The Effect of Regional Taxes and Regional Levies on Regional Original Income there is an Office of the Regional Financial and Asset Management Agency of Central Sulawesi Province

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ABSTRACT

This study aims to determine the effect of regional taxes and regional levies on the original regional income of Central Sulawesi province. The research method used is Quantitative research method. The results of the study showed that regional taxes affected the original regional income of Central Sulawesi province simultaneously and partially. Similarly, the Regional Levy also affects the Regional Original Income of Central Sulawesi Province simultaneously and partially.

Keyword: Regional Revenue; Regional Tax; Regional Retribution

INTRODUCTION

The process of regional autonomy has been running for a long time in Indonesia (1), but there are still obstacles in its implementation, including the source of income for the time being still dominated by assistance and donations from the central government in the form of balance funds, while the Regional Original Income itself is still relatively small (2).

Similarly, Central Sulawesi Province has fertile regions with the potential to generate high local income, but in reality not all regions in Central Sulawesi Province are aware of the potential and capabilities of their regions. So that the Regions in Central Sulawesi Province are still very dependent on the General Allocation Fund from the central government.

Based on the data obtained, the realization of Regional Revenue of Central Sulawesi Province in 2017-2019 that the receipt of funds from the center is very high compared to other Regional Revenues. On the contrary, the Regional Levy of Central Sulawesi Province in each district is very low from other incomes. Regional Taxes and Regional Levies in Central Sulawesi Province should be maximized again to increase the original income of the region.

METHOD

The research method used is Quantitative research method. The data analysis method is a method used to process research results in order to obtain a conclusion (3). The

data is collected and processed using Descriptive Statistical Test tools, Classical Assumption Test, Multiple Regression Test and Hypothesis Test. Descriptive Statistical Test, is a form of analysis of research data to test the generalization of research results based on one sample (4). Classical Assumption Test, is a statistical requirement that must be met in multiple linear regression analyses based on ordinary least square (OLS) (5). Multiple Regression Test, is a regression or prediction model involving more than one free variable or predictor. Hypothesis Test, is a decision-making method based on data analysis, both from controlled experiments, and from observation (uncontrolled) (6).

RESULTS
Descriptive Statistical Test

Based on the results of research carried out for 2017 to 2019 in the Regency of Central Sulawesi Province, it is known that there is an increase in terms of Regional Original Income, Regional Taxes and Regional Levies. From the Descriptive Statistics Results, it is known that Palu City has the largest realization of Original Regional Revenue and Regional Taxes revenues, namely Rp.114,598,205 and Rp.284,380,010 generated in 2017. Meanwhile, the smallest Regional Tax and Regional Original Income revenues were Rp.5,148,124 and Rp.21,776,179 generated by Banggai Laut Regency in 2017 and 2018. Furthermore, the largest Regional Levy revenue was generated by Morowal Regency in 2019, which was Rp.103,687,254, while the smallest amounted to Rp.1,488,387 was produced by Tojo Una-Una Regency.

Normality Test

Table 1. Hasi Normality Test

		Unstandardized Residual
N		39
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	52,27420159
Most Extreme Differences	Absolute	,102
	Positive	,102
	Negative	-,058
		,102
		,200[c,d]
Test Statistic		
Asymp. Sig. (2-tailed)		

From the results above, it can be seen that the significance value of 0.200 is greater than 0.05 (5%), which is 0.200 > 0.05. So it can be concluded that the data on the above variables are distributed normally because the significance value is above 0.05.

Multicholinearity Test

Table 2. Multicholinearity Test

Model		Collinearity Statistics	
		Tolerance	Bright
1	SQRT_X1	,852	1,174
	SQRT_X2	,852	1,174

In the table above, it is known that the VIF value of each independent variable is smaller than 5, namely the VIF value of the Regional Tax variable of 1.174 and the VIF value of the Regional Levy Variable of 1.174. The Tolarance value of each independent variable is greater than 0.1, namely the Tolarance value of the Regional Tax Variable of 0.852 and the Regional Levy of 0.852. Then it can be concluded that this research is free from Multicholinearity.

Autocorrelation Test

Table 3. Autocorrelation Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,713[a]	,509	,475	,33370	1,821

From the table above, the Value of Durbin Watson (DW) is obtained by 1.821 because the value of Durbin Watson (DW) is getting closer to the value of 2, it can be concluded that in this study there was no Autocorrelation.

