



## Factors Affecting Land And Building Tax And Locally-Generated Revenue Kutai Timur District

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**Abstract.** *The purpose of this study is to analyze PDRB per capita and the number of taxpayers that affect land and building taxes and locally-generated revenue. This research is causality research, which analyzes the effect of exogenous variables on endogenous variables. The variables used are PDRB Per Capita, Number of Taxpayers, Land Building Tax and Regional Original Income in East Kutai Regency. The data used in this study are secondary time series data from 2011 to 2020 sourced from the Regional Revenue Service of East Kutai Regency and the Central Statistics Agency (BPS) of East Kutai Regency, using Path Analysis. The results of the per capita GDP research have a positive and significant effect on the Building Land Tax, Taxpayers have a negative and insignificant effect on the Building Land Tax. Then PDRB Per capita has a positive and significant effect, Taxpayers have a negative and insignificant effect on Regional Original Income. Land and Building Tax has a significant effect on Regional Original Income. The indirect effect of Per capita PDRB has a negative and insignificant effect on Regional Original Income through the Land and Building Tax. The indirect effect of the Taxpayer has a positive and insignificant effect on Regional Original Income through the Land and Building Tax in East Kutai Regency.*

**Keywords:** *PDRB Per Capita, Taxpayers, Land Building Tax, Locally-Generated Revenue*

### INTRODUCTION

Development is an effort to utilize all the potential that exists in each region; therefore development is more directed to the regions, so that its implementation is left directly to each region to manage its own household affairs (Ghofir, 2000). In accordance with the reflection of the implementation of regional autonomy based on Law Number 34 of 2004 concerning Regional Government and Law Number 33 of 2004 concerning Central and Regional Financial Balance; then each region will enter a new era in Structuring the Government System and Economic System. Each region is required to compete positively in economic activities if it does not want to be left behind by other regions.

One source of regional development financing comes from Regional Original Income (PAD) and the Central Government. In order to increase the Regional Own Revenue (PDS) consisting of Regional Original Revenue (PAD) and Land and Building Tax (PBB), then as an effort by the Regional Government by exploring new sources of regional income as well as streamlining the ways of withdrawing Land and Building Tax Building.

## **LITERATURE REVIEW**

### **State Finance**

UU no. 17 of 2003 concerning State Finances, what is meant by State Finances are all state rights and obligations that can be valued in money, as well as everything in the form of money or goods that can be made property of the state in connection with the implementation of these rights and obligations.

All policies undertaken in the field of financial administration can result in prosperity or decline. Smartness in controlling the state coupled with smart financial control will give satisfactory results as expected, on the other hand, without good financial control, a lack of ability to look ahead, and with inappropriate policies can result in financial ruin, which is one of the areas in state administration that manages about state finances.

### **Regional Finance**

One important factor in carrying out regional household affairs is regional financial capacity. In other words, financial factors are factors that influence the level of regional ability to implement autonomy. In connection with the importance of the regional financial position, Pamudji in Kaho (2007:138-139) emphasized: "Regional governments will not be able to carry out their functions effectively and efficiently without sufficient costs to provide services and development and finance which is a basic criterion for knowing the real ability of the region to manage its own household."

### **Tax**

Taxes in foreign terms are called: tax (English); import contribution, taxe, droit (French); Steuer, Abgabe, Gebuhr (Germany); impuesto contribution, tribute, gravamen, tasa (Spain) and belasting (Netherlands). In American literature, apart from the term tax, the term tariff is also known.

Prof. Dr. P.J.A. Andriani formulated that tax is a contribution to the state (which can be enforced) which is owed by those who are obliged to pay it according to the regulations without getting any return, which can be directly appointed, and whose purpose is to finance general expenses related to the state's task of administering government.

### **Gross Regional Domestic Product**

According to Sukirno (2004) GRDP is the value of all goods and services produced within one year in a certain area without distinguishing ownership of factors of production, but rather requires the presence of factors of production used in the production process, GRDP is a reflection of economic progress. an area. An increase in GRDP will cause regional income

from the tax and levy sector to increase. This has an impact on Original Regional Income (PAD) in the area.

