

POTENTIAL LOSS OF PBB-P2 REVENUE AS REGIONAL TAX IN
SAMBAS REGENCY

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Abstract

This study aims to identify the potential loss in the receipt of Rural and Urban Land and Building Taxes (PBB-P2) as Regional Taxes in Sambas Regency. This research uses descriptive method by describing events in the field using survey methods and questionnaires which will then be processed using the SWOT method. The data used in this study consisted of two data.

Based on the results of interviews on questionnaires given to sample taxpayers to find out the reasons and factors that caused taxpayers to take tax evasion actions, it was found that there were the taxpayers do not know / do not understand, not very important about PBB-P2. In an effort to minimize the level of potential loss various efforts made by the government at that time both those that have been carried out and those that will be carried out in the future. There are several relevant strategies to be implemented in an effort to optimize PBB-P2 revenues as local taxes in Sambas Regency, among others: Utilizing regional autonomy policies to implement regional regulations more firmly (law enforcement); Repairing and completing facilities and infrastructure facilities to support regional revenue management, especially supporting facilities for increasing PBB-P2 revenues; Providing incentives for PBB-P2 collection so that officers get additional motivation in an effort to optimize PBB-P2 revenues; Utilizing the willingness and awareness of taxpayers to pay taxes in order to increase PBB-P2 revenues by implementing programs and activities well and orderly. Responding to the enactment of Law No. 28 of 2009 with initiative and creativity in the management of PBB-P2 which in the end was able to increase regional Original Revenue (PAD) towards regional financial independence.

JEL Classification: H20, H21, H24

Keywords: Fiscal, Potential Loss, Revenue

1. INTRODUCTION

The existence of regional autonomy makes the administration of government and development tasks which were originally controlled by the central government to turn into regional authority, including financial management. Providing so much authority to the regions, on the other hand contains consequences for local governments, especially related to the implementation of government functions such as service, empowerment and regulation, all of which must be able to be handled by the regional government. Government failures in regional development are due to the lack of optimal roles and functions of local government in providing services and welfare to the community.

In the implementation of regional autonomy, the financial aspect has a very important role, Kaho (2001) explains that the financial aspect is one of the basic criteria to be able to know the regional capabilities in managing their own household. To carry out government functions, financial factors are very important because there are almost

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no government activities both administrative activities and development activities that do not require costs. The success of regional development is largely determined by the role of the regional government in providing sufficient funds to ensure the implementation of the development process. The availability of these funds is an important indicator for a region in implementing the government. Availability of funds (financial capacity) can be met if the Regional Government continues to explore and optimize the potential of regional revenues from various sources, especially Regional Real Income (PAD).

PAD according to Law Number 32 of 2004 and Law Number 33 of 2004 PAD is one source of regional revenue other than the Balancing Fund and Other Legitimate Regional Revenues. In the era of autonomy, PAD is expected to be the main pillar of regional revenue in supporting and financing development activities in the region. According to Sidik (2002) the main feature that shows an autonomous region capable of autonomy lies in the financial capacity of the region. In this era local governments are expected to be able to explore and optimize potential (local finance), especially PAD, where one potential source of PAD is local tax.

The enactment of Law Number 28 of 2009 concerning tax reform especially regional taxes is an implementation of the implementation of regional autonomy. After that, the sources of regional tax were gradually transferred, which were originally the central taxes that were distributed, which are now purely regional taxes, one of which is the Land and Building Tax (PBB). This means that the Regency / City Government with the enactment of Law no. 28/2009 can fully manage the imposition of the United Nations and make it a regional tax. With this transfer, it is expected that the UN will become one of the potential sources of PAD.

With the issuance and enactment of Law Number 28 of 2009 concerning Regional Taxes and Regional Retributions in lieu of Law Number 34 Year 2000 concerning Amendments to Law Number 18 Year 1997 concerning Taxes and Regional Levies, the authority of Regional Governments increases especially in addition to sources -source of PAD originating from Regional Taxes. With Law No. 28 of 2009, the Regional Government has the authority to manage 11 (eleven) types of Regional Taxes compared to when still referring to Law No. 34 of 2000 which is only given the authority to manage 7 (seven) types of Regional Taxes.

The composition of the addition of new authority consists of 1 (one) new type of tax, 1 (one) transition from the Provincial Government and 2 (two) transfers from the Central Government. One type of tax transferred from the Central Government to the Regional Government is the Rural and Urban Land and Building Tax (PBB-P2) and a component of Regional Taxes (Article 2 of Law Number 28 of 2009). This is a real implementation of regional autonomy in an effort to improve service to the community and regional independence as well as the expansion of the object of regional taxes in an effort to improve regional financial capacity to accelerate regional development.

PBB-P2 transfer from central tax to regional tax is a strategic step in the effort to implement fiscal decentralization. This step will be able to increase Regional Tax revenues as one of the sources of revenue for PAD. PBB-P2 transfer from the center to the regions is also in line with Law Number 32 of 2004 concerning Regional Government (which has been amended several times the latest by Law Number 12 of 2008) and Law Number 33 of 2004 concerning Financial Balance Between Government Center and Regional Government, the implementation of regional government is carried out by providing the broadest authority accompanied by the granting of rights and obligations to carry out regional autonomy.

Sambas Regency is one of the developing regions in West Kalimantan, which in fact also relies on regional financial independence, namely PAD to support regional financial capacity. Regional taxes, especially those sourced from the United Nations, especially PBB-P2, are a potential source of regional income. For Sambas Regency, the transfer of authority for PBB-P2 collection to become a source of Regional Taxes has been implemented starting January 1, 2014, taking the last dead line in which PBB-

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P2 must have become a Regional Tax throughout Indonesia. As a Regional Tax, PBB-P2 collection in Sambas Regency is regulated separately from other types of Regional Tax, namely by the Regional Regulation of Sambas Regency Number 6 of 2012 concerning Rural and Urban Land and Building Taxes, while for technical instructions the implementation is regulated by Sambas Regent Regulation Number 18 Year 2013 concerning Implementation Guidelines for Collection of Rural and Urban Land and Building Taxes.

