

The Effectiveness of Regional Tax Collection in Manado City

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Abstract

This research discusses the effectiveness of local tax collection in Manado City. This research aims to provide a more comprehensive insight into how hotel and restaurant taxes are managed, collected, and used by local governments to obtain optimal revenue. In this study, the authors used a qualitative approach as the main method of collecting data. This method allows the author to gain first-hand understanding and experience from various stakeholders, such as taxpayers, tax officers, and local governments. Through in-depth interviews, observations, and document analysis, the author explores the factors that affect the effectiveness of hotel and restaurant tax collection comprehensively. This research is expected to make an important contribution to the understanding of the effectiveness of hotel and restaurant tax collection, as well as provide useful recommendations for local governments in increasing local revenue through more effective tax collection.

Keywords: *Effectiveness, Tax Collection, Local Tax, Hotel Tax, Restaurant Tax*

Abstrak

Penelitian ini membahas tentang efektivitas pemungutan pajak daerah di Kota Manado. Penelitian ini bertujuan untuk memberikan wawasan yang lebih komprehensif tentang bagaimana pajak hotel dan restoran dikelola, dipungut, dan digunakan oleh pemerintah daerah untuk memperoleh pendapatan yang optimal. Dalam penelitian ini, penulis menggunakan pendekatan kualitatif sebagai metode utama dalam mengumpulkan data. Metode ini memungkinkan penulis untuk mendapatkan pemahaman dan pengalaman langsung dari berbagai pemangku kepentingan, seperti wajib pajak, petugas pajak, dan pemerintah daerah. Melalui wawancara mendalam, observasi, dan analisis dokumen, penulis menggali faktor-faktor yang mempengaruhi efektivitas pemungutan pajak hotel dan restoran secara komprehensif. Melalui penelitian ini diharapkan dapat memberikan kontribusi penting dalam pemahaman tentang efektivitas pemungutan pajak hotel dan restoran, serta memberikan rekomendasi yang bermanfaat bagi pemerintah daerah dalam meningkatkan pendapatan daerah melalui pemungutan pajak yang lebih efektif.

Kata kunci : Efektivitas, Pemungutan Pajak, Pajak Daerah, Pajak Hotel, Pajak restoran

INTRODUCTION

The richness and beauty of nature as well as the variety of tourist attractions in the city of Manado are an attraction for local and foreign tourists to visit the city of Manado. With the increasing number of tourist visits, it is certain that the support of the tourism industry, such as hotel and restaurant services, will also experience an increase in income. The number of hotels and restaurants in recent years has increased quite significantly. The latest data for 2022 (Manado City Tourism Office) shows that the number of star hotels in the city of Manado is 17 hotels, consisting of 3 five-star hotels, 6 four-star hotels and 8 three-star hotels. Meanwhile, there are 102 non-star hotels with 4,103 rooms. The number of restaurants and eateries has also increased, according to 2020 data there are 209 restaurants, eateries and catering services, then the latest data for 2022 there are 366 restaurants, eateries and catering services (data source from the Manado

City Tourism Office). It can be said that the potential for local revenue from the tourism sector, if managed well, can achieve maximum results.

Table 1 Restaurant data in 2022 (Source Manado City Tourism Office 2022)

No	Type of business	Amount
1	Restaurant	110
2	Restaurant	193
3	Café	92
4	Catering services	33
5	Foodcourt (tenant)	30

However, judging from the data obtained, Manado City Regional Income has decreased from 2020 to 2021. Manado City Regional Original Income in 2019 was IDR.

339,077,562,000,-, in 2020 PAD dropped drastically to a nominal value of Rp. 261,756,116,854,- and in 2021 it will decrease by IDR. 240,245,296,030,-. Meanwhile, for regional taxes from the tourism sector, namely hotel and restaurant taxes, in 2022 the main target for hotel tax revenue is IDR. 41,000,000,000.00 and the realization achieved was Rp. 29,910,654,789.07 (72.95%). Restaurant tax revenue target Rp. 95,000,000,000.00 and the realization achieved was Rp. 98.149.818.271.46 (103%).

There are several problems that often occur in collecting and managing hotel and restaurant taxes. 1) Improper tax management and reporting, this can occur due to errors in calculating the tax that should be paid, errors in recording sales transactions, or errors in tax reporting. 2) Falsification of data or concealment of income. This is done through practices such as recording transactions incorrectly so that the reported tax amount is lower, deleting or hiding income that should be subject to tax, or committing other acts of violation of tax provisions. 3) Non-compliance with tax regulations by taxpayers. What often happens is that taxpayers do not collect or collect taxes from guests or customers correctly, and do not apply tax rates according to the provisions. There are also often delays in reporting and paying taxes from taxpayers. From the data obtained in the 2018, 2019 and 2020 periods, there were several hotel taxpayers who were late in paying their taxes and some were even in arrears until the following year. Departing from the phenomenon of the problems above, the author felt it necessary to conduct research with the title "Effectiveness of Regional Tax Collection in Manado City".

