



The Effect of Tax Arrears and Motor Vehicle Tax Revenue on Regional Revenue

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ABSTRACT

As the development of motorized vehicles advances every year, this should have an impact on tax revenues, but basically there is no influence from the increase in vehicles every year on tax revenues and motor vehicle tax arrears. Likewise, what happens in the Cianjur Regency area is that every year the number of vehicles increases, revenue should also increase and arrears decrease, basically the increase in vehicles every year has no impact on tax revenues and arrears in the Cianjur Regency area, even to the point that targets and realizations are not achieved. Motor vehicle tax receipts and arrears which affect regional income in the Cianjur Regency area. So with this the researcher aims to find out how big the influence of tax arrears and motor vehicle tax revenue is on regional income in the Cianjur Regency area. The method used is a descriptive associative quantitative method, and produces an influence of tax arrears and motor vehicle tax revenues on regional income in the Cianjur Regency area of 75.5%

INTRODUCTION

The increasingly advanced development of the times means that all people from the upper middle class or lower middle class are increasingly motivated to be able to meet all existing needs.

One of the necessities that must be had is transportation. Transportation is very important to have because it can support community activities. Means of transportation such as motorized vehicles are not a luxury item for the community, but rather a necessity their mainstay in carrying out daily activities. Therefore, the number of motorized vehicles in society is increasing (Kemala, 2015). In each transaction, buyers are required to pay motor vehicle tax which must be paid annually.

As in the Cianjur regency area, the development of the number of motorized vehicles which increases every year shows that more and more people need vehicles as a means of transportation, and this has resulted in an increase in the number of vehicles in the Cianjur regency area from 2017-2021 which has increased every year. Look at the data in 2017, the number of vehicles was 329,974. In 2018 the number of vehicles became 343,731. In 2019 the number of vehicles amounted to 359,263. In 2020 it will be 375,369, and in 2021 the number of vehicles will be 394,483.

Judging from the statement above, the Cianjur district area should experience an increase in motor vehicle tax revenue because it can be seen from the increase in motor vehicles in the Cianjur district area every year. Taxes are state levies from society which are mandatory because most of the revenue is used to finance the state (Marihot, 2015). However, until now there are still many Indonesian people who think that the government is burdening the community in terms of tax collection, and the public is worried about tax abuse. Taxpayers will tend not to fulfill their tax obligations if taxpayer awareness is low.

Taxpayer knowledge is tax information that taxpayers can use as a basis for acting, making decisions, and for pursuing certain directions or strategies in connection with implementation of their rights and obligations in the field of taxation (Carolina, 2014).

The higher the taxpayer's knowledge, the higher the taxpayer's compliance with paying motor vehicle tax. The more tax knowledge that is obtained, the more taxpayers will understand their tax obligations and also the sanctions they will receive if they carry out their tax obligations, resulting in taxpayers paying their taxes on time without any coercion (Wardani, 2015).

In paying taxes, people must be aware of paying taxes. Taxpayer awareness is a person's good faith to fulfill their obligation to pay taxes based on a sincere and sincere conscience. If taxpayers have carried out their tax obligations sincerely, sincerely and are aware of how important taxes are for the growth and development of their region, then there will be no motor vehicle tax arrears (Susilawati, 2013).

Judging from the vehicle tax arrears in the Cianjur district from 2017 - 2021, the tax arrears in 2017 were 19% and in 2018 the tax arrears were 26%, and in 2019 the tax arrears were 23%. In 2020 the amount of tax arrears will be 21%. And in 2021 the number of vehicle tax arrears in the Cianjur district will be 16%. And the result was that the target for vehicle tax arrears in the Cianjur district was not achieved.

Likewise what happened to motor vehicle tax revenue in the Cianjur district during 2017 - 2021. In 2017 motor vehicle tax revenue in the Cianjur district was 81%, In 2018, motor vehicle tax revenue in the Cianjur district was 74%. In 2019, motor vehicle tax revenue in the Cianjur district will be 77%, and in 2020 motor vehicle tax revenue in the Cianjur district will be 79%. And in 2021 the total motor vehicle tax revenue in the Cianjur district will be 84%. This shows that motor vehicle tax revenue in the Cianjur district during 2017 - 2021 did not achieve the realization and target of motor vehicle tax revenue.