The realization of PBB-P2 revenue as a Regional Tax when compared to PBB-P2 as a central revenue-sharing fund has decreased with a very large gap. When as a profit sharing fund the distribution of PBB-P2 is equal to 80% with details of 16% for the provincial region, 64% for the producing regency / city area and 20% of the government's share of PBB-P2 revenues are shared with the same portion for all districts and city. From the above division it can be said that the district government only receives net disbursement of PBB-P2 funds from the center. When it was still a revenue-sharing fund, the realization of PBB-P2 revenues in the 2012-2013 period had increased.

Whereas in the implementation of PBB P2 as Regional Tax, the District Government is required to make efforts to intensify so that PBB-P2 revenues can be realized to the maximum extent possible. Seeing the data above that there has been a decline in the realization of PBB-P2 receipts as Regional Taxes in Sambas Regency. There is an increase every year since 2014-2016 and the highest revenue in 2016 with realization reaching 130.25%.

Although they already have a legal umbrella in their collection, various problems remain in their implementation. The Sambas Regency Government, in this case the Regional Finance Agency, still found that the revenue from the PBB-P2 sector was not optimistic, especially with the potential for lost revenues (potential loss). The potential loss of PBB-P2 revenue occurs because there are efforts made by taxpayers to minimize their taxes by carrying out tax evasion such as (1) submitting inaccurate data when registering new tax objects, especially for the condition of building objects, (2) have many objects but those that are registered as PBB-P2 objects are only 1 (one) object, (3) report or register tax objects where reported only in the form of vacant land while the factual conditions on the land are buildings, (4) not leaked or register earth objects and buildings owned. This condition is certainly very detrimental to the region because a lot of potential PBB-P2 revenues that should have been obtained according to the existing potential that has been mapped will be lost due to the behavior of dishonest taxpayers. Economically, the high number of potential losses, especially those originating from PBB-P2 revenues, will ultimately cause a loss of potential (potential loss) in increasing overall regional revenues.

Based on the problems described, the potential for a decline in PBB-P2 revenues experienced by the Regional Government could occur. If this continues, then the purpose of tax collection to increase PAD will not be achieved. On this basis, this study aims to identify the potential loss in the receipt of Rural and Urban Land and Building Taxes (PBB-P2) as Regional Taxes in Sambas Regency.

2. LITERATURE STUDY

According to Law Number 33 of 2004, Regional Original Revenue (PAD) is regional income derived from local taxes, regional levies, management of separated regional wealth and other PAD in accordance with statutory provisions. According to Halim (2004) local revenue is revenue received by the region from sources within its own territory which are collected based on regional regulations in accordance with the applicable laws and regulations. According to Mardiasmo (2002) local revenue is revenue derived from the sector of local taxes, regional retribution, the results of regionally owned companies, the results of the management of separated regional assets, and other legitimate local revenue. Whereas according to Nurcholis (2007) regional original income is income earned by regions from regional tax revenues,

regional retributions, regional company profits, and others that are legitimate. Taxable capacity refers to the predicted tax-to-gross domestic product ratio that can be estimated empirically, taking into account a country's specific macroeconomic, demographic, and institutional features, which all change through time (Le *et.al*, 2012).

PAD is an important component as a source of regional revenue. Insukindro *et al* (1994) suggest that local revenue can be seen as one of the indicators or criteria for measuring the level of dependence of a region on the central government. The fundamental changes that occurred in the governance of the Republic of Indonesia gave freedom to the regions in the form of regional autonomy and decentralization. This change gives consequences to the regions that local governments must be able to manage and manage their own areas including the ability and independence of regional finances. Regions must be able to explore all forms of potential from various sources so that they can support regional income needed to finance government and development activities in the region.

But in its implementation there were problems experienced by the region in order to increase PAD caused by several factors. According to Mahi (2000), the problem of PAD has not been relied on by the regions as a source of financing because: (1) the administrative capacity of collection in areas that are still low; (2) Weakness of planning and financial supervision. Kaaho (1997) states administratively the management of PAD cannot be managed optimally because the executors or government apparatus in carrying out their duties have not been able to fulfill administrative order, whereas according to Basri (1995) barriers to managing PAD are lack of capacity and capability of officials, weak collection systems and mechanisms and the need for administrative systems and procedures.

Regional governments need efforts to get around the problem of the low contribution of this PAD to regional finance. The effort according to Kuncoro (2004) is (1) increasing the role of BUMD; (2) increasing regional revenues; (3) change the pattern of subsidies; (4) increasing regional loans. Meanwhile, according to Halim in Tunliu (2010) what needs to be done by local governments is (1) expanding the revenue base; (2) strengthening the collection process; (3) improve supervision; (4) improve administrative efficiency and reduce collection costs, (5) increase acceptance capacity through better planning.

The application of patterns of intensification and extensification by paying attention to the principles of financing (effective and efficient) is expected to increase PAD and ultimately strengthen regional financial independence. According to Widayat (1994) in general there are 2 (two) ways to strive to increase PAD, namely intensification and extensification. Intensification of PAD is an action or efforts to increase revenue by conducting more active, strict and rigorous collection. Whereas the extension of PAD is efforts to explore new PAD sources. According to Sidik in Tunliu (2010) efforts to increase (growth) PAD can also be done by intensifying the collection of existing regional taxes and retributions. In addition to the intensification of efforts that can be taken by the regions to increase PAD is by extending taxes, namely through government policies to provide greater taxing power to the regions in the future. For regencies / cities, it is necessary to give authority to set a tax base and tariffs to a certain extent.

On the other hand, based on Law Number 28 of 2009 concerning Regional Taxes and Regional Retributions, PBB-P2 is a tax on land and / or buildings that are owned, controlled and / or utilized by individuals or entities, except the area used for business activities plantation, forestry and mining.

