

Implementation of West Java Governor Regulation Number 910/Kep.883-Bapenda/2021 concerning Recipients and Amount of Regional Levy Collection Incentive Payments in West Java

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Abstract

The purpose of this research is to investigate and assess the scope of the Regional Revenue Agency and how taxpayers react to this policy. This study's data analysis consists of data reduction, data display, and generating conclusions. The study's findings demonstrate how the West Java Regional Revenue Agency's deployment of regional tax incentive policies can help to accelerate the response to the impact of Covid-19 and achieve community economic stability. Internal and external variables limit the implementation of regional tax incentives, with internal factors impacted by current conditions at the Regional Revenue Agency and external factors influenced by the community, specifically taxpayers. The findings of this study indicate that various hurdles remain in the implementation of regional tax incentive plans. Based on factors of communication, resources, disposition, and organizational structure.

Keywords: implementation, incentives, retribution

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1. Introduction

Many taxpayers are expected to be unable to pay taxes as a result of the Covid-19 pandemic's impact on income in the current economic climate. Tax collection should primarily focus on the principle of convenience, which states that tax payments should be made when the taxpayer is in a pleasant or convenient situation. Then tax collection should be based on the ability to pay principle, which means that it should consider the population's ability to pay taxes.

The Covid-19 pandemic requires the government to spend a significant amount of money to combat it, which comes from taxation. However, economic conditions are currently paralyzed, which is extremely imprudent if the government continues to impose taxes on the population. The government then implemented a number of strategies, one of which was to provide tax breaks as a strategy for dealing with Covid 19. Tax incentives include tax exemptions, reductions or credits for certain taxes, special tax rates, and deferred tax responsibilities. So far, tax breaks have been granted to encourage investment in capital. Meanwhile, in this scenario, tax incentives are utilized as a type of countermeasure to ensure that the economy runs smoothly.

The Covid-19 pandemic has had an impact on the economy because policies such as Work From Home (WFH) and Physical Distancing have immobilized it, particularly the business and public sectors. Various sectors are facing challenges, including the inability to pay for operating activities and personnel payments. As a result of economic uncertainty, citizens are unable to pay their taxes. In this situation, the government need significant funding to cope with the pandemic, despite the fact that one of the government's resources comes from taxes collected on the public. However, given this stagnant economic situation, it would be unwise to continue burdening the population with taxes.

2. Literature Review and Hypothesis

Implementation

The most important stage of the public policy process is policy implementation. The term "implementation" simply means execution or implementation. Meanwhile, Lester and Stewart in Winarno (2016:134) define implementation as the process of putting rules into action through actors, organizations, procedures, technical implementation, and the achievement of policy objectives. Winarno (2016: 134) defines implementation as a process, outcome, and influence. Implementation as a process refers to a succession of decisions and actions taken to carry out decisions made by the legislative body. Implementation as an output context refers to how much support the targeted goals have. Meanwhile, implementation as an impact indicates a shift in programs, laws, and judicial rulings.

According to Ripley and Franklin (2016: 134), implementation is the step after the law is established that authorizes programs, regulations, benefits, and real output, including the acts of bureaucrats to manage the program. This research's implementation takes place within a public policy framework. Before we can discuss policy execution, we need to comprehend the policy itself. According to Thomas R. Dye in Subarsono (2010: 2), policy is everything that the government decides to do or not do. So, public policy is the study of the repercussions of government acts, such as how, why, and what.

According to Carl Frederic in Winarno (2016: 20), policy is a suggestion for action from individuals, groups, or the government within a specific scope that creates barriers and opportunities in order to achieve specific goals and objectives. Based on the description provided above, policies are actions taken or not taken by the government in accordance with applicable laws and regulations in order to achieve specific goals and address a public concern. The scope of public policy includes a variety of sectors, including development, education, agriculture, health, transportation, and defense. Meanwhile, it encompasses national, regional, and local public policies, including laws, government regulations, province government regulations, and district/city government regulations. According to George Edward III in Winarno (2016:156), there are four variables that influence the policy implementation process, which are as follows:

1) Communication.

Communication refers to how policies are communicated to organizations and/or the general public, as well as the attitudes and responses of those involved. The goal of communication is to ensure that all people involved in decision-making understand what they need to do.

a) Transmission

Before implementing a decision, officials must be informed of it and give an order to carry it out.

b) Clarity

Policy implementers must not only accept implementation instructions; they must also communicate the policy clearly.

c) Consistent

Consistent and explicit implementation directives ensure effective policy execution.

