Analysis of regional tax contribution to DKI Jakarta's revenue before and during the COVID-19 pandemic

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Abstract

Purpose: The study aims to determine the level of contribution of each type of local tax to DKI Jakarta's Original Regional Revenue (PAD) during the COVID-19 pandemic and before.

Methods: This research employs a descriptive qualitative analysis method using secondary data related to local tax revenue. The data collection techniques involved observation and documentation.

Findings: The analysis indicates that in 2019, prior to the COVID-19 pandemic, half of DKI Jakarta's local tax types met or exceeded their targets, achieving an average effectiveness of 90.48%. During the 2020 pandemic, this average rose to 98.36% due to reduced regional tax revenue targets. Notably, the Land and Building Tax (PBB-P2) was the largest contributor to PAD at 22.54%, while the groundwater tax contributed minimally at 0.24%. These results highlight the varying performance of local tax types over the years.

Practical implications: Local tax strategies should adapt to economic changes by optimizing the Land and Building Tax (PBB-P2) to boost regional revenue and increasing the contribution of the groundwater tax for a more diversified revenue base.

Keywords: Regional Tax Contribution, Original Local Government Revenue (PAD), Covid-19 Pandemic

Paper type: Research paper

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Abstrak

Tujuan: Penelitian ini bertujuan untuk menentukan tingkat kontribusi masing-masing jenis pajak daerah terhadap Pendapatan Asli Daerah DKI Jakarta selama pandemi COVID-19 dan sebelum pandemi.

Metode: Penelitian ini menggunakan metode analisis deskriptif kualitatif dengan memanfaatkan data sekunder terkait pendapatan pajak daerah. Teknik pengumpulan data yang digunakan adalah observasi dan dokumentasi.

Temuan: Analisis menunjukkan bahwa pada tahun 2019, sebelum pandemi COVID-19, setengah dari jenis pajak daerah di DKI Jakarta berhasil mencapai atau melampaui target, dengan efektivitas rata-rata sebesar 90,48%. Selama pandemi 2020, rata-rata ini meningkat menjadi 98,36% akibat pengurangan target pendapatan pajak daerah. Secara signifikan, Pajak Bumi dan Bangunan (PBB-P2) merupakan penyumbang terbesar terhadap PAD sebesar 22,54%, sementara pajak air tanah memberikan kontribusi minimal sebesar 0,24%. Hasil ini menyoroti kinerja yang bervariasi dari berbagai jenis pajak daerah sepanjang tahun.

Implikasi Praktis: Strategi pajak daerah perlu beradaptasi dengan perubahan ekonomi dengan mengoptimalkan Pajak Bumi dan Bangunan (PBB-P2) untuk meningkatkan pendapatan daerah serta meningkatkan kontribusi pajak air tanah agar memiliki basis pendapatan yang lebih beragam.

Kata Kunci: Kontribusi Pajak Daerah, Pendapatan Asli Daerah (PAD), Pandemi COVID-19

1. Introduction

Each region is granted autonomy to manage its area, including DKI Jakarta as the nation's capital. Implementing regional infrastructure has considerable associated costs. Hence, a region requires income. PAD serves as a financial source for an area, derived from its own resources, which include revenues from regional taxes, regional charges, results from the management of separated regional assets, and other legitimate local income.

The provincial government of DKI Jakarta needs to brace for a decrease in tax revenue, as the real sectors of taxation are being diminished, which will have repercussions on the previously set PAD of IDR 50.01 trillion. Researchers suggest that this situation is expected, as the central government is experiencing similar declines, leading other regions to follow suit due to the global impact of the COVID-19 pandemic.