The tax object of PBB-P2 is all objects or buildings which are included in the definition of land and / or buildings subject to tax, unless used by the regional government for administering the government, used solely for the public interest, used for graves, ancient relics and the like, protected forests and the like, used by diplomatic or consular representatives with reciprocal principles and used by bodies or representatives of international institutions determined by the Minister of Finance

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Regulation. While the subject of PBB-P2 is an individual or entity that has the right and / or obtains, possesses, controls and / or obtains benefits for the earth and / or the building.

The applicable tax rates in each region are determined by Regional Regulations with a maximum tariff of 0.3%. Similarly, the Non-Taxable Tax Object Selling Value (NJOPTKP) is determined by a Regional Regulation of at least Rp 10,000,000. In PBB-P2 there are also several components such as Tax Object Number (NOP) as the identity of each tax object consisting of 18 digits and NJOP as the basis for calculating tax assessments. The amount of the outstanding debts is obtained from tariff multiplication with NJOP after being reduced by NJOPTKP. The amount of the PBB owed in one tax year is informed in the SPPT. PBB-P2 taxpayer is an individual or entity that has rights and / or obtains benefits for the land and / or has, controls, and / or benefits from the building. Taxpayers have the obligation to pay the PBB owed annually.

Land and Building Tax (PBB) has long been a source of regional revenue. Even though the United Nations is central tax revenue, the regions receive Revenue Sharing Funds (DBH), which in the APBD structure are grouped into regional revenue from tax sharing. Previously regulated by Law Number 12 of 1994, Land and Building Tax constitutes an improvement in Law Number 12 of 1985. In the Law the object of the UN is divided into 5 (five) sectors namely rural, urban, mining, forestry / forestry and plantations . But since the enactment of Law No. 28 of 2009 concerning Regional Taxes and Regional Retributions, the United Nations Rural and Urban Areas (PBB-P2) has turned into regional taxes while the United Nations Mining, Forestry and Plantation sector (PBB-P3) is still the authority of the central government. Delegation of PBB-P2 collection authority is mandated by Law Number 28 of 2009 concerning Regional Taxes and Regional Retributions, which is then followed up with Joint Decree of the Minister of Finance Number 213 / PMK.07 / 2010 and Minister of Home Affairs Number 58 of 2010 concerning Stages Preparation for Transfer of Rural and Urban Land and Building Taxes as Regional Taxes. PBB-P2 has been implemented in full, and is expected to have positive implications for PAD. But there are still problems, namely the loss of potential (potential loss) of PBB-P2 revenues due to taxpayers' dishonesty and taxpayer behavior.

While the understanding of potential loss according to Zain (2009) is the difference between the potential tax with the realization of tax revenue, this can be caused by (1) the provisions of applicable tax laws; (2) losses due to tax authorities; and (3) losses due to taxpayer actions. The first loss is referred to as tax expenditure. In essence, this tax expenditure is a subsidy to individuals or bodies through exemptions and deductions according to applicable tax laws and regulations. Losses due to the actions of the tax authorities can be caused by extensification and intensification activities and other activities of the tax apparatus without proper procedures, which are essentially to enrich themselves and result in not achieving the target of acceptance. While the loss due to taxpayers can be caused by the existence of tax-free countries (tax haven countries), tax avoidance and tax evasion both bilaterally and unilaterally.

The low level of public trust as taxpayers to the government on the one hand and on the other hand is still low awareness and compliance of taxpayers in paying taxes can also cause potential loss. According to Harinurdin (2009) the notion of tax compliance (tax compliance) is the taxpayer has a willingness to fulfill his tax obligations. Fulfillment of tax obligations must be in accordance with applicable regulations without the need for checks, obtrusive investigation, warnings, threats, and the application of legal and administrative sanctions. Compliance with taxpayers fulfilling their tax obligations will increase state revenues and in turn increase the size of the tax ratio.

The potential loss of PBB-P2 receipts occurs because there are efforts made by taxpayers to minimize their taxes by making tax evasion. Tax evasion is an illegal act

that minimizes or escapes not paying taxes in accordance with the amount of tax to be paid.

Yunarti et al (2016) shows that procedure and regulation for determining the Tax Object Selling Value (NJOP) of Bumi in Malang Regency are appropriate. However, with the difference in selling value reporting, Malang Regency lost its potential by 54%. This means that an adjustment of 54% is needed to reflect the real price by considering existing factors such as justice, social, economic, political factors and people's mindset.

3. METHODOLOGY

This research uses descriptive method by describing events in the field using survey methods and questionnaires which will then be processed using the SWOT method. The data used in this study consisted of two data. First, the primary data obtained from the results of field observations are mainly data relating to NJOP and the most up-to-date data on building objects. Second, secondary data is data taken from available data. This secondary data is obtained from government agencies, especially the Regional Finance Agency of Sambas Regency. The type of data used is time series data, which are data collected from time to time concerning the data on the revenue of the Sambas Regency in the last 5 (five) years.

The population in this study is all tax returns on land and rural and urban land tax (SPPT PBB-P2) in 2016 which have been paid in full by the PBB-P2 taxpayer, where a portion of SPPT PBB-P2 which has been fully paid will made as a sample. The sampling technique is done by the Simple Random Sampling method which is included in the probability sampling category, which is to give equal opportunity to each member of the population by using random without regard to the strata in the population members. In this study, the authors took a sample by giving the same percentage of the population that is taking a sample of 1% of the population of 6 (six) sub-districts that have been determined namely Selakau District, Pemangkat District, Tebas District, Sambas District, Teluk Keramat District and District Jawai.