2) Resources.

Resources are required for effective policy implementation. This means that if implementation orders are carefully, explicitly, and consistently communicated, they must be accompanied by enough resources.

a) Staff

The number of people involved in implementing policies must be sufficient. However, it is not only about adequacy, but also about the abilities of the personnel involved.

b) Authority

To be successful, effective authorities must work collaboratively with other implementers.

c) Information

Implementing information policies requires knowledge and expertise. As a result, instructions for putting the policy into action must be provided.

d) Facility

Facility Proper facilities and equipment are necessary to support enough staffing.

3) Tendencies and Dispositions

If implementers are favorable to a certain policy, which indicates support, they are more likely to implement the policy as desired by the initial decision makers. If the conduct of implementers differs from that of decision makers, the process of enacting a policy becomes more complicated. a. Bureaucratic appointments

Political influences in the hiring of high-ranking officials will impede efficient policy implementation. This means that appointing officials for other purposes in order to placate particular groups will destroy the policy. a. Offer an incentive One suggested strategy for overcoming implementers' inclinations is to adjust incentives. Increasing specific advantages or expenses can encourage implementers to carry out directives well.

4) Bureaucratic Structure.

a) Standard Operating Procedures (SOP) SOPs are an internal response to implementers' limited time and resources, as well as the demand for consistency in collaboration among vast and diverse enterprises.

b) Fractionation Pressures from outside the bureaucratic units, as well as the nature of acts influencing the government bureaucratic organization, contribute to fragmentation.

TAX

Tax (from Latin *taxo*; "rate") is an obligatory contribution to the state owing by an individual or corporation that is imposed by law, without getting direct remuneration, and is utilized for public purposes in order to maximize people's prosperity. Taxes are levied in accordance with legislative standards to cover the costs of producing communal goods and services for the benefit of the general public. Refusal to pay, evasion, or resistance to taxes is generally considered a violation of the law. Taxes are either direct or indirect, and they can be paid with money or equal-valued work tolls are monetary tolls imposed by local governments, such as cities, districts, or provinces, as a form of payment. Aside from regional taxes, levies are a viable source of funding for an area. Meanwhile, according to Law No. 28 of 2009, levies are regional levies collected in exchange for specific services or privileges supplied and/or granted by the regional government for the benefit of individuals or companies.

According to Siahaan (2013:6), taxes are levies placed on the public by the state based on legislation and owing by individuals who are obligated to pay them without receiving direct remuneration, and they are used to fund government administration and development. Prof. Dr. P. J. A. Adriani defines tax in Widyaningsih (2013: 2) as: "Tax is a contribution to the State (can be enforced) which is paid by those who are obliged to pay it according to regulations without getting any return which can be directly appointed and whose purpose is to finance related general expenses. with the State's duty to administer government."

Prof. Dr. Rochmat Soemitro, SH, defines tax in Mardiasmo (2011:1). Taxes are people's contributions to the state treasury based on law (enforced) without obtaining reciprocal services (cotraperception) that can be directly shown and used to pay for public expenses. Meanwhile, Sommerfeld Ray M., Anderson Herschel M., and Brock Horace R explain in Widyaningsih (2013:2) that tax is a transfer of resources from the private to the government sectors, as an obligation that must be carried out in accordance with stipulated provisions without receiving compensation in return. direct and proportional, allowing the government to carry out its tasks as a government.

According to experts, tax is a contribution imposed on society with specific provisions, the collection of which is general in nature, and the benefits cannot be felt directly, but all levels of society can feel the benefits in all fields with the goal of societal welfare. This ensures that the state treasury always contains tax revenue. Furthermore, legislation-based taxation ensures taxpayers' justice and legal certainty. According to Mardiasmo (2011:2), taxes have two functions: as a source of revenue to pay the state's operations (budget) and as a tool to promote economic and social stability through government policies. Meanwhile, tax collection must be fair, legal, and efficient, without disrupting

the economy. Mardiasmo (2011:2) states that the following conditions must be completed in order to collect tax:

1) Justice

- a. Taxes are levied in a consistent, equitable, and capability-based manner. The law requires that tax collection be equitable.
- b. Juridical, Tax collection follows applicable laws to ensure fairness.
- c. Economic Financial tax collection does not have a negative impact on the local economy.
- d. Financial: Tax collection expenses must be less than the collected amount.
- e. Simple, Make it easier for people to meet their tax obligations.