In 2020, the Head of the DKI Jakarta Tourism and Creative Economy Agency, Cucu Ahmad Kurnia, mentioned that the realization of hotel, restaurant, and entertainment taxes drastically fell due to the COVID-19 pandemic. These three business sectors significantly contribute to DKI Jakarta's PAD. For example, the hotel tax was targeted at nearly IDR 2 trillion in the 2020 APBD. Still, until the end of May 2020, the realization was only IDR 466 billion, representing around 23 percent of the target. For the restaurant sector, tax realization as of May 2020 reached IDR 1.057 trillion, while the restaurant tax is set at IDR 4.25 trillion in the 2020 APBD. Cucu also recorded that 6,169 restaurants and 637 hotels closed during the DKI PSBB period, with 100 percent of entertainment businesses, totaling 1,503, also being shut down (Bhishma Septalism, 2020).

This study aims to determine the contribution of each type of tax revenue investigated to PAD and the level of effectiveness. Effectiveness measures the success ratio; the higher the ratio, the more effective it is. The ratio is established with a minimum standard: if the success ratio reaches 100% or 1 (one) where the realization matches the

predetermined target, it indicates significant effectiveness. Conversely, if the ratio falls below the success standard, it can be deemed ineffective (Dotulong et al., 2014). In addition to effectiveness, researchers also aim to assess how local taxes contribute to PAD. The contribution amount is determined by comparing tax revenues (specifically hotel and restaurant taxes) during a specific period with PAD receipts in the same period (Lamia et al., 2015).

Based on previous research conducted by Fikri and Mardani (2017), it is known that simultaneously, hotel tax, restaurant tax, and entertainment tax have a positive and significant effect on local revenue, while there is also a significant partial effect of hotel, restaurant, and entertainment taxes on local revenue. Conversely, according to Magdalena Silawati Samosir (2020), hotel tax, restaurant tax, and entertainment tax simultaneously do not have a significant effect on local revenue. However, partially, each has shown no significant effect on local revenue.

The two studies present differing results, both simultaneously and partially. According to Fikri and Mardani (2017), hotel tax, restaurant tax, and entertainment tax positively and significantly affect local revenue. Meanwhile, Samosir (2020) states that the three types of taxes do not significantly impact local revenue.

2. Case Description

Tax

General Provisions and Tax Procedures (KUP) in Law Number 16 of 2009 explains that taxes are mandatory contributions to the state owed by individuals or entities that are coercive under the law without receiving direct compensation and are used for state purposes for as much as possible for the welfare of the people.

Local tax

Regional tax is a mandatory contribution to the region owed by an individual or entity that is coercive based on the law with no direct compensation. It is used for regional needs for the greatest prosperity of the people. This definition is contained in the Law on Regional Taxes and Levies Number 28 of 2009. Taxes or compulsory contributions given by residents of a region to the regional government will be used for the government's interests and the region's public interest.

Regional Tax Collection Obstacles

Ratnasari et al. (2016) state that the obstacles to collecting district or city taxes are due to the lack of awareness of taxpayers and the efforts made to organize counseling on taxation, for example, on how to register yourself as a taxpayer and get a Taxpayer Identification Number (NPWP), what are your rights? Moreover, there are obligations after registering as a taxpayer, such as filing a tax return, calculating taxes to be paid, and others. The tax counseling is addressed to the tax authorities to serve taxpayers.

Locally-generated revenue

According to Anggoro (2017:18), Regional Original Revenue is the income obtained by the regional government for implementing government activities and services to the community and utilizing resources owned by the regional government.

Framework

According to Hamdi (2014:33), in Andy's (2019) research, the conceptual framework explains the concepts within theoretical assumptions used to abstract elements of the

phenomenon being studied and the relationships between these concepts.

This study will discuss the contribution of local taxes in DKI Jakarta, consisting of thirteen types of local taxes, including PKB, BBNKB, PBBKB, and others, to Regional Original Income. The aim is to assist the local government in understanding the importance of each type of regional tax related to PAD to support development in DKI Jakarta, especially during the COVID-19 pandemic. The contribution from each local tax type will affect the increase in local revenue, enabling the region to adjust its income with the rise in local taxes. Despite the pandemic, the government continues to target regional income through local taxes, albeit with lower targets than the previous year, allowing for the effectiveness of each type of local tax to be assessed in its contribution to PAD. Based on the description above, the conceptual framework can be described as follows:
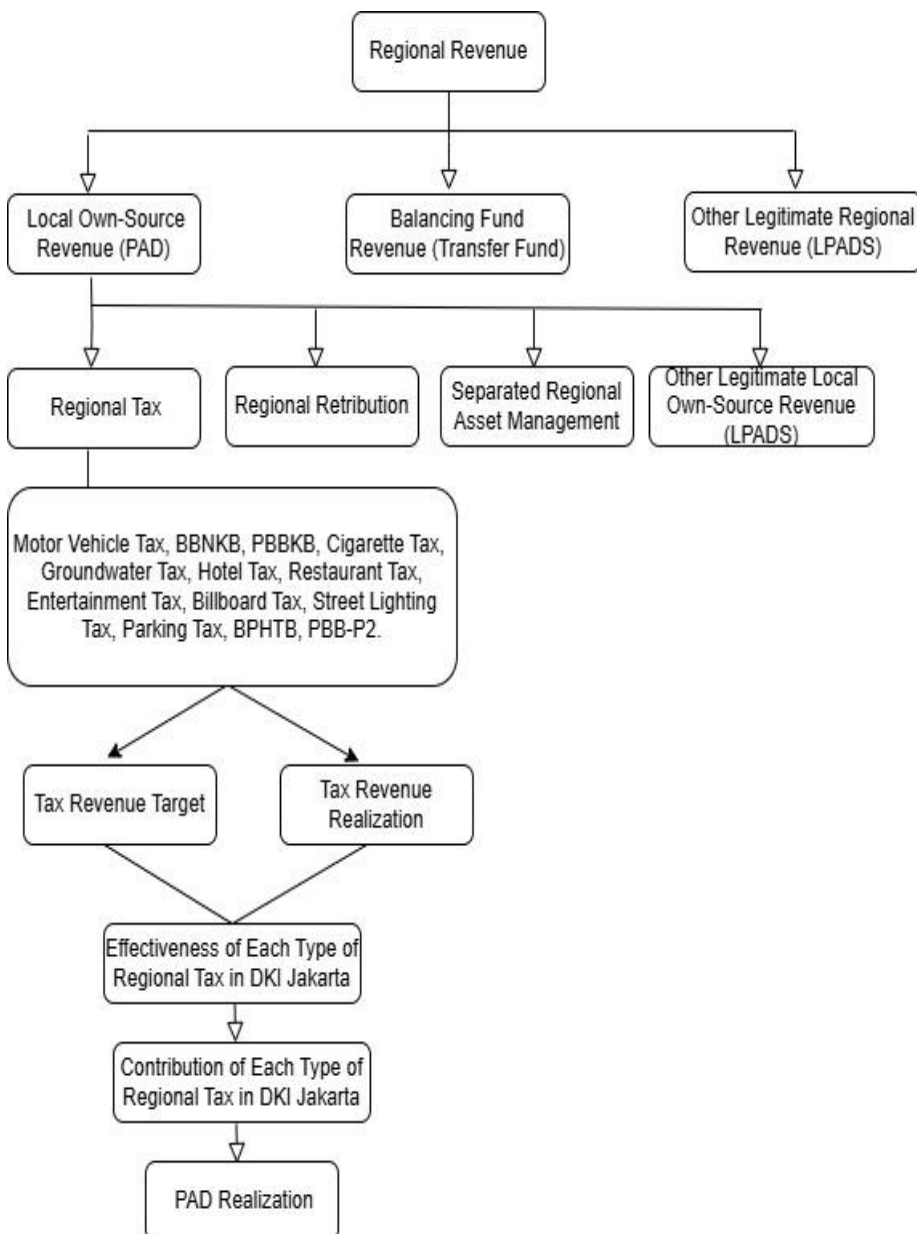

Figure 1. Framewor

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3. Methods

3.1. Sample procedure

This formal study employs a qualitative descriptive strategy to describe existing phenomena without manipulating data. The object of the research is the taxes collected by the DKI Jakarta Provincial Government per the Republic of Indonesia Law No. 28 of 2009, including various tax types such as Motor Vehicle Tax (PKB), Motor Vehicle Name Transfer Fee (BBNKB), and Motor Vehicle Fuel Tax (PBBKB), among others. The study analyzes tax effectiveness by comparing target data and tax realization and each tax type's contribution to the Regional Original Income (PAD) of DKI Jakarta during and before the COVID-19 pandemic.

