

THE INFLUENCE OF CONTRIBUTION OF HOTEL TAX AND ADVERTISING TAX ON THE EFFECTIVENESS OF REGIONAL ORIGINAL REVENUE OF SAMARINDA CITY

by Fauziah Fenty

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THE INFLUENCE OF CONTRIBUTION OF HOTEL TAX AND ADVERTISING TAX ON THE EFFECTIVENESS OF REGIONAL ORIGINAL REVENUE OF SAMARINDA CITY

¹Fitri Darmayani Manoy, ²Fenty Fauziah, ³Rahman Anshari, ⁴Joko Sabtohadhi

^{1,2,3,4} Muhammadiyah University of East Kalimantan

Email: 1911102431534@umkt.ac.id

17

Abstract

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This study aims to analyze and determine the effect of the contribution of hotel tax and advertisement tax on the effectiveness of Samarinda City Regional Original Revenue for the 2017-2021 period. This study uses a type of quantitative research. The sampling technique used is Non Probability Sampling using Saturated sampling (census). The sample of this research is 5 data. Source of data in this research is secondary data. The data analysis technique used is the classical assumption test, multiple linear regression analysis and hypothesis testing. All tests were carried out using the SPSS 29 program. The results showed that the hotel tax contribution had no significant effect on the effectiveness of Samarinda City's PAD. Advertising tax contribution has a significant effect on the effectiveness of Samarinda City's PAD. The contribution of hotel tax and advertisement tax simultaneously influence the effectiveness of Samarinda City Regional Original Revenue.

Keywords: Local Own Revenue, Hotel Tax, Advertising Tax, Effectiveness, Contribution.

6

1. INTRODUCTION

Indonesia is a country that adheres to a decentralized system, namely the transfer of authority from the central government to regional governments to regulate and manage the own government. The transfer of authority from the center to the regions occurs in connection with the implementation of regional autonomy (Anggraini, 2017). Law of the Republic of Indonesia Number 33 of 2004 concerning Financial Balance between the Central Government and Regional Governments states that Regional Original Revenue (PAD) is income earned by regions which is collected based on regional regulations in accordance with statutory regulations. Regional Original Revenue or PAD aims to give authority to Regional Governments to fund the implementation of regional autonomy in accordance with regional potential as a manifestation of decentralization (DJP Ministry of Finance, 2023).

Regional Original Income or PAD reflects the level of regional independence, the higher the regional original income of an area, it can be said that the area is more independent in managing its finances. Regional autonomy financial sources derived from Regional Original Revenue (PAD) are more important than sources of income outside of regional original income, this is because regional original income is managed independently by the local government (Muhammad, 2020). In order to increase local revenue, the government is trying to improve the regional taxation system (Kurniawan, 2011).

Regional taxes and regional levies as a source of local revenue to promote regional development. Regional taxes and regional levies are still a distributed contributor to Regional Original Revenue (PAD) with a contribution of 65-75% (Bhakti et al., 2022). Law No. 28 of 2009 Regional Taxes in Indonesia are divided into two, namely Provincial Taxes and Regency/City Taxes. Provincial Taxes are divided into five types of taxes consisting of: Motor Vehicle Tax; Transportation Tax; the Name of Motorized Vehicles; Motor Vehicle Fuel Tax; Surface Water Tax; and Cigarette Tax. Meanwhile, Regency/Municipal Tax consists of several tax categories including Hotel Tax and Advertising Tax.

Hotel tax is a type of regional tax whose potential is growing along with supporting components, namely the development service sector and tourism in policies to increase regional



development (Isnawati, 2018). According to Law no. 28 of 2009 concerning Regional Taxes and Regional Levies, Hotel Tax is a tax on hotel services at a rate of 10%.

Advertising tax is a type of regional tax that has the potential and can be collected efficiently, effectively and economically in an effort to increase local revenue (Milanda, 2019). According to Law no. 28 of 2009 concerning Regional Taxes and Regional Levies, Advertising Tax is a tax on the implementation of advertisements with a rate of 25%.

Based on the results of the Samarinda City Budget Realization Report (LRA), the realization of hotel tax and advertisement tax revenue in Samarinda City for the 2017-2021 period has always exceeded the revenue target. This shows that the City Government of Samarinda is successful in managing its territory. Samarinda City is one of the cities in East Kalimantan Province which has been given the authority to regulate and manage its own regional income stream. If you look at the developments that have occurred in the city of Samarinda in recent years, it has experienced very significant growth.

Research that discusses hotel taxes and advertisement taxes and their effects on Local Own Revenue has been carried out by several previous researchers. In research conducted by Willy (2020), states that hotel taxes have a significant effect on the regional income of the city of Bandung. Research conducted by Damanti & Muthaher (2020) is supported by research conducted by Biringkanae & Tammu (2021) which states that hotel taxes have an insignificant positive effect on Regional Original Income. In the research conducted by Sukmawati & Ishak (2019) and Hanum (2022) stated that advertisement tax has a significant effect simultaneously and partially on the Regional Original Income of Bandung City and Deli Serdang Regency. This is quite different from the results of research conducted by Wulandari & Kartika (2021) and Vol et al. (2022) stated that hotel taxes have a negative effect on Regional Original Income. Likewise, the research conducted by Asriyawati (2014) and Afrizal & Suhono (2021) states that advertisement tax has no effect on Regional Original Income.

From the results of previous research on the effect of hotel tax contributions and advertisement tax on the effectiveness of local original revenue, as well as the description above, and supported by the conditions that occur in the field, the authors are interested in conducting research on the effect of hotel tax contributions and advertisement tax effectiveness on regional original income (PAD).) City of Samarinda.

2. METHODS

This type of research in this study is a quantitative approach. The population in this study is hotel tax, advertisement tax and Samarinda City Local Revenue for 2017-2021 with a total population of 5 data. The method used in determining the sample is the Non Probabil Sampling technique using Saturated Sampling (census), where the entire population is sampled, so the sample in this study is hotel tax data, billboard tax and Samarinda City Local Revenue for 2017-2021 with a total sample as many as 5 data. The type of data used in this research is quantitative data. Source of data in research is secondary data. In this study the data used is panel data. Panel data is a combination of time series and cross section data. The data selected in this study are from 2017-2021, because it describes the situation regarding the latest information and the aim is to make the research results more relevant. The data collection technique used is documentation. Data processing techniques in this study used the SPSS 29 program.

3. RESULTS AND DISCUSSION

Samarinda City is the capital city of East Kalimantan province. With largest population in the entire island of Borneo. Juridically, the City of Samarinda was formed based on the Law of the Republic of Indonesia Number 27 of 1959. The City of Samarinda has an area of 783 km² with geographical conditions of hilly areas with altitudes varying from 10 to 200 meters above sea level. The city of Samarinda is a multi-ethnic area with indigenous people from the Banjar, Wajo, and Dayak tribes. Samarinda City's economy is dominated by the tertiary sector which consists of the trade, hotel and restaurant sectors. The investment potential in Samarinda City lies in the development



priorities of the service, property and manufacturing sectors. The results of the effectiveness of Regional Original Revenue, hotel tax contributions and advertisement tax contributions in Samarinda City.

Table 1. PAD Effectiveness, Hotel Tax Contribution and Advertising Tax Contribution

Year	Effectiveness PAD (%)	Hotel Tax Contribution (%)	Advertising Tax Contribution (%)
2017	102,02	4,98	1,31
2018	112,1	5,79	1,44
2019	111,91	6,08	1,42
2020	123,53	4,59	1,55
2021	105,93	5,79	1,4

With the data in the table above, the results of the analysis regarding the effect of hotel tax and advertisement tax contributions on the effectiveness of PAD using Multiple Linear Regression Tests are as follows:

Table 2. Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-14,816	22,416		-,661	,577
Hotel Tax Contribution	-,979	1,693	-,076	-,579	,621
Advertising Tax Contribution	92,126	12,571	,959	7,328	,018

Table 3. Anova

Model	Df	F	Sig.
Regression	2	30,865	,031 ^b
Residual	2		
Total	4		

b. Predictors: (Constant), Advertising Tax Contribution, Hotel Tax Contribution

Table 4. Model Summary

Model	R	R Square	Adjusted R Square
1	,984 ^a	,969	,937

a. Predictors: (Constant), Advertising Tax Contribution, Hotel Tax Contribution

In the Coefficients table, it can be seen that the constant value is -14.816 and the hotel contribution coefficient is -0.979 and the advertising tax contribution coefficient is 92.126, so that the multiple linear regression equation can be concluded as follows:

$$Y_{it} = \alpha + \beta_1 X_{1it} + \beta_2 X_{2it} + \epsilon$$

$$Y_{it} = -14,816 - 0,979 \text{ hotel tax} + 92,126 \text{ advertisement tax} + \epsilon$$

A constant value of -14.816 means that if X1 (hotel tax) and X2 (advertisement tax) are 0 then Y (Regional Own Revenue) is worth -14.816.

The regression coefficient of the independent variable contribution to hotel tax is -0.979 which has a negative effect on the effectiveness of Local Own Revenue, which means that it is not unidirectional, meaning that with a 1% increase in X1 (hotel tax) it will have a decrease in Y (Local Own Revenue) of -0.979.

The regression coefficient of the independent variable contribution of advertisement tax is 92.126 which has a positive influence on the effectiveness of Local Own Revenue, which means that

it is unidirectional, meaning that a 1% increase in X2 (advertisement tax) will have an impact on increasing Y (Local Own Revenue) of 92.126.

