

AN ANALYSIS OF STRATEGIES FOR OPTIMIZING LAND AND BUILDING TAX REVENUE IN INCREASING REGIONAL OWN-SOURCE REVENUE IN THE REGIONAL FINANCE AND INCOME MANAGEMENT AGENCY OF SUKABUMI CITY

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ABSTRACT

Land and building tax is one of the potential Regional Own-Source Revenues that can contribute to regional Original Income; therefore Land and Building Tax revenue must be strived for optimally. However, based on the initial data that the researchers obtained, it was unfortunate that Land and Building tax revenue in Sukabumi City had not been optimal when compared to the actual potential land and building taxes.

The realization rate of Land and Building Tax revenue when compared to the Potential Land and Building tax in Sukabumi City for a period of three years, namely 2018, 2019 and 2020 only reached 79.19%, meaning that almost 20% of Land and building Tax in Sukabumi City was still a tax that had been in arrears and had not been paid by taxpayers. Clearly this was a fairly crucial problem and required to be resolved immediately. In this journal, the researcher would seek to analyze the correct strategy that could be applied in an effort to optimize Land and Building Tax Revenue having the research location was the Regional Technical Implementing Unit (UPTD) of Regional Income Management.

The research used qualitative descriptive research method with the key resource person was the Secretary of the Regional Financial and Income Management Agency, Mr. Olga Pragosta, S.H, M.M and the main resource person was the head of the UPTD of Regional Income Management, as well as several accompanying source persons. In the research, the researcher applied the SWOT analysis method to map the internal Strengths and Weaknesses of the UPTD as well as the external opportunities and threats encountered by the UPTD. The mapping was intended to formulate the correct strategy that can be applied as an effort to optimize land and building tax revenue.

With the application of those strategies, it was expected that the performance of the UPTD of Regional Income Management, especially in optimizing the Land and Building Tax could be better and in accordance with one of the missions of the UPTD of Tax and Building Management, namely: Optimizing revenue with measurable intensification and extensification according to economic growth as well as increasing local revenue and PBB-P2 & BPHTB sectors.

Keywords : Public Policy, Analysis, Strategies, Optimalization, Land and Building Tax.

INTRODUCTION

The implementation of Regional Autonomy based on Law Number 32 of 2004 as amended by Law Number 12 of 2008 concerning Regional Government has given broad

authority to the regions to regulate their own affairs as the definition or meaning of regional autonomy is as follows: "Regional Autonomy is the right, power and obligation of autonomous regions to regulate and manage their own government affairs and the interests of the local society in accordance with statutory regulations."

Along with the decentralization of authority from the central government to local governments to carry out their own regional development, there are also demands for local governments to be able to optimize sources of regional income that will be used to fund regional development for the welfare of the society.

Sukabumi City is a small town in the province of West Java with an area of 48.33 sq. km, consisting of 7 districts and 33 sub-districts. The small area is a challenge for city government officials to be able to maximize the potential of existing regional revenues in order to make a significant contribution for Regional Own-Source Revenue.

Land and Building Tax is one of the potential sources of local revenue; however, there are various obstacles that cause the potential income from Land and Building Tax to be not optimal as shown by the non-optimal rate of payment of Notification of Tax Due of land and Building Tax by taxpayers.

Table of Determination and Realization of Land and Building Tax from 2018 to 2020

Tahun	KETETAPAN SPPT		REALISASI PENERIMAAN		
	SPPT	KETETAPAN	SPPT	KETETAPAN	%
2018	93.321	11.093.503.000	71.449	9.113.668.620	82,15
2019	96.330	11.646.987.000	63.323	9.426.373.693	80,93,
2020	98.310	12.011.474.000	60.130	8.981.386.584	74,77,
Total	287.961	34.751.964.000	194.902	27.521.428.897	79,19,

Source : Report on Determination and Realization of Notification of Tax Due from Regional Revenue Management UPTD for 2018, 2019 and 2020.

From the table above, it can be illustrated that from a total of 287.961 Tax Payable in the Notifications of Tax Due (SPPT) for Land and Building Tax issued by the Sukabumi City Government in the period 2018 to 2020, only 194,902 SPPT were paid by the Land and Building Taxpayers. Thus, from the potential revenue of Rp. 34.751.964.000,00, it is only realized as much as Rp. 27.521.428.897,00 or namely only 79.19 percent of it, even every year the number of Taxpayers who pay off their tax payable has decreased.