Tax incentives

Quoting from the UN (United Nations) publication *Tax Incentives for Foreign Direct Investment* (2000), which defines tax incentives as any incentives that reduce a company's tax burden in order to attract investment in specific projects or sectors. The incentive tax is implemented by offering facilities or lowering tax rates on income, tax holidays, carrying over tax losses, and lowering rates on equipment, components, and raw materials. Aside from that, tax breaks can take the shape of higher import duties on items to protect the home market against imported products. According to the Director General of Taxes' official website, tax incentives are commonly employed by developing countries such as Indonesia to encourage international investment. However, tax incentives cannot totally impact the flow of investment to a country, but they can assist boost a country's tax portfolio in the eyes of investors.

According to Easson and Zolt (2003:3) in a paper prepared for a World Bank Course on Practical Issues of Tax Policy in Developing Countries, Tax Incentives are an exception to the imposition of tax, tax exemption, reduction or credit of certain taxes, special tax rates, or tax obligations that have been suspended. Winardi (2011:255) defines tax incentives as Incentive Taxation, which means "taxation with the purpose of providing incentives." Taxation is used not simply to generate revenue for the government, but also to foster economic development in specific areas." Spitz in Erly Suandy (2006:18) usually defines four categories of tax incentives:

- a) Exemption from taxes This form of incentive grants taxpayers the right not to be taxed for a set amount of time decided by the government.
- b) Reduction in the tax base. This type of incentive is typically provided in the form of tax-deductible expenses.
- c) Tax rate lowering This incentive takes the form of a reduction in tax rates, from generally applicable rates to government-regulated special rates.
- d) Taxation deferral This form of incentive is typically given to taxpayers so that they can defer tax payments until a specific date.

According to the description above, regional tax incentives are policies enacted by the regional government in the form of reductions and exemptions from regional tax rates, subject to regional laws. In general, regional tax breaks are utilized to encourage investors to invest cash. However, in this case, the purpose is different: to provide assistance to the public as taxpayers as a result of the Covid-19 pandemic. The major purpose is to keep the regional economy stable. So that community welfare might be realized.

3. Method

In this work, the author employed a literature review writing methodology. The literature study approach is a set of activities that include procedures for acquiring library data, reading and taking notes, and managing research resources (Zed, 2008:3).

4. Results and Discussion

In this case the author conducted research on the implementation of the Decree of the Governor of West Java Province Number 910/Kep.883Bapenda/2021 concerning Recipients and Amounts of

Regional Retribution Collection Incentive Payments. An overview of the operationalization of research focus in the following table:

Table 1 Operationalization of Research Focus

Focus	Indicator	Sub-Indicator
Implementation Decision Governor Java Province West No 910/Kep.883 Bapenda/2021 concerning	1. Communication	A. Transmission
		B. Consistency of Implementation
		C. Communication Clarity
	2. Resources	A. Staff
		B. Authority
		C. Information
Recipient and Size Payment Incentive Collection Retribution Area	3. Disposition	D. Facility
		A. Bureaucratic Appointments
	4. Bureaucracy Structure	B. Incentive
		A. Fragmentation
		B. SOUP

Source: Based on Edward III's notion of naming. The following describes the discussion of this research in accordance with this theory:

- 1) Communication.
 - a) Transmission

The Governor of West Java Province has issued Decree 910/Kep.883-Bapenda/2021 concerning Recipients and Amounts of Regional Levy Collection Incentive Payments, which must be implemented in all regional apparatus organizations in West Java Province that provide levy collection services. The West Java Provincial Revenue Agency publicized this law with clear information and will remind everyone to apply it at the end of each year.
 - b) Clarity

The Governor of West Java Province's Decree Number 910/Kep.883-Bapenda/2021 Concerning Recipients and Amounts of Regional Retribution Collection Incentive Payments has been clearly prepared, with the policy regulating the amount of incentives received and who is eligible to receive them.
 - c) Consistent.

