
Innovation of Local Tax Services to Increase Regional Original Income in Financial Agency and Regional Assets of Sleman Regency

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Abstract

This research is a qualitative research that aims to examine the innovation of local tax services to increase local revenue at the Regional Finance and Assets Agency of Sleman Regency. This research is motivated by the innovation of tax services carried out by Sleman Regency in order to facilitate the community in paying taxes. However, in 2020 the number of realized budgets obtained has decreased. There are 5 people who can be used as respondents in this study, namely: Head of the Regional Finance and Assets Agency of Sleman Regency; Sub Division of Planning, Evaluation & Reporting; General Affairs and Personnel Section; Community users of the e-billing system; and Taxpayer Society. From the results of the interview, it was said that the SOPs that were carried out were in accordance with the rules and mechanisms, but in terms of realization, the taxpayers still often paid past the time limit specified in the SOP. Some of the inhibiting factors for this service innovation are the covid pandemic, lack of awareness of taxpayers, human resources who are still concurrently double jobs so that services to taxpayers are still lacking.

Keywords: Service Innovation, Tax Innovation, Regional Tax, Tax Collection Principle

1. Introduction

Efforts to realize regional autonomy, as well as the government's cost responsibilities from Regional Original Revenue (PAD), are especially sourced from its increase. Optimal efforts to increase the income, less than optimal because of regional autonomy. The area has no active readiness. According to Abdullah (2006) , local governments know that they are weak or who are deeper in solving existing problems by resolving them from what is needed to be part of the funds, with their creativity. Complete problems in several areas, with faulty subsystems and examples of inequality problems and others .

One of the regencies in Indonesia that always focuses on public service innovation is Sleman Regency. Sleman Regency is a large district in Yogyakarta Province. Sleman is

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a district with a dense population, which is used as apartments, hotels and shopping centers. The power to grow development becomes a crucial right of regional income, confidence will grow big. Sleman has industrial potential for a dense population, by gathering and getting time at the mall or cake. With many hotels and apartments under construction in Sleman Regency.

Entrepreneurs have an interest in the efforts of restaurants, cafes and others with relationships from Sleman Regency. Development related to expectations by providing targets to achieve well .

Based on *feedback* obtained from the Regional Finance and Assets Agency of Sleman Regency for 6 (six) years in 2016-2021, after carrying out several service innovations to increase Regional Original Income (PAD) at the Regional Finance and Asset Agency of Sleman Regency, target data and realization were obtained. Regional Original Income (PAD) as follows:

Table 1 Target and Realization of PAD Revenue in Sleman Regency 2016-2021

Year	Budget Target	Budget Realization	Percentage (%)
2016	614,410,593,300.00	717,672,384,751.55	1.17%
2017	718.151.492.310.00	825,330,685,172.82	1.15%
2018	821.071.767.742.63	844,602,680,267.83	1.03%
2019	903,278,920,723.56	972,066,608,486.45	1.08%
2020	667,743,940,021.93	788,308,614,621.73	1.16%
2021	770,675,023,451.00	803.661.358.053.08	1.04%

Source: Sleman Regency Government (2022)

From Table 1.1 Target and Realization of PAD Revenue for Sleman Regency in 2016-2021 it is known that the amount of budget realization has increased every year, but in 2020 the amount of realized budget obtained has decreased. The increase in regional income certainly cannot be separated from the efforts and service innovations carried out by the Sleman Regency Government to increase regional revenues, especially the Regional Finance and Assets Agency of Sleman Regency always managing local taxes. .

The ineffective service flow caused a decrease in tax revenue in 2020 with a target of 676,743,940,021.93 and its realization was 788,308,614,621.73. In 2021 the target to be achieved is 770,675,023,451.00 and its realization is 803,661,358,053.08 It can be seen based on the percentage in 2020 as much as 1.16% and in 2021 as much as 1.04% has decreased. In 2021, the budget realization will increase compared to the previous year .