If such condition continues, it is feared that it will become a bigger problem and hinder the achievement of optimal Land and Building Tax Revenue. Therefore, a comprehensive strategy is needed to be applied in the management of Land and Building Tax. Land and Building Tax Revenue in Sukabumi City can be more optimal and can provide a greater contribution for Sukabumi City's Own-Source Regional Revenue.

THEORETICAL FRAMEWORK

A. Definition of Optimization Strategies Analysis

Analysis is a problem-solving process that starts with a hypothesis (prediction, etc.) until the truth is proven through some certainty (observation, experiment, etc.).

Analysis is required to determine the suitability of a policy that has been made with expected output, with a discrepancy analysis. According to Sugiyono (2015:335), analysis is: *Analysis is an activity to look for a pattern; besides that, analysis is a way of thinking related to systematic testing of something to determine the parts, the relationship between the parts and their relationship to the whole.*

In the implementation of public policies, strategies are needed to accelerate the achievement of the expected public policy outputs. According to *Kamus Besar Bahasa Indonesia* (KBBI) in 2007, Strategy:

1. The science and art of using all the resources of nations to carry out certain policies in war and peace;
2. The science and art of leading armies to face the enemy in war, to obtain favorable conditions;
3. Careful planning of activities to achieve specific goals.

According to *Kamus Besar Bahasa Indonesia* (2012), Optimization is derived from the word optimal which means the best, the highest, the most profitable, making the best, making the highest, optimizing processes, methods, optimizing actions (making the best, the highest, and etc). Therefore, optimization is an action, process, or methodology to make something (as a design, system, or decision) more/fully perfect, functional, or more effective.

It is related to the optimization of an action/activity to improve and optimize. Based on the understanding of the concepts and theories above, the researcher can conclude that optimization is a process of implementing programs that have been planned in a planned manner in order to achieve goals/targets so that it is able to improve performance optimally.

From the above understanding, it can be concluded that the analysis of Optimization Strategies is a systematic testing process of a thorough plan to achieve a specific goal. In relation to the implementation of public policies regarding Land and Building Taxes, the purpose of this analysis of optimization strategies is to find out what strategies are appropriate in an effort to optimize land and building tax revenues in accordance with the conditions encountered by the Regional Revenue Management UPTD.

B. Land and Building Tax

Land and building tax or commonly abbreviated as PBB, is a tax levied on land and buildings because of the advantage and/or better socio-economic position for an individual or entity that has a right to it or benefits from it.

Land and buildings provide benefits and/or better socio-economic status for people or entities that have a right to or benefit from them. Therefore, it is natural that they are required to provide a portion of the benefits or enjoyment they obtain to the state through taxes. Land and building taxes will mostly be handed over to the regional government so that the places of payment will be made easier and closer in order to make the related regional government can immediately take advantage of the tax revenue to fund development in their respective regions (Isnanto, 2014).

Land and Building Tax (Mardiasmo, 2011) has a definition as follow:

“Earth is the surface of the earth (land and inland waters) and the body of the earth beneath it, as well as the sea within the territory of the Republic of Indonesia. Buildings are technical constructions that are planted properly on land and water. The definition of building includes: Environmental roads located within a building complex such as hotels, factories,

etc., Toll Roads, Swimming Pools, Luxury Fences, Sports Venues, Piers, Luxury Parks, and other facilities that provide benefits.”

Meanwhile, the principles of land and building tax are : (1) Giving ease and simplicity ; (2) Providing legal certainty ; (3) Avoiding double taxation ; (4) Just and understandable. Objects of Land and Building Tax that are included as tax objects (Mardiasmo, 2011) are as follows:

1. The objects of the tax are the lands and the buildings
2. What is meant by lands and buildings are the grouping of land and buildings according to their selling value and used as a guideline to facilitate the calculation of the tax payable.

METHOD

The research was conducted at the Regional Finance and Income Management Agency of Sukabumi City, especially in the UPTD of Regional Income Management of Sukabumi City. The research was focused on the Analysis of Strategies of Land and Building Tax Revenue Optimization in increasing Regional Own-Source Revenue.

