

Analysis of Strategies for Increasing Regional Tax Revenues Customs Acquisition of Land and Building Rights (BPHTB) Case study on Income Office Region (Dispenda) Bekasi City

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Abstract

The purpose of this research was to identify the internal and external factors to formulate strategy and to prioritize alternative strategies for increased local tax revenue BPHTB. The research are using Internal Factor Evaluation and External Factor Evaluation, SWOT analysis and Analytical Hierarchy Process (AHP). The results indicated that the emergence of factors that affect the goals are (1) facilities and infrastructure (2) BPHTB regulation (3) updated NJOP (4) the growth of the industrial property (5) the integrity and capacity of human resources (6) awareness and knowledge of the taxpayer. Actors who influenced in this study is the tax payers, tax officers, internal Auditors and Notary Public/PPAT. The increase of capacity and integrity was selected as the priority strategy based on AHP research. Managerial implications of the human resources improvement program is oriented on increased local tax revenue BPHTB based on the principle of good governance. This research was the top recommendation of the deregulated of regulation BPHTB to anticipating the loss of potential revenue BPHTB and for the Central Government BPHTB along with the House of Representatives (DPR) for the amendment UU Nomor 28 Tahun 2009.

Keywords: BPHTB, local tax, SWOT, AHP.

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INTRODUCTION

Background

BPHTB became a Regional Tax starting in 2011. This is one aspect of major changes which is an

important instrument for implementing fiscal decentralization [1]. Within a period of 4 (four) years, the City Government of Bekasi recorded revenues from the BPHTB tax sector in table-1 as follows:

Table-1: Revenue and Realization BPHTB, 2011 – 2014

Uraian	Th. 2011 (IDR)	Th. 2012 (IDR)	Th. 2013 (IDR)	Th. 2014 (IDR)
Target	129.000.000.000	220.300.000.000	266.798.153.273	266.798.153.300
Realisasi	176.437.726.551	266.798.153.293	266.985.553.380	275.102.400.480

Source : LKPD Bekasi city, 2011 - 2014

The number of BPHTB revenues in the Regional Revenue and Expenditure Budget (APBD) of Bekasi City provides a very significant contribution, even becoming the largest sector of some local taxes

collected by the Bekasi City Government. This can be seen from the data of BPHTB's contribution to the APBD in table 2 as follows:

Table-2: BPHTB Contribution Year 2011 – 2014

Description	2011	2012	2013	2014
Bphtb	176,437,726,551	266,798,153,293	266,985,553,380	275,102,400,480
Pad	568,344,298,997	730,735,134,154	969,741,298,062	1,205,243,336,069
Local tax	375,978,082,270	497,855,029,475	723,511,938,746	845,771,913,123
Contribution to pad	31.04%	36.51%	27.53%	22.83%
Contribution to regional taxes	46.93%	53.59%	36.90%	32.53%

Source: LKPD Bekasi City 2011-2014

Formulation of the Problem

- What is the process of collecting and managing BPHTB tax in Bekasi City and the factors that influence it?
- How to identify external and internal strategic factors [2] in BPHTB Regional Tax collection in Bekasi City?
- How can the strategy formulation be formulated so that there can be an increase in BPHTB regional tax revenue in Bekasi City?

Research Purpose

- Identify the factors that influence BPHTB regional tax revenue.
- Analyzing internal and external strategic factors that influence the implementation of collection and management of BPHTB in Bekasi City.
- Recommend strategies that can be done in increasing the acceptance of Regional Tax BPHTB.

Conceptual Framework

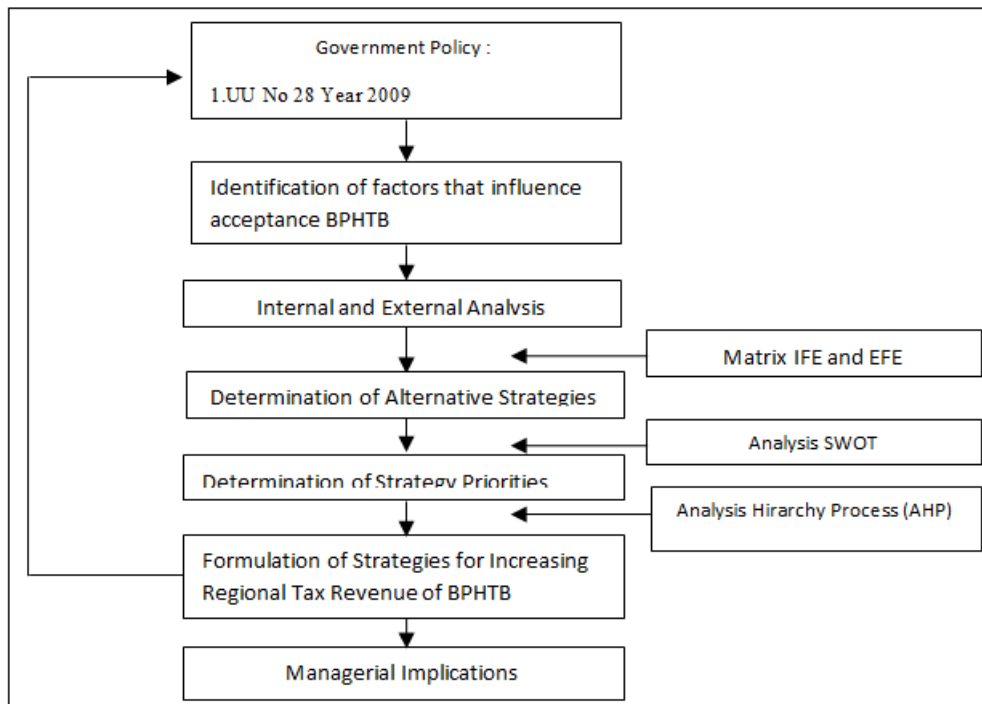


Fig-1: Conceptual Framework

LITERATURE REVIEW

Tax Definition

According to Law Number 16 of 2009 as the last change from Law Number 1983 concerning General Taxation Provisions, tax is defined as a compulsory contribution to the state owed by an individual or entity that is compulsory based on the Law, by not getting compensation directly and used for the state's needs for the greatest possible prosperity people. Taxes are also defined as "contributions to the state (which can be imposed) owed by those who are obliged to pay according to regulations, with no achievement back, which can be directly appointed, and the point is to finance general expenditure expenditures related to the duty of the state government " [3].

Soemitro [4] states that tax is a people's contribution to the state treasury based on the law (which can be forced) by not receiving reciprocal services (contra) that can be directly demonstrated and used to pay public expenses.

Tax Collection

Smith [5] in his book *Wealth of Nation* put forward four basic principles known as four of maxims namely equality, certainty, convenience, and efficiency. Equality (the principle of balance with ability or principle of justice) tax collection carried out by the state must be in accordance with the ability and income of the taxpayer. The state may not act discriminatively against taxpayers. Certainty (principle of legal certainty) all tax collection must be based on the law, so that those who violate it will be subject to legal sanctions. Convenience of Payment (the principle of timely taxation or pleasure principle) tax must be collected at the right time for the taxpayer (the best time), for example when the new taxpayer receives his income or when the taxpayer receives a gift. Efficiency (efficient principle or economic principle) the cost of tax collection is sought as economically as possible, not to occur tax collection costs greater than the tax collection.

In addition, in the tax collection known tax collection system which consists of the first Official Assessment System. This system is a collection that

authorizes the government (fiscus) to determine the amount of tax owed by taxpayers. The Second Self-Assessment System is a tax collection system that authorizes taxpayers to determine the amount of tax owed by yourself. Third With Holding System is a tax collection system that authorizes third parties (not tax authorities and not the taxpayer concerned) to determine the amount of tax owed to taxpayers.

Soeryadie [6] conducted a study on the Effectiveness of Collecting Customs on Land and Building Rights in the Province of Jakarta. This study states that the implementation of BPHTB collection in DKI Jakarta is quite effective measured by the Tax Performance Index for five years.