METHOD

The type of research carried out was qualitative field research with a descriptive analytical approach. Qualitative research aims to explain phenomena as deeply as possible through data collection. In this research, the issue of depth (quality) of data is more emphasized, not the amount (quantitative) of data. The descriptive approach aims to systematically describe the facts or characteristics of a particular population

or a particular field in a factual and accurate manner. This approach is a research method that looks at objects/conditions, descriptions, systematically, factually and accurately regarding the facts being investigated and the results can be used for future decision making.

The descriptive approach aims to obtain an in-depth description of speech, writing and behavior that can be observed from an individual, group, society or organization in a particular setting from a comprehensive point of view (Sugiyono, 2022: 272). This research seeks to explore the effectiveness of tax collection carried out by the Manado City Government through the Regional Revenue Agency.

Data collection techniques through observation which was carried out by direct observation at the Manado City Revenue Agency, the locations of the tourism industry businesses in the city of Manado in this research were hotels and restaurants, the Manado City Tourism Office. Apart from that, through interviews with informants, the data that will be collected are employees of the Manado City Regional Revenue Agency, tourism business actors, specifically hotels and restaurants.

Data analysis in this research was carried out during data collection and after data collection was completed within a certain period. Miles and Huberman (1984), stated that activities in qualitative data analysis are carried out interactively and continue continuously until completion, so that the data is saturated. Activities in data analysis in this research, namely data collection, data reduction, data display, and conclusion drawing/verification.

Data collection includes the first stage, the data that has been obtained is collected and checked for completeness and clarity, so that the data obtained is valid data. The second stage, data reduction is carried out during the research, during field research, until the research report is prepared. In the data reduction process, data analysis is carried out to sharpen, classify, direct, discard unnecessary data, and organize data so that final conclusions can be drawn and verified. The data that has been obtained is then arranged sequentially according to need.

RESULTS AND DISCUSSION

Manado City Regional Revenue Agency as a Regional Apparatus (PD) of the Manado City Government which was formed based on Manado City Regional Regulation Number 1 of 2019 concerning the Formation and Composition of Manado City Regional Apparatus and Manado Mayor Regulation Number 11 of 2019 concerning Position, Organizational Structure, Duties and Functions and the Work Procedures of the Manado City Regional Revenue Agency Type A, which is given the authority to carry out duties in the field of revenue which are government affairs in financial support functions, as regulated in Law Number 23 of 2014 concerning Regional Government, where the Regional Government has the right to manage regional income for the purpose of financing government, development and community activities.

The Manado City Regional Revenue Agency is relevant to national activities and in the area of regional income it also refers to the Manado City Government Vision 2021 – 2026, namely; *"Manado is advanced and prosperous as the home of North Sulawesi and Indonesia in the Asia Pacific"*

Effectiveness of hotel tax and restaurant tax collection by the Manado City Regional Revenue Agency

According to Robin (199:58) organizational effectiveness is an encompassing draft of concept, components, and management roles. An organization receives input, carries out transformation and produces output. These inputs can be raw materials, processes, people (labor, knowledge, skills), infrastructure (buildings and equipment), technology (hardware and software).

Based on the results of interviews and direct observations in the field, it can be seen that the Regional Revenue Agency is really trying to make various breakthroughs and innovations in tax services in order to achieve the regional tax realization target, especially hotel tax and restaurant tax. The efforts made by the Regional Revenue Agency are to provide supporting infrastructure for tax services, the availability of

serving personnel, and a tax service information system.

To register for NPWPD, taxpayers can do so at the Manado City Public Services Mall. Taxpayers come directly to process the NPWPD issuance at no charge or for free. For this service, 12 implementing personnel and 3 sub-division heads have been prepared for administration and field checks.

The taxpayer data collection process is carried out by the Regional Revenue Agency by issuing a data collection form which is distributed to taxpayers to be filled in and accompanied by supporting files. To collect data on taxpayers, Bapenda assigns its employees to go out into the field as an effort to directly check and collect business data must tax. The task of collecting taxpayer data is carried out every month, 12 times a year. The number of personnel who went to the field to collect data was 35 people from the tax and levy sector.

The tax and levy collection process is carried out moment taxpayers are in arrears with their obligation to pay taxes by issuing a warning letter to the taxpayer. However, before issuing a warning letter, the officer must first carry out collection by checking if the taxpayer has passed the tax payment due date. This is done as an effort to achieve the regional tax realization target, especially hotel tax and restaurant tax.