The research used qualitative descriptive research method and the key resource person was the Secretary of the Sukabumi City's Financ and Income Management Agency. The main resource person was the Head of the UPTD of Regional Income Management UPTD and several accompanying resource persons. The techniques of collecting data wre conducted through observations, interviews, and documentation methods. In order to check the validity of the data, the researcher deployed the triangulation method. Menwhile, to determine the correct strategy in optimizing land and building tax revenues, the researcher used the SWOT analysis method.

DISCUSSION

A. Overview of the Realization of Land and Building Tax Revenue in Sukabumi City

The Regional Technical Implementation Unit (UPTD) of Income Management of Sukabumi City namely the Regional Income Management is an element of implementing technical tasks at the agency in the field of regional income management led by a Head of UPTD who is under and responsible to the Head of the Agency. One of the functions of the UPTD of Regional Revenue Management is related to the Land and Building Tax Management. The management itself starts from the determination of the taxpayer, the amount of tax to be paid, the printing and distribution of Notification of Tax Due (SPPT), the efforts to fulfill the target of tax and building revenue as well as the report on the realization of Land and Building Tax.

Based on the data recorded during the past three years, it can be observed that the percentage of SPPT paid by taxpayers is still quite low, namely the average is 79.19 and has a tendency to decrease from YOY from all SPPT that must be paid. The realization rate of land and building tax settlement in 2020 is 79.19% which is considered still quite low. In addition from the data, ranking is carried out where Warudoyong sub-district is the sub-district with the highest realization rate of land and building tax settlement namely amounted to 84.85 % and Lembursitu sub-district is the lowest realization rate, which is only around 59.19%. yet in

fact it is the sub-district where the UPT of Regional Income Management is located. Meanwhile, for the sub-district level, the highest realization of land and building tax revenue is Selabatu sub-district with a realization rate of 95.59%; thus, the lowest is Sindang Palay sub-district with a realization rate of only amounted to 33%.

From the phenomenon above, it can be seen that the realization of Land and Building Tax Revenue in Sukabumi City is not optimal when compared to the real Sukabumi City Land and Building Tax potentials. If the optimal value is juxtaposed with 100% achievement, then the average realization of Sukabumi City's Land and Building Tax Revenue from 2018 to 2020 only reaches 79.19%, which is still considered not to have reached the optimal value.

B. Analysis of Strategies of Land and Building Tax Optimization in Sukabumi City

The analysis of strategies to optimize land and building tax revenue in Sukabumi City begins with mapping the strengths, weaknesses, opportunities and challenges encountered by the UPTD of Regional Income Management in relation to its main tasks and functions and formulated into the following strategies:

1. SO (Strength and Opportunities) Strategies

SO strategies are to use all strengths to seize and take full advantage of opportunities. SO strategies use the organization's internal strengths to take advantage of external opportunities.

- a) Arranging a Strategic Plan for Land and Building Tax Management as an effort to optimize Land and Building Tax revenue, as well as one of the realizations of the implementation of the Regional Regulation Number 10 of 2012 concerning Land and Building Tax and the Mayor Regulation Number 41 of 2020 concerning Technical Instructions for the Implementation of Rural and Urban Land and Building Tax Management.”
- b) Utilizing sufficient Office Facilities and Infrastructure to implement optimal administrative services in relation to the increase in the quantity and quality of Taxpayers that need to be served.
- c) Maintaining a good employee work ethic to continue to optimize services to taxpayers whose number is continually growing.
- d) Maximizing the utilization of land and building tax payment outlets to capture land and building tax payments more broadly.
- e) Taking advantage of the mayor's strong commitment to support the UPTD of Finance and Income Financial Management's programs in optimizing Land and Building Tax Revenue.

2. ST (Strengths and Threats) Strategies

The ST strategies use its strengths to overcome threats. ST strategies also use internal strengths to avoid or reduce the impact of external threats

- a) Arranging a strategic activity plan to socialize the importance of paying taxes so that the awareness of taxpayers in paying land and building taxes increases.
- b) Utilizing the sufficiently complete office facilities and infrastructure as a means to update taxpayer data.
- c) Utilizing strong Regional Head's commitment to facilitate and bridge stakeholder supports related to efforts in optimizing Land and Building Tax Revenue.
- d) Maintaining Incentives as a stimulant in preserving employee work ethic in order to overcome the limited number of personnel resources and employee placements that

have not been optimal.