Local Tax

Based on Law Number 28 of 2009 concerning regional taxes and regional levies, regional taxes determined to be mandatory for the Regions owed by individuals or bodies approved by the Act, by not obtaining direct imbalances and being used for regional needs intended for the maximum prosperity of the people.

Customs for Land and Building Rights (BPHTB)

Based on Law Number 28 of 2009 concerning Regional Taxes and Regional Retribution for the Acquisition of Land and Building Rights (BPHTB) is a tax on the acquisition of rights to land and or buildings that include legal actions or events which result in the acquisition of rights to land and or buildings by individuals or entities.

In Law Number 28 of 2009 the tariff charged on the object of BPHTB tax is a maximum of 5 percent of the transaction price or market value. The imposition of BPHTB is carried out by imposing a tariff of 5 percent from the tax base, namely the transaction price reduced by NPOPTKP (Value of Non-Taxable Tax Objects). The amount of NPOPTKP varies by region. For example, NPOPTKP in the DKI Jakarta area in 2012 amounted to 100 million rupiah and in the Bekasi City area it was set at 60 million rupiah. The type of land rights imposed by BPHTB is regulated in the Basic Agrarian Law (UUPA) which covers property rights, business use rights, rights for building and usage rights.

Whereas the types of rights stipulated in the Act on flats are ownership rights to flats and management units.

The BPHTB collection system is a Self Assessment System where taxpayers are given the freedom to calculate, deposit and report themselves on BPHTB obligations that must be paid. Dispenda as the collecting agency has the authority to conduct research as a test of compliance with taxpayers with the mechanism for reporting Regional Tax Payment (SSPD) BPHTB.

RESEARCH METHODS

Location and Time

This research was conducted in Bekasi City, especially in the Regional Revenue Office of the City of Bekasi. This research was conducted from August to early September 2015.

Research Approach

This research was carried out using descriptive exploratory methods. The selection of descriptive exploratory methods aims to provide an overview of something that is going on at the time the research was conducted and describes the involvement of stakeholders in collection policy and management of local taxes BPHTB by using *Internal Factor Evaluation* (IFE) and *External Factor Evaluation* (EFE) [7]. Formulation of strategies using analysis *SWOT*, whereas to determine priority is done by *Analytical Hierarchy Process* (AHP) [8].

Types and Data Sources

1. Primary data
Primary data is obtained by conducting interviews / questionnaires with sources and with actors involved in the collection and management of BPHTB regional tax in Bekasi City both internal and external actors.
2. Secondary Data
Data obtained from documents and written reports from various sources both from the Bekasi City Government and other sources related to this research.

Table 3: Data types and sources

NO	Research phase	Data type	Data source
1	Identification of internal and external factors	Primary & Secondary	Taxpayer, PPAT, Revenue officer
2	Analysis of internal and external strategic factors	Primary	Taxpayer, PPAT, Revenue officer, expert
3	Alternative strategy formulation	Primary	PPAT, Revenue officer, expert
4	Selection of strategy priorities	Primary	PPAT, Revenue officer, expert, Auditor

Data Collection Technique

Data collection is done using several techniques:

- Indepth Interview by conducting in-depth interviews with various parties regarding the implementation of Regional Tax BPHTB both verbally and in writing.
- *Forum Group Discussion (FGD)*, as a sharpening of the questions in the questionnaire and interviews

with respondents, the FGD which was followed by expert speakers to get critical success factors and formulation of alternative strategies.

- Structured interviews use questionnaires to respondents who are experts in this field of research both externally and internally with EFE and IFE Analysis.
- Questionnaires are needed to determine the weight and rank of each strategic and internal factor, as

well as the assessment in the AHP framework for determining priority strategies for factors, actors, and objectives.

Sampling Techniques

The sampling technique is done by purposive sampling. This is done with the consideration that the respondents concerned have expertise and competencies in their fields.