3.2. measurement

Effectiveness Analysis

According to Siahaan (2016:305), the calculation of tax is determined using the following formula:

Tax Payable $=$ Tax $\times$ Tax Base

Here, the tax base refers to a specific value that serves as the basis for calculating the amount of tax that needs to be collected. Halim (2007:234) explains that the effectiveness ratio measures the local government's capability to achieve the planned Regional Original Income compared to the target established based on regional potential. The formula for calculating the effectiveness ratio is as follows:

$$\text{Effectiveness Ratio} = \frac{\text{Realized PAD}}{\text{Target PAD}} \times 100\%$$

A higher effectiveness ratio indicates better performance in achieving revenue targets. A 100% or more ratio signifies that the region has effectively met its responsibilities. Local tax effectiveness can be categorized as follows (Memah, 2013):

Table 1. Effectiveness Level Criteria

Effectiveness Percentage	Criteria
>100%	Very effective
90% - 100%	Effective
80% - 90%	Effective enough
60% - 80%	Less effective
<60%	Ineffective

Source: Memah, (2013)

Contribution Analysis

Contribution analysis measures the extent to which local tax revenues contribute to PAD. This involves comparing actual local tax revenues to PAD using a formula derived from the BUMD contribution degree formula, as proposed by Mahmudi (2019:143):

$$\text{Effectiveness Ratio} = \frac{\text{Local Tax Revenue}}{\text{PAD}} \times 100\%$$

The criteria for evaluating the contributions of hotel and restaurant taxes to PAD.

Table 2. Contribution Rate Criteria

Contribution Percentage	Criteria
0.00% - 10%	Very low
10.00% - 20%	Insufficient
20.00% - 30%	Moderate
30.00% - 40%	Fairly good
40.00% - 50%	Good
>50%	Very good

Source: Dipdagri, Ministry of Home Affairs No. 690,900,327inPuspitasari & Rohman, (2014)

4. Results and Discussion

DKI Jakarta, as the capital city of Indonesia, is the center of government, industrial, and economic activities, generating significant revenue through various local taxes such as Motor Vehicle Tax and Hotel Tax. However, the COVID-19 pandemic that began in early 2020 has adversely affected these revenues due to the closure of entertainment venues and hotels. Taxes collected by provincial and city governments, including Ground Water Tax and Advertising Tax, are crucial for increasing regional income and supporting infrastructure development. This study compares the planned and realized local tax revenues in DKI Jakarta before and during the pandemic by analyzing data from 2019 and 2020.

Analysis of Targets and Realization of Regional Taxes to DKI Jakarta's

The effectiveness of motor vehicle tax in DKI Jakarta Province was assessed by comparing revenue realization against targets set by the regional government from 2019 to 2020. In 2019, the target was surpassed, achieving a 100.50% realization, which was categorized as very effective. However, in 2020, the effectiveness fell to 98.36%, which was still classified as effective. This decline is attributed to the COVID-19 pandemic, which led to significant income losses for individuals, resulting in layoffs and decreased disposable income for tax payments.

Similarly, the effectiveness of the motorized vehicle title transfer tax was analyzed between 2019 and 2020. Despite an overall decrease in target and realization, the effectiveness percentage improved from 95.64% in 2019 to 98.83% in 2020, averaging 97.24% for the two years. This increase hints at a shift in behavior under economic strain. Finally, the motor vehicle fuel tax saw its effectiveness rise from 99.04% in 2019 to 104.75% in 2020, averaging 101.90%. Despite reduced revenue targets, the rise in percentage indicates changes due to lockdowns, which significantly curtailed community mobility and affected fuel purchases.