To find out whether there is a potential loss of PBB-P2 receipts, in this study field observations will be carried out to verify the data on land and / or building tax objects. If the results of the observation show that there is a difference between the existing data (data that becomes the basis for calculating the tax principal) and the latest tax object data, then it can be ascertained that there is a potential loss of PBB-P2 revenue. Then, to find out how much value the potential loss occurs, data processing will be obtained from the results of field observations on the current state of the land and building tax object. The magnitude of the value of potential loss can be known by comparing the realization of revenue with the actual potential of the results of observations.

$$\text{Potential Loss PBB-P2} = \text{PBB-P2 Potential} - \text{PBB-P2 Realization}$$

This study also uses a SWOT analysis to determine the efforts (strategies) that have been and will be carried out by the Government of Sambas Regency in order to optimize PBB-P2 revenues. SWOT Analysis is the identification of various factors systematically to formulate a company's strategy (Rangkuti, 2000). This analysis is based on logic that can maximize strengths and opportunities, but simultaneously can minimize weaknesses and threats.

Rahmana et al (2012) revealed that to carry out a SWOT analysis as an initial step is to determine the analysis of internal and external factors namely Internal Factor Analysis Summary (IFAS) and External Factor Analysis Summary (EFAS). The stages in compiling the Internal Factor Analysis Summary (IFAS) and External Factor Analysis Summary (EFAS) are (a) determining the factors that become strengths and

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weaknesses as well as opportunities and threats, (b) giving the weight of each factor in which all the weights are the amount does not exceed the total score of 1.00, (c) calculates the rating for each factor by providing a scale ranging from 1 to 5; Rating 5: Very Important, Rating 4: Important, Rating 3: Quite Important, Rating 2: Not Important and Rating 1: Very Important, and (d) calculate the score which is the multiplication of weights and ratings. Rating values of strengths and weaknesses are always the opposite, as are rating and opportunity values.

The results of mapping the factors between the internal and external environment will produce a number of strategic issues, by integrating the internal and external factors that have been identified previously. The mapping of interactions and strategic issues produced is as follows:

- The interaction between Strength and Opportunity (S-O) is called the Growth Strategy. The results of S-O interactions become a strategic issue, namely: using force by exploiting the opportunities that exist.
- The interaction between Strength and Threat (S-T) is called the Diversification Strategy. The results of S-T interactions become a strategic issue, namely: using force by overcoming threats.
- The interaction between Weakness and Opportunity (W-O) is called a Stabilization Strategy. The results of the W-O interaction become a strategic issue, namely: reducing weaknesses by taking advantage of opportunities.
- The interaction between Weakness and Threats (W-T) is called a Devoted Strategy. The results of W-T interactions become a strategic issue, namely: reducing weakness by avoiding threats.

5. RESULTS AND DISCUSSION

The realization of the Sambas Regency PBB-P2 revenue in 2016 was Rp. 2,543,656,193 from the target of Rp. 4,115,705,747 or realized at 61.80% originating from all sub-districts in Sambas Regency. Realization of Rp. 2,543,656,193 mostly from 5 (five) potential sub-districts, namely Sambas District, Pemangkat District, Teluk Keramat District, Tebas District and Subah District. The accumulated PBB-P2 realization in the 5 (five) sub-districts is Rp. 1,542,538,768 or reaching 60.64% of the total realization of the Sambas Regency PBB-P2 in 2016.

The realization of PBB-P2 acceptance in Sambas Regency in 2016 is based on the number of SPPTs paid in full by the taxpayer, namely as many as 121,004 SPPT sheets. The most paid SPPT comes from Teluk Keramat Subdistrict, which are as many as 17,144 SPPT sheets with the realization of receipts of Rp. 223,545,615 while the least from East Selakau District is only 1,232 SPPT sheets with the realization of revenues of Rp. 17,341,547. When viewed from the nominal realization of Sambas Regency PBB-P2 revenue in 2016, Sambas Subdistrict gave the largest contribution of Rp. 466,571,267 and the smallest contribution came from the District of East Selakau District, which was only Rp. 17,341,547.

Furthermore, when viewed from the percentage of achievement of revenue realization compared to the target set, Sejangkung Subdistrict is in the highest position with a realization achievement of 96.29% where the target is Rp. 56,074,298 can be realized in the amount of Rp. 53,991,620. Whereas the East Selakau District is at the lowest achievement position, which is only reached 31.01% or realized at Rp. 17,341,547 of the target set at Rp. 55,919,476.

In addition to using secondary data, primary data collection is also used by conducting observations and verification in the field regarding land prices and building conditions in several sub-districts which are used as sample districts. As stated earlier, the sub-districts designated as sample areas were 6 (six) sub-districts from 19 (nineteen) sub-districts in Sambas District namely Pemangkat District, Tebas District, Sambas District, Sajingan Besar District, Teluk Keramat District and Jawai District .

Before knowing the potential loss of PBB-P2 receipts from the sample sub-districts data processing was carried out as contained in Appendix 1 s.d Attachment 6 of this study. In processing this data several components are used as supporting material as the information data listed in the SPPT PBB-P2 as follows include: (1) Tax Object Number (NOP); (2) tax subject name; (3) Tax Object Selling Value (NJOP) land and buildings; (4) Non-Taxable Objects Selling Value (NJOPTKP) and (5) tax rates.

While other supporting material is the result of observation and field verification in sample districts such as the size and condition of the latest buildings and land value zones that will determine the NJOP of land and actual buildings that are potential revenue. From the processing of this data obtained the difference between NJOP factual observation in the field with NJOP before observations that have become UN-P2 provisions in 2016, this difference is what the writer termed as a potential loss of PBB-P2 revenue.

