OPEN ACCESS JOURNALS

Analysis Of Factors Causing Non-Compliance With Land And Building Tax Payments In Langkat Regency

Sarah Ismail[1*], Nilam Firnanda[2], Balqis Suci Wahyumia[3], Renny Maisyarah[4]
[1,2,3,4]Accounting Study Program, Faculty of Social Sciences, Panca Budi University

Article Info

ABSTRACT

The Land and Building Tax (PBB) is one of the key sources of revenue for local governments, including Langkat Regency. However, the realization of PBB-P2 revenue in this region has not been optimal due to the low level of taxpayer compliance. This study aims to analyze the factors influencing non-compliance in PBB payments and to identify the social, economic, and administrative aspects contributing to the low regional tax revenue. This research employs a qualitative approach with data collected through in-depth interviews, observations, and documentation. Data analysis was conducted using the interactive model by Miles and Huberman, which includes data reduction, data display, and conclusion drawing. The findings indicate that taxpayer non-compliance is influenced by internal factors such as low awareness and understanding of tax obligations; external factors such as limited socialization, inadequate quality of tax administration services, and insufficient payment facilities; as well as structural factors, including inaccurate tax object data and weak enforcement of sanctions. The most dominant factors are the low awareness of taxpayers and the limited socialization efforts by the local government. These findings highlight the need for strategies to improve tax literacy, enhance administrative services, optimize socialization efforts, and enforce sanctions more consistently to increase PBB payment compliance in Langkat Regency.

Corresponding Author:
Sarah Ismail
Accounting Study Program, Faculty of Social Sciences, Panca Budi University
Email: Sarahismail744@gmail.com

INTRODUCTION

Land and Building Tax (PBB) is an important component in increasing Local Own-Source Revenue (PAD) for district/city governments in Indonesia, including Langkat Regency. As a fiscal instrument, PBB plays a strategic role in financing regional development such as infrastructure improvement, public services, development of educational and health facilities, and other public facilities. Globally, the effectiveness of property tax is an indicator of regional governance performance, with developed countries on average able to optimize property tax revenue to more than 2% of national GDP (OECD, 2023). In Indonesia, the contribution of PBB-P2 to regional PAD in 2023 is recorded to have increased by an average of 8.7% compared to the previous year (Directorate General of Fiscal Balance, 2023), but this achievement has not been evenly distributed across all regions. At the national level, several local governments still face a gap between PBB targets and actual revenue due to low taxpayer compliance, lack of public awareness, and administrative service constraints.

This situation is also reflected in North Sumatra, where several districts/cities have not been able to meet their PBB revenue targets due to declining levels of public compliance in paying taxes. This phenomenon is in line with various local government reports showing that there are still many taxpayers who are in arrears, late in paying, or do not understand the PBB payment procedures. A similar situation occurs in Langkat Regency, where the level of PBB payment compliance is still low, directly impacting PBB-P2 revenue collection. Taxpayers' low understanding of PBB rates, procedures, and benefits is one of the main

contributing factors. In addition, the suboptimal quality of tax administration services, such as inefficient payment processes, long queues, or suboptimal service from officials, also reduces taxpayers' interest in fulfilling their obligations. In several villages/subdistricts, there is still a lack of socialization regarding PBB, so that the community does not understand the importance of their contribution to regional development. The lack of firmness in applying sanctions for tax defaulters and the lack of information regarding the sanction mechanism also make taxpayers feel that they are not disadvantaged when they delay payment.

This situation is also reflected in North Sumatra, where several districts/cities have not been able to meet their PBB revenue targets due to declining levels of public compliance in paying taxes. This phenomenon is in line with various local government reports showing that there are still many taxpayers who are in arrears, late in paying, or do not understand the PBB payment procedures. A similar situation occurs in Langkat Regency, where the level of PBB payment compliance is still low, directly impacting PBB-P2 revenue collection. Taxpayers' low understanding of PBB rates, procedures, and benefits is one of the main contributing factors. In addition, the suboptimal quality of tax administration services, such as inefficient payment processes, long queues, or suboptimal service from officials, also reduces taxpayers' interest in fulfilling their obligations. In several villages/subdistricts, there is still a lack of socialization regarding PBB, so that the community does not understand the importance of their contribution to regional development. The lack of firmness in applying sanctions for tax defaulters and the lack of information regarding the sanction mechanism also make taxpayers feel that they are not disadvantaged when they delay payment.