So during the period from 2017 - 2021, the increase in the number of vehicles each year does not affect tax arrears and motor vehicle tax revenues in the Cianjur district area. and also results in a lack of regional income for the Cianjur district because from vehicle tax revenues there is a profit sharing for the district of 30% of motor vehicle tax revenues.

Based on the problems above, the problem in this research can be formulated as follows: Is there an influence of tax arrears on regional income. Is there an influence of tax revenue on regional income? What is the influence of tax arrears and vehicle tax revenues on regional income?

LITERATURE REVIEW

Tax

According to Mardiasmo (2016:3) Taxes are contributions paid by the people to the state which are included in the state treasury which implements the law and its implementation can be forced without any remuneration. These contributions are used by the state to make payments in the public interest. to make payments for public interests (Mardiasmo, 2016:3). This element provides an understanding that people are required to pay taxes voluntarily and with full awareness as good citizens. Tax revenue is a source of revenue that can be obtained continuously and can be developed optimally according to government needs and community conditions.

Tax Arrears

According to Panca Kurniawan and Bagus Pamungkas (2012:1) it is as follows: "Tax arrears are taxes that still have to be paid including administrative sanctions in the form of interest, fines or increases stated in the Tax Certificate or similar letter based on the provisions of Tax Laws and Regulations". To overcome the various existing obstacles that hinder tax revenues from entering the state treasury, it is necessary to carry out tax collection in accordance with the provisions regulated in tax law. This tax collection action is one of the efforts to disburse tax arrears in order to increase the realization of tax revenues (Kemala 2015).

Indicators of Tax Arrears

Indicators of tax arrears include the following:

1. Sanctions are imposed if there is a delay in payment, that is, taxpayers who are late in paying taxes will be subject to sanctions.
2. Imposition of progressive tax due to ownership the vehicle has more than one in the name in the number of vehicles.
3. The factors that cause tax arrears to occur are influenced by the fact that the vehicle has been transferred to another person so it is still recorded and should be of make a block.
4. It can be influenced because the vehicle has been lost and the taxpayer has not blocked it in his name so that the data increases to tax arrears.

Tax Revenue

According to Siti Kurnia Rahayu (2017:49) "taxes collected are grouped into central taxes, customs and excise, regional taxes, as well as regional levies and other non-tax revenues".

Tax revenue according to Siti Kurnia Rahayu (2010:72-73) is as follows: "The main target of every economic sector is how to obtain maximum results from limited resources. This means that the results of the realization of tax levies on every possible economic scale are only considered efficient to implement if they can increase tax revenues by at least reaching a certain amount according to the expected estimates." Based on the thinking above, the indicator in Tax Revenue is the amount of realized Income Tax Revenue.

Tax Revenue Indicators

1. Annual taxes are in arrears or not.
2. Receipt of STNK approval every 5 years whether in arrears or not.
3. Issuance of new vehicle documents.

Locally-Generated Revenue

Original Regional Income according to Halim (2014) defines "Original Regional Income (PAD) is all regional revenue originating from original regional economic sources, Original Regional Income is separated into four types of income, namely regional taxes, regional levies, results of regionally owned companies and profits management of assets belonging to separated regions, other legitimate Regional Original Income".

Regional Original Income Indicator

(Purnomo, 2014) The regional original income indicators according to the provisions are as follows:

1. Regional tax proceeds.
2. Regional levy results.
3. Results of separate regional wealth management.
4. Other legitimate local income.

The role of PAD as a source of regional development financing is still low. Even though PAD revenues are relatively increasing every year, they are still not able to boost the rate of regional economic growth. The low potential for PAD is caused by several factors (Erry, 2005), namely:

1. Many sources of income in large districts/cities are explored by higher agencies.
2. BUMD has not provided many benefits to local governments.
3. Lack of public awareness in paying taxes, levies and other levies.
4. There are leaks or collusion.
5. Collection costs are still high.
6. There are government policies that result in eliminating or reducing PAD revenues.
7. Many regional regulations need to be adjusted and perfected, both in terms of tariff rates and collection systems.
8. The community's ability to pay taxes is still low.

