

The Influence of Motorized Vehicle Tax Incentives on Regional Tax Revenue of West Java Province During the Covid-19 Pandemic

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ABSTRACT

This research is to find out how much influence the motor vehicle tax incentive program has on the regional income of West Java Province during Covid-19. The sample of this research is as many as 216 observational data during the motor vehicle tax incentive period from August to December 2021. The method used is descriptive and the verification method. Data processing using Eviews-12. The results of the research on the condition of vehicle taxes, the abolition of tax fines, the free transfer of motorized vehicle transfer fees and local tax revenues have increased. Motor vehicle tax, the abolition of motor vehicle tax fines and the free transfer of motor vehicle title fees had a significant effect on the direction of a positive relationship to regional tax revenues in West Java Province during the Covid-19 pandemic. Partially, motor vehicle tax, abolition of motor vehicle tax fines, free transfer of motor vehicle title fees during the Covid-19 pandemic had a significant effect on the direction of a positive relationship to regional taxes in West Java Province.

Keywords: Motor Vehicle Tax Incentives, Covid-19

INTRODUCTION

Availability of funds is one of the resources needed for the implementation of development in the region. Each region is often faced with the problem of lack of funds for development implementation. As a result of the enactment of laws governing regional autonomy, regional governments are required to rely less on aid centers and be more independent in exploring potential regional revenue sources. Each region has economic power that allows it to generate its own income. Regions collect revenue in accordance with statutory regulations and regional regulations. West Java Province is one of the autonomous regions that regulates government and carries out both short and long term development. The West Java government must have sufficient funds in addition to the strength of funding sources

from its own region to be able to carry out governance and achieve development independent of central government assistance. Therefore, the regional government of West Java Province must increase the existing sources of regional income, one of which is local taxes. Sources of Regional Original Income (PAD) that can be collected by the provincial government are very limited, namely: motor vehicle tax (PKB), motorized vehicle transfer fees (BBNKB), motorized vehicle fuel taxes (PBBKM), surface water taxes (PAP), and cigarette taxes. West Java Motor Vehicle Tax (PKB) Regional Revenue is the largest contributor to the structure of regional income as well as supporting regional development financing in West Java.

The economy has been hit hard by the Corona virus or Covid-19 pandemic. Almost all industries in Indonesia were affected,

including the taxation industry. Based on data from the West Java regional revenue agency, the regional taxes of West Java Province in 2020 have decreased compared to the

previous year. The comparison between target and realization data is explained in the following table:

Table 1 : Target and Realization of Regional Tax Revenue Revenue

Year	Tax Type	Target	Realization	%
2018	PKB	7,180,342	7,540,802	105.02
	BBN	5,352,889	5,527,989	103.27
	BBM	2,356,185	2,512,912	106.65
	Water	42,624	52,862	124.02
	Cigarette	2,499,637	2,519,085	102.83
	Amount	17,431,677	18,153,650	104,14
2019	PKB	8,034,519	8,174,357	101.74
	BBN	6,026,074	6,300,781	104.56
	BBM	2,563,170	2,616,034	102.06
	Water	60,000	55,711	92.85
	Cigarette	2,539,238	2,479,468	97.65
	Amount	19,223,001	19,626,351	102,10
2020	PKB	10,147,044	7,610,389	75.00
	BBN	4,535,600	3,902,584	86.04
	BBM	2,593,278	2,274,681	87,71
	Water	50,000	58,799	117,60
	Cigarette	3,079,397	3,189,510	103.58
	Amount	20,405,319	17,035,963	83,49
	Total	57,059,997	54,815,964	96.07

Source: Bapenda West Java Province, 2021

As a result of the impact of the Covid-19 pandemic, the Government implemented various policies to overcome the impact of the COVID-19 pandemic, allowing all sectors to recover to continue growth and the growth rate returned to the level desired by the government. West Java Regional Revenue Agency (Bapenda) Head Hening Widiatmoko said:

The large amount of motorized vehicle tax receivables indicates low public awareness of tax payments. 17 million motorized vehicles are currently registered in West Java. However, because vehicle owners did not report

missing or damaged vehicles, only 11 million Motor Vehicle Tax Revenue (PKB) were collected, and the status of the remaining funds is unknown (1).