The efforts made by BAPENDA illustrate the importance of organizing people and work in achieving tax realization. The tax and levy services sector is responsible for tax services starting from taxpayer registration, taxpayer data collection to tax and levy collection. The tax service process begins with collecting taxpayer data to obtain a regional taxpayer identification number (NPWPD) as an identity and administrative means of implementing regional taxation rights and obligations. Taxpayer registration services can be served at the Public Services Mall.

This facility is provided to make things easier for taxpayers and is free of charge. The service has been prepared 12personpersonnel and 3 sub-sector officials for administrative processes and field checks. Tax collection is also carried out primarily to taxpayers who have passed the tax

payment due date. The Regional Revenue Agency issues warning letters to taxpayers and direct personnel are sent to inspect and collect taxes from taxpayers.

Sondang P. Siagian (2001:24) believes that effectiveness is the utilization of resources, facilities and infrastructure in a certain amount that is consciously determined beforehand. For produces a number of goods for the services it carries out. Effectiveness shows success in terms of whether or not the targets that have been set are achieved. If the results of the activity are closer to the target, it means the effectiveness is higher.

The Manado City Regional Revenue Agency is also making innovations as an effort to increase the realization of regional income taxes and levies by establishing a BAPENDA information system consisting of 3 (three) tax and levy service applications as well as procuring monitoring tools for recording regional tax transaction data (OTM/Online Transaction Monitoring).).

1. Integrated Regional Tax Management Application (SMARTGOV)
2. Regional tax payment transaction application (PD ATTRACTION)
3. Applications and Monitoring Tools for Regional Tax Transaction Data Recorders (OTM/Online Transaction Monitoring)

Using the SMARTGOV application is very beneficial for tax collectors as well as taxpayers. SMARTGOV application is used by officers to carry out tax services to taxpayers starting from the verification process to issuing tax payment bills. This makes the process of issuing a virtual account for tax payments easier, apart from that the SMARTGOV application is also integrated with other applications, connected to banks and other electronic payment places, integrated with PBB-P2 payments via PT. Indonesian post. Host to host has been carried out with the ATR/BPN Ministry's Data and Data Center in the BPHTB service for the issuance of Land Certificates at the Manado City Land/BPN Office.

The use of the ATTRACTION PD application is used by taxpayers and is very useful in the tax payment process as well as other benefits such as making it easier for taxpayers to

follow the process of procuring goods and services.

From the results of interviews with taxpayers, it was explained that this application was connected to the portal procurement goods and services in various other government agencies so that they can see if there are procurements of goods and services that they can participate in. Data from interviews with several informants illustrates the efforts of an organization to achieve results by utilizing all available resources. Efforts have been made to innovate the digitalization of tax services through the SMARTGOV and ATTRACTION PD applications. The use of these two applications is to facilitate the tax service process starting from registration and payment of taxes by taxpayers to the supervision process. A good monitoring system will also maximize the realization of hotel tax and restaurant tax.

Efforts from the Regional Revenue Agency to simplify the flow of tax payments by opening an online tax payment channel makes it easier tax payments for taxpayers. With the SMARTGOV tax service application and ATTRACTION PD, taxpayers can report taxes and pay taxes online via the available electronic payment channels, thereby saving time and costs. Tax services can be served more quickly so that the number of taxpayers served will also be greater. However, from the results of interviews and observations in the field, researchers found several shortcomings in the tax services carried out by the Regional Revenue Agency.

These deficiencies include a lack of human resources, in this case the number of employees seen is still insufficient compared to the existing workload. Apart from that, the SMARTGOV tax service application also cannot accommodate late tax payments from taxpayers, so taxpayers who have passed the tax due date must process it directly with the tax service officer at the public service mall. Apart from that, there are frequent problems with application disruptions caused by internet network problems.

Tax Supervision

George R. Terry (1958) in his book Principles of Management divided four basic functions management; namely Planning,

Organizing, Actuating and Controlling. The role of supervision in tax services is so important because with a strict control system it is hoped that the results of the realization of tax payments can meet the targets set.

The Regional Revenue Agency makes several efforts to supervise taxes, both directly and indirectly. Tax supervision is especially important for types of taxes paid using a self-assessment system, such as hotel tax and restaurant tax. Based on the results of interviews since the end of 2019, BAPENDA has installed an online transaction recording tool, this effort was carried out by the Regional Revenue Agency to reduce tax leakage and also become a monitoring tool for taxpayers.

