

THE LOCAL ORIGINAL REVENUE ANALYSIS OF EAST KALIMANTAN PROVINCE, INDONESIAN

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Abstract

Target Acceptance Local Original Revenue, East Kalimantan Province (Revenue Office of East Kalimantan, 2014) showed an increase in revenue realization during 2009 through 2013 was 112.83%. It requires effort and work to increase the potential revenue from Local Original Revenue. This study to measure the effectiveness and contribution acceptance of Local Original revenue in East Kalimantan in 2009 until 2013. Measurements using effectiveness ratio and contribution ratio performed on the elements of Local Original Revenue (Act No. 32 of 2004) consists of local taxes, local retribution, profit company owned by local, regional wealth management results, and other Local Original Revenue receipt. The results showed that realization of acceptance Local Original Revenue, East Kalimantan Province was appropriate even exceed the targets set by the achievement of 113.69% (Effectiveness Ratio) to receipt sourced from local taxes, local retribution, results wealth of management that separated areas, and other legitimate local revenues during the year 2009 until 2013. Local Original Revenue realization highly effective through other revenues legitimate local revenues (118.18%). The reception area is dominated / greatest sourced from local taxes contributed 78.56% (ratio Contributions) of the overall receipt the Local Original Revenue. The results of the study concluded that the receipt of Local Original Revenue in accordance with the criteria of effectiveness ratio. It is ratio very efficient. Local tax contribution was excellent of 78.56% (ratio Contributions) to the total revenue receipt of East Kalimantan province during 2009 until 2013.

Key words: contribution, effectiveness, the Local Original Revenue

INTRODUCTION

Government and regional development financing comes from revenues, its from the public or from the government itself. Regional Revenue Structure of East Kalimantan province consists of The Local Original Revenue, Fund Balance, and Everything Else Regional Income Legitimate. [4]

Local taxes revenue, retribution, profit company owned by local, regional wealth management results, and other the local original revenue is a source of revenue in The Local Original Revenue (it is called PAD). [4] Explanation sources of revenue The Local Original Revenue, as follows:

- (1) The results of regional taxes is Local charges according to regulations set by the region for the financing of the household as a public legal entity;
- (2) Results of local retribution namely charges have been legally be local charges as payment for the use or obtain services or because

obtaining employment services, businesses or local government property in question; (3) The results of the company-owned local and regional wealth management outcomes separated. The results of a local company owned by the local revenue of the company's net profit in the form of local and regional development fund part of the state budget paid to the local treasury; (4) Earning of Other areas legitimate is is earnings are not included in the types regional taxes, retribution area, revenue offices. Besides Local Original Revenue, the reception area is still dominated by Fund Balance consists of the tax revenue sharing, non-tax sharing, general allocation fund, a special allocation fund, and fund local incentives. On the other hand, to support acceptance for the government and regional development through tax sharing of center / Among them, through the Personal Income Tax in the State, Article 21 of the Income Tax, Value Added Tax and others [4]

Objects Local Taxes are an expansion of the tax object stipulated in Law No. 18 of 1997 and Act No. 34 of 2000 namely Motor Vehicle Tax, Customs of Vehicle, Motor Vehicle Fuel Tax, Tax Intake and Utilization of Ground Water and Surface Water and Cigarette Tax. [5]

Expansion of Regional Tax object is to improve the reception local, improve the structure of local financing, reduce the role of sources of good financing from the central government or borrowing from abroad. To further enhance the independence of in activities of financing in the area, then the effort to increase revenue from taxes through tax collection efficiency and retribution.

Department of Revenue East Kalimantan Province is the agency charged with promoting local revenue sources among which is sourced from The Local Original Revenue, so as to sustain the independence of financing for development in the area. Data Target Revenue of Local Original Revenue [3] showed an average increase in the target last 5 years (2009 to 2013) was 112.83%. [2] It requires effort and hard work the regional government in achieving revenue sources. Acceptance of local revenue comes from revenue (PAD) own, local revenues derived from the distribution of revenue, financial balance fund between the central government and local governments, regional loan, and the other is the revenue generated by the region itself and an local legitimate income. [4]

Based on the description, the formulation of the problem is: "How can the effectiveness and contribution of The Local Original Revenue , East Kalimantan Province in 2009 until 2013". This study was conducted to measure the effectiveness and contribution of The Local Original Revenue East Kalimantan in 2009 until 2013. Measurement of effectiveness ratio and the ratio of the contribution made to the sources of acceptance Local Original Revenue [4] consists of from regional taxes, local retribution, profit company owned by local, local wealth management results, and other local original revenue.

MATERIALS AND METHODS

This study is a quantitative descriptive research. It's describes the phenomena or characteristics of the data at the time the research was conducted or during a certain period of time to test and answered questions formulation of research problems. Formulation of the problem is generally expressed in questions. So the theory in quantitative research is used to answer the research problem formulation. [9]

The study was conducted at the Department of Revenue's Office of East Kalimantan Province - Indonesian. The focus of this research is to analyze and discuss the effectiveness and contribution of the sources of regional revenue, East Kalimantan Province during 2009 to 2013. The technique for data analysis as follows:

1. Calculate the Effectiveness Ratio of The Local Original Revenue, constitute: Effectiveness Ratio is used to determine the ability of the government to mobilize revenues The Local Original Revenue is in accordance with the target set. [8] Formula of Effectiveness Ratio to the realization and acceptance of the target sources of local regional revenue, as follows [1]

$$\text{Effectiveness Ratio} = \frac{\text{Realization of Sources acceptance}}{\frac{\text{The Local Original Revenue}}{\text{Target of Sources acceptance}} \times 100\%}$$

The level of effectiveness was measured using the following indicators [6]:

Table 1. Interpretation of Value Effectiveness.

Percentage (%)	Criteria
>100	Highly Effective
90-100	Effective
80-90	Enough Effective
60-80	Less Effective
<60	Ineffective

2. Calculate the Contribution Ratio of The Local Original Revenue constitute: The ratio of the contribution that the analysis used to determine the amount of the contribution of acceptance sources local regional revenue to total revenue. [7]

Rasio Formula of Contribution Ratio to acceptance of sources of local regional revenue, as follows. [1]

$$\text{Contribution Ratio} = \frac{\text{Realization of Sources acceptance The Local Original Revenue}}{\text{Realization acceptance The Local Original Revenue}} \times 100\%$$

The level of Contributions was measured using the following indicators [6]:

Table 2. Classification Criteria Contributions.

Percentage	Criteria
0,00% – 10%	Very Less
10,10% – 20%	Less
20,10% – 30%	Medium
30,10% – 40%	Enough good
40,10% – 50%	Good
> 50%	Very Good

RESULTS AND DISCUSSIONS

Based on the research results of the analysis of the effectiveness ratio of acceptance The Local Original Revenue, analysis of the contribution to the realization of acceptance The Local Original Revenue to the set targets and to determine the amount of the contribution of regional taxes, local retribution, profit company owned by local, local wealth management results, and other local original revenue. The following data of target and the realization of sources acceptance The Local Original Revenues for 2009 to 2013.

1. The Local Original Revenues

In Figure 1, during the years 2009 to 2013 the number of acceptance The Local Original Revenues continues to increase, both in terms of targets to be achieved by the realization of the amount of revenue from The Local Original Revenues. It is shown through Effectiveness Ratio PAD that change fluctuated in meeting revenue targets, the achievement of revenue targets is highly effective 118.90% exceeded the target in 2010. In general, the government's ability to mobilize revenue receipts have exceeded the target set. The Local Original Revenues changes depicted in graphical form below at Figure 1.

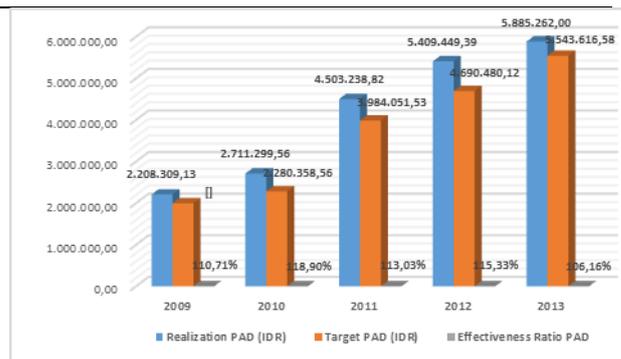


Fig.1. The Local Original Revenue (PAD): Realization, Target and Effectiveness Ratio (million IDR)

2. Effectiveness Ratio and Contributions Ratio

The realization of acceptance The Local Original Revenues is very effective for achieving revenue targets that have been set. The realization of acceptance The Local Original Revenues is very effective for achieving revenue targets that have been set (Figure 2).

Realization of The Local Original Revenues is the largest achieved 118.18% (Effectiveness Ratio) through acceptance of other local original revenue (consisting of grant income, adjustments funds and special autonomy, others legitimate local revenue from third parties. This shows the government's ability to mobilize revenue sources The Local Original Revenues increased during the years 2009 to 2013 (Table 3).

Table 3. Recapitulation of Average Effectiveness Ratio and Contributions Ratio, 2009-2011

Source of Acceptance The Local Original Revenues	Average Effectiveness Ratio	Criteria Effectiveness Ratio	Average Contributions Ratio	Criteria Contributions Ratio
Regional taxes	111.99 %	Highly effective	78.56%	Very Good
Local Retribution	111.74 %	Highly effective	0.39 %	Very Less
Results of Regional Wealth Management	106.84%	Highly effective	4.83%	Very Less
Other Local Original	118.18%	Highly effective	10.71%	Less
Average PAD	113.69%		23.62%	

Table 3 shows the local tax contributed very significantly to the sources of acceptance The Local Original Revenues East Kalimantan Province period of 2009 until 2013. Among the types of local taxes that provide great reception is motor vehicle tax. motor vehicle

title transfer fee and vehicle fuel tax. Receipt of The Local Original Revenues others have not demonstrated a significant contribution to revenue receipts (by 118.18%) showed less contribution (contribution criteria) to overall revenue receipts. When viewed from contribution of receipts others local original revenue Legal as the grant income, adjustments funds and special autonomy, other local revenue from third parties.

Acceptance The Local Original Revenues of generally retribution 117.74% showed less contribution (contribution criteria) to the overall acceptance of The Local Original Revenues. When viewed from the side of the contribution of retribution just retribution public services such as health care, re-calibration services retribution and of the levy charges for services such as the use of regional assets, retribution of place to stay and retribution of local businesses. Acceptance from retribution of licensing revenue receipt amount is still relatively small. Table 1 depicted in Figure 2.

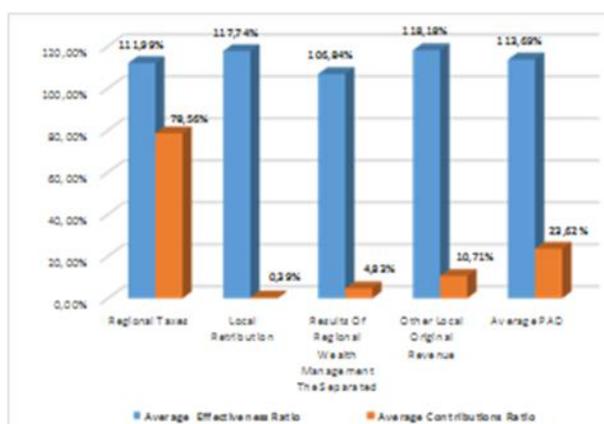


Fig.2.Recapitulation of Average Effectiveness Ratio and Contributions Ratio, in 2009-2013.

Realization Tax revenues as well as the opportunity to be able to maintain and increase local tax revenues and retribution to the maximum in order to sustain the needs of local expenditure and finance the construction of the Province of East Kalimantan. Efforts that may be done include:

1. Intensification activities, consists of: (a) Supervision of Effective in the management and acceptance local taxes and local

retribution; (b) Educative measures to encourage obedience, discipline taxpayers, and a heightened awareness of officials a tax collector and retribution to provide maximum service; (c) Referral and sanctions to the officers and employees in carrying out daily tasks in order to prevent fraud.

2. Extensification activities, consists of: (a) Improving the skills and abilities of officer in providing services to local taxpayers and users of services local businesses; (b) Increase the amount of revenue from retribution because it has not maximal of achievement obtained; (c) Management and improvement of the data base periodically for analysis corrective measures to increase amount of local tax revenue and amount of retribution.

CONCLUSIONS

Based on the description of the discussion can be concluded as follows:

1. Realization receipts of local tax revenues, East Kalimantan Province was appropriate even exceed the targets set by the average achievement 113.69% (Effectiveness Ratio) to revenues derived from local tax revenues, local retribution, the results of wealth management are separated, and Everything Else Authorized Local Revenue for the year 2009 until the year 2013. Revenue realization of Local Original Revenues highly effective through acceptance Else The Local Revenue legally (118.18%).

2. In terms of the composition of receipts Local Original Revenues, East Kalimantan Province during 2009 to 2013 was dominated / greatest sourced from local taxes contributed 78.56% (ratio Contributions) of the total revenue receipts.

3. On receipt of local retribution, the results of the wealth management area separated contribute very less (criterion between 0.00% to 10%), and other legitimate local revenues have contributed less (criterion between 10.10% to 20%) to the total The Local Original Revenue, East Kalimantan Province in 2009 until 2013.

4. The Government of East Kalimantan province in this case Department of Local

Revenue as acting in the conduct and management of the local tax collection continues to improve the success that has been achieved in view of the potential sources of local tax revenue is huge so if associated with it can be envisaged that the target set still too small compared to the existing potential (78.56%). For it must continue to make revamping and repairs as well as innovative measures both internally and externally to increase local tax revenue and other revenue receipts.

5. Acceptance of local tax revenue, local retribution, the results of which are separated of wealth management, and Others Regional Income Legitimate still need to be improved because of the realization of acceptance has still a very small contribution by also considering the cost of collection and the cost of providing services local. Continuously strive to continuously explore and enhance the potential of the sources receipts of local original revenue.

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