Analysis of Implementation of Entertainment Tax Collection Policy in the Order to Increase Regional Tax Revenue at the DKI Jakarta Regional Revenue Agency

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ABSTRACT: This study analyzed the implementation of entertainment tax collection policies to increase local tax revenue at the Regional Revenue Agency of DKI Jakarta. This study uses a qualitative descriptive method with the object of research based on primary data (interviews) and secondary data (field research). This study uses the concept of Edward III's theory, namely communication, resources, disposition, and bureaucratic structure. The results of this study indicate that the entertainment tax policy is not optimal because there are still constraints in the communication aspect, namely the lack of direct socialization with entertainment taxpayers, which causes a lack of understanding of taxpayers about local taxes from the information aspect there are still problems with entertainment providers who have not been registered and registered businesses. entertainment as a tax object, as well as the lack of human resources in implementing policies, can affect entertainment tax revenues.

Keywords Analysis, Policy Implementation, Entertainment Tax, Tax Revenue of DKI Jakarta.

INTRODUCTION

As one of the efforts, taxes are used by the government to realize a nation's or state's independence as a development financing that is useful for the interests of the community and common interests (Egbunike et al., 2018; Herawati et al., 2018; Lahiri & Yang, 2021; Suárez Serrato & Zidar, 2018). Indonesia has income from various sources, which comes from tax collection. Indonesia is also a developing country. Tax collection is the largest source of state and local taxes (Handoko et al., 2014; Latofah & Hario, 2020; Priyatin & Rahmi, 2022). Not infrequently, the problem of the lack of knowledge of taxpayers on tax collection and the lack of awareness of taxpayers is an obstacle even though tax collection is the largest source of state treasury income (Adi, 2020; Asshidiqi & Irawan, 2021; Rahmadhani et al., 2020). Although tax collection is the largest source of state treasury income, it makes taxpayers unwise by not paying taxes to the state (Kasper et al., 2015; Perdana & Dwirandra, 2020; Reck et al., 2022).
The source of tax collection income from various sources comes from local taxes (Darvin, 2010; Holm-Hadulla, 2020; Zhai et al., 2021). Regional Tax is a mandatory contribution to the region that is owned by a person or entity that is coercive based on the applicable laws and regulations and is used to finance the administration of regional government and regional development for the prosperity of the people (Mardiasmo, 2006, 2016, 2018).

Based on law number 28 of 2009, local governments set local taxes and regional retributions. For this, the government manages the types of local taxes, such as provincial and district/city taxes. The government acts decisively to classify the authority to collect taxes, namely Regional Taxes. For the regions, taxes play an active role in financing the running of government and regional development as tangible evidence. To increase sources of income, people must also be able to understand the collection needed by the region, namely to improve welfare in the city of DKI Jakarta (Dewanti, 2021; Lovianna & Rahmi, 2022; Prawitra & Lutfi, 2021).

One of the taxes managed by local governments is the entertainment tax; the entertainment tax is a potential source of income in our country. One of which is the entertainment tax. The entertainment tax contributes to local revenue (PAD) because the income from the entertainment tax is one source of local government funding to support the development of the city of DKI Jakarta (Mulatsih et al., 2021; Noviyanti, 2021; Safitri, 2021). With entertainment, it will affect the increase in entertainment tax revenues, one of which is the entertainment tax, which later will be used to support the welfare of the community with better development and finance regional administration (Capistrano, 2020; Matti et al., 2022; Octaviany et al., 2021). In the Regional Revenue Agency, various entertainment taxes are levied, such as movie shows, beauty contests, karaoke, exhibitions, bodybuilding, circus, acrobatics, billiards, fitness centers, sports competitions, and reflection. Night market, fishing spot/pond, spa, and others. The number of entertainment venues is increasing along with the number of residents left in DKI Jakarta (Dantes & Lasminiasih, 2021; Farhah et al., 2021; Patriandari & Amalia, 2022).