Based on the analysis of the effectiveness of cigarette tax in the DKI Jakarta Province, it can be seen that from 2019 to 2020, there was an increase in both the target and realization of cigarette tax. The target for cigarette tax in 2019 was achieved with a percentage of 98.40%, while in 2020, this figure soared to 115.04%. The average effectiveness percentage for both years is 106.72%, indicating that the cigarette tax is classified as very effective. The rising public interest influences this increase in cigarette targets, as people spent more time at home during the COVID-19 pandemic.

In contrast, the effectiveness of groundwater tax shows a decline from 2019 to

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2020, although it remains in the very effective category with an average percentage of 109.41%. In 2019, groundwater tax exceeded its target with a percentage of 114.04%, but in 2020 it decreased to 104.77%. This decline is caused by restrictions on public activities during the COVID-19 pandemic, which directly affected groundwater consumption. Meanwhile, for hotel and restaurant taxes, although both target and realization decreased, their effectiveness percentages remained high; the restaurant tax averaged 103.05%, and the hotel tax averaged 104.90% during the same period.

Table 3. Data on Target and Realization for 2019 – 2020

No	Year	Target (IDR)	Realization (IDR)	Percentage	Information
	Motor Vehicle Tax				
1	2019	8,800,000,000,000,000	8,844,178,984,721	100.50%	Very Effective
	2020	8,000,000,000,000,000	7,868,574,912,309	98.36%	Effective
		Average		99.43%	Effective
	Motor Vehicles Transfer of Names Tax				
2	2019	5,650,000,000,000,000	5,403,535,434,750	95.64%	Effective
	2020	3,700,000,000,000,000	3,656,881,209,102	98.83%	Effective
		Average		97.24%	Effective
	Motor Vehicle Fuel Tax				
3	2019	1,275,000,000,000	1,262,748,852,467	99.04%	Effective
	2020	950,000,000,000	995,172,001,980	104.75%	Very Effective
		Average		101.90%	Very Effective
	Cigarette Tax Revenue				
4	2019	620,000,000,000	610,105,644,656	98.40%	Effective
	2020	690,000,000,000	793,750,217,612	115.04%	Very Effective
		Average		106.72%	Very Effective
	Groundwater Tax Revenue				
5	2019	110,000,000,000	125,442,449,994	114.04%	Very Effective
	2020	75,000,000,000	78,580,120,921	104.77%	Very Effective
		Average		109.41%	Very Effective
6	**Hotel Tax**				
	2019	1,800,000,000,000	1,768,198,141,531	98.23%	Effective
	2020	675,000,000,000	753,130,213,122	111.57%	Very Effective
		Average		104.90%	Very Effective
	Restaurant Tax				
7	2019	3,550,000,000,000	3,615,263,427,925	101.84%	Very Effective
	2020	1,850,000,000,000	1,928,792,092,112	104.26%	Very Effective
		Average		103.05%	Very Effective

Source: Bapenda DKI Jakarta, (2020)

Table 4 illustrates the various tax revenues in DKI Jakarta during 2019 and 2020, allowing us to draw insights regarding the effectiveness of different tax categories. The analysis delves into the effectiveness of the entertainment tax, rural and urban land, building tax, and original regional income, providing a comprehensive overview of how the COVID-19 pandemic impacted each.