In carrying out calculations / processing data from sample districts, the author uses several assumptions, especially those concerning the market price of tax objects (land and buildings), namely:

1. For land prices, the results of observations included in the attachment to data calculation / processing are market prices with the average value per m² based on the value that has been set for BPHTB transactions that have occurred in the vicinity of the area.
2. For the price of building observation results, the price per m² of buildings that is generally applicable at the time of observation was carried out in 2017, where the price has taken into account the price of building materials and wages of labors. The calculation results with the components and supporting material above can then produce a potential loss value of PBB-P2 receipts in the sample districts as in the table below:

Table 1 shows how big the loss potential of PBB-P2 receipts in Sambas Regency in 2016 is based on the results of data processing by comparing the realization and results of observations of tax objects (SPPT) of 1% of the total SPPT issued in 2016 to sub-districts which are regions samples, can be explained as follows:

1. The realization of PBB-P2 revenue in Pemangkat Subdistrict from the paid SPPT sample in 2016 is Rp. 856,154. However, after processing data from observations, it can be seen that the potential revenue is Rp. 4,466,902, resulting in a potential loss of Rp. 3,610,749 or 80.83%.
2. The realization of PBB-P2 revenue in Tebas Subdistrict from the paid SPPT sample in 2016 is Rp. 2,271,416. However, after processing data from observations, it can be seen that the potential revenue is Rp. 11,619,267, resulting in a potential loss of Rp. 9,347,851 or 80.45%.
3. The realization of PBB-P2 revenue in Sambas District from the paid SPPT sample in 2016 is Rp. 1,061,878. However, after processing data from observations, it can be seen that the potential revenue is Rp. 5,046,577 resulting in a potential loss of Rp. 3,984,699 or 78.96%.
4. The realization of PBB-P2 revenue in Sajingan Besar Subdistrict from the paid SPPT sample in 2016 is Rp. 324,651. However, after processing data from observations, it can be seen that the potential revenue is Rp. 12,677,119 resulting in a potential loss of Rp. 12,352,468 or 97.44%.
5. The realization of PBB-P2 revenue in Sajingan Besar Subdistrict from the paid SPPT sample in 2016 is Rp. 2,139,344. However, after processing data from observations, it can be seen that the potential revenue is Rp. 44,984,921 resulting in a potential loss of Rp. 42,845,577 or 95.24%.
6. The realization of PBB-P2 revenue in Jawai District from the paid SPPT sample in 2016 was Rp. 943,514. However, after processing data from observations, it can be seen that the potential revenue is Rp. 13,030,882, -, resulting in a potential loss of Rp. 12,087,368, - or 92.76%.

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Table 1 Potential Loss of PBB-P2 Revenue in the Sample District of 2016 (in rupiah)

No	Sub-district	Realization	Potential	Potential Loss	
				Nominal	Percentages (%)
1	Pemangkat	856,154	4,466,902	3,610,749	80.83
2	Tebas	2,271,416	11,619,267	9,347,851	80.45
3	Sambas	1,061,878	5,046,577	3,984,699	78.96
4	Sajingan Besar	324,615	12,677,119	12,352,468.1	97.44
5	Teluk Keramat	2,139,344	44,984,921	42,845,576.6	95.24
6	Jawai	943,514	12,030,882	12,087,368	92.76
TOTAL		7,596,956	91,825,668	84,228,711	91.73

Source: Regional Finance Agency of Sambas Regency (data after processing, 2017)

Based on the results of the calculation / processing of observational data in 6 (six) sample districts and 554 (five hundred fifty four) sheets of SPPT samples obtained the potential value of PBB-P2 revenue in 2016 of Rp. 91,825,668 compared to the realization of PBB-P2 revenues which entered the regional treasury only in the amount of Rp. 7,596,956 thus there is a potential loss of PBB-P2 receipts in the sample districts in 2016 of Rp. 84,228,711 or 91.73%.

It is also known that the highest potential loss of revenue occurred in Sajingan Besar Subdistrict which reached 97.44%, this was influenced by a drastic increase in land prices and a very fast growing economy in the area after the opening of the Aruk National Park, where tax objects were sampled is the tax object around the Aruk National Park. While the lowest potential loss in Sambas Subdistrict is 78.96%, this is because the price of land in the sample area, Pendawan Village is quite high, only needs a little adjustment, the focus of the research is that many buildings have not been registered as tax objects. As an illustration, the value of a very large potential loss occurred only in 2016, taking 6 (six) samples from 19 (nineteen) districts in Sambas Regency and only 1% (one percent) of the paid SPPT paid as samples . From this, it can be explained that when observations are made by comparing existing conditions (data that form the basis of the principal calculation of tax assessments in 2016), most of them are not in accordance with the present conditions starting from land prices per m², area and price of buildings and the existence of buildings on land objects, where in the 2016 SPPT is only a tax payable for vacant land only, but based on the results of the observation the land already has a building.

The development of a tax effort index, relating the actual tax revenues of a country to its estimated taxable capacity, provides us with a tempting measure which considers country specific fiscal, demographic, and institutional characteristics. Taxable capacity and tax efforts present significant deviations across countries, income groups and regions, as well as overtime. But overall, developing countries seem to have more limitations to expand the scope for taxation, which is determined by their taxable capacity. On the one hand, countries with a low level of actual tax collection and low tax effort may have more room to increase tax revenues in order to reach their taxable capacity without causing major economic distortions or costs. On the other hand, low-income countries with a low level of tax collection but high tax effort have less opportunity to increase tax revenues without possibly creating distortions or high compliance costs (Le *et.al.*, 2012)

For some locations, the price of land itself is still priced at only Rp. 1,700/ m², Rp. 1,200/ m² / even the lowest is only Rp. 910/m². This is the duty of the tax officers, especially the Regional Finance Agency of Sambas Regency to immediately make adjustments to the price per m² up to areas far from the silk route.

The condition of the building at the time of observation of the object of tax has also been very far from the initial data which is one of the bases for determining the tax payable. The difference in the state of the building can be seen from the rehabilitation year of the building, the number of floors, building materials

(foundations, walls, roofs, ceilings, etc.) and building area. For this reason, awareness of taxpayers is required to report on the current state of the building that has become a unit with land objects, including reporting the land on which the building has been built, where previously the SPPT was only empty land as the basis for calculating the tax payable.

