

The Impact of the Motor Vehicle Tax Award on the Increase of the West Java Province's Locally Generated Revenue

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Abstract

Tax award is expected to be able to trigger the West Java people to pay motor vehicle tax. However, there is still an increase in the number of non-re-registered vehicles. Therefore, the regulation of the tax award needs to be reviewed. This study aims to find a solution so that the award can increase the West Java Province's Locally Generated Revenue and optimize the collection of Motor Vehicle Tax. This study employed a judicial-normative approach that prioritizes library research and the data implementation in practice. It is a descriptive study. It mainly consists of a library research phase, which is the collection of secondary data in the form of primary and secondary legal materials. In addition, to obtain primary data as support, the data is analyzed qualitatively and juridically. The study concludes that the tax award of motorized vehicle tax is correlated directly with the increase of locally generated revenue of the West Java Province. Nevertheless, the award does not substantially affect legal awareness and compliance. In fact, the program does not contribute towards the realization of motor vehicle tax. The main obstacles often felt by the regional income agency in collecting motorized vehicle tax is the low level of awareness and knowledge of the people on taxes. The effort to increase locally generated revenue from the motor vehicle tax sector is represented by programs that indirectly affect legal compliance.

Keyword: implication, motorized vehicle taxes, regulation.

Implikasi Regulasi Pemberian Anugerah Pajak Kendaraan Bermotor (APKB) Terhadap Peningkatan Pendapatan Asli Daerah (PAD) Provinsi Jawa Barat

Abstrak

Pemberian Anugerah Pajak Kendaraan Bermotor (APKB) diharapkan dapat memicu masyarakat Jawa Barat taat membayar Pajak kendaraan Bermotor (PKB), namun masih terjadi peningkatan jumlah Kendaraan Tidak Melakukan Daftar Ulang (KTMDU), maka regulasi pemberian APKB ini perlu ditinjau kembali, sejauh mana regulasi tersebut

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mendukung peningkatan Pendapatan Asli Daerah (PAD) dari sektor PKB. Penelitian ini bertujuan menemukan solusi agar pemberian APKB dapat meningkatkan PAD Provinsi Jawa Barat serta mengoptimalkan pemungutan PKB. Metode penelitian dengan pendekatan yuridis normatif, lebih mengutamakan penelitian kepustakaan serta implementasinya dalam praktek. Spesifikasi penelitian bersifat deskriptif. Tahap penelitian dilakukan melalui penelitian kepustakaan, mengumpulkan data sