



Analysis of Calculation of Regional Taxes (PBB-P2 and BPHTB) on Increasing Native Regional Income

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Abstract. Land and Building Tax for the Urban and Rural Sector (PBB-P2) and Regional Tax on Land and Building Rights Acquisition Fees (BPHTB) are a very important part of Regional Original Income. Achievement of revenue targets and determination of revenue targets for (PBB-P2) and (BPHTB) must be accurate. In order to analyse the determination of the PBB P-2 and BPHTB revenue targets, a qualitative approach was conducted in this study. In regional fiscal policies, it is necessary to calculate the potential land and building tax for the urban rural sector (PBB-P2) and land and building rights acquisition fees (BPHTB). This calculation is obtained by identifying the independent variables that affect revenue so that the Regional Government can make appropriate policies to increase Regional Original Revenue Revenues originating from regional taxes, especially BPHTB and PBB-P2 with the aim that variables that can be controlled by the Regional Government will become the focus of Fiscal Policy policies Area.

Keywords: Local Own Revenue · Urban and Rural Land and Building Tax · Fees for Acquisition of Land and Building Rights

1 Introduction

Analysis of Potential Calculations of Land and Building Tax in the Rural Urban Sector (PBB-P2) and Fees for Acquisition of Land and Building Rights (BPHTB). In fiscal policy, determining the target of PBB P2 and BPHTB revenues really needs to know the independent variables that influence it, this is very important so that the Government Regions can make appropriate policies to increase Regional Original Revenue Revenue sourced from regional taxes, especially PBB-P2 and BPHTB, regional fiscal policies will be directed at variables that can be controlled by the Regional Government.

The Covid-19 pandemic has disrupted the economy for the past three years. On March 2, 2020, when the President of the Republic of Indonesia announced the Covid-19 case, the national economy was immediately disrupted. In order to reduce the impact of Covid-19 on the economy, several National Economic Recovery Programs (PEN) were issued through handling the health crisis and as a response to the decline in community activities that had an impact on the economy. PEN is in the form of an arrangement of



Fig. 1. Tax Revenue in the 2017–2022 State Budget Source: APBN and Financial Note

activities made in the framework of national economic recovery and becomes part of the state financial policy to accelerate the handling of the Covid-19 pandemic or to face a threat situation that endangers the national economy or financial system stability and saves the national economy [14].

Sri Mulyani Indrawati, Minister of Finance of the Republic of Indonesia said that in 2022 it is estimated that the economy will start to recover and the national economic growth projection for 2022 is in the range of 5.2 to 5.8 percent or return to pre-pandemic economic growth. In fact, state revenue will be in the range of 10.18 to 10.44 percent of GDP. In contrast to the previous few years, Indonesia's economic development from 2014 to 2019 before the corona pandemic in Indonesia was at an average rate of 5 percent annually [13]. Recovery of state revenues still takes time, as shown in Fig. 1. During an economic recession, tax revenues fell by 16.9 percent (compared to the previous year). While in 2021, the tax revenue target will increase by 7.1 percent and in 2022 it is estimated that the economy will start to recover, in 2022 the tax revenue target will increase by 9.5 percent. This proves that even though there has been an economic recovery, the state revenue target in the APBN is not too high. In fact, tax revenues for 2022 are still below those for 2019 (Fig. 1). Fiscal consolidation by returning a maximum budget deficit of 3 percent of gross domestic product (GDP) is projected to be carried out in 2023. The government, through the Minister of Finance Sri Mulyani Indrawati, also estimates that economic growth in 2021 will be in the range of 3.5 to 4 percent. 0 percent. This projected figure is lower when compared to the assumption used in the 2021 State Budget of 5 percent.

A similar incident occurred in regional acceptance. Revenue realization recorded by the Ministry of Home Affairs in the 2021 APBD until December 2, 2021 on average is only IDR 947.46 trillion or 81.29% of the target set (ddtc, 2021). Planning for regional tax revenues that are quite optimistic by the regional government in the 2021 regional budget. Revenue for each region will certainly have different tendencies between regions [21].

Table 1. Realization and Target of APBD of seven Regency/City.Governments (in Rupiah)

Local Government	2018	2019	2020	2021
	Realization	Realization	Realization	APBD
Bogor Regency	1.969.519.761.542	2.243.429.745.163	1.993.575.019.000	1.832.504.463.000
Bogor City	592.978.746.862	689.543.006.040	733.276.508.019	651.069.000.000
Bekasi Regency	1.656.040.118.350	1.974.089.302.901	1.994.601.763.757	2.065.328.229.205
Bekasi City	1.580.754.200.591	1.778.314.661.578	2.120.698.889.047	1.941.201.180.504
Depok City	839.491.835.275	1.018.129.612.075	1.027.794.130.000	1.115.950.623.000
Tangerang Regency	1.915.261.073.035	2.153.661.721.883	2.037.175.855.620	1.771.510.088.743
Tangerang City	<i>1.551.439.325.839</i>	<i>1.760.354.444.860</i>	<i>2.087.962.239.160</i>	<i>1.842.626.622.644</i>
South Tangerang City	1.422.942.943.166	1.603.171.983.705	1.716.350.000.000	1.307.579.000.000

Source: DJPK, Ministry of Finance

Table 1 shows Regional Tax Revenue in seven City/District Governments around Jakarta. Of the seven City/Regency Governments, there are four Regional Governments, namely Bekasi Regency, Bekasi City, Depok City, Tangerang City, which have set a target for the 2021 APBD to recover as in 2019, namely the year before the Covid-19 pandemic. On the other hand, the Regional Government, namely Bogor Regency, Bogor City and South Tangerang City, are still not optimistic that Regional Tax Revenue will recover as in 2019.

A crucial step is needed in the Planning of Revenue from Regional Taxes and Regional Levies in each fiscal year which is carried out by each Regional Government. To support this crucial step, consideration is needed regarding the aspects in it, such as the Land and Building Rights Acquisition Fee and the P-2 Land and Building Tax. These two revenues have a significant positive effect simultaneously and are also the two largest tax items supporting Regional Origin Revenue [16]. With this positive influence, it is necessary to make efforts from each local government to increase revenue in this sector, especially during the Covid-19 pandemic.

One of the interesting regional governments is the Municipal Government of Tangerang. The city of Tangerang is the largest city in Banten Province, as well as the third largest city in the Potential Calculation Analysis of BPHTB and PBB P2. In the fiscal policy of determining BPHTB and PBB P2 revenue targets, it is necessary to know the independent variables that influence it. With the facts above, it can be projected that there are quite a number of objects related to PBB P-2 and also BPHTB. Based on the description above, the researcher concludes that it is necessary to analyze strategies in maximizing potential related to PBB P-2 and BPHTB revenues for the City of Tangerang in order to increase regional revenues for the City of Tangerang. Therefore, an analysis of calculating the Potential of PBB P2 and BPHTB in the fiscal policy of determining the revenue target of PBB P2 and BPHTB is needed to know the independent variables that influence it. Independent variables (Controllable) or controllable by the local government are attempted to control through the determination of fiscal policy

strategies in the Regional Development Plan, while independent variables that cannot be controlled directly by the Government of the city of Tangerang can refer to the State Budget Memorandum, such as interest rates and inflation rates, success the determination of strategic fiscal policies in the city of Tangerang will influence the success of the Complete Development of the City of Tangerang. This study aims to analyze the determination of the PBB P-2 and BPHTB revenue targets by identifying the effect of each independent variable based on a scientific study so that it can be accounted for.

2 Research Methods

A qualitative approach was carried out in this study by conducting a journal literacy study. The results of this study will be followed up by further research by testing the independent variables obtained through a quantitative approach. A qualitative approach through studies of international scientific journals and domestic journals that have relevance to the research theme. Further research will be carried out using a quantitative approach to forecasting methods using the economic model that has been developed from this research.

3 Result

3.1 Research Result Land and Building Rights Acquisition Fees

According to Law No. 1 of 2022, Financial Relations between the Central Government and Regional Governments (HKPD) in lieu of Law No. 28 of 2009 concerning Regional Taxes and Regional Retribution (PDRD), Land and Building Rights Acquisition Fees (BPHTB) are taxes on the acquisition of land and/or building rights. BPHTB Tax Subjects are of course individuals or entities that obtain temporary land and/or building rights. Tax objects related to BPHTB are as follows,

1. Acquisition of Land and/or Building Rights.
2. Transfer of rights due to: sale and purchase, exchange, grants, bequests, inclusion in a company or other legal entity, separation of rights resulting in a transfer, appointment of a buyer in an auction, implementation of a judge's decision that has permanent legal force, business merger, business consolidation, Expansion of business or gifts.
3. Granting of new rights due to: continuation of release of rights or other than release of rights.
4. Land rights are property rights, business use rights, building use rights, usufructuary rights, ownership rights to flats and management rights.

The basis for the imposition of BPHTB (DPP BPHTB) is the Acquisition Value of Tax Objects. In addition, the Value of Non-Taxable Tax Objects (NPOPTKP) is also determined. The amount of NPOPTKP is set at Rp. 60,000,000.00 (sixty million rupiah) for each Taxpayer. Exceptions to the acquisition of rights due to inheritance or testamentary grants received by individuals who are still in a blood relationship in a straight line of descent one degree up or one degree down with the grantor of the will, including the husband/wife, the Acquisition Value of the Taxable Object is Not Taxable (NJOPTKP) is set at Rp. 300,000,000.00.