Table 4. Data on Target and Realization for 2019 – 2020

No	Year	Target (IDR)	Realization (IDR)	Percentage	Information
	Entertainment Tax				
1	2019	850,000,000,000	860,666,265,952	101.25%	Very Effective
	2020	215,000,000,000	220,236,179,912	102.44%	Very Effective
		Average		101.85%	Very Effective
	Advertising Tax				
2	2019	1,050,000,000,000	1,079,492,802,701	102.81%	Very Effective
	2020	775,000,000,000	827,481,092,316	106.77%	Very Effective
		Average		104.79%	Very Effective
	Road Lighting Tax				
3		810,000,000,000	814,112,934,989	100.51%	Very Effective
	2020	775,000,000,000	778,742,101,293	100.48%	Very Effective
		Average		100.50%	Very Effective
	Parking Tax				
4	2019	525,000,000,000	537,128,072,254	102.31%	Very Effective
	2020	325,000,000,000	337,697,812,309	103.91%	Very Effective
		Average		103.11%	Very Effective
	Acquisition of Rights on Land and Buildings Tax				
5	2019	9,500,000,000,000	5,735,504,432,533	60.37%	Less Effective
	2020	5,000,000,000,000	4,681,627,930,420	93.63%	Effective
		Average		77.00%	Less Effective
	Rural and Urban Land and Building Tax				
6	2019	10,000,000,000,000	9,642,572,899,294	96.43%	Effective
	2020	9,400,000,000,000	8,976,104,128,683	95.49%	Effective
		Average		95.96%	Effective
	DKI Jakarta Regional Original Revenue				
7	2019	50,984,329,154,000	45,702,448,343,767	89.64%	Effective Enough
	2020	38,035,980,000,000	37,438,190,012,091	98.43%	Effective
		Average		94.04%	Effective

Source: Bapenda DKI Jakarta, (2020)

The effectiveness of the entertainment tax in DKI Jakarta was assessed by comparing the revenue realization against the set targets during 2019 and 2020. Although the targets and actual revenues decreased from 2019 to 2020, the achievement percentage improved, with 2019 at 101.25% and 2020 rising to 102.44%. The average effectiveness over these two years was 101.85%, categorizing it as very effective. However, the decline in actual revenue was primarily due to the closure of entertainment venues during the COVID-19 pandemic, driven by the PSBB regulations implemented by the local government.

In contrast, the effectiveness of the rural and urban land and building tax in DKI Jakarta displayed different dynamics. The effectiveness level was calculated by comparing the realization of tax revenue against the targets set by the local government. In 2019, the target reached 96.43%, categorized as effective. However, in 2020, the target and realization declined to 95.49%, reflecting the challenges posed by the pandemic. This decline was primarily attributed to the government's provision of PBB-P2 tax incentives for businesses impacted by COVID-19, including discounts and a tax rate increase freeze.

Similarly, DKI Jakarta's original regional income (PAD) effectiveness was evaluated comparably. The findings revealed that PAD achievement declined from 89.64% in 2019 to lower levels in 2020 despite an increase in percentage realization to 98.43%. This trend was significantly influenced by the pandemic, as the implementation of Large-Scale Social Restrictions (PSBB) limited community activities and adversely affected tax collection efforts.

Analysis of the Contribution of Regional Taxes to DKI Jakarta's PAD

The analysis presented in Table 5 highlights the varying contributions of taxes to the PAD of DKI Jakarta during 2019 and 2020, which were significantly affected by the COVID-19 pandemic. Different tax categories experienced distinct trends, showcasing the pandemic's profound impact on local revenue.

Table 5. Contribution to DKI Jakarta Regional Original Income in 2019-2020

No	Year	Realization of Tax (IDR)	Realization of Regional Original Income (IDR)	Contribution (%)	Criteria
	Motor Vehicle Tax (PKB)				
1	2019	8,844,178,984,721	45,702,448,343,767	19.35%	Not enough
	2020	7,868,574,912,309	37,438,190,012,091	21.02%	Currently
		Average		20.19%	Currently
	Transfer of Ownership Tax (BBNKB)				
2	2019	5,403,535,434,750	45,702,448,343,767	11.82%	Not enough
	2020	3,656,881,209,102	37,438,190,012,091	9.77%	Very Less
		Average		10.80%	Not enough
	Motor Vehicle Fuel Tax (PBBKB)				
3	2019	1,262,748,852,467	45,702,448,343,767	2.76%	Very less
	2020	995,172,001,980	37,438,190,012,091	2.66%	Very less
		Average		2.71%	Very less
	Cigarette Tax				
4	2019	610,105,644,656	45,702,448,343,767	1.33%	Very less
	2020	793,750,217,612	37,438,190,012,091	2.12%	Very less
		Average		1.73%	Very less
	Groundwater Tax (PAT)				
5	2019	125,442,449,994	45,702,448,343,767	0.27%	Very less
	2020	78,580,120,921	37,438,190,012,091	0.21%	Very less
		Average		0.24%	Very less
	Hotel Tax				
6	2019	1,768,198,141,531	45,702,448,343,767	3.87%	Very less
	2020	753,130,213,122	37,438,190,012,091	2.01%	Very less
		Average		2.94%	Very less