Entertainment as a necessity is essential for life in society. Various types of entertainment are found in the Jakarta area; entertainment also plays a critical role in the daily life of residents in DKI Jakarta. And in its development, the entertainment tax plays a significant role in a business. Every city government every year certainly has a target for entertainment tax revenue as a source of regional income. Still, sometimes these targets and realizations do not run perfectly every year. Of all the types of local taxes levied by the DKI Jakarta provincial government, one interesting observation is the entertainment tax collection. This is because Jakarta, the state's capital city and the government's business center, should be able to rely on revenue from the entertainment tax sector to contribute to local income.

The realization of entertainment tax revenue in 2016-2019 has increased, and some has decreased. In the last four years, the achievement of the revenue target occurred in 2016-2019, where achieving the target occurred in 2016, which exceeded the target above 109.93 %, while those who did not reach the target happened in 2017, 2018 which was only realized around 94.42% in 2017 and 96.33% in 2018. Meanwhile, in 2019, entertainment tax revenue achieved 101.07% or exceeded the set target. However, compared to the target and realization of entertainment tax revenue in 2018, the ratio of the target and realization of revenue in 2019 decreased. This indicates that the entertainment tax collection has not been running optimally in DKI Jakarta Province.
Entertainment objects in DKI Jakarta have increased yearly; in 2016 there were 732 objects up to 847 in 2017. In 2018 it also increased to 992 objects and became 1191 objects in 2020. This proves that the potential for tax revenue from the entertainment sector in DKI Jakarta is enormous in achieving the entertainment tax revenue target in DKI Jakarta.

The spread of entertainment to buffer areas is one of the factors causing the 2018 entertainment tax target not to be achieved in the DKI Jakarta provincial government. In addition, the level of compliance and fairness of payments from taxpayers that are not yet optimal also has a negative impact.

The head of the DKI Jakarta provincial tax and levy agency, Faisal Syafruddin, said that the existence of closed entertainment venues also impacted entertainment tax revenues. Where the closure was carried out due to violations in drug trafficking and adult entertainment, the authors found that objects in the entertainment sector do not report their taxes correctly, and many entertainments appear at night but are not recorded. Some have not been recorded and have not been registered as taxpayers. There is also such a low level of compliance and obligations of taxpayers. In several places, cases of law violations were found, such as being used as a place for drug trafficking and adult entertainment so that it could negatively impact tax revenues from the entertainment sector.

Entertainment Tax is one source of local tax revenue that significantly contributes to local income, considering the number of entertainment venues in DKI Jakarta. The potential of the entertainment tax is enormous, but because the management of the Tax is still far from what is expected, the entertainment tax revenue has not been maximized. For this reason, efforts are needed to be made by local governments, namely tax officials to maximize entertainment tax revenues, such as increasing supervision on entertainment management or entertainment taxpayers who have not fulfilled their obligations in paying taxes and reaffirming policies on entertainment taxes.

There are still many taxpayers who do not have the awareness and compliance to pay their taxes and entertainment taxes that have not been collected because they have not become taxpayers or are not registered as taxpayers and deposit their taxes, and also entertainment venues that are closed due to cases of law violations. So that the revenue from entertainment tax in DKI Jakarta Province has not been maximized and has not provided a significant increase in revenue for the Regional Government. To measure a successful policy, the author takes the theory from George C Edward III; George C Edward III says that four entities determine success in implementing a policy. These entities cooperate simultaneously and influence each other to achieve a goal. Therefore it is essential because these four entities are the key to the success of a policy.

The definition of implementation, according to Mazmanian and Sabatier (Wahab, 2008: 68) that: "Implementation is what happens after a program is implemented or formulated, namely events and activities that occur after the process of ratification/legislation of public policies, whether to administer it as well as efforts to have a certain impact on society or events."

Meanwhile, according to Edwards in Winarno (2012: 177), policy implementation is one of the public policies, between policy formation and policy consequences for the people it affects. The problem is the target of the policy then may fail even if the policy is implemented very well.

Meanwhile, a policy that has been planned very well may fail if policy implementers do not implement the procedure correctly. In reviewing policy implementation, Edwards begins by
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asking two questions: what pre-conditions are needed so a policy implementation can be successful? And what are the main obstacles that cause a policy implementation to fail? Edwards tries to answer these two essential questions by discussing four crucial factors or variables in implementing public policy. These factors or variables are communication, sources, tendencies or behaviors, and bureaucratic structure. Edward proposes four factors that play an essential role in achieving successful implementation. The factors that influence the success or failure of policy implementation are communication factors, resources, disposition (disposition), and bureaucratic structure (bureaucratic structure) (Edward in Widodo 2011, 96-110).