Previous Research

1. Research conducted by Frans Eric Junior Siagian (2019), with the title "Analysis of Motor Vehicle Tax Revenue (PKB) in Increasing Regional Income" (Palembang Samsat Case Study). The results of the research show that motor vehicle tax revenue has an influence on regional income because it is one of the potential factors that greatly influences regional income.
2. Research conducted by Dewi Hasmayna (2019), with the title "Analysis of Motor Vehicle Tax Revenue (PKB) in Increasing Original Regional Income" (Case Study of Central Aceh Province, Takengon City).
3. Research conducted by Renna Marzaina Syadiani (2010), with the title "Design of an Accounting Information System for Vehicle Tax Revenue
4. Motorbikes in Regional Revenue Service Branches" (Case Study of Samsat Kawalayaan Bandung Tengah). The research results show that transaction activities carried out on Motor Vehicle Tax (PKB) transactions in the Regional Revenue Service Branch still use Microsoft Excel 2007 and the data is still manual, which can result in unstructured data and work being less effective and efficient.
5. Research conducted by Ririn Miptha Nuryana (2020), with the title "The Influence of Accounting Information Systems on Tax Overpayments" (Bengkalis Regency BPKAD Case Study). The research results show a significant influence between SIA and KBP at the BPKAD office of Bengkalis Regency with an influence size of 76.6%. With good implementation of SIA, BPKAD Bengkalis Regency is able to provide appropriate information according to taxpayers' needs. This study can contribute to the BPKAD office of Bengkalis Regency in implementing SIA and minimizing the occurrence of KBP.
6. Research conducted by Ayu Triani Utami (2014), with the title "Analysis of Motor Vehicle Tax and Factors that Influence and Contribute to Original Income" (Case Study of Central Java Province). The results of the research show that taxes are oriented towards enjoyment and implementation that is not burdensome for the community and legal certainty so that this encourages public awareness to

voluntarily pay the amount of tax owed. Collection of taxes imposed to society must be in accordance with the obligations that must be issued by that society.

METHODOLOGY

This research is included in descriptive and associative research, because there are variables whose relationships will be studied and presents a structured picture of the facts and relationships between the variables to be studied, namely the influence of tax arrears variables and tax revenue variables and regional income variables.

According to Sugiyono (2015: 86) this type of associative research is a statement that shows allegations about the relationship between two or more variables. Quantitative research according to Sugiyono (2016: 8) can be interpreted as a research method based on the philosophy of positivism, used to research certain populations or samples, sampling techniques are generally random, data collection uses research instruments, data analysis is quantitative or statistics with the aim of testing predetermined hypotheses.

The descriptive approach according to Sugiyono (2017:35) is a descriptive research method carried out to determine the existence of independent variables, either only on one or more variables (stand-alone variables or independent variables) without making comparisons of the variables themselves and looking for relationships with other variables. Meanwhile, associative research is research that asks about the relationship between two or more variables. In this study, researchers used the associative method to test whether or not there was an influence between the tax arrears variables and variables tax revenues, and regional income variables.

Apart from that, the research method used in this research is the survey method. According to Ali Sodikin (2015:22), the meaning of survey is a research method that uses a questionnaire as the main instrument for collecting data. The type of data used in this research is quantitative data, which is data expressed in numbers that can show the value of the quantity or variable it represents and the data in this research is time series.

According to Sunyoto (2013:21), Quantitative Primary Data is: "This data is in the form of absolute figures or numbers that can be collected and read relatively easily. By looking at the number of each number a researcher can make a perception."

According to Sunyoto (2013:22), Internal Secondary Data is: "Secondary data obtained from internal research objects or data collected from within a company that is used as a research object."

The data sources in this research were obtained through:

1. Data seconds form Report arrears tax vehicle and reception tax vehicle and regional Income at the Cianjur Regency PPPD office for the 2017-2021 period.
2. Books, scientific journals, other related scientific papers

In conducting this research, the data collection methods used were as follows:

a. Field Research

A research method of collecting data that is carried out directly. Using field research, researchers collected secondary data in the form of Vehicle Tax Arrears

Reports and Vehicle Tax Receipts and Regional Income at the Cianjur Regency Regional PPPD office for the 2017-2021 period.

b. Library Research (Library Research)

How to collect data related to the research object, which is obtained through library research, namely studying journals, websites of each sample company and various other written works related to the problem being studied. This is done with the aim of supporting the processing of data collected secondarily.

c. Documentation Study

A method of collecting data/records of past events which can be in the form of writing or images such as organizational structures, financial reports, and others.

d. Interview

Interviews are used to obtain information regarding the process of viewing something, interviews are conducted to obtain various information regarding the problems posed in the research. Interviews were conducted with respondents who mastered the research problem.