Public policy theory is a deliberate approach taken by an actor or group of actors to solve a problem or overcome problems (2). One of the policies implemented by the government to mitigate the impact of the Covid 19 pandemic, the Triple Profit Plus Program which was implemented at the beginning of the semester, is a tax incentive policy related to vehicle taxes. Given the declining economic capacity of the community, during the Covid-19 outbreak, residents agreed on a policy of

motor vehicle tax incentives to make life easier.

Through the Triple Untung Plus Program which takes place from 1 August to 24 December 2021, the West Java Provincial Government and the West Java Samsat Supervisory Team relaxed the PKB and BBNKB. This program provides three benefits for taxpayers:

First, residents who are late paying vehicle tax will get fines free. However, new motorcycles, changes in form, auction or ex-dumping that have not been registered and the engine has not been replaced are exempt from this fine.

Second, the transfer of ownership of a motorized vehicle is free, but there is a fee associated with it. Communities in the West Java region who wish to process the cost of handing over a second vehicle, among other things, can take advantage of this relief and avoid paying an increase in the base rate for transfer fees for the vehicle owed. This assistance is Explicit for individuals wishing to apply for second liability exchange fees for vehicles, etc. The rate is only 1.75 percent if there are outstanding payments.

Third, taxpayers who owe taxes for more than five years are exempt from motor vehicle tax arrears for the fifth year. Previously, the Triple Untung Plus program was launched in 2020. While late payment of vehicle tax is unlikely to be a fine, people are expected to pay their bills on time. Then the free transfer fee policy for motorized vehicles is meant for motorized vehicle ownership according to the name

stated on the certificate of ownership of the motorized vehicle, so that taxpayers carry out tax payments as they should. This is to meet the huge budgetary needs of the local government for handling and preventing the Covid-19 outbreak. The local government adopted this policy to ease the financial burden for those whose economies have been negatively affected by the COVID-19 pandemic. In addition, it is believed that this step can increase acceptance. Because people's purchasing power has decreased due to the COVID-19 pandemic, the West Java Regional Penapatan Agency considers that efforts to collect vehicle tax have not been optimal. In the end, this also affects the payment of vehicle tax (3).

There are differences in the results of previous studies related to whether or not PKB has an effect, incentives for the elimination of PKBBNKB fines on the level of local tax revenue. The results state that tax sanctions have an effect on regional income (4), then the results of the study (5) stated that BBNKB partially had an effect on PAD, then the results of the study (6) stated that the PKB and BBNKB tax incentives had an effect on PAD. This is different from the results of research that has been conducted by (7) which stated that the PKB sanction relief had no effect on regional income, then the results of the study(8) BBNKB has no significant effect on PAD, then the results of the study (9). Free of PKB and BBNKB fines have no effect on Regional Revenue.

Based on the problem identification explanation above, the formulation of this study is:

1. What about PKB, the elimination of PKB fines, BBNKB, and regional tax revenues for West Java Province during the Covid-19 pandemic.
2. How big is the influence of PKB, the elimination of PKB and BBNKB fines on regional tax revenues in West Java Province during the Covid-19 pandemic.
3. How big is the influence of motor vehicle tax on regional tax revenues in West Java Province during the Covid-19 pandemic.
4. How big was the effect of the elimination of PKB fines on the regional taxes of West Java Province during the Covid-19 pandemic.
5. How big is the influence of BBNKB on the regional taxes of West Java Province during the Covid-19 pandemic.

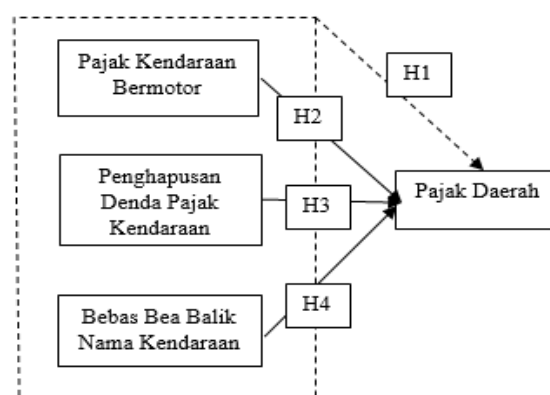


Figure 1 :Research paradigm

Based on the above research paradigm, the research hypothesis can be put forward as follows:

- H1 :There is the influence of PKB, incentives to eliminate PKB BBNKB fines on regional tax revenues
- H2 : There is influencePKB on local tax revenues
- H3 : There is an effect of eliminating finesPKB on local taxes
- H4 : There is influenceBBNKB against local taxes.