The results of observations on the price per m² of buildings also have very far differences. The price per m² of building at the time of observation in 2017 which is generally applicable in Sambas Regency for a standard house of 1 (one) floor must be at least between Rp. 375,000/m² until Rp. 450,000/m², while for houses with 2 (two) floors ranging from Rp. 450,000/m² until Rp. 500,000/m². Whereas in the UN assessment (sample SPPT) the price per m² of the highest building is only Rp. 310,000/m² and even the lowest Rp. 71,000/m².

From the calculation / processing of data the results of observations in Appendix 1 to Attachment 6 of this study indicate that there has been a potential loss in PBB-P2 receipts as regional tax in Sambas District in 2016. This is due to the tendency of taxpayers not to deliver / report the actual state of the tax object such as the condition of the current building (if the tax object is land and buildings) and vacant land which is now above the building and has not reported the land and / buildings owned as PBB-P2 objects. This is one way for taxpayers to avoid high taxes and tax assessments, even though taxpayers actually know it is wrong and an indication of tax evasion.

This potential loss on the one hand is caused by the taxpayer's own behavior which was intentionally carried out in order to obtain a mild tax assessment, on the other hand it was also caused by weaknesses that were still possessed by the Sambas Regency Government. there are two types of potential loss: First, potential loss caused by taxpayer actions. As explained previously, that the attitude of taxpayers who are dishonest, tends to disobey and avoid taxes is one of the causes of the potential loss of PBB-P2 revenues. The actions of taxpayers that reflect such non-compliance and dishonesty that occur in PBB-P2 collection include: (1) not submitting/reporting the actual state of the tax object such as the condition of the current building, (2) not reporting the existence of buildings, while taxpayers It is known that the components which are the basis of the tax assessment are only in the form of vacant land and (3) do not report the land and / buildings owned as PBB-P2 objects. This tax awareness and compliance issue is a classic problem faced by almost all countries that adhere to the taxation system. This is in accordance with what was stated by Andreoni in Hutagaol, et al. (2007). The issue of tax compliance itself is important because simultaneous non-compliance will lead to efforts to avoid taxation, such as tax evasion and tax avoidance, which results in reduced deposit of tax funds to the State treasury / regional treasury. Jamin (2001) revealed that the level of compliance of corporate taxpayers is higher than that of individual taxpayers (WPOP). This can happen because corporate taxpayers are more likely to use consultants or employ employees who specifically deal with corporate tax issues. Individual taxpayers tend to take care of their own tax problems.

Second, potential loss caused by local. There is still a lack of the number of PBB-P2 HR managers in the Regional Finance Agency (Regional Revenue Service in the study year), both the number of HR as a whole and experts from certain disciplines in this case the assessors. With the vast condition of Sambas Regency with 19 (nineteen) sub-districts and 193 (one hundred and ninety three) villages, a sufficient number of personnel is needed to be able to manage PBB-P2 well, especially in minimizing the amount of potential loss of PBB-P2 receipts. The adequate number of personnel is needed in order to make adjustments to the land price per m² so that land prices are always updated from time to time at least every 3 (three) times. As additional information that until 2017, the Regional Finance Agency only has 1 (one) appraiser. During the year of research, PBB-P2 was the task and function of the Rural and Urban Land and Building Tax Technical Implementation Unit (UPT PBB-P2) which consisted of 9 (nine) civil servants and 5 (five) non-permanent employees.

POTENTIAL LOSS OF PBB-P2 REVENUE AS REGIONAL TAX IN SAMBAS REGENCY

One of the causes of the potential loss of PBB-P2 receipts in Sambas Regency is the existence of tax evasion actions carried out by taxpayers to minimize the amount of the tax. The actions that lead to tax evasion actions are (1) not conveying/reporting the actual state of the tax object such as the condition of the current building, (2) not reporting the existence of the building, while the taxpayer knows that the component that is the basis of the tax assessment is only empty land and (3) not reporting land and / buildings owned as PBB-P2 objects. While based on the results of field observations, there are many reasons and factors that cause taxpayers to take tax evasion actions. To find out these factors, the author conducted a question and answer and used a simple media questionnaire containing the default questions made by the author. The number of taxpayer samples questioned was determined to be 10% of the total paid SPPT sample in each sample sub-district with a total of 54 (fifty four) taxpayers with details of Pemangkat District 6 (six) taxpayers, Tebas District 11 (eleven) taxpayers, Sambas Subdistrict 12 (twelve) taxpayers, Sajingan Besar District 1 (one) taxpayer, Teluk Keramat District 17 (seventeen) taxpayers and Jawai District 7 (seven) taxpayers. In other side, countries could possibly be grouped by similar economic, cultural or institutional characteristics which may have similar factors influencing tax revenue. Legal characteristics or membership of trade blocs can also lead to fiscal mechanisms which prevent higher tax collection (Piancastelli, 2001).

As many as 19 (nineteen) taxpayers or 35.19% of the total samples did not know/did not understand about PBB-P2, as many as 6 (six) taxpayers or 11.11% of the total samples answered PBB-P2 is not too important, as much as 4 (four) taxpayers or 7.41% of the sample answers difficult in the management process, as many as 9 (nine) taxpayers or 16.67% of the total sample answered there were no sanctions if they did not report and 16 (sixteen) were required tax or 29.63% of the number of samples answered in the other columns. The data shows that most people in terms of taxpayers lack or do not even understand what PBB-P2 is and its functions in development, especially in the development of Sambas Regency.