Source: Processed data

The contribution of the motor vehicle tax to PAD increased from 19.35% in 2019 to 21.02% in 2020. However, despite this percentage rise, the revenue generated from the motor vehicle tax in 2020 was lower than in 2019. Additionally, the transfer of title tax for motor vehicles decreased, with its contribution dropping from 11.82% in 2019 to 9.77% in 2020, indicating reduced effectiveness. This downward trend aligns with the local tax targets set by the DKI Jakarta government in response to the pandemic, which significantly

impacted public activities and overall revenue collections.

Conversely, the contribution of the motor vehicle fuel tax was recorded at 2.76% in 2019, decreasing to 2.66% in 2020. This indicates that the motor vehicle fuel tax also remains very low, attributed to reduced fuel consumption during the pandemic. The contribution of cigarette tax increased from 1.33% in 2019 to 2.12% in 2020 but fell into the very low category, with an average contribution of only 1.73% over the two years. The increase in the cigarette tax target for 2020 was related to growing public interest in cigarettes as people spent more time at home.

Lastly, the contribution of groundwater tax also declined, from 0.27% in 2019 to 0.21% in 2020. With an average contribution of only 0.24%, groundwater tax represented one of the minor contributions to the PAD of DKI Jakarta during these two years. Overall, this analysis demonstrates that the COVID-19 pandemic significantly affected the contribution of various types of taxes to the PAD of DKI Jakarta.

The decline in hotel tax contributions highlights the broader impact of the COVID-19 pandemic on DKI Jakarta's tourism and service sectors. The closure of hotels and public venues has led to a significant drop in revenue, reducing tax income for the local government. Recovery will take time and require strategies, such as hotel incentives, to attract visitors. Without these measures, hotel tax contributions are expected to remain low, adversely affecting DKI Jakarta's total Regional Original Revenue.

The COVID-19 pandemic significantly impacted PAD in DKI Jakarta, leading to declines across various tax sectors. According to data from Table 6, restaurant tax contributions decreased from 7.91% in 2019 to 5.15% in 2020, averaging only 6.53% and classified as very poor. This decline was caused by the government's policy to close restaurants to curb virus transmission. Similarly, entertainment tax contributions fell from 1.88% to 0.59%, averaging only 1.24%, due to the closure of entertainment venues. Advertisement tax also declined from 2.36% in 2019 to 2.21% in 2020, with an average of 2.29%, as businesses shifted to more affordable internet-based advertising, which is not subject to advertisement tax.

Meanwhile, street lighting tax contributions increased slightly from 1.78% in 2019 to 2.08% in 2020. However, overall revenue was lower due to reduced electricity usage by offices and campuses temporarily closed during the large-scale social restrictions (PSBB). Parking tax contributions also declined from 1.18% to 0.90%, averaging 1.04%, as the government encouraged using public transportation to reduce congestion.

On the other hand, the BPHTB tax remained relatively stable, contributing 12.55% in 2019 and 12.50% in 2020, with an average of 12.53%. Nevertheless, the government lowered the revenue target due to the unpredictability of property transactions. Lastly, the PBB-P2 tax increased from 21.10% to 23.98%, averaging 22.54%, making it the most significant contributor to regional tax revenue. Despite this, the government reduced the revenue target and provided a 50% tax discount for businesses affected by the pandemic.

