Model for Receiving Tax Reclame in Kupang City

Aplonia Atto
Dosen Prodi Ekonomi Akuntansi UPG 1945 NTT

Joritha Naisanu
Dosen Prodi Agroteknologi Kons. Ekonomi Pertanian UPG 1945 NTT

Abstract: Billboard tax is one of the sources of Regional Asset Revenue in Kupang City, which until now has not yet reached the target even though many people are doing business productively so that they will be busy using billboards.This study aims to model the advertisement tax revenue in the city of Kupang. This research will be carried out at the Kupang City Regional Revenue Service office from January to June 2020. Data collection techniques using study documentation with secondary data types, and to answer the problem and research objectives, regression analysis is used. The results of the study are: Analysis using a two-way t test shows that the variable population and the number of companies have a significant effect on advertisement tax revenue while PDRB does not affect the advertisement tax revenue.

Keywords: Model, Revenue, Advertisement Tax

A. Background

Local taxes are taxes that are levied by regions such as provinces, districts and municipalities based on their respective regional regulations and the results are used to finance the household of each region. The type of local tax is the motor vehicle tax, transfer fees for motorized vehicles, motor vehicle fuel tax, surface water tax, cigarette tax, hotel tax, restaurant tax, entertainment tax, advertisement tax, street lighting tax, tax on metallic minerals and rocks, parking tax, water and land tax.

One of the taxes managed by the City of Kupang is advertisement tax. The results of interviews with the head of the Kupang City Dispenda Jefry Pelt explained, the advertisement tax target set in 2016, amounting to Rp 2.450.000.000. and as of December 29, 2016, the realization has reached Rp 2,326,447,989 (94.96%). As of December 29, 2016, the tax component managed by Dispenda on average is above 100%, except advertisement tax. Billboard tax has not yet reached the target because a number of large billboards prepared by Dispenda turned out to be empty (no billboards).

Kupang City has many people doing productive business activities so that there will be many billboards. Billboards are installed in strategic locations to introduce, encourage and or praise goods, services or people who are placed or can be seen, read and or heard by the general public. A number of billboards, making billboard tax has the potential to contribute to the increase in Kupang City's PAD. The greater the contribution of PAD to the Regional Budget and Revenue (APBD), the smaller the regional dependence on the center so that the regions are independent: able to finance regional development.

The success of development in Kupang City can be seen from the size of the gap between regions and the increase in the production of goods and services as measured through the regional Gross Regional Domestic Product (GRDP). GRDP increases when investment increases, investment increases if supported by facilities and infrastructure provided by local governments, To provide adequate facilities and infrastructure, funds are needed to finance development that is levied from tax and non-tax. Kupang City's GRDP per capita based on prices in 2017 was IDR 52.04 Million. This figure shows that on average each resident of Kupang City received an income of Rp. 52.04 Million during 2017. This number increased by 5.15 per cent compared to the previous year.

Billboard tax that is levied on employers, will have a direct impact on the decision to raise the price of the goods produced, thus affecting the production and use of labor. Increase or decrease in individual / company income, will affect the tax revenue that the government receives. Furthermore, the tax determination system will influence the entrepreneur's decision to invest which affects the size of the investment advertisement tax reflected in the number of industrial businesses.

Figure 1.1 Growth of Industrial Business Fields in Kupang City in 2013-2017

The graph shows that the higher the number of industries in Kupang city means the higher the entrepreneur's decision to invest. The higher the investment, the advertisement tax revenue will increase.

Based on the description above, the problem to be investigated is how the contribution of advertisement tax to PAD and how the advertisement tax revenue model, In line with these problems, the aim is to find out the contribution of advertisement tax to PAD and the advertisement tax revenue model.

B. Theoretical Review

1. State of the art

1. Title of Analysis of Factors Affecting Billboard Tax Revenue in Yogyakarta City in 2001-2015 at PTS in Yogyakarta, the result (1) the variable Number of Population has a significant and positive effect on advertisement tax in Yogyakarta City, (2) the number of Industry variables has a significant and positive effect on advertisement tax in Yogyakarta City, (3) GRDP variable has a significant and positive effect on advertisement tax in Yogyakarta City (4) the number of tourists has no significant and positive effect on advertisement tax in the city of Yogyakarta [3]

2. Title Analysis of the Effectiveness of Advertisement Tax Revenue in Efforts to Increase Local Revenue (Study at the Regional Revenue Service of Kediri District) at PTS in Malang, the results are: (1) The level of effectiveness of advertisement tax revenue in 5 years for the period 2008-2012 are 120.14%, 116.88%, 104.84%, 120.15% and 100.39%. This proves that during the period 2008-2012 the government of Kediri Regency had effectively collected advertisement tax. (2) The contribution of advertisement tax to regional tax within 5 (five) years in the 2008-2012 period was 3.27%, 3.11%, 3.51%, 4.13% and 2.32%. The average percentage of contribution of advertisement tax revenue that has been achieved by Kediri Regency from 2008 to 2012 is in very poor criteria for each year. [4]

3. Title of Factors Affecting the Admission Tax Revenue in the City of Banda Aceh at PTS in Aceh, The result: Based on the test statistically prove the two variables, namely the type of rental value and the price of the strategic point of the advertisement affect the advertisement tax revenue and the results obtained are significant [5].

2. Advertisement Tax

Billboard tax is a type of local tax collected by regencies / cities. Billboard tax is a tax on billboards. Billboards are objects, equipment, or media whose various forms are designed for commercial purposes to introduce, encourage, promote, or to draw public attention to goods, services, people or bodies, which can be seen, read, heard, felt, and or enjoyed by the public (Law No.28 of 2009 Article 1 numbers 26 and 27) [6].The object of advertisement tax is all of the advertisement management which is categorized as an advertisement. Objects of advertisement tax include: Billboards, Megatron / Videotron / Large Electronic Display (LED), Fabric Billboards, Sticky Billboards / Stickers, Flyer Billboards, Mobile Billboards including vehicles, Air Billboards, Voice Billboards, Film / Slide Billboards, Demonstration Billboards.

3. Factors That Affect Billboard Taxes
1.   GRDP

GRDP is the amount and final service produced by an economy in one year and expressed in market prices. Neither GDP nor GRDP is a global measure, and is not an appropriate measure of economic growth, because it cannot yet reflect every resident must enjoy welfare in the country or region concerned.

Gross regional per capita domestic product at the regional scale can be used as a better measure of economic growth because it more accurately reflects the welfare of a country's population rather than the value of GDP or GRDP alone. The GRDP determines the size of the tax revenue, the population and government policies both central and regional, so the GRDP and the number of residents affect the income of each type of local tax [7].

2.   Total population

Residents make requests for goods and services in order to meet or satisfy the needs of people's lives. As the population increases, the demand for goods and services will increase, industrial production will

increase, with the increasing demand, the number of industrial factors will also increase, the graph of employment will rise.

According [8] to the population is one of the significant factors influencing the amount of advertisement tax revenue. Population growth is considered as one of the positive factors in triggering economic growth, espcially in Jember Regency, which has begun to show growth, the large number of population will spur production activities, the consumption of this product will cause aggregate demand to enable productive businesses to develop, Likewise, the economy as a whole is not just regional income but government revenue must also be developed, with a dense population, economic activities will proceed well, if the policy towards the population is in line with policies in a region / region.

3. Number of industrial businesses

The number of industries is the number of industrial businesses both small, medium and large industries. The number of industries is one positive factor triggering economic growth.

According to [9] the number of industries influential on the receipt of advertisement tax. The assessment is in accordance with the assessment conducted by [10] that most of the second-level (now district / city) regional governments collect taxes on billboard objects in the region This tax is suitable for local revenue sources, because the place of the tax object can be easily identified. The number of industries that use billboards is also very influential with the GDP revenue, this is because if an industry that wants to market its products can use a billboard to make it known to the public, it can increase the amount of tax revenue for themselves, The increase in the number of industries that put up billboards resulted in the broader tax object, so regional revenues increased.

C. Research Methodology

The research will be conducted at the Kupang City Regional Revenue Service office from January to June 2020

Table 1 Operational Definition and Variable Indicators

No	Variable	Variable operational definitions
1.	Total population (X_1)	The population in Kupang City
2.	Number of industries (X_2)	Number of industrial businesses (large, small and large) in Kupang City
3.	GRDP (X_3)	GRDP is the amount and final service produced by an economy in one year and expressed in market prices.
4.	Advertisement tax revenue (Y)	The amount of tax revenue from billboard advertisers

1. Types and Sources of Data
   The type of data used is qualitative and quantitative. While the data source used is secondary data
2. Data Collection Techniques
   Data collection techniques using the study of documents
3. Data Analysis Techniques
   Regression Analysis

To determine the effect of each independent variable on the dependent variable, both simultaneously (partially) or partially, the model used is multiple regression analysis with the following formula:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Information :
Y = advertisement tax revenue variable
β_0 = constant
β_1 = regression coefficient variable population number
β_2 = variable number industry regression coefficient
β_3 = regression coefficient of GRDP variable
X_1 = population number variable
X_2 = variable number of industries

International Journal of Latest Research in Humanities and Social Science (IJLRHSS)
Volume 03 - Issue 09, 2020
www.ijlrhss.com || PP. 12-16

| X_3 | = GRDP variable |
| e | = confounding factor / error |

D. Research Findings/Result

The number of residents influences advertisement tax in Kupang City, the number of companies and the GRDP of the city of Kupang. The results of the analysis of the factors that affect advertisement tax revenue can be seen in Table 1