The results of question and answer and answers to questionnaires given to taxpayers to find out the reasons for taking tax evasion actions can be seen in table 2 as follows:

Table 2 Questionnaire Answer Reasons for Taxpayers to Take Tax Evasion Actions

Questions	Sub-District Sample						Total	%
	Pemangkat	Tebas	Sambas	Sajingan Besar	Teluk Keramat	Jawai		
What is the reason for you not reporting PBB-P2 tax object data / reporting tax object data incorrectly								
a. Don't know / don't understand about PBB-P2	2	7	1		5	4	19	35.19
b. PBB-P2 is not very important	-	-	3		2	1	6	11.11
c. Difficult in the management process	-	-	1	-	3	-	4	7.41
d. There are no strict sanctions	1	2	4		2	-	9	16.67
e. Etc	3	2	3	1	5	2	16	29.63
Total	6	11	12	1	17	7	54	

Source: Data after processing

Basically, this potential loss can occur in each type of revenue, including the PBB-P2 revenue. The potential loss of PBB-P2 revenue in Sambas Regency has occurred since PBB-P2 is still the authority of the central government through the Directorate General of Tax of the Ministry of Finance in the area managed and carried

out by the Tax Service Office (KPP) Singkawang, where the area only helped deliver and do billing, including Sambas Regency.

In Sambas Regency itself, PBB-P2 transfer has become regional authority and regional tax since January 1, 2014. Since the first year until 2016, there is always a potential loss on PBB-P2 revenues with different nominal and percentage rates. In this case, of course, the Regional Revenue Service at that time from year to year always tried to suppress and minimize the number of potential loss that occurred. The following are the efforts that have been and will be carried out by the Sambas Regency Government to suppress the potential loss of receipt of Rural and Urban Land and Building Taxes (PBB-P2).

Since it first received delegation of authority for PBB-P2 management and became a regional tax and even a year earlier during the preparation period for the transfer, the Sambas Regency Government through the Regional Revenue Service has made various efforts in order to optimize PBB-P2 management and revenue including efforts trying to suppress the number of potential losses that always occur every year, as follows:

1. In 2013, which was the year of preparation for the PBB-P2 transfer to become regional tax in Sambas Regency, all equipment was prepared as a support in PBB-P2 management starting from hardware to software.
2. Preparing the need for human resources in PBB-P2 management, namely by sending 3 (three) employees to study at the State Accounting College in Jakarta with a concentration of 2 (two) UN Assessors (D1) and concentration of Operator Console (D1) as many as 1 (one) person. But at the selection stage, 1 (one) person sent for the UN Appraisal concentration (D1) does not pass the entrance selection.
3. To minimize the number of potential loss of PBB-P2 revenues, the government has carried out activities to update tax object data (land and buildings) through third parties. However, the data updating activities are only in 5 (five) sub-districts given the availability of funds. The sub-districts are Sambas Subdistrict, Teluk Keramat District, Jawai District, Tekarang District and Tebas District. From the results of updating the data in these sub-districts all of them cannot be used, because there are still many that are not in accordance with the factual data in the field.

Furthermore, the Government will continue to make efforts to reduce the potential loss rate including:

1. Will continue to strive to increase the number of UN Assessors to at least 3 (three) people considering the vast Sambas Regency, where up to now there are only 1 (one) UN assessment staff. Including in the long term will prepare the staff of the Bailiff.
2. Submitting an increase in the number of personnel to be placed in the Regional Finance Agency especially at UPT PBB-P2 to the Personnel and Human Resource Development and Regional Apparatus Agency (BKPSDMAD). This is intended to support the updating of tax object data that is carried out self-managed without having to be with a third party, there is a possibility that the results may be more accurate if implemented in a self-managed manner.
3. Will continue the data updating activities for the remaining sub-districts that have not been updated in previous activities. However, for future data updating activities, it is likely that it will be self-managed.
4. Reassessment of land price.
5. Continuing the socialization with the theme of the importance of the contribution of PBB-P2 revenue to development, the obligation to submit correct data in reporting taxes, sanctions for dishonest acts in reporting taxes and other themes that can increase the awareness of taxpayers so that they can properly report taxes and according to the facts in the field.

In this study to find out the efforts made by the Sambas District Government in this case the Regional Finance Agency in optimizing PBB-P2 revenues, SWOT Analysis was used. The SWOT analysis used by the author in this study refers to the

POTENTIAL LOSS OF PBB-P2 REVENUE AS REGIONAL TAX IN SAMBAS REGENCY

application used by Kuncoro in Rahmana, et al (2012: 14-21) where to carry out the SWOT analysis as the first step is to determine the analysis of internal and external factors namely Internal Factor Analysis Summary (IFAS) and External Factor Analysis Summary (EFAS). The internal and external environmental factors are determined based on observations and information obtained from several employees of the Sambas Regency Regional Finance Agency, as follows:

1. Internal Factor Analysis Summary (IFAS): Strengths and Weaknesses

a. Strength Analysis

- 1) The program and annual activities of SKPD in PBB-P2 management. This makes the efforts to be carried out in PBB-P2 management can be planned as well as possible every year.
- 2) The existence of rewards for performance and results achieved in the management of PBB-P2 as regional taxes in the form of regional tax collection incentives in this case PBB-P2. This incentive has been stipulated in the Government Regulation of the Republic of Indonesia Number 69 of 2010 concerning Procedures for Granting and Utilizing Incentives for Collection of Regional Taxes and Regional Levies.
- 3) Facilities and infrastructure to support the management of PBB-P2 as a tool in conducting monitoring and supervision of community buying and selling transactions.
- 4) Regional regulation as the legal basis for PBB-P2 management in Sambas District. In implementing PBB-P2 management as regional tax in Sambas Regency, it is covered by the Regional Regulation of Sambas Regency Number 6 of 2012 concerning Land and Building Taxes for Rural and Urban Areas.
- 5) The determination of the annual PBB-P2 revenue target must be achieved. This target is a measure of ability that will ultimately determine the success of performance in PBB-P2 management.

b. Analysis of Weaknesses

- 1) Limited human resources with technical expertise in the management of PBB-P2, especially UN Assessors. This UN Appraiser is very important in updating land and building data.
- 2) There is no clear Standard Operating Procedure (SOP) regarding service standards.
- 3) Not all of the NJOP database and tax object data can be updated, so there is still a lot of data that is no longer relevant to the current situation, which will affect the low PBB-P2 revenue.
- 4) Information technology (IT) applications are still inadequate.
- 5) Determination of PBB-P2 revenue targets that are not yet in line with the existing potential because this target setting is not a simple process that requires accuracy in analyzing potential so that this will affect the measurement of performance success.