METHOD

The research approach is a method or method for conducting research. In this study, the author uses a qualitative approach; the definition of qualitative research methods according to Sugiyono (2012: 9): Qualitative research is a research method based on the philosophy of postpositivism, used to examine the condition of natural objects where the researcher is the key instrument. data collection is done by triangulation (combined) data analysis is inductive qualitative and research results emphasize more on meaning than generalization.

Qualitative research is an investigation process to understand social or human problems, based on creating a holistic picture formed with words, reporting informants' views in detail, and arranged based on a scientific background (natural setting). Through qualitative research, researchers can identify subjects and feel what they experience in everyday life. The selection of this qualitative method aims to describe in detail the extent to which the effort to implement the entertainment tax collection policy increases local tax revenues at the DKI Jakarta Regional Revenue Agency. The researcher will analyze the implementation of the entertainment tax collection policy in DKI Jakarta Province and whether it has reached the operational standard or not in the performance of entertainment tax collection policy as an object of research by describing the extent of the implementation of this policy in the field and the impact of implementing this policy in DKI Jakarta Province.

Data analysis techniques are used in data collection, reduction, presentation, and conclusions. Informants in this study consisted of tax officials from the Regional Revenue Agency, tax officers from the Regional Revenue and Revenue Unit, Taxpayers, and Academics. Data collection techniques were used using interviews, observation, and documentation procedures.

RESULT AND DISCUSSION

Implementation of the entertainment tax collection policy to increase local tax revenue at the DKI Jakarta regional revenue agency

To increase DKI Jakarta's entertainment tax revenue, there is nothing wrong with implementing policies made by the DKI Jakarta Provincial Government. This can be seen from entertainment tax revenues in 2016 which exceeded the target of 109.93% or 769,540,265.13, then in 2017 entertainment tax revenues only reached 94.42% or 755,3799,514,979, in 2018 the achievement of entertainment tax revenues was only 96.33% or 867,004,115,175, and in 2019, entertainment tax revenues reached 101.09% or 859,061,073,573. And for the contribution of entertainment tax to increase revenue to local taxes from 2016-2019, namely For the realization of local taxes that
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has increased every year, 2016 the percentage of entertainment tax contributions to local taxes was 2.43%, but in 2017, the percentage of entertainment tax contributions the regional Tax decreased by 2.07% because the realization of the regional Tax increased compared to 2016 and the entertainment tax realization decreased in 2017. In 2018 the percentage increased by 2.32% due to the realization of local and entertainment taxes. The increase from the previous year. For 2019 the percentage decreased by 2.13% because the realization of local taxes had increased significantly while the realization of entertainment taxes had decreased from the previous year.

From these results, it can be concluded that the entertainment tax revenue is inconsistent with the year in the realization of entertainment tax revenue. It happened because of several factors. Therefore, the implementation of policies was used to increase entertainment tax revenues. So the researcher uses the George C Edward III concept, namely policy implementation, which suggests that four factors influence the success of policy implementation, namely communication, resources, disposition, and bureaucratic structure, which will be explained as follows:

a. Communication
   Excellent and effective policy implementation requires communication, namely the relationship between taxpayers and policy implementers. Regional revenue agencies have attempted to carry out the process of delivering information to policy implementers to understand what are the objectives, content, directions, and target groups of policies, so that policy implementers prepare any matters relating to policy implementers in the context of implementing various entertainment tax collection policies that have been carried out. Method. Based on the results of interviews conducted at the DKI Jakarta Regional Revenue Agency, the implementation of approaches made to increase tax revenue, several things are done, namely by communicating which is applied using socialization and also providing such as infographics and videographics so that taxpayers are more obedient in paying their taxes and conducting socialization. Directly or online to taxpayers. The existence of socialization is directly or indirectly supported by the presence of socialization media such as infographics and videographics so that it can be understood by taxpayers so that taxpayers better understand tax collection procedures and tax supervision.
   In communication, information transmission, clarity of information, and data consistency are also aspects. In the transmission aspect, the implementation of the entertainment tax policy requires that a policy be conveyed to the implementers and the target group, namely the entertainment tax taxpayers, directly or indirectly. Submission of information is good enough, although there are still obstacles in implementing information media tax officials use for taxpayers, namely through socialization or infographics and video graphics. According to guidelines, tax officers were given socialization to understand tax collection procedures and entertainment tax supervision. Hence, taxpayers are more obedient in paying taxes.
   That of the six informants said that the information submitted by the implementers of the policy must be clear and not confusing to avoid misunderstanding of communication or miscommunication between the implementers and the taxpayers. In the aspect of clarity, this aspect requires that all parties, both implementers and target groups and parties with direct interest in the existence of the policy, can understand the intent of the
content and objectives of the policy as well as the substance of the policy. If the policies are to be implemented as desired, the implementing instructions do not have to be accepted but must also be clear.

b. Resource
Resources in an organization to carry out policy implementation will not be effective if the implementers lack the necessary resources to implement the policy. A lack of resources will result in ineffective policy implementation. These resources include adequate people in terms of numbers, abilities, precise information, infrastructure and facilities, and authority. Implementing resources-related policies is still insufficient, so it requires recruiting resources (staff).

Regional revenue agencies are still inadequate in human resources. Especially in the supervision of the entertainment tax because the entertainment tax sector operates operating hours at night, making it difficult for officers to supervise. There must be recruitment of human resources so that performance in the implementation of the entertainment tax policy can be improved.

The quality of human resources is seen from the side of the regional revenue agency. The rate is very maximal because they are also quite reasonable in their competence in their respective fields. Officers are given training on cases that have occurred by taxpayers so that officers understand the taxpayers' problems, one of which is the entertainment tax.

The budget and facilities for implementing policies in regional revenue agencies, service activities, and regional collections are supported by a budget that allows the implementation of policies, so that budget funds have been made as needed for system facilities for payment delivery. Reporting is adequate and has been made accessible by reporting and paying. Online According to George C Edward's theory, human resources include budgetary resources, facilities, information, and authority; human resources have an essential role in supporting successful policy implementation.

c. Disposition
Disposition is the character, characteristics, or traits that policy implementers must possess; in this case, they must have honesty and a high commitment to carrying out their duties, functions, and responsibilities. Judging from the disposition of the character/nature of the executor must have a good character so that if the officer has a good character, then the taxpayer will be good/welcome. And the implementers must explore the potential for local tax revenues and provide continuous innovation following the provisions of the applicable legislation. In the aspect of disposition, researchers conducted research with six informants about the commitment of the implementers in providing entertainment tax services, then drawn from the six conclusions, namely that the coordination provided by the regional revenue agency was adequate, the implementers carried out according to procedures to offer convenience and exemplary service to mandatory Taxes who do not understand and do not understand about the implementation of the entertainment tax policy continuously so that it is improved so that it is even better. Following George C Edward III's theory, the disposition of behavioural tendencies or characteristics of policy implementers plays an essential role in realizing policy implementation with goals or objectives. The critical factors that must be
possessed are honesty and commitment. This attitude greatly influences the implementation of policies.

d. Bureaucratic Structure

The bureaucratic structure includes aspects of fragmentation and standard operating procedures. According to the six informants, the bureaucratic system is following the provisions of the governor's regulation number 250 of 2019 concerning the organization and work procedures of the regional secretariat or is following the requirements of the legislation, According to SOPs. The second indicator that influences policy implementation is fragmentation. Fragmentation, namely the distribution of responsibility for a policy to several different agencies that require coordination, can be seen from the structure of the implementing bureaucracy that must have good coordination with officers and main functions in the implementation of entertainment tax policies and must maintain as much as possible maximally in utilizing public service units. And can make it easier. The second nature of the bureaucratic structure follows Edward's theory that it has two indicators, namely standard operating procedures and fragmentation, which is the responsibility of a policy to several different agencies, so it requires coordination.