Based on these conditions, research on the factors that influence non-compliance with property tax payments in Langkat Regency is very important. Through analysis of social, economic, and administrative aspects, it is hoped that a comprehensive picture of the causes of low taxpayer compliance can be obtained. The results of this study are expected to produce appropriate strategic recommendations, such as increasing public tax literacy, improving the quality of administrative services, optimizing tax socialization to all villages/subdistricts, and enforcing stricter but educational sanctions. Thus, this study is expected to make a real contribution to the Langkat Regency government in increasing taxpayer compliance and optimizing PBB-P2 revenue as the main source of local revenue.

METHOD

Based on these conditions, research on the factors that influence non-compliance with property tax payments in Langkat Regency needs to be conducted. This study uses a qualitative approach to gain an in-depth understanding of the perceptions, experiences, and obstacles experienced by taxpayers and tax officials. Data was collected through in-depth interviews, observation, and documentation. This study explores the influence of social, economic, and administrative aspects on taxpayer compliance, which is then analyzed using Miles and Huberman's interactive analysis technique. The results of this study are expected to provide strategic recommendations, such as improving tax literacy, improving services, optimizing socialization, and enforcing strict sanctions, thereby helping the Langkat Regency government improve taxpayer compliance and optimize PBB-P2 revenue as a source of local revenue.

RESULTS AND DISCUSSION
Property Tax Payment Conditions in Langkat Regency

Langkat Regency has a large number of PBB taxpayers, covering both urban and rural areas. However, PBB-P2 revenue realization has not yet reached the target set by the local government. Many taxpayers still make payments after the due date, are in arrears for years, or are even unaware of their PBB obligations. This situation has a direct impact on the low contribution of PBB to Local Own-Source Revenue (PAD). This phenomenon is in line with findings in various regions in Indonesia that PBB taxpayer compliance remains a significant challenge in optimizing local revenue (Fadilah et al., 2023).

Factors Causing Non-Compliance with Property Tax Payments
Low Awareness and Knowledge of Taxpayers

The low level of public knowledge about the function of the PBB, the benefits of taxes for regional development, and tax obligations is one of the main causes of non-compliance. Many taxpayers still consider the PBB to be a non-priority or do not understand its impact on development. In line with the findings of Wanda & Devy (2024), they found that tax knowledge has a significant effect on the compliance of PBB-P2 taxpayers in Bontang City.

These findings also show that many residents do not understand the benefits of paying PBB and how PBB contributes to regional development, so PBB is not considered a priority. In line with the findings of Laura Afgitri (2025), research in Koto Kari Village (Kuantan Singingi) shows that tax knowledge and the quality of tax services have a positive and significant effect on PBB-P2 payment compliance.

Lack of Socialization by the Government

Information dissemination regarding rates, payment terms, mechanisms, and penalties has not been carried out evenly, especially in remote villages. As a result, the community does not have adequate information regarding their property tax obligations. In line with the findings of Fadilah et al. (2023), which show that tax information dissemination has a direct effect on property tax compliance.

These findings indicate that the uneven dissemination of information regarding rates, payment mechanisms, due dates, and penalties, especially in remote villages/areas, has resulted in the public not receiving sufficient information. In line with the findings of a systematic review (SLR) by Yuniar (2025), it shows that in addition to knowledge, socialization and perception of sanctions are also important determinants of tax awareness and PBB/BPHTB compliance. Other studies in an area of East Java

Economic Conditions of the Community

Some taxpayers with low incomes tend to delay paying property tax due to other economic priorities such as basic needs, education, and health. These findings indicate that people with low incomes tend to delay or even not pay property tax, due to the priority of daily economic needs.