2. External Factor Analysis Summary (EFAS): Opportunities and Threats

a. Opportunity Analysis

1. Prices of land and buildings tend to rise from time to time considering their non-renewable nature besides that land prices move in parallel and interdependence with regional growth and development.
2. Collaboration between institutions in PBB-P2 management such as cooperation with the Directorate General of Taxation of the West Kalimantan Regional Office or through the Pratama Tax Office (KPP) Singkawang especially in terms of knowledge transfer and assistance of specialized expertise in PBB-P2 management that may not be occupied by regions, considering that previously PBB-P2 was the central authority.

3. Economic growth that describes the progress of economic development in a region has a positive effect on changes in PBB-P2 revenues, the higher the economic growth, the PBB-P2 revenues will also be higher.
 4. The purpose of the PBB-P2 enrollment as mandated in Law No. 28 of 2009 is the right policy from the central government to improve the fiscal capacity of regional governments.
 5. The willingness and awareness of the community in paying taxes is a very good added value in an effort to increase PBB-P2 revenues
- b. Threat Analysis
1. Low understanding of the community as taxpayers on the importance of the tax function for development, especially PBB-P2.
 2. The intervention of certain parties in the determination of PBB-P2 management policy will affect the objectivity of decision making towards the valuation of an object of tax, both land and buildings.

Based on the results of the SWOT Analysis by generating an interaction between the analysis of Strength and Opportunity (SO) or what is called the Growth Strategy, there are several relevant strategies to be implemented in an effort to optimize PBB-P2 revenues as local taxes in Sambas Regency, among others:

1. Utilizing regional autonomy policies to implement regional regulations more firmly (law enforcement).
2. Repairing and completing facilities and infrastructure facilities to support regional revenue management, especially supporting facilities for increasing PBB-P2 revenues.
3. Providing incentives for PBB-P2 collection so that officers get additional motivation in an effort to optimize PBB-P2 revenues.
4. Utilizing the willingness and awareness of taxpayers to pay taxes in order to increase PBB-P2 revenues by implementing programs and activities well and orderly.
5. Responding to the enactment of Law No. 28 of 2009 with initiative and creativity in the management of PBB-P2 which in the end was able to increase regional Original Revenue (PAD) towards regional financial independence.

This is similar with Piancastelli (2012); Shihab (2014); and Pfister (2009) which states that the role of the government in setting regulations is important for the creation of an increase in tax value and good government spending will increase the revenue of taxes.

The SWOT diagram is presented in Figure 1 below:

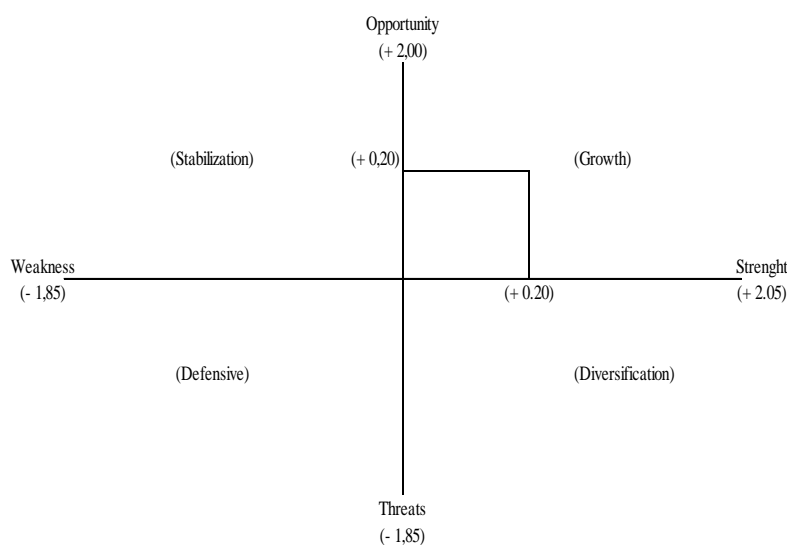


Figure 1 SWOT Diagram of Sambas District PBB-P2 Management

6. CONCLUSION

That there was a potential loss for PBB-P2 receipts in Sambas Regency in 2016. This can be seen from the results of field observations of data on land and / or building tax objects. There is a difference between existing data (data that becomes the basis for calculating tax principal) with the latest tax object data. Based on the calculation and processing of observational data there is a huge potential loss of PBB-P2 receipts in the sample sub-districts.

Based on the results of interviews on questionnaires given to sample taxpayers to find out the reasons and factors that caused taxpayers to take tax evasion actions, it was found that there were the taxpayers do not know / do not understand, not very important about PBB-P2. In an effort to minimize the level of potential loss various efforts made by the government at that time both those that have been carried out and those that will be carried out in the future. There are several relevant strategies to be implemented in an effort to optimize PBB-P2 revenues as local taxes in Sambas Regency, among others: Utilizing regional autonomy policies to implement regional regulations more firmly (law enforcement); Repairing and completing facilities and infrastructure facilities to support regional revenue management, especially supporting facilities for increasing PBB-P2 revenues; Providing incentives for PBB-P2 collection so that officers get additional motivation in an effort to optimize PBB-P2 revenues; Utilizing the willingness and awareness of taxpayers to pay taxes in order to increase PBB-P2 revenues by implementing programs and activities well and orderly. Responding to the enactment of Law No. 28 of 2009 with initiative and creativity in the management of PBB-P2 which in the end was able to increase regional Original Revenue (PAD) towards regional financial independence.

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