3.2 Land Building Tax P-2

According to Law Number 28 of 2009 concerning Regional Taxes and Regional Levies, Rural and Urban Land and Building Tax as replaced by Law No. 1 of 2022 is a tax on land and/or buildings owned, controlled, and/or utilized by private person or entity, except for areas used for plantation, forestry and mining business activities. Earth is the surface of the earth which includes land and inland waters as well as regency/municipality territorial waters. Buildings are technical constructions that are permanently planted or placed on land and/or sea.

The object of Rural and Urban Land and Building Tax is land and/or buildings that are owned, controlled, and/or used by individuals or entities, except for areas used for plantation, forestry and mining business activities. The basis for imposing PBB P-2 tax is the Sales Value of Tax Objects (NJOP) which is the average price obtained from buying and selling transactions that occur fairly, and if there is no sale and purchase transaction, the NJOP is determined through price comparisons with other similar objects or the value of the new acquisition, or the replacement NJOP.

The subject of Rural and Urban Land and Building Tax is an individual or entity that actually has a right to the Land and/or obtains benefits from the Land, and/or owns, controls, and/or obtains benefits from the building. Whereas Rural and Urban Land and Building Taxpayers are individuals or entities that actually have a right to the Land and/or obtain benefits from the Land, and/or own, control, and/or obtain benefits from the building.

3.3 Factors Affecting Projected Land and Building Rights Acquisition Fee

Land and/or building rights acquisition fees are also imposed in many countries, and are known as real estate transfer taxes (RETT). States that after constitutional reforms gave German states the right to set local rates of real estate transfer taxes, over the past ten years many states have adopted this policy and have increased tax rates – some of them repeatedly [1].

Analyzed the impact of imposing Germany's real estate transfer tax. While the majority of single-family homes in Germany are owner-occupied, apartments are usually held by private investors and companies. A 1% increase in RETT will result in a 0.23% decrease in transactions for singlefamily houses, but will not have a significant effect on the price of houses traded. In contrast, for apartments, there was no significant negative effect on transactions, but the effect of RETT prices tended to be negative [6].

Explain the implementation of land tax transfers for real estate transactions in Canada. The decline in housing sales in Toronto following the imposition of the RTTT turned out to be a statistically insignificant negative impact. This is contrary to previous research. They say there is a bias due to the recession that coincided with the imposition of a land transfer tax in Toronto, and tightening mortgage regulations in Canada which prevented lenders from issuing subprime mortgages [8].

Meanwhile, the implementation of BPHTB in Indonesia is also experiencing problems. State that the realization of BPHTB revenues in the city of Bandung always increases every year. However, this increase was not optimal, because in several periods the targets set were not achieved. The target set was not achieved because BPHTB is

included in the self-assessment system group, namely a tax collection system that gives authority to taxpayers to determine the amount of tax owed on their own. Many taxpayers report that their transactions do not match reality, so they report smaller obligations than they should be paid [10].

The results of Sari and Rahayu's research (2020) on BPHTB collection in the City of Banjarmasin during 2014–2018 were very good, with an average percentage of achievement of 104 percent [17]. The next five-year projection will continue to grow by 24 percent. Furthermore, examines the effect of per capita income, population and issuance of land certificates on Land and Building Procurement (BPHTB) in Palembang City during the 2003–2018 period [20]. The results of the study show that the population is the most dominant factor in determining land and building rights acquisition fees. While the effect of per capita income and population has a positive and significant effect on the Cost of Acquisition of Land and Building Rights. While the number of Issuance of Land Certificates has a negative and insignificant effect on the Cost of Acquisition of Land and Building Rights.

When viewed from the macroeconomic effect, it can be seen from Nasution's research (2013) on the development of housing loans in Indonesia. The results of the study explain that macroeconomic variables (interest rates and inflation) only have an impact on consumers who are paying off housing loans while Loan to Value (LTV) policies have more influence on housing demand where with the LTV policy, the demand for new housing loans has decreased.

Analyzed the effect of lending rates, inflation, economic growth, loan to deposit ratio, LTV on the demand for housing loans in Central Java. The results of the study show that lending rates and inflation have a negative and significant impact on the demand for housing loans in Central Java. Economic growth and the loan to deposit ratio have a positive and significant effect on housing loans in Central Java. LTV has no effect on demand for housing loans in Central Java [19].