In line with Apriani's (2025) findings, research conducted by Sumbawa Regency found that income and knowledge significantly affect compliance. In addition, this is in line with a literature review that found that income level is one of the main determinants of tax compliance.

Compliance of Tax Officials

A number of taxpayers complained about unresponsive service, slow administrative processes, and a shortage of field officers to collect payments and provide guidance. This has resulted in a lack of motivation among the public to fulfill their property tax obligations. These findings indicate that public complaints about tax services, such as slow administrative processes, a shortage of field officers, and complicated or inflexible payment systems, create practical obstacles to payment.

This is in line with Aninthia's (2024) findings, which show that taxpayer attitudes, motivation, and perceptions of sanctions influence compliance. This indicates that service and administrative aspects also play a role.

Limitations of Payment Systems and Facilities

Several rural areas in Langkat Regency still lack adequate payment access, such as payment counters, banking, or digital services. Limited internet access also hinders the payment process through electronic channels. These findings indicate that if sanctions for defaulters are not consistently enforced, the public may not feel that there are any real consequences for delaying or failing to pay, thereby weakening the deterrent effect.

This finding is in line with Yuniar (2025), which shows that perceptions of tax sanctions affect tax awareness and compliance.

Indecisiveness in Enforcing Sanctions

Administrative sanctions for taxpayers who are late or in arrears have not been consistently enforced. The lack of firm law enforcement reduces the deterrent effect, so that people do not feel disadvantaged when delaying payment. This finding is in line with Chandra & Malik (2020), who concluded that strict tax sanctions can significantly increase taxpayer compliance.

Indecisiveness in Enforcing Sanctions

Administrative issues such as duplicate taxpayer data, invalid addresses, unregistered taxable objects, and outdated Taxable Object Sales Values (NJOP) cause billing errors. This results in discrepancies between the tax burden and the actual condition of the object. These findings indicate that in some cases, inaccurate tax object data, such as duplicate taxpayers, invalid addresses, or outdated object values (NJOP), leads to billing discrepancies, uncertainty in tax liabilities, and taxpayer dissatisfaction.

Based on these findings, it can be concluded that the low realization of PBB in Langkat Regency is most likely influenced by a combination of factors: low tax knowledge and awareness, uneven socialization, community economic conditions, inadequate administrative services and payment systems, and weak enforcement of sanctions. Therefore, if it wants to increase PBB compliance, the local government needs to:

Improving tax literacy through regular socialization and education, especially in villages/remote areas.

Improving the tax administration and service system, including facilitating payments, expanding access (e.g., through digital channels or cooperation with banks/retailers), and speeding up service delivery.

Encouraging consistent enforcement of sanctions to create a deterrent effect, but also providing education so that the public understands the long-term consequences and benefits.

Regularly updating and validating tax object data to ensure that bills reflect actual conditions, thereby preventing errors or objections from taxpayers.

Paying attention to the economic context of the community, for example by providing incentives, payment facilities (installments), or flexibility for low-income taxpayers.

CONCLUSION

The results of the study can be concluded that non-compliance with PBB payments in Langkat Regency is mainly influenced by three groups of factors, namely internal factors such as low awareness and understanding of taxpayers, external factors in the form of suboptimal services, socialization, and payment facilities, and structural factors which include inaccurate tax data and weak enforcement of sanctions. Of all these factors, the most dominant are low public awareness and minimal socialization from the local government. This condition contributes to low PBB revenue realization, which directly impacts the local government's limited ability to finance development and public services.