Regression models based on the results of the analysis can be seen in the following function

$Y_{\text{Billboard receipts}} = 63253{,}406 + 0.006_{x1} + 3286.851_{x2} + 2.231_{X3}$

Table 1. Results of Regression Analysis of the Advertisement Tax Model in Kupang City, 2020

No.	Variable	Coef.	Std. Error	t-Sta	Sig.
1	C(bo)	63253.406	1267 3.420	4.991	.002
2	Total population (X1)	.006	.000	100.152	.000
3	Number of Companies (X2)	3286.851	1638.992	2.005	.085
4	GRDP (X3)	2.231	5.503	.405	.697
10	R-squared			.000	
11	Adjusted R-squared			.999	
12	Std. Error of the Estimate			18992.60	
13	F-statistic			4.78	
14	Prob (F-statistic)			.000[b]	

Source: Primary Data Analysis, 2020

E. Discussion Analysis

The results showed that the calculated F value of 4.78 was greater than the F value of the table at a 99% confidence level. This means that tax revenue is influenced by the population, the number of companies and the GRDP of Kota Kupang.

The magnitude of the diversity of advertisement tax revenue variables that can be explained by the variable population, number of companies and GRDP of the City of Kupang. The results of the analysis show that the coefficient of determination (R^2) of 0.999 means that 99.90% of the diversity of the variable tax revenue can be explained by the variable diversity of the population, the number of companies and GRDP of the City of Kupang, while other variables outside the model explain 0.1%.

To find out the partial effect of the independent variables on tax revenue using the t-test. The results of the analysis show that the t-test value ($\alpha / 2$) for the variable population has a very significant effect on advertisement tax revenue at a 99% confidence level, the number of companies has a significant effect on tax revenue at the 90% level. Furthermore, the GRDP has no real effect because of this (1) contribution of advertisement tax to small GRDP, (2) weak controlling system for online advertisement tax (3) Most advanced companies do not update billboards.

Analysis results show that the value of b0 is positive 63253,406, which means that at the time of the population, the number of companies and GRDP is zero, then advertisement tax revenue is 63253,406.

Regression coefficient b1 is positive 0.006, which means that if the population increases by one person, advertisement tax revenue will increase by Rp. 0.006 and in accordance with the results of Arge's research analysis (2018). This means that if the population increases, they will try to increase their income by opening up a business that has an impact on making a business bill.

Regression coefficient b2 is positive 3286,851, which means that if the number of companies increases by one unit, tax revenue will increase by 3286,851 units and according to Joseph's research (2014). This means that if the number of companies increases, the owner of the company will try to increase the company's profits which have an impact on the advertising of billboards.

Regression coefficient b3 is positive 2,231, and it means that if the GRDP increases by 1 unit, the advertisement tax revenue will increase by 2,231. This is not in accordance with the research of Sripradita et al. (2014). This can be explained that the increase in GRDP is not followed by a significant increase in the number

of businesses so that the increase in advertisement tax increases but is not significant. In general, the people of Kupang City have not made their own business as the main source of income.

F. Conclusions

The conclusions from the results of the study are: Analysis using two-way t-test shows that the variable population and the number of companies significantly influence the advertisement tax revenue while the GRDP does not affect the advertisement tax revenue

References:

[1].   Arge M. (2018). Analysis of Factors That Affect Billboard Tax Revenue in Yogyakarta City in 2001-2015. Skripsi Fakultas Ekonomi Yogyakarta- Universitas Islam Indonesia
[2].   Devas, Nick. (1989). Regional Government Finance in Indonesia. Jakarta : UI. Press
[3].   Law No. 28 of 2009 concerning Regional Taxes and Regional Levies
[4].   Marihot P Siahaan. (2005). Regional Tax and Retribution. Raja Grafindo Persada, Jakarta
[5].   Muqodim. (1999). Book One Taxation.Yogyakarta : UII Press
[6].   Musgrave, (1993). State Finance in Theory and Practice, edition V. Jakarta : Erlangga.
[7].   Sripradita, dkk.(2014). . Analysis of the Effectiveness of Advertisement Tax Revenue in Efforts to Increase Local Revenue (Study at the Regional Revenue Office of Kediri). Jurnal Fakultas Ilmu Administrasi Universitas Brawijaya.
[8].   Sudiyono. (2004). Administrative Research Methods. Bandung : CV. Alfabeta
[9].   Sutrisno, P.H. (2002). Fundamentals of Economic Policy and Fiscal Policy. Yogyakarta : BPFE.
[10].   Thajono. (2010). Indonesian Taxation: Complete Taxation Guidelines Based on the Latest Laws. Yogyakarta: Graha Ilmu
[11].   Yusuf Yuslaidar. (2014). Factors That Affect Billboard Tax Revenue in the City of Banda Aceh. Tesis –Universitas Banda Ace