Data analysis in this research was carried out using *software Statistical Package For the Social Sciences versi 22*.

Data analysis was carried out quantitatively, followed by the selection of statistical tests (i.e. normality test, simple linear regression analysis, correlation analysis product moment (Pearson), coefficient of determination, t test statistics,) the aim is to determine whether the independent variable has a relationship with the dependent variable, determine the level of significance and end with basic research in drawing conclusions through acceptance or rejection of the hypothesis.

RESULT AND DISCUSSION

From the research results that have been researched, the effect of tax arrears on regional income is known to be the t valuecountthe tax arrears variable is -0.454 with a significance value of 0.695. t valuetableThe result obtained for an error rate of 5% is 2.571. Then it is known that tcountthe tax arrears variable is $-0.454 < t_{table} 2.571$ with a significance value of $0.695 > 0.05$. So it can be concluded that the tax arrears variable partially has a negative and significant effect on the regional income variable. This means that if tax arrears decrease, then regional income in the Cianjur district will increase.

From the research results, it has been observed that the effect of tax revenue on regional income is known to be that the t calculated tax arrears variable is 2.360 with a significance value of 0.065. The t table value obtained for an error rate of 5% is 2.571. So it is known that the calculated t variable for tax arrears is $2.360 < t_{table} 2.571$ with a significance value of $0.065 > 0.05$. So it can be concluded that the tax revenue variable partially has a negative and significant effect on the regional income variable. This means that if tax revenue decreases, regional income in the Cianjur district decreases.

Based on the results of research regarding the influence of tax arrears and motor vehicle tax revenues on regional income, it is known that the R Square value shows the value of the influence of arrears taxes and tax revenues to regional income amounted to 0.755. This value shows that tax arrears and tax revenues contribute or influence 75.5% of regional income. And the remaining 24.5% is influenced by other variables outside of this research.

CONCLUSION

Based on the results of research regarding tax arrears on regional income, it shows that partial tax arrears have a negative and significant effect on regional income. This means that if tax arrears decrease, regional income will increase. This is proven by the significance value of $0.695 > 0.05$ and the t value count which is found to be smaller than t table namely $-0.454 < 2.571$.

Based on the results of research regarding tax revenue on regional income, it shows that partial tax revenue has a negative and significant effect on regional income. This means that if tax revenues decrease, regional income will decrease. This is proven by the significance value of $0.065 > 0.05$ and the t value count which is found to be smaller than t table namely $2,360 < 2,571$.

Based on the results of research using descriptive quantitative methods by means of field research, literature, interviews and technical data analysis by selecting through manual testing with SPSS 22 that the results of this research show that the R square value or determination between Tax Arrears and Tax Receipts on Regional Income is 0.755 or 75.5%, which means that Tax Arrears and Tax Revenues have a 75.5% effect on Regional Income. And the remaining 24.5% is influenced by other variables outside this research.

RECOMMENDATION

Based on the results of the research that has been carried out, the researcher tries to provide several suggestions to future agencies and researchers. With the hope that the suggestions given can be useful in increasing Tax Revenue and Regional Income and provide an overview for future researchers. These suggestions are as follows:

There is a need to increase outreach to the public (taxpayers) not only through forums but through social media, pamphlets, banners and brochures so that people are aware of how important it is to pay motor vehicle tax.

It is necessary to form a team to investigate tax arrears and socialize motor vehicle tax from house to house so that taxpayers feel inspired to pay motor vehicle tax.

Necessity facilitate and improving services to the community so that taxpayers find it easy to pay motor vehicle taxes.

There is a need for strict sanctions for taxpayers who do not pay motor vehicle tax or increasing fines for those who are late in paying motor vehicle tax.

There is a need to add vehicle tax raids for those who are in arrears in paying vehicle tax so that people feel it is more important to pay attention to paying motor vehicle tax.

FURTHER STUDY

This research still has limitations, so it is necessary to carry out further research related to the topic of The Effect of Tax Arrears and Motor Vehicle Tax Revenue on Regional Revenue in order to improve this research and add insight to readers.

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