Table 4: Types of Respondents and Resource Persons

Respondent	interviewees	Position
Internal	Wahyudin, SH.M.Si	Head of Division PBB and BPHTB
	Lusi Silawati, S.Sos.M.Si	Head sub-division of the Economic Bappeda Bekasi city
	Luthfi Firmansyah, S.Sos	Head section of Regional Revenue section
	Rudi Badrudin, S.Sos	Functional UN and BPHTB Assessors
	Kridsman Yodi, S.IP	Functional Examiner BPHTB
	Stephanus Soesanto	Functional IT PBB and BPHTB
Eksternal	Mundakir, MM	Expert PBB and BPHTB
	Dr. Hartoyo	Finance Ministry/Expert PBB and BPHTB
	Edna Hanindito, SH.MKn	Notary/PPAT
	Sutikno, SH. MKn	Notary/ PPAT
	Machrul Falakh, SE	Chief of Commission C DPRD Bekasi City
	Abdurrahman, SE	Taxpayer

RESULTS AND DISCUSSION

IFE (Internal Factor Evaluation)

Based on table 5, the weighting factor of the provision of facilities and infrastructure for taxpayers is

the biggest factor with a weight of 0.118. The main weakness that arises in this analysis is the updating of the Tax Object Value (NJOP) that has not been completed with a weight of 0.114.

Table-5: Matrik IFE

Strength		Quality	Rating	Score
1	Facilities and infrastructure for taxpayer services are quite complete	0,118	4	0,472
2	The location of bekasi city is strategic as an investment destination and residence	0,095	3	0,284
3	Payment through the online system	0,098	3	0,293
4	The ability of the regional budget is strong enough for the budget allocation of activities	0,096	3	0,289
5	Availability of regulations for collecting bphtb	0,116	4	0,464
Total of strength		0,523		1,802
Weakness				
1	The unavailability of professional property appraisers	0,086	1	0,086
2	The rotation and mutation system of employees is not competency based	0,092	1	0,092
3	Updating tax object value (njop) that has not been completed	0,114	1	0,114
4	The lack of attention of the political leadership will not focus	0,098	1	0,098
5	Lack of supervision and weak law enforcement against tax violations	0,087	1	0,087
Total weakness		0,477		0,477
Total of evaluation of internal factors		1,000		2,279

The weighted score on the evaluation of internal factors shows a value of 2,279. This shows Dispenda Bekasi City has insufficient internal strength in current conditions.

EFE (Eksternal Factor Evaluation)

From table-6 it can be seen that the highest rating for opportunity factors is an increase in the growth of property industry, business centers, and

property buying and selling activities which have a weight of 0.125. In terms of the threat of factors of low integrity, motivation and capacity of human resources in tax management in Indonesia obtained the highest weight with a value of 0.121. The total weighted average score for external analysis is 3.133, indicating that the ability of the Bekasi City Revenue Service to respond to external factors in the form of opportunities and threats is at a fairly good level.

Table 6: Matrix EFE

Opportunity		Quality	Rating	Score
1	Increasing growth in the peroperty industry, business center, and property buying and selling activities	0,125	4	0,436
2	Regulation of law no. 28 of 2009 which allows regions to know the potential tax in their respective regions in real terms.	0,114	3	0,304
3	Development of central government transportation infrastructure so as to facilitate access to bekasi	0,089	3	0,238
4	Property prices continue to grow so as to encourage investment in the property sector	0,088	4	0,310
5	Financial facilities provided by financial / banking institutions provide property ownership credit	0,078	3	0,209
Total opportunity		0,495		1,497
Threat				
1	The existence of controversial articles in law 28 of 2009 concerning the determination of npop (using njop and market value / transaction prices)	0,094	3	0,296
2	Declining macroeconomic conditions have an impact on declining purchasing power / delays in property transactions	0,076	3	0,191
3	Low integrity, motivation and capacity of human resources in tax management in indonesia	0,121	3	0,362
4	The knowledge and awareness of taxation in indonesian society is still low which results in a decrease in the level of tax compliance	0,109	4	0,382
5	Lack of coordination with ppat / notary, pratama kpp, bpn and thus enabling tax evasion	0,106	4	0,405
Total threat		0,505		1,636
Total evaluation of external factors		1,000		3,133

Based on the IFE and EFE analysis that has been prepared, the score for IFE is 2,279 and the score for EFE is 3,133, and based on the image above the position of the Bekasi City Dispenda is in a position to grow and develop. The implementation of innovative strategies and breakthroughs in policy can be alternative strategies.