## METHOD

This research is explanatory in nature, namely explaining the influence between GRDP per capita (X1), Number of Taxpayers (X2) as independent variables on Land and Building Tax (PBB) as the dependent variable. Then the influence of Land and Building Tax (PBB) on Regional Original Income (PAD) in East Kutai Regency.

In accordance with the problem studied, namely GRDP per Capita and Number of Taxpayers which influence Land and Building Tax (PBB) on Original Regional Income (PAD) in East Kutai Regency. The data taken from 2011 to 2020 is in the form of secondary data.

The data analysis method in this research uses path analysis. Path analysis is an extension of multiple linear regression analysis, or path analysis is the use of regression analysis to estimate causal relationships between variables that have been previously determined based on theory (Ghozali, 2011: 249).

The analytical tool used to analyze the results of this research is path analysis using a two-step structural model and this research was analyzed using SPSS (statistical package for service solution) version 23 software.

## RESAULT AND DISCUSSION

### Results of Per Capita GRDP Level Analysis and Tax on Building Land Tax (PBB) in East Kutai Regency.

**Table 1. Anova**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	.017	2	.009	16.994	.001 <sup>a</sup>
Residual	.005	9	.001		
Total	.022	11			

Source: SPSS

### Simultaneous Test

From table 1 Annova, the results of the analysis of the influence of GRDP per capita and taxes on land and building tax (PBB) in East Kutai Regency were simultaneously carried out with a significance F count > F table or a significant value < 0.10, so the hypothesis was accepted (rejecting H0 and accepting H1). If Fcount < Ftable or a significant value of 0.10 then

the hypothesis is rejected (accepting H0 and rejecting H1). Based on the results of the analysis, the Fcount is 16.994 with a significance of 0.001, while the Ftable is 3.006, so it is known that (Fcount 16.994 > Ftable 3.006), the model is suitable for use. From the Significant F results, it shows a significance value of 0.009; when compared with a significance level of 0.10, the sig value = 0.001 < 0.10 level. So it can be concluded from the results of this analysis that Ho is rejected, or in other words the model can be used.

### **Partial Test (t Test)**

**Tabel 2. Variable Y1, Building Land Tax**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-1.798	3.126		-.575	.579
PDRB Perkapita	1.093	.446	1.345	2.452	.037
Pajak	-.049	.055	-.486	-.885	.399

Source: SPSS

1. The influence of GDP per capita (X1) on land and building tax (Y1). The results of the analysis show that the GDP per capita path coefficient (X1) is 1.093, this path has a positive effect. The value of t count is 2.452 while t table is 1.383 (t count = 2.452 > t table = 1.093), thus in this direct relationship pattern, GRDP per capita (X1) has a positive and significant effect on Land Building Tax (Y1) in East Kutai Regency Supported by a Probability Value (sig) of 0.037,  $p < 0.10$  which means it is significant. Based on this, it can be concluded that the path has a positive and significant effect.
2. Effect of Tax (X2) on Land and Building Tax (Y1). The analysis results show that the Tax path coefficient (X2) is -0.049, this path has a negative effect. The value of t count is -0.885 while t table is 1.383 meaning (t count = -0.885 < t table = 1.383), thus in this direct relationship pattern, Tax (X2) has a positive and insignificant effect on Land Building Tax (Y1) in East Kutai Regency. Supported by Probability Value (sig) 0.399  $p > 0.10$  which means it is not significant. Based on this, it can be concluded that the path has a negative and insignificant effect.