1. Service Innovation

Innovation is an aspect that affects the development of an organization. From various organizations, private or public, with their innovations. Innovation is by changing the technology and its scope (Said, 2007:27) . Innovation has a purpose with the development and usefulness of the idea (Susanto, 2010:158) . According to Hamel, innovation is meaningful and transfers management, with a clear view of what is being carried out (Ancok, 2012:34) . Based on what is presented, updating with technological aspects, with the scope of goods and services that will change it.

2. Tax Innovation

Innovation in the public sector According to Muluk (2008:45) with statements of typology with goods or services, relationships and existing systems.

According to Setijaningrum (2009:83) in Hilda (2014:4) Innovation in public services can be interpreted as renewal or creation or reactivity or new creation in public services. According to Anggraeny (2013:89) Product Innovation Service Innovation System Innovation Service Process Innovation Public Sector Innovation from policy and implementation with mastering ideas, improvement with the public phase itself. While Muluk (2008:42) with the assumption of solving service problems and development.

3. Local tax

According to Article 1 of Law Number 28 of 2009 concerning Regional Taxes and Regional Levies, it means that mandatory contributions are made by personal or corporate entities that are coercive in nature, with continuity for the prosperity of the people. (Government of the Republic of Indonesia, 2009) . Based on this understanding, Regional Tax is a mandatory contribution made by an individual or entity to the Regional Government without balanced direct compensation. Local taxes by coercion with the rules of law without tax collection. (Government of the Republic of Indonesia, 2009) .

4. Tax Collection Principle

Local tax collection with a high determination and the amount is (Ilyas & Richard, 2004:33) :

- a. National principles. That income tax is levied on people residing in Indonesia.
- b. The basics of residence. The income tax levied for people residing in Indonesia is determined according to the circumstances.

The principle of source of income. If the source of income is in Indonesia without regard to the subject of residence

5. Local Tax Legal Basis

The legal basis for collecting regional taxes and regional levies is Law Number 28 of 2009 concerning Regional Taxes and Regional Levies. The Regency/City type of tax rates as mentioned above are determined by a Regional Regulation of the highest amount (Government of the Republic of Indonesia, 2009) :

- a. Hotel tax of 10% (ten percent)
- b. Restaurant tax of 10% (ten percent)
- c. Entertainment tax of 35% (thirty five percent)
- d. Advertising tax of 25% (twenty five percent)
- e. Street lighting tax of 10% (ten percent)
- f. Tax on extraction of class C minerals is 20%
- g. Parking tax of 20% (twenty percent)

2. Methodology

The research method is the method used to collect study data. The instruments are used properly and with accuracy, easy to process , according to Arikunto (2006:163) .

This research method is qualitative. Qualitative research is a tradition, knowledge and what is observed from the term, Bogdan and Taylor in Moleong (2002:3), with a statement if data references and describing words by carrying out and collecting data, analyzes and reports. (Moleong, 2017:168). In qualitative research, with the implementation of the technique and the respondents, namely with the mastery and understanding of them and their groups. They are classified as quite foreign, with the sources and there are 5 people who can be used as respondents in this study, namely: Head of the Regional Finance and Assets Agency of Sleman Regency; Sub Division of Planning, Evaluation & Reporting; General Affairs and Personnel Section; Community users of the e-billing system; and Taxpayer Society.

3. Result

a) Tax Service Innovation by the Regional Finance and Assets Agency of Sleman Regency.

Based on Law Number 33 of 2004 concerning Financial Balance between the Central Government and Regional Governments, it has been explained that the rights of the government and the recognition of original income with acquisitions are based on BKAD, with an original increase and a focus on the system. (Government of the Republic of Indonesia, 2004). The Regional Government of Sleman Regency, in this case the Regional Finance and Assets Agency (BKAD) with an awareness of the general demands related to BKAD, is sourced with the hope of financing public service tasks and the development of the Sleman Regency.