Heterochemedasticity Test

Table 4. Heterochedasticity Test Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Itself.
		B	Std. Error	Beta		
1	(Constant)	57,859	12,630		4,581	,000
	SQRT_X1	-,147	,080	-,319	-1,853	,072
	SQRT_X2	,026	,088	,052	,300	,766

From the table above, it is concluded that there is no Heterokedasticity in the regression model, because the significance value of the Regional Tax variable of 0.072 is greater than 0.05. And the Regional Levy variable of 0.766 is greater than 0.05.

Multiple Linear Regression Test

Table 5. Multiple Linear Regression Test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Itself.
	B	Std. Error	Beta		
1 (Constant)	45913,986	7569,459		6,066	,000
X1 Local Taxes	1,956	,197	,805	9,941	,000
X2 Regional Levy	,596	,239	,202	2,495	,017

From the table above, the Multiple Linear Regression equation is found, namely:

Y= 45,913.986+ 1.956 X1 + 0.596 X2 + e

The constant of 45,913,986 states that if there is no Increase in Local Taxes and Regional Levies then the Local Original Income and Regional Levy amounts to 45,913,986. By looking at the regression coefficient of Regional Taxes of 1.956 and Regional Levies of 0.596, it means that the change between Regional Taxes and Regional Levies by 100% has also resulted in an increase in Regional Original Income by 195.6% and 59.6%.

Simultaneous Test

Table 6. Simultaneous Test Results

Model		Sum of Squares	Df	Mean Square	F	Itself.
1	Regression	148108774166,691	2	74054387083,346	65,032	,000[b]
	Residual	40994650659,667	36	1138740296,102		
	Total	189103424826,359	38			

The table above shows the results of Test F of 65.032 with a significance level of 0.000. Because its Significance value (0.000) is smaller than 0.05, it can be concluded that Regional Taxes and Regional Levies jointly affect the variables of Regional Original Income of Central Sulawesi Province.

Partial Test

Table 7. Partial Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Itself.
	B	Std. Error	Beta		

1						
	(Constant)	45913,986	7569,459		6,066	,000
	X1 Local Taxes	1,956	,197	,805	9,941	,000
	X2 Regional Levy	,596	,239	,202	2,495	,017

The T test was conducted to find out more, which of the independent variables affects the Local Original Income. The T test is carried out by comparing the calculated T with the T of the table, the significance level is 5% : 2 = 2.5% (2-sided test) with a degree of freedom (df) = n-k-1 or 39-2-1= 36 (n is the number of samples and k is the number of variables). With a 2-sided test (significant = 0.025).

DISCUSSION

As is known that several regions in Central Sulawesi Province informed that the realization of regional tax revenues and regional levies was still small in several regencies/cities in the period under study. However, from the results of the research above, it can be seen that regional tax revenues and regional levies affect regional original income, both partially and simultaneously.

Test F results of 65.032 with a significance of 0.000 because the probability value (0.000) is less than 0.05, it can be stated that Regional Taxes and Regional Levies jointly affect the variables of Regional Original Income of Regencies/Cities of Central Sulawesi Province. The Local Tax Variable has a calculated t of 9.941 with a significance of 0.000 below the significance of 0.05 thus t calculates > t of the table or 9.941 > 2.0280. so that it can be concluded that Local Taxes affect Local Original Income. This proves that the hypothesis is accepted, namely that there is an influence of Regional Taxes on the Original Regional Income of Central Sulawesi Province. The Regional Levy Variable has a calculated t of 2.495 with a significance of 0017 below the significance of 0.05. Thus t count > t table or 2.495 > 2.0280. It can be concluded that the Regional Levy affects the Local Revenue. This is convincing that the hypothesis is accepted, namely that there is an influence of regional levies on the original income of central Sulawesi province.

The value of the Coefficient of Determination (R square) is 0.753. This suggests that the Local Revenue is explained by the variables of Local Tax and Regional Levy of 75.3% while the remaining 24.7% (100%-75.3%) is explained by other unexplored factors such as Other Legitimate Regional Revenues.

CONCLUSION

This study concluded that the results of the tests that had been carried out could be drawn as follows, it was found that the effect of Regional Tax revenues and Regional Levies simultaneously on the Original Regional Income of Central Sulawesi Province. It was found that the effect of Partial Regional Tax revenues on the Original Regional Income of Central Sulawesi Province.It was found that the effect of Partial Regional Levy receipts on the Original Regional Income of Central Sulawesi Province was found.

SUGGESTION

For the Regional Government of Central Sulawesi Province, it is better to concentrate on increasing regional tax revenues and regional levies because the increase will later be able to affect regional original income. With the increase in Local Native Income, the Government will be easier

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