Inhibiting Entities based on SWOT theory that is encountered in the implementation of DKI Jakarta's entertainment tax collection policy

Every regulation or policy must have an obstacle/disadvantage, as with rules related to the implementation of the entertainment tax policy, which has several obstacles, while the challenges are in the weaknesses and treat.

1. Weaknesses Based on secondary data from researchers, the first weakness is the lack of human resources to carry out supervision, and there are still taxpayers who do not comply with their obligations. The second weakness is in the implementation of the entertainment tax collection policy. Namely, there are still many entertainments that are not detected or known to exist, and sometimes in the entertainment, there are cases of law violations. The third weakness is the existence of taxpayers who have never received socialization and lack of officers’ information, so taxpayers do not know how to pay, report and register as taxpayers. In carrying out the implementation of the policy, of course, there are obstacles faced. The problems that occur are first because of the lack of human resources to carry out supervision, and there are still taxpayers who do not comply with their obligations, which becomes an obstacle in collecting entertainment taxes. For example, there are still many entertainments that are not detected or whose existence is known, and sometimes in entertainment, there are cases of law violations. Then the taxpayers themselves are taxpayers who have never received socialization and lack information from officers, so they do not know how to pay, report and register as taxpayers.

2. Treat (Threats related to the implementation of the entertainment tax collection policy. If the taxpayer may not pay his obligations within 3 or 4 months, UPPPD will send proposals to the agency, such as sticking stickers and installing signage to tax arrears. The second threat is that there will be letters of appeal, warning letters, installation of tax
arrears stickers, collection by forced letters, and confiscation of assets. The third threat is a fine that is quite large, and there will be a warning that the officer will give to taxpayers who have not paid off their tax obligations.

The driving entity based on swot theory in the implementation of the entertainment tax collection policy

In creating the entertainment tax collection policy, the regional revenue agency has a driving entity that becomes the benchmark to implement the policy well in the field. Among them is a benchmark that must be the goal of the regional revenue agency to increase entertainment tax revenue. It is related to entertainment tax revenue as a material to be an encouraging or supporting factor by regional revenue agencies in planning for the benefit of an agency.

a. Strength (strength) The first strength in collecting the implementation of the entertainment tax policy is that when implementing the policy, it must be based on a legal basis for the entertainment tax for the underlying regional regulation, namely number 3 of 2015, which is one of the legal umbrellas. The second strength is legal resources, budget, facilities, infrastructure, and SOP support.

b. Opportunity Jakarta to be one of the entertainment opportunities is relatively high; the opportunity collecting entertainment tax that can be obtained in the collection of entertainment tax is the number of entertainment venues that exist so that the chance of entertainment tax revenue can be more significant. The next opportunity is to provide installments in paying entertainment taxes. The existence of many existing entertainment venues can make entertainment tax revenue larger by providing installments in paying entertainment tax.

CONCLUSION

Based on the exposure of the results of the research conducted, it can be concluded that the implementation of the entertainment tax collection policy at the regional revenue agency is good but not optimal because from the aspect of communication, namely from the information aspect, there are still many entertainment sector objects that do not report their taxes correctly, a lot of entertainment that appears at night but not recorded and some have not been recorded. Socialization can be optimized to increase the knowledge and awareness of taxpayers in implementing the entertainment tax policy. Inhibiting Entities in collecting policy implementation based on entertainment tax collection, namely the lack of human resources to carry out supervision so that the supervision system is not maximized, and it is difficult to collect data on tax objects that have not been registered, primarily for entertainment tax objects that are hidden or invisible. There are still taxpayers who do not comply with their obligations. There are still many entertainments that are not detected or whose existence is found out, and sometimes in the entertainment, there are cases of law violations, Taxpayers who have never received socialization, and a lack of information from officers so that taxpayers do not know how to pay, report and register themselves as taxpayers. This will be the cause of the failure of regional revenue agencies in realizing tax revenue targets, and it can be seen that the programs being run are not running optimally.

The driving entity in the collection of policy implementations based on entertainment tax collection is the number of entertainment venues that can increase local tax revenues as a supporting factor, Providing Sanctions, namely Appeal Letters, Warning Letters, Warning...

REFERENCE


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