Based on the results of interviews with the Head of the Sub-Division of Registration, Registration, Data Collection, and Determination of the Sleman BKAD, Mr. Ivhal Ilyas, it was explained that the purpose of innovation in tax service made at BKAD is to provide convenience for taxpayers, one of which we are continuing is mandatory registration. online tax, because BKAD must have an online taxpayer registration instrument that makes it easier for taxpayers because they don't have to come to the office. In addition, to provide convenience with faster technological developments, because as a government institution it must also adapt to the times in a society who is already technologically savvy by using smartphones. The innovations made today are different from the previous ones, as explained by the Head of Sub-Division of PAD Development, Billing Sector

"There are many, so it means that it is like an innovation that reports online, that is, the taxpayer has to come here, then he has to report the file, then it can be printed for the means of payment. Even now, taxpayers can do it at home, so now the e-billing SPTPD is issued, so that's one of them, brother, between taxpayers and officers, there is no need to meet. What's more, the second innovation is WA Blast, for example, the front friends, it also doesn't have to be delivered by the officer, because the bill is then reprimanded in thousands, all you have to do is use WA Blast, you just need to know the data on the cellphone number, it's already considered as warning advice, legal means." (Interview on May 30, 2022).

In addition, another difference is that in the last year, the installation of online transaction recording tools has been implemented, which in the future will make it easier for tax officials to be able to record income from a tax object, especially to provide transparency regarding the management of taxpayers, based on information from tax authorities. BKAD Sleman Tax Officer.

Based on the results of interviews with the two officers above, it can be concluded that the current innovations are significantly different from previous services in terms of technology. But, of course, technology has its own advantages and disadvantages. In this case, the drawback of current service innovations that rely on technology is network limitations, so that if payments are made online or payments through applications are in error, it will take a long time and be hampered. The current service is in accordance with the mechanism that should be implemented.

"When viewed from the SOP and the tax system, it is appropriate, in the sense that the characteristics of the tax are different from the current retribution. Because, if the levy is a service provided by the government, so the person who receives the service is obliged to pay. So, if the tax is different. If the tax, its complement or services in the government sector are not designed directly, so we provide public facilities to the community, so we give it from taxes, so that characteristic may often be for example in our society the tax is considered burdensome. So, there must be an effort from us to encourage people to pay taxes.", Head of the Sub-Division of Registration, Registration, Data Collection, and Determination of the Sleman BKAD.

However, it is possible that the SOP that is executed exceeds the existing grace period, one example is if it must be completed within 7 days, but in reality, the service takes 8 days so that it exceeds the provisions in terms of time in the SOP. Related to the time of completion of tax payments.

"If we talk about being in accordance with the SOP, we try to always comply with the SOP, so that this regional tax will not be in arrears. We try to follow if the efforts we make are based on existing SOPs. However, the problem is that in the field, we cannot predict 100% of the SOPs that we will run. We must also look at the characteristics of our society. It means, maybe in the end what we want is no tax receivables, like it or not, every year the PBB still has tax receivables."

In essence, based on the results of the interview, the payment mechanism has been carried out in accordance with the SOP, but there are still people who exceed the maximum tax payment limit. This tax service innovation certainly has a target,

"The target is more to the main goal, more to optimize the income we want, the revenue optimization must also be supported by making it easier for taxpayers to access regional taxation itself or us to get innovation. With this innovation, it is hoped that taxpayers will find it easy to access the information until later registering to report the payer. Make it easy with this innovation."

Based on the interview, in essence the target of this service innovation is on service quality and then also taxpayers. Taxpayers feel facilitated by innovations, then other targets are related to data accuracy, the data collected, they hope that innovations will be more valid.