Analyzes the effect of consumption, population density and Construction Expensive Index simultaneously or partially on BPHTB Acceptance, while also analyzing the effect of GRDP as a moderating variable that can strengthen or weaken the relationship between consumption, population density and Construction Expensive Index on BPHTB Acceptance in districts / city in North Sumatra. The results of this study indicate that the variables of consumption, population density, construction cost index have a significant positive effect simultaneously on BPHTB acceptance. Partially only the population density variable has a significant positive effect on BPHTB acceptance, while the consumption variable and the Construction Expensive Index do not have a significant positive effect on BPHTB acceptance. The PDRB moderating variable can moderate the relationship between the population density variable and the BPHTB revenue and consumption variables. However, the Construction Expensive Index cannot be moderated on the BPHTB revenue variable [18].

Conducted research that aimed to analyze the factors influencing BPHTB acceptance at Subosukawonosraten in 2011–2015. Based on the results of the analysis with regression it was found that the GRDP factor and Regional Government Performance had a significant effect on BPHTB revenues. On the other hand, population factors, inflation, and IKK have no significant effect on BPHTB revenues [12].

3.4 Factors Affecting Projected Rural and Urban Land and Building Tax (PBB P-2) Revenues

The results of Duja and Supriyanto's research (2019) examine the dynamic relationship between residential property prices as reflected in the Residential Property Price Index (RPPI) and Gross Domestic Product (GDP), investment interest rates, wages, inflation and the exchange rate against the US dollar. The results of the study show that the macroeconomic factors that are significantly related to the price of Indonesian residential property are GDP, wages, inflation and the exchange rate against the US dollar, while the investment interest rate is not included in these factors.

The phenomenon of rising property prices as a result of economic growth has also occurred globally. The results of research by Chi-Wei et al. (2018) show that house prices and GDP have experienced high increases in the eastern region and in most provinces in the central region. Rapid industrialization and urbanization stimulated housing investment and significantly affected GDP, as well as resulted in rising house prices. The increase in house prices was a trigger for an increase in the Sales Value of Tax Objects (NJOP) which led to an increase in PBB revenues. Over the past few years, Indonesia's economic growth has been recorded as one of the top developing countries. Economic growth is believed to have contributed to rising residential property prices.

The link between GRDP affecting PBB P2 revenue can be seen consistently based on two studies conducted in Medan City [21]. First. Conducted a test and analysis of the factors that influence PBB P2 revenue for Medan City, namely the number of taxpayers, GRDP per capita (at current prices), inflation, interest rates and investment. Partially, it can be seen that the results of testing the hypothesis indicate that there is a not significant positive effect on the number of taxpayers; significant positive effect of GRDP per capita; inflation has a positive effect that is not significant; interest rate has a significant negative effect and the level of investment has a significant positive effect. If done simultaneously or together, there is a significant effect on the number of taxpayers, GRDP per capita, inflation, interest rates and investment on PBB P2 Medan City revenue [9].

Meanwhile, local governments must also be careful of high inflation in property prices. The results of research show that some local governments in the USA cannot increase the total property tax each year by more than the inflation rate or 5 percent (whichever is lower). Even Gold (1981) attests that several states expanded property tax relief programs for homeowners over the last decade. With the rapid inflation of house prices and modern valuation practices, the property taxes that will be imposed on homeowners are likely to increase. Meanwhile, research conducted by Fitri (2019) shows that the target growth in tax revenues in Temanggung Regency for the 2014–2018 period is 7 percent with a realized growth rate of 2 percent [11].

4 Conclusion

Based on the results of the discussion related to the linkage of variables to BPHTB and PBB P-2 revenue above, the research can draw the following conclusions,

1. There are several variables that affect BPHTB revenue. These variables are GRDP, Regional Government Performance, population factors, inflation, tariffs, and IKK.

Related to this, GRDP and Regional Government Performance have a significant effect on BPHTB revenues. On the other hand, population factors, inflation, and IKK have no significant effect on BPHTB revenues. The tariff factor will also affect revenue but will have an impact that will be felt by the community.

2. Variables that affect PBB P-2 revenue are Gross Domestic Product (GDP), population, investment interest rates, wages, tax rates, and inflation. Related to the above macroeconomic factors can trigger an increase in PBB-P2 revenue because if there is an increase in inflation and property prices increase, then PBB-P2 revenue will also increase.

Furthermore, the independent variables that affect the BPHTB and PBBP2 variables need to be carried out in a study so that the value of the effect can be known then on these independent variables which are (Controllable) or can be controlled by the Tangerang city government, they can be controlled through the fiscal policy strategy contained in the Development Plan. While the independent variables that cannot be controlled directly by the Tangerang City Government, can refer to the State Budget Memorandum, for example the inflation rate and interest rate, even so a successful strategic fiscal policy in the city of Tangerang will certainly influence the City and Regency governments together on the regional development success.

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