REFERENCES

Afgitri, L., Mujiono, M., & Syabrus, H. (2025). Pengaruh Pengetahuan Wajib Pajak dan Kualitas Pelayanan Pajak terhadap Kepatuhan dalam Membayar Pajak Bumi dan Bangunan di Desa Koto Kari. JIIP - Jurnal Ilmiah Ilmu Pendidikan, 8(11), 12959–12969. https://doi.org/10.54371/jiip.v8i11.9928

Aninthia, P. G. M., & Dhanirizka, Y. S. (2024). Factors Affecting Taxpayer Compliance Within the Scope of Land and Building Tax (PBB) in the Mulyorejo District Area, Surabaya City. WORLDVIEW (Jurnal Ekonomi Bisnis dan Sosial Sains), 3(2), 81–94.

Apriani, M., & Akbar, A. Z. (2025). Pengaruh Tingkat Pendapatan dan Pengetahuan Perpajakan terhadap Kepatuhan Wajib Pajak dalam Membayar Pajak Bumi dan Bangunan (PBB). Pendas: Jurnal Ilmiah Pendidikan Dasar, 10(01), 1–21.

Fadillah, R., & Hanum, F. (2019). Faktor-faktor yang berpengaruh terhadap kepatuhan wajib pajak dalam membayar PBB di Sukoharjo. Jurnal Akuntansi dan Pajak. https://jurnal.stie-aas.ac.id/index.php/jap/article/view/641

Hidayat, M., & Rahmawati, S. (2021). Faktor-faktor yang mempengaruhi kepatuhan wajib pajak PBB-P2 di Kota Bontang. Jurnal TIARA, 3(1), 22–33. https://tiara.ub.ac.id/index.php/tiara/article/view/133

Natalia, N., & Subagyo, S. (2025). Pengaruh Sikap, Kesadaran Wajib Pajak, Insentif Pembayaran PBB, dan Pengetahuan Perpajakan terhadap Kepatuhan Wajib Pajak. Innovative: Journal of Social Science Research, 5(4), 1153–1169. https://doi.org/10.31004/innovative.v5i4.19676

Rahma, S. (2022). Pengaruh literasi pajak terhadap kepatuhan pembayaran PBB di wilayah perdesaan. Jurnal Ekonomi Publik, 10(1), 45–59. https://jurnal.unidha.ac.id/index.php/JEBD/article/view/746

Siregar, A., & Putri, Y. (2023). Analisis faktor-faktor yang mempengaruhi kepatuhan pajak PBB terhadap piutang daerah Kota Banjarbaru. CoValue: Jurnal Manajemen dan Kewirausahaan. https://journal.ikopin.ac.id/index.php/covalue/article/view/5040

Suryani, N., & Putra, A. (2021). Analisis faktor-faktor yang mempengaruhi kepatuhan wajib pajak PBB-P2. Jurnal Ilmiah Akuntansi dan Pajak, 12(2), 145–158. https://jurnal.stie-aas.ac.id/index.php/jap/article/view/1165

Wahyuningsih, E., Wijayanti, A., & Samrotun, Y. (2017). Faktor-faktor yang mempengaruhi kepatuhan wajib pajak dalam melakukan pembayaran Pajak Bumi dan Bangunan. Publikasi Ilmiah Universitas Muhammadiyah Surakarta. http://hdl.handle.net/11617/8597

Wanda, L., & Devy, A. (2024). Faktor-Faktor yang Mempengaruhi Kepatuhan PBB-P2. Jurnal TIARA.

Wulandari, D., & Saputra, T. (2022). Pengaruh sosialisasi, sanksi, dan pelayanan terhadap kepatuhan pajak bumi dan bangunan. Jurnal Riset Keuangan dan Perpajakan, 8(2), 75–88. https://jurnal.stie-aas.ac.id/index.php/jap/article/view/360

Yuniar, A., Lastari, D., Situngkir, T., & Ba'Gubair, S. (2025). Systematic Literature Review (SLR): Factors That Affect the Level of Taxpayer Awareness and Compliance in Paying PBB and BPHTB. Jurnal Ilmiah Wahana Pendidikan, 11(1.A), 77–88. https://www.jurnal.peneliti.net/index.php/JIWP/article/view/9566