According to Mr. Ivhal Ilyas, S.Sos., MA, M.Ec.Dev (Head of Sub-Division of Registration, Registration, Data Collection, and Determination of the Sleman BKAD) the time needed to achieve the objectives of this innovation in financial services and regional assets in Sleman Regency is described as follows:

"So, for this local tax, right, we have 10 (ten) local taxes in the Sleman district government. It's just that, what we serve directly, there are only 9 (nine) types of taxes. The problem is, each type of tax has different characteristics. So, if we talk about land and building taxes, for example, if we want to be fully online, we can't, because there are several things that the taxpayer must come. For example, for data mutations or changes and so on, the final result will be SPPT. The SPPT must be

taken by the applicant, so he must still come to the office. However, if, for example, a Taxpayer registers to obtain an NPWPD, it can be obtained online, only later on, if we don't deliver the NPWPD card proof, they have to take it. So, there are things that can't be purely online. So for example, the Dukcapil can print the KK itself, if the BKAD can't, the NPWPD cannot be printed by the community, so we have to print it out, because there are special codes."

The Head of Sub-Division of PAD Development, Billing Sector added,

"There are various kinds of innovations, which have been implemented, for example, related to previously not online, now online, and then, previously manual monitoring, there were people who were always waiting, now they use tapping. Then, there is now news using WA Blast in bulk. So, indeed, if you look at the target time for innovation, it will never end, because every time we have to innovate, it will not stop. Then, related to the implementation, it is related to the innovation, brother. Regarding the implementation of tapping, how long it takes is also very relative. Some are carried out from installation to active only 7 (seven) days and have been completed, but some have not been completed for months. Regarding being able to innovate, what it is like is relative, then later there will be obstacles for each innovation."

The strategy to achieve this goal is to make taxpayers aware of paying taxes according to the rules, socialization, approaches. Then, other strategies that provide convenience, such as now that Q-Ris payments, Non-Cash payments, can be done anywhere.

"The strategy was obtained if there was a change in the registration sub-sector from the previous year. So if we are in the registration sub-bid, we really have to attract new taxpayers according to the predetermined target, especially for new taxpayers. So, what we used to make a letter of assignment for registration friends, especially for road fees, now we change it according to mixed areas, because the development of taxpayers is no longer in the main section, meanwhile we are also preparing for the development of potential taxpayer registrations, now We make a letter of assignment per region which is considered a potential for large new taxpayers." explained Mr. Ival Ilyas.

Problems related to achieving the tax service innovation target must exist, one of which is:

"The problem is always there, for example in terms of targets. The registration sub-bid, for example, I am the target of a new taxpayer, the need for awareness of taxpayers in paying taxes, because it is a challenge for us. Second, as last year, updating the UN data also had problems and the target was quite far, because the target was 20 thousand, while in 2021 it could only be around 19 thousand, it was because of a new policy. Then, there used to be an honorarium for the hamlet, but now there is no honorarium for the equipment, so the village apparatus does not want to make an application. Well, that became one of the obstacles as well, because the Ministry of Finance also did not provide honoraria, which eventually became an obstacle. Then, there is also friction in the field, for example for certain taxes, usually there are frictions from interests on behalf of community groups or mass organizations, that is of course an obstacle for us, making it for taxpayers." explained Mr. Ival Ilyas.

In addition, another problem is the awareness of taxpayers. Paying taxes for taxpayers has the effect of reducing their income. In terms of technology, there is a bottleneck there, where the tools often die. And even from the officers, because of

double jobs, they are often assigned to registration, billing, data collection, monitoring so that they cannot run optimally.

b) Regional Tax Service Innovation in Increasing Regional Original Income at the Regional Finance and Asset Agency of Sleman Regency

Ideally the source of PAD with regional acquisition capabilities, freedom of autonomy rights with taxation. Regional studies and assets

"Eeee... the first innovation made at BKAD was first because to provide convenience for taxpayers, one of which we are currently continuing is online taxpayer registration, because like it or not you have to have an online taxpayer registration instrument, because it makes it easier for taxpayers, because you don't have to come to the office. In addition, also to provide convenience with faster technological developments at this time, like it or not, we as government institutions must also update, we must also adapt to the times. If out there people are already literate (open) technology by using gadgets or smartphones that are so passive, like it or not, we also have to adjust."