Analysis SWOT

Several alternative strategies that can be used to increase BPHTB regional tax revenue:

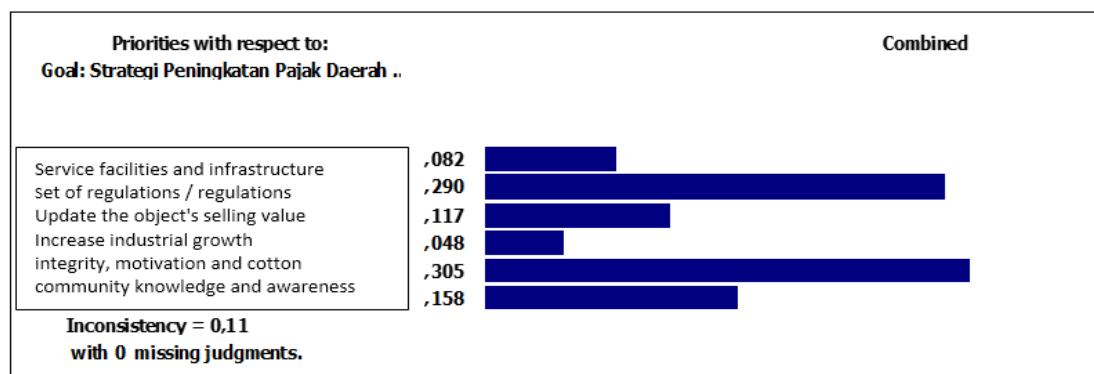
- S-O Strategy: Development of a BPHTB information system that is integrated with a property database in related institutions (licensing, Primary Tax Office and BPN) (S1, S3, S4, O1, O2, O3).
- S-T Strategy: Disseminate regulations / regulations concerning BPHTB (Perda, Perwal and SOP) to all

stakeholders to improve understanding and compliance. (S1, S4, S5, T1, T4, T5).

- W-O Strategy: Carry out activities to increase the HR capacity and integrity of BPHTB tax officers and provide career level certainty as functional BPHTB tax (W1, W2, W3, W4, W5, O1, O2, O4).
- W-T Strategy: Implementation of law enforcement / law enforcement in the area of regional taxation and optimization of the functions of the Internal Auditor as part of supervision and prevention. (W4, W5, T1, T3, T4)

Analysis AHP Factor

In this study, the dominant factors that support the increase in BPHTB local tax revenue are integrity, motivation and HR capacity to be the most dominant factor calculated using expert choice. This factor weighting of 0.305 is seen in Figure-2 as follows:

**Fig-2: AHP factor hierarchy calculation results**

Actor

Based on the AHP calculation carried out by expert choice, the most influential actors in the tax were with a weight of 0.542 as in Figure-3.

Alternative Strategy

The results of prioritizing the strategy with the AHP method shown in Figure 4, increasing the capacity and HR integrity of BPHTB managers are the first priority alternative strategies with a weight of 0.383.