METHOD

Stewardship theory assumes that owner satisfaction and organizational success are

closely related (10). Descriptive and verification methods are used in this study. Secondary reports on regional tax revenue collection in West Java Province are used as the main data source for the study. sourced from PKB obtained from the regional revenue agency (Bapenda) of West Java Province. The population and sample of this research are all tax offices of 34 Samsat office branches in West Java Province in 2021. The sample selection technique is non-probability sampling or saturated sampling of 170 observation data during the motor vehicle tax incentive period from August to December 2021. The observation data is panel data whose processing is assisted using Eviews-12.

RESULTS AND DISCUSSION

Model selection resultsthat the Fixed Effect Model (FEM) was selected. After the classical assumption tests were carried out, namely the normality test, multicollinearity test,

heteroscedasticity test and autocorrelation test, then the next tests were carried out, namely the F test and t test with the Fixed Effect Model (FEM) test results table as a basis which can be described:

Table 2 : Coefficients

Variable	coefficient	Prob
PKB	0.174042	0.0002
Fine Ins	0.001326	0.0355
Ins BBKB	0.019052	0.0125

Source: Eviews-12 data processing

Based on this table thenThe condition of motor vehicle taxes from observational data during the Covid-19 pandemic can be measured by calculating the change in tax revenue. The results of the processing of observational data, the average motorized vehicle tax revenue has changed in an increase in the results of regional tax revenues in West Java Province from the previous month.

The condition of eliminating motor vehicle tax fines from observational data during the Covid-19 pandemic can be measured by calculating the change in tax revenue. The results of the processing of observational data, the average write-off of motor vehicle tax fines experienced a change in the increase in the results of regional tax revenues in West Java Province from the previous month.

The condition of the duty-free transfer of motorized vehicles from observational data during the Covid-19 pandemic can be measured by calculating the change in tax revenue. The results of the processing of observational data, the average free transfer of motorized vehicle registration fees experienced a change in the increase in the results of regional tax revenues in West Java Province from the previous month.

The condition of local tax revenue from observational data during the Covid-19 pandemic can be measured by calculating changes in tax revenue. The results of the processing of observational data, the average local tax revenue has experienced a change in the increase in regional tax revenue in West Java Province from the previous month.

Table 3 : Statistics

Items	Mark
R-squared	0.799982
Adjusted R-squared	0.799977
F-statistics	19.69921
Prob(F-statistic)	0.000000

Source: Eviews-12 data processing

F test results it is known that the statistical F value is 19.69921 and the probability value F is 0.000000, this indicates that simultaneously (simultaneously) the variables Motor Vehicle Tax, Incentives for the Elimination of Motor Vehicle Tax Fines and Free Transfer of Motor Vehicle Title Duty have a positive and significant effect on local tax revenues.

The results of the t-test for the motor vehicle tax variable have a coefficient value of 0.174042 and a probability value of 0.0002 meaning that partially motor vehicle tax has a significant effect with the direction of a positive relationship to local tax revenues. The incentive variable for the elimination of motor vehicle tax fines has a coefficient value of 0.001326 and a probability value of 0.0355 that partially the incentive to eliminate motor vehicle tax fines has a significant effect on the direction of a positive relationship to local tax revenues. The variable free of transfer duty for motorized vehicles has a coefficient value of 0.019052 and a probability value of 0.0125 that partially free of transfer fee for motorized vehicles has a significant effect on the direction of a positive relationship to local tax revenues.

CONCLUSION

The condition of PKB, the elimination of PKB fines, BBNKB, regional tax revenues experienced a change in the increase in the results of regional tax revenues for West Java Province from the previous month.

PKB, the elimination of BBNKB fines had a significant effect on the direction of a positive

relationship to regional tax revenues for West Java Province during the Covid-19 pandemic.

PKB during the Covid-19 pandemic had a significant effect on the direction of a positive relationship to regional tax revenues for West Java Province.

The elimination of PKB fines during the Covid-19 pandemic had a significant effect on the direction of a positive relationship to regional tax revenues for West Java Province. BBNKB during the Covid-19 pandemic had a significant effect on the direction of a positive relationship to the regional taxes of West Java Province.

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