Table 6. Contribution to DKI Jakarta Regional Original Income in 2019-2020

No	Year	Realization of Tax (IDR)	Realization of Regional Original Income (IDR)	Contribution (%)	Criteria
	Restaurant Tax				
1	2019	3,615,263,427,925	45,702,448,343,767	7.91%	Very less
	2020	1,928,792,092,112	37,438,190,012,091	5.15%	Very less
		Average		6.53%	Very less
	Entertainment Tax				
2	2019	860,666,265,952	45,702,448,343,767	1.88%	Very less
	2020	220,236,179,912	37,438,190,012,091	0.59%	Very less
		Average		1.24%	Very less
	Advertisement Tax				
3	2019	1,079,492,802,701	45,702,448,343,767	2.36%	Very less
	2020	827,481,092,316	37,438,190,012,091	2.21%	Very less
		Average		2.29%	Very less
	Street Lighting Tax (PPJ)				
4	2019	814,112,934,989	45,702,448,343,767	1.78%	Very less
	2020	778,742,101,293	37,438,190,012,091	2.08%	Very less
		Average		1.93%	Very less
	Parking Tax				
5	2019	537,128,072,254	45,702,448,343,767	1.18%	Very less
	2020	337,697,812,309	37,438,190,012,091	0.90%	Very less
		Average		1.04%	Very less
	Customs Duty on Land and Building Rights (BPHTB)				
6	2019	5,735,504,432,533	45,702,448,343,767	12.55%	Not enough
	2020	4,681,627,930,420	37,438,190,012,091	12.50%	Not enough
		Average		12.53%	Not enough
	Rural and Urban Land and Building Tax (PBB-P2)				
7	2019	9,642,572,899,294	45,702,448,343,767	21.10%	Currently
	2020	8,976,104,128,683	37,438,190,012,091	23.98%	Currently
		Average		22.54%	Currently

Source: Processed data

Obstacles Faced by the DKI Jakarta Regional Government BPKD in Collecting Regional Taxes

The collection of local taxes in DKI Jakarta includes motor vehicle taxes, motor vehicle transfer fees, motor vehicle fuel taxes, cigarette taxes, groundwater taxes, hotel taxes, restaurant taxes, entertainment taxes, advertising taxes, street lighting taxes, parking taxes, land and building rights acquisition fees, and rural and urban land and building taxes. However, there have been several challenges in collecting these taxes, particularly since the onset of the COVID-19 pandemic.

The pandemic led to the closure of most public places and facilities in DKI Jakarta, including offices, schools, campuses, tourist attractions, and other venues. This significantly reduced community activities, directly impacting Indonesia's economy, particularly in the DKI Jakarta area. Many factories and offices temporarily shut down, resulting in workforce reductions through layoffs or dismissals, often without severance

pay. Consequently, public participation in tax compliance has diminished as individuals struggle to meet their basic needs with decreased incomes.

5. Conclusion

This study shows that the analysis of regional tax revenues in DKI Jakarta indicates that the land and building tax is the most significant contributor to Original Local Revenue, averaging 22.54%. Conversely, the land and building rights acquisition tax has the lowest effectiveness at 77%. The COVID-19 pandemic in early 2020 significantly impacted various tax categories, resulting in a noticeable decline in contributions to Original Local Revenue. For example, entertainment tax revenues decreased by 74.41% from 2019 to 2020. On a more positive note, the cigarette tax increased by 30.1%.

In light of this situation, local governments must improve public outreach regarding the importance of paying local taxes. Such initiatives will encourage taxpayer compliance and help sustain and increase contributions from each type of local tax in DKI Jakarta over time. Additionally, by maximizing tourism potential and implementing strict health protocols throughout the pandemic, the government can turn this sector into a significant source of Original Local Revenue, thereby supporting future regional development and community welfare.

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Constitution

Law Number 34 of 2000 concerning the types and rates of taxes that can be collected by local governments

Law Number 33 of 2004 Article 1 number 18 concerning Regional Original Revenue

Law Number 16 of 2009 concerning general provisions and tax procedures RI Law No. 28 of 2009 concerning Regional Taxes and Levies

Declarations

Conflicts of interest/ Competing interests:

The authors have no conflicts of interest to declare that are relevant to the content of this article.

Data, Materials and/or Code Availability:

Data sharing is not applicable to this article as no new data were created or analyzed in this study.