**Analysis Results of PDRB Per Capita, Taxes, Land Building Tax on Regional Original Income in East Kutai Regency.**

**Table 3. Variable Y2, Regional Original Income**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	.483	3	.161	12.923	.002 <sup>a</sup>
Residual	.100	8	.012		
Total	.583	11			

Source: SPSS

### Simultaneous Test

From table 3 Annova, the results of the analysis of the influence of Per Capita GRDP, Tax and Building Tax on Original Regional Income in East Kutai Regency were simultaneously carried out with a significance F count > F table or a significant value < 0.10, so the Hypothesis was accepted (rejecting H0 and accepting H1) . If Fcount < Ftable or a significant value of 0.10 then the hypothesis is rejected (accepting H0 and rejecting H1). Based on the results of the analysis, the Fcount is 12.923 with a significance of 0.002, while the Ftable is 2.923, so it is known that (Fcount 12.923 > Ftable 2.923), the model is suitable for use. From the Significant F results, it shows a significance value of 0.002; when compared with a significance level of 0.10, the sig value = 0.002 < 0.10 level. So it can be concluded from the results of this analysis that Ho is rejected, or in other words the model can be used.

### Partial Test (t Test)

**Table 4. Variable Y2, Regional Original Income**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-21.319	15.816		-1.348	.215
PDRB Perkapita	6.092	2.860	1.447	2.130	.066
Pajak	-.049	.284	-.094	-.172	.868
PBB	-2.843	1.656	-.549	-1.717	.124

Source: SPSS

1. Influence of GDP per capita (X1) on Original Regional Income (Y2). The results of the analysis show that the path coefficient between GRDP Per Capita (X1) is 6.092, this path has a positive effect. The tcount value is 2.130 while the t table is 1.397 meaning (t count = 2.130 > t table = 1.397), thus in this direct relationship pattern, GRDP Per Capita (X1) has a positive and significant effect on Regional Original Income (Y2) in East Kutai Regency . Supported by a Probability Value (sig) of 0.066,  $p < 0.10$  which means it is

significant. Based on this, it can be concluded that the path has a positive and significant effect.

2. Effect of Tax (X2) on Original Regional Income (Y2). The analysis results show that the path coefficient between Tax (X2) is -0.049, this path has a negative effect. The value of t count is -0.172 while t table is 1.397 meaning ( $t \text{ count} = -0.172 > t \text{ table} = 1.397$ ), thus in this direct relationship pattern, Tax (X2) has a negative and insignificant effect on Regional Original Income (Y2) in East Kutai Regency. Supported by a Probability Value (sig) of 0.868,  $p > 0.10$  which means it is not significant. Based on this, it can be concluded that the path has a negative and insignificant effect.
3. Effect of Land and Building Tax (Y1) on Original Regional Income (Y2). The analysis results show that the path coefficient between Building Land Tax (Y1) is -2.843, this path has a negative effect. The value of t count is -1.717 while t table is 1.397 meaning ( $t \text{ count} = -1.717 > t \text{ table} = 1.397$ ), thus in this direct relationship pattern, Land and Building Tax (Y1) has a negative and insignificant effect on Regional Original Income (Y2) in East Kutai Regency. Supported by a Probability Value (sig) of 0.121,  $p > 0.10$  which means it is not significant. Based on this, it can be concluded that the path has a negative and insignificant effect.

## **CONCLUSION**

Based on the results of analysis, discussion and testing of hypotheses, several conclusions can be drawn as follows: GRDP per capita (X1) has a positive and significant effect on land and building tax (Y1) in East Kutai Regency; Taxpayers (X2) have a negative and insignificant effect on Land and Building Tax (Y1) in East Kutai Regency; PDRB Per Capita (X1) has a positive and significant effect on Regional Original Income (Y2) in East Kutai Regency; Taxpayers (X2) have a negative and insignificant effect on Regional Original Income (Y2) in East Kutai Regency; Land and Building Tax (Y1) has a significant effect on Local Own Revenue (Y2) in East Kutai Regency ; The indirect effect of GDP per capita (X1) has a negative and insignificant effect on Original Regional Income (Y2) through Land and Building Tax (Y1) in East Kutai Regency ; The indirect influence of Taxpayers (X2) has a positive and insignificant effect on Original Regional Income (Y2) through Land and Building Tax (Y1) in East Kutai Regency.

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