Data collected through recording devices will be compared with transaction data reported by taxpayers when making tax payments. The number of OTM (online transaction machine) devices installed by the end of 2020 was 175 machines. When compared with data on the number of hotel and restaurant businesses in the city of Manado, the percentage coverage is very small, so the transaction data collected is not comprehensive. The Regional Revenue Agency also carries out a supervisory function by carrying out "pick-testing" field tasks to obtain real transaction data in the field, because the limited number of transaction recording devices installed has not yet reached all restaurants in the city of Manado.

However, there are several obstacles in the implementation of tax supervision carried out by the Regional Revenue Agency, one of which is the lack of field officer personnel. The large number of businesses is not proportional to the number of officers so the "pick test" is carried out by sampling. This will also make it impossible to collect transaction data describe the overall amount of potential taxes, especially hotel taxes and restaurant taxes. This incomplete transaction data will mean that the tax authorities do not get an idea of the amount of tax that must be paid by taxpayers and can only trust tax reports from taxpayers, so that potential tax underpayments can occur. Incomplete tax potential data can also influence the determination of tax realization targets which may not be optimal.

From the results of the interviews, researchers found that there was still a lack of firm action from the tax authorities towards taxpayers who were late his obligations pay taxes. The only sanction given as a result of the interview is a warning via a warning letter.

Determinant factors in collecting hotel tax and restaurant tax

George R. Terry explains organizing is determining, grouping and arranging the various activities needed to achieve goals, placing people (employees), to these activities, the provision of physical factors suitable for work requirements and the appointment of authority relations, which are delegated to each person in connection with the implementation of each expected activity.

Competency of the tax authorities in carrying out their duties collection Taxes are very necessary to increase the realization of tax payments. The expertise and level of education possessed as well as mastery of the rules and SOPs will greatly support the tax authorities in determining tax targets and increasing the effectiveness of tax collection. According to (Sukriah, 2009), a person can be said to be competent if that person meets the qualifications or criteria in a particular science. Referring to the definition of effectiveness in the KBBI, effective can be defined as something that has results.

The relevant results are positive or can be said to be successful. Apart from that, it is a business that done maximally can also be said to be effective. Efforts to achieve a result, goal or target. Thus, it can be concluded that an effort can be said to be effective if the results, objectives or targets that have been previously determined have been achieved. Effectiveness is generally viewed as the level of achievement of operational and operational goals. Basically, effectiveness is the level of achievement of the organization's set target tasks. Effectiveness is how well the work is done, the extent to which someone produces output as expected. The annual performance report of the Regional Revenue Agency shows that the performance of the state civil servants (ASN) has reached 100%, meaning they have carried out their duties well. In terms of the number of state civil servants

(ASN) in the Regional Revenue Agency, it is considered still insufficient because the number of hotel and restaurant businesses that will be served is so large. The latest data shows the number of restaurants is 110, restaurants are 193, cafes are 92, food services are 33 and food courts are three.

The following is the participation of state civil servants (ASN) in technical training and training income looks still lacking. The limited implementation of technical training carried out by the Director General of Taxes causes the Regional Revenue Agency to have difficulty improving the capabilities of its apparatus. The technical training currently available is only for a few skills, such as bailiffs, PBB assessors and tax inspectors. The Regional Revenue Agency also lacks in providing internal technical training for its employees.

Another problem is the limited participation funds to take part in revenue technical training. However, from the results of interviews and direct observations in the field, researchers found that the State Civil Apparatus (ASN) in charge of the tax and levy services section had good technical expertise and mastery of operational standards for tax services. In carrying out services to taxpayers, they have the ability to operate the tax service system, they also master the rules relating to regional taxes, and master the procedures for servicing and paying taxes.

CONCLUSION

Based on the results of the research carried out, it can be taken conclusion;

1. The competency of the State Civil Apparatus (ASN) in the Manado City Regional Revenue Agency in carrying out regional tax collection has largely met the necessary requirements both in terms of formal education as well as technical capabilities related to the implementation of regional tax management, specifically hotel tax and restaurant tax so that collection is effective. regional taxes can be achieved.
2. The programs and activities of the Manado City Regional Revenue Agency in an effort to increase the realization of regional taxes, especially hotel taxes and restaurant taxes,

have been maximally carried out even though the realization of hotel taxes has not yet reached the targeted realization target. The breakthrough made by the Regional Revenue Agency of the city of Manado through digitalization of tax services has increased the efficiency and effectiveness of regional tax services in the city of Manado.

3. The target and realization of hotel tax and restaurant tax until October 2023 is based on hotel tax realization data of 57.79% and the realization target of restaurant tax realization reaching 86.81% so it can be concluded that hotel tax collection has not been effective and restaurant tax collection has been effective.

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