Regional officials who collect levies are provided with an understanding of the Governor of West Java Province's Decree 910/Kep.883-Bapenda/2021 concerning the recipients and amounts of Regional Levy Collection Incentive Payments.
- 2) Resources.
 - a) Staff

Personnel involved in policy execution include revenue management staff from the Regional Revenue Agency and treasury staff from the Regional Financial and Asset Management Agency. Revenue management personnel ensures that revenue targets are met by conducting quarterly reconciliations, and treasury staff distributes incentives to regional levy collectors.
 - b) Authority.

The Revenue Management Sector ensures target achievement by reconciling with regional levy collecting apparatus and publishing reconciliation minutes. These minutes are used as evidence for incentive disbursement by the Management Body's Treasury Sector, Regional Finance and Assets.
 - c) Information

The Governor of West Java Province's Decree 910/Kep.883-Bapenda/2021 addressing the recipients and amounts of Regional Retribution Collection Incentive Payments has been clearly implemented. However, there is insufficient cooperation between the Regional Revenue

Agency and the Regional Financial and Asset Management Agency in the implementation of this policy. The Regional Revenue Agency does not explain the budget or retribution revenue targets utilized to calculate incentives, whether in the basic or updated budgets.

- d) Facilities
West Java Province's Governor's Decree 910/Kep.883Bapenda/2021 on Regional Levy Collection Incentive Payments has been effectively implemented. Regional Revenue Agency staff have received inquiries about the policy via social media.
- 3) Tendencies and Dispositions
 - a) Bureaucratic appointments
To ensure the implementation of the West Java Province Governor's Decree 910/Kep.883-Bapenda/2021 on Recipients and Amounts of Regional Retribution Collection Incentive Payments, stakeholders must completely grasp and coordinate the policy.
 - b) Offer an incentive
West Java Province's Governor's Decree 910/Kep.883Bapenda/2021 intends to boost levy collectors' morale and improve their performance.
- 4) Standards and Bureaucratic Structure
 - a) Standard Operating Procedures (SOP)
The implementation of the Governor of West Java Province's Decree 910/Kep.883Bapenda/2021 concerning Recipients and Amounts of Regional Retribution Collection Incentive Payments has resulted in a simplification of bureaucracy, necessitating a review of the employees eligible for incentives.
 - b) Fractionation
There are overlaps in the implementation of the Governor of West Java Province's Decree 910/Kep.883Bapenda/2021 concerning Recipients and Amounts of Regional Levy Collection Incentive Payments, which specifies the positions eligible for incentives. However, according to Governor's Regulation Number 10 of 2022 concerning Additional Income for Civil Servants in the Regional Government of West Java Province, financial managers who are eligible for this incentive cannot receive it because they already receive additional income based on their workload.

5. Conclusion

Based on the analysis in the debate, the author draws the following conclusion:

- 1) The implementation of West Java Province's Decision 910/Kep.883-Bapenda/2021 regarding Regional Retribution Collection Incentive Payments has been successful, as measured by George C. Edward III's theory. Specifications have been met in communication, resources, and bureaucratic structure.
- 2) There are internal obstacles The Governor of West Java Province issued Decree 910/Kep.883-Bapenda/2021 on the recipients and amount of Regional Levy Collection Incentive Payments, which is as follows:
 - a) Information The income targets for implementing Decree 910/Kep.883-Bapenda/2021 concerning recipients and regional levy collection incentive payments are unclear. Additionally, there is a lack of coordination between the Regional Revenue Agency and the Regional Financial and Asset Management Agency.
 - b) Fractionation The West Java Province Governor's Decree 910/Kep.883-Bapenda/2021 regarding Recipients and Amount of Collection Incentive Payments and Regional Levy overlaps with Regulations Governor Number 10 of 2022 concerning Additional Income for Employees and Civil Affairs within the Regional Government of West Java Province. These two policies overlap in the sense that they both provide incentives to financial managers.
- 3) There are decision-supportive elements. West Java Province Governor's Number 910/Kep.883-Bapenda/2021 identifies the recipients and amounts of Regional Retribution Collection Incentive Payments.

- a) Transmission Policy The Regional Revenue Agency has adopted Decree of the Provincial Governor of West Java Number 910/Kep.883Bapenda/2021 on Regional Levy Collection Incentive Payments for Recipients and Amounts. b. Authority.

The Regional Revenue Agency has the authority to conduct revenue reconciliation to ensure that the regional apparatus is collecting taxes.

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