Fig-3: AHP hierarchical calculation results

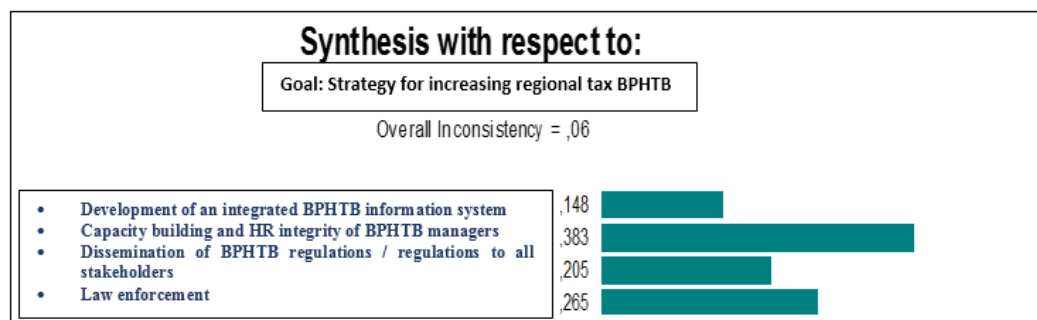


Fig-4: AHP calculation results in alternative strategy hierarchy

AHP Hierarchical Structure

After calculating the weighting of factors, funding actors alternative strategies using expert choice, the AHP hierarchy can be illustrated in Figure-5 below.

Managerial Implications

The process of strategic prioritization that has been carried out with the AHP method produces an alternative strategy that can be implemented by the Bekasi City Dispenda as an act of managerial implications as outlined in strategic decisions [9] which aims to increase BPHTB regional tax revenue. The

alternative strategy to improve the capacity and integrity of HR BPHTB tax management officials is a priority of the main strategies that must be carried out as a starting point for improving regional tax governance in accordance with the principle of accountability [10], transparency and professionalism. The Bekasi City Dispenda is required to carry out all of its activities effectively and efficiently, including in determining the priority decision making strategies of public organizations [11, 10].