This is also confirmed by the following statement:

"There was only one goal, at that time, it was to optimize PAD, yes, with innovation, it would make it easier for taxpayers, in terms of reporting it, then providing more valid data, then it would be easier in terms of reporting activities. When we checked everything. So, the core innovation is one, optimization, it's just that the branches will be different later, related to from the taxpayer's point of view it's easier to report it, from our side when it's also easier to present the report "

Basically, every service innovation must have inhibiting factors. In this case, one of them is the covid pandemic. For services at the Sleman BKAD itself, there are obstacles, because it cannot be carried out optimally, because during the pandemic PPKM was implemented, which was the WFH and WFO system. Thus, the service for the tax itself automatically experiences obstacles, because there are many innovations that cannot be carried out by the Sleman BKAD. In addition, socialization to the public also encountered obstacles, sometimes not all people and even taxpayers were invited. So they still rely on the media for taxpayers who have not been invited. This is also reinforced by a statement from the taxpayer who explains that the lack of socialization has an impact on the community's difficulties when it comes to paying taxes.

"Not yet. The service has not been right on target and does not bring services closer to the community. In addition, those who usually already understand about these innovations usually have their own accountants, but for the lower middle class MSMEs it is usually still complicated. The facilities and infrastructure are adequate, but the socialization is still lacking."

What's more, the existence of online services has not been able to help the community optimally in areas where internet access has not been optimal.

"Is it possible for me personally, because my home area for networks is still limited, so if you want to pay taxes online, the network still likes to be disrupted, or if the payment application is in error, that's what takes a long time, sis."

Lack of understanding of the public as the subject of taxes/subjects of levies regarding regional regulations concerning regional taxes and regional retributions. People who are said to be taxpayers should make a big contribution to increasing local revenue. Taxpayers have an average level of education and find it difficult to communicate using Indonesian. Socialization and spread the distribution.

The need for and awareness of the income of the fund, with its original constraints and enhancements.

The obstacle in the procurement of supporting facilities and infrastructure is in the budget section, because yesterday there was a covid, so that the budget cut reached 85%, so that the procurement that was originally planned was delayed. For human resources that must be improved is for excellent service. If human resources are not adapted to current conditions, the taxpayer will feel a shortage in terms of service.

However, it turns out that not all people do not understand the existence of this tax service innovation. It is proven by the following statement

"That's pretty good, ma'am, because when the socialization was held, they opened a question and answer system, so that those who didn't understand understood. In my opinion, it is sufficient, Ms. for the facilities and infrastructure."

Therefore, it can be concluded that in fact the innovation of tax services carried out by Sleman Regency has had a positive impact on increasing local tax revenues. Although it must be underlined that there are still many factors that need to be improved, especially for the problem of socialization to the wider community. This can be done by socializing through social media such as Instagram or making the Village Head a Key Opinion Leader so that they can socialize the innovation directly to the community.

4. Conclusion

BKAD Sleman innovates in tax services by improving the quality of their services in the field of technology. The purpose of this innovation itself is for taxpayers to pay taxes according to the rules. Where taxpayers are facilitated in terms of registration and payment of taxes. Of course, with technology, common weaknesses are found, such as networks that hinder the registration/payment process. The SOP that is implemented is in accordance with the rules and mechanisms, but in terms of its realization, taxpayers still often pay past the time limit specified in the SOP. This innovation is carried out to facilitate taxpayers and improve service quality. The inhibiting factors of this service innovation are the covid pandemic, lack of awareness of taxpayers, human resources who still hold double jobs so that services to taxpayers are still lacking.

Based on these results, the researchers suggest: the Regional Financial Revenue and Asset Management Agency, so that they can collect regional taxes and levies with a firm and disciplined manner in realizing a sustainable increase in PAD as mandated by law; Conducting socialization about taxes by explaining Law Number 28 of 2009 concerning Regional Taxes and Regional Levies, Government Regulation Number 91 of 2010 concerning Types of Regional Taxes. Then also provide a simpler understanding to the community so that people can easily understand the importance of taxes in regional life and development; Conducting education and training or training on computerization, administration, and further coordination to the tax and financial management apparatus as a whole. This training or any other training is expected to improve the quality of human resources.

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