3. *WO (Weaknessess and Opportunities) Strategies*

Strategies based on exploiting the existing opportunities by minimizing existing weaknesses. The WO strategies aim to improve internal weaknesses by taking advantage of external opportunities.

- a) Utilizing the Supporting Commitment from regional head for strengthening policy competency to increase the number of functional employees in the UPTD of Regional Income Management UPTD.
- b) Utilizing the Strong Supporting Commitment from Regional Heads to strengthen the budget Dissemination of land and building tax payments for the community and procurement of tax-pick up system vehicles.
- c) Taking advantage of the increase in Land and Building Tax Payment counters that can narrow the pick-up area for Land and Building Tax payment and is able to provide options for the society to pay taxes.

4. *WT (Waeknesses and Threats) Strategies*

Strategies based on activities that are defensive and seeking to minimize weaknesses and avoid threats. WT strategies aim to reduce internal weaknesses by avoiding external threats.

- a) Maximizing the competency and placement of employees to cover the number of employees who are not yet optimal and the absence of functional staff in the field of Land and Building Tax;
- b) Completing the Preparation of the UPTD's Strategic Plan for Regional Income Management
- c) Maximizing the utilization of the limited budget to implement socialization of the importance of paying Land and Building Tax to taxpayers.

CONCLUSION

The Regional Technical Implementation Unit for the Regional Income Management is the UPTD under the auspices of the Regional Finance and Income Management Agency of Sukabumi City. One of the main tasks and functions of this UPTD is to optimize land and building tax revenues.

According to the data and interviews conducted by the researcher, land and building tax revenue in Sukabumi City has not yet been optimal. This finding is indicated by only about 79.19% of land and building tax revenues obtained when compared to the potential land and building taxes that should be received by the Sukabumi City government. This condition is caused by the low rate of payment of tax payable (SPPT) of land and building taxes in Sukabumi City.

From the research conducted by researcher regarding land and building taxes, the following conclusions obtained are as follows:

Penerimaan pajak Bumi dan bangunan dikota Sukabumi masih belum optimal, serta Diperlukan Strategi yang bersifat komprehensif dalam upaya mengoptimalkan Pendapatan Pajak bumi dan bangunan di Kota Sukabumi.

1. There is strong support and commitment from the Mayor, the Head of the Regional Finance and Income Management Agency and the Head of the UPTD of Regional Income Management in an effort to optimize land and building tax revenues.

2. There is still a shortage of human resources, as well as budget to support efforts in optimizing land and building tax revenues
3. The incomplete Strategic Plan Documents for the UPTD of Land and Building Tax Management also affects the absence of a comprehensive strategy in an effort to optimize Land and Building tax revenue.

Suggestions that the researcher can give to the UPTD of Regional Income Management based on the results of this research are as follows:

1. The UPTD of Regional Income Management should implement strategies that are prepared based on a SWOT analysis in an effort to optimize Land and Building Tax Revenue, in which the strategies are:
 - a) Utilizing all internal strengths to seize and take full advantage of external opportunities (SO Strategies);
 - b) Utilizing internal strengths to avoid or reduce the impact of external threats (SW Strategies);
 - c) Fixing internal weaknesses by taking advantage of external opportunities (WO Strategies);
 - d) Reducing internal weaknesses by avoiding external threats (WT Strategies)
2. The UPTD of Regional Income Management should continue to strengthen the support and commitment of the Mayor on efforts to optimize Land and Building Tax Revenue; this is intended so that the mayor can facilitate policies related to the efforts in optimizing Land and Building Tax Revenue in Sukabumi City.
3. The UPTD of Regional Income Management should maximize the performance of existing human resources in the UPTD itself to carry out its main tasks, as well as make the use of the available budget efficiently and effectively in supporting efforts to achieve the Performance of UPTD of Regional Income Management.
4. The UPTD of Regional Income Management should immediately complete the UPTD's Strategic Plan Documents which serve as a guideline in the implementation of performance in order to achieve the performance targets set by the UPTD. With the correct strategies, it is expected that the UPTD of Regional Income Management can be maximized in carrying out its main duties and functions in the land and building tax management.

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