From the results of the data processing above, it can be seen using a significance level of 0.05 or (α) 5%, so if the significant value is less than 0.05, it means that there is an influence partially or simultaneously. In Table 2, the significant value of the hotel tax contribution shows a value of $0.621 > 0.05$, which means that the hotel tax contribution has no effect on the effectiveness of Local Own Revenue. The significant value of the advertising tax contribution shows the result of $0.018 < 0.05$, which means that the advertisement tax contribution has an influence on the effectiveness of Local Own Revenue. In table 3 the results show a significant value of $0.031 < 0.05$, which means that the results show that the contribution of hotel tax and advertisement tax simultaneously have an influence on the effectiveness of Local Own Revenue. Table 4 shows the value of the Adjust R-Square is 0.937, meaning that 93.7% of the variation in the effectiveness of Local Own Revenue is explained by the contribution of hotel taxes and advertising taxes. The remaining 6.3% is explained by variables from outside this study.

The Effect of Hotel Tax Contribution on the Effectiveness of PAD

The results of the research conducted show that the hotel tax contribution does not have a significant effect on the effectiveness of Samarinda City Regional Original Revenue. The coefficient of hotel tax contribution has a negative effect on the effectiveness of Samarinda City Regional Original Revenue, which means it is not unidirectional, meaning that if the hotel tax contribution increases, it will have a decreasing impact on the effectiveness of Samarinda City Regional Original Revenue. The increase in the number of tourists to Samarinda City certainly affects the tourism sector, especially lodging services in Samarinda City. Hotel tax subjects are consumers who make payments for the facilities provided by the hotel, so specifically the increase in hotel taxes is influenced by the number of visitors (Titania & Rahmawati, 2022). Therefore, if the revenue target and realization of hotel tax revenue in Samarinda City increases, then the revenue target and realization of Samarinda City Regional Original Revenue decreases.

The results in the research conducted are in line with the research conducted by Ardiansyah et al. (2023) with the results of hotel tax contributions having no effect on Regional Original Income. Then in the research by Monoarfa et al. (2022) and Wulandari & Kartika (2021) state that hotel taxes have a negative effect on Regional Original Income, meaning that whenever there is an increase in hotel taxes, Regional Original Revenue will decrease.

The Effect of Advertising Tax Contributions on the Effectiveness of PAD

The results of the research conducted show that the advertisement tax contribution has a significant effect on the effectiveness of Samarinda City Regional Original Revenue. The variable coefficient of advertising tax contribution has a positive influence on the effectiveness of Samarinda City Regional Original Revenue, which means that it is unidirectional, meaning that if the advertising tax contribution increases, the effectiveness of Samarinda City Regional Original Revenue also increases. Many companies use promotional services to introduce their products (Kurniawan, 2011). In this case the implementation of billboards in Samarinda City is currently fairly active, promotion and advertising services have brought significant income or benefits to the development of Samarinda City. Advertising taxpayer compliance in Samarinda City is also very good, this can be seen from the realization of advertisement tax revenue from year to year meeting the target, so that it has an impact on the development of advertisement tax and affects the Local Revenue of Samarinda City.

The results of the research conducted are in line with research conducted by Hanum (2022) which states that the advertisement tax has a significant effect on the local revenue of Deli Serdang Regency. In the research of Sukmawati & Ishak (2019) advertisement tax has a positive effect on Regional Original Income for the City of Bandung.



The Effect of Contribution of Hotel Tax and Advertising Tax on the Effectiveness of PAD

The results of the research conducted show that the contribution variables of hotel tax and advertisement tax simultaneously have a significant influence on the effectiveness of Samarinda City Regional Original Revenue. This explains that if there is a simultaneous change of the independent variables, namely the contribution of hotel tax and advertisement tax, the effectiveness of Samarinda City Regional Original Revenue will also experience significant changes. In increasing the local revenue of Kota Samarinda, the government does not only look at the effect of one type of local tax, but also looks at the effect of all types of local taxes simultaneously. Hotel tax and advertisement tax are two types of local taxes that have the potential to continue to be developed and have a significant influence on increasing Local Revenue of Samarinda City.

The results in the research conducted are in line with the research conducted by Sipayung & Abdurrahmansyah (2021) and Prasetyaningtyas & Rahmawati (2022) stating that hotel taxes and advertisement taxes have a simultaneous effect on Regional Original Income. Hotel taxes and advertisement taxes contribute greatly to increasing the amount of Local Own Revenue from year to year.

4. CONCLUSION

Based on the results of the analysis that has been done, in this study it can be concluded that the contribution of hotel taxes does not have a significant and negative effect on the effectiveness of Samarinda City Regional Original Revenue. Advertising tax contribution has a significant and positive effect on the effectiveness of Samarinda City Regional Original Revenue. The contribution of hotel tax and advertisement tax simultaneously has a significant effect on the effectiveness of Samarinda City Local Revenue.

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