	57.94	0.90	0.87	0.92
Average		81.41	80.49	80.15	2.09	1.67	1.66

Source: Processed data, 2022

From Table 9, on average, the contribution of local taxes to local own-source revenue (PAD) in all provinces in Indonesia was in the very good category. In the 2019-2021 range, the Banten Provincial Government achieved the most significant local tax contribution to PAD each year with 95.71%, 95.82%, and 95.16%, in the very good category. Meanwhile, the lowest in the 2019-2020 range was the Aceh Provincial Government, with 52.22% and 57.49%, respectively, while in 2021, it was North Kalimantan Province, with achievements of 57.94%. If further analyzed, there were fluctuations in the local tax contribution to the PAD of all provincial governments in the 2019-2021 period, but on average, all experienced a decline. Lampung, DKI Jakarta, Bali, and several other provinces experienced significant declines during this period.

Furthermore, on average, the contribution of local retributions to PAD of all provinces in Indonesia was classified as very low. It indeed aligns with the contribution of local taxes more significant to PAD than local retributions. In 2019-2021, successively, the highest contribution of local retributions to PAD was achieved by Maluku Province, with 16.50%, 17.24%, and 17.24%. Meanwhile, the lowest in 2019 was West Java, with 0.26%, and then in 2020-2021, Banten had 0.15% and 0.16%, respectively. If analyzed further, there were fluctuations in the contribution of local retributions to the PAD of all provincial governments in the 2019-2021 period, but on average, they decreased. The provinces of West Sulawesi and Gorontalo experienced a significant decline during this period.

Based on this analysis, it can be concluded that the cumulative contribution of local taxes to PAD was more significant than that of local retributions to PAD.

V. CONCLUSION AND RECOMMENDATION

A. Conclusion

Based on the results and discussion, several things can be concluded as follows:

1. The effectiveness of provincial government local tax or local retribution revenues in 2019-2021 fluctuated and tended to experience a drastic decline in 2020. However, it could still be categorized as less effective to very effective.
2. The average growth rate of all provincial governments in Indonesia failed to experience growth, both local tax and local retribution revenues, in 2019-2021.
3. The contribution of local taxes to local own-source revenue (PAD) for all provinces in Indonesia was in the very good category. Meanwhile, the contribution of local retributions to the PAD of all provinces in Indonesia was classified as very low.

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B. Recommendation

Based on the conclusions, the authors provide several recommendations for further researchers and the government as follows:

1. For future researchers, it is hoped that they can add other variables in PAD to determine their overall contribution to PAD.
2. The government is expected to optimize the regional potential to increase PAD and regional income contribution.

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