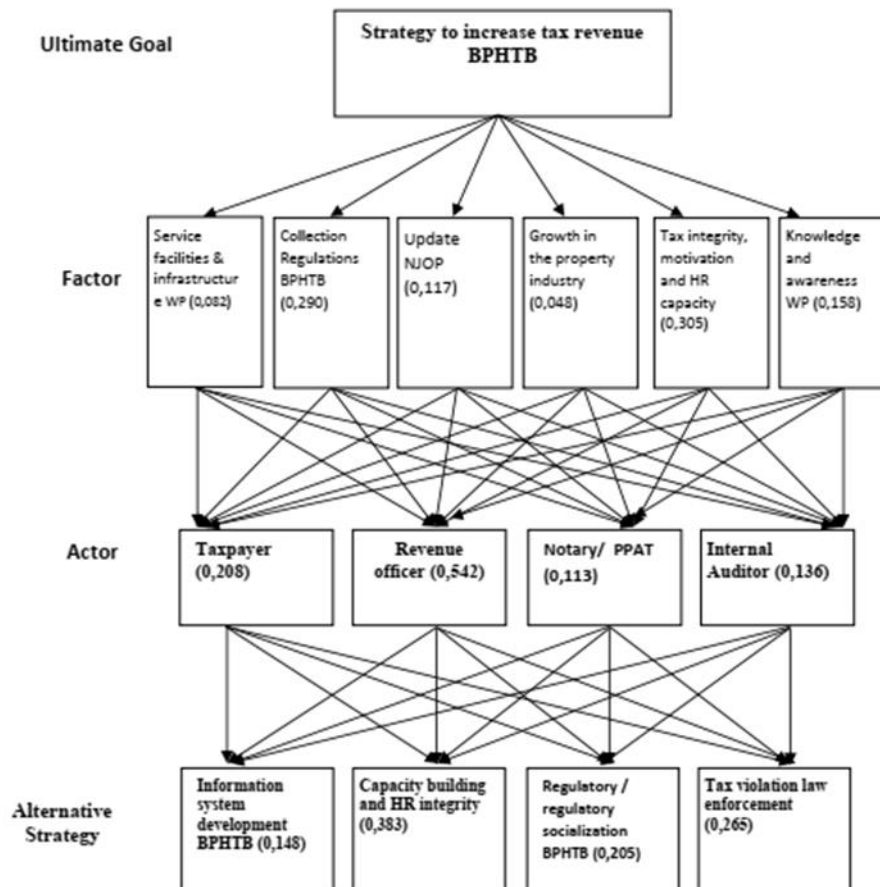


Fig-5: Hierarchical Structure

Table-7: Managerial Implications

NO	Activity program	Purpose	Parties involved
1	Capability Review	1. HR performance evaluation and to find out the map of HR needs in the BPHTB field 2. Preparation of BPHTB Tax HR competency standards	1.BKD 2. Inspectorate 3. BPKP
2	Professional property appraisal certification	1. Availability of functional staff of professional property appraisal 2. Updating the UN NJOP can be carried out quickly so that it can approach the transaction price / market value as the basis for imposing BPHTB	Professional appraisal certification body
3	Development of a public complaints service system	1. Increased inherent supervision of the public 2. Transparency of tax apparatus performance 3. Increased response to the environment / stakeholders	1.Inspectorate 2.BPKP 3.Stakeholders
4	Restructuring the Dispenda institution	1. Adjustment of the structure to workload and the environment in order to increase institutional credibility to be free of KKN that supports the principles of good governance. 2. Implementation of an effective and efficient collection and management system for BPHTB	1.BKD 2.Independent Consultant
5	Education and capacity building training for BPHTB tax officers	1. Increasing the competence of BPHTB tax officers 2. The growth of motivation as a public servant in the area of local tax based on excellent service	Independent Consultant
6	Collaboration with relevant parties regarding law enforcement and coordination between agencies.	1. Coordination with KPP Pratama, BPN and PPAT / Notary to control tax revenues 2. Implementation of cross-agency training in the context of equalizing perceptions of regulation and safeguarding BPHTB targets	KPP Pratama/ regional Office of DJP, PPAT/ Notary, Law Enforcement, Internal Auditor
7	Development and Internal Control system	1. Signing of the integrity pact as a tax apparatus free of KKN 2. Design and manufacture of a whistle blower system	1. Inspectorate 2. PPATK/KPK

CONCLUSIONS

Based on the results of the analysis that has been done, the conclusions from this study are:

1. Based on the identification of the environment both internally and externally, In general the internal factors of the Bekasi City Dispenda as a reflection of current conditions are not strong enough with a score of 2,279. The results of the analysis of external factors in general are quite strong with an EFE score of 3.133. This indicates that the ability of Bekasi City Dispenda in responding to external factors in the form of opportunities and threats is at a fairly good level. Of the two combinations of IFE and IFE scores and based on mapping positions in the Internal matrix and externally the position of Dispenda in quadrant II is the category of growth and development.
2. Based on AHP analysis on four alternative alternative strategies, the strategy to increase HR capacity and integrity with the highest weight is 0.383 as a priority strategy that can be implemented by the Bekasi City Dispenda in an effort to increase BPHTB regional tax revenue.
3. Priority implementation of strategies to improve HR capacity and integrity as implementation of managerial implications formulated several programs that refer to institutional evaluation, improvement of public services, implementation of good governance [12], prevention and enforcement of violations of tax regulations. The implementation of the program involves relevant parties, both internal and external.

Suggestions

Suggestions for the City Government of Bekasi, especially the Regional Revenue Service, are as follows:

- Conduct a comprehensive Human Resources audit to determine the needs and capacities of BPHTB tax officers including evaluating institutional performance / organizational structure which includes aspects of capability review in order to improve competence, integrity, bureaucratic professionalism and excellent service by adhering to the principles of good governance and implementing a system of information disclosure to the public related to the performance of BPHTB tax officers as a form of delivering performance accountability and oversight of BPHTB tax management [13].
- Amend taxation regulations at the Bekasi City level (Perda and Perwal) as well as at the Central Government level (Law Number 28 of 2009) specifically regarding the Article on the Obligation to Obtain Land and Building Rights (BPHTB) because there are contradictions and multiple interpretations. between articles so that the potential for loss of potential BPHTB receipts and as a measure to overcome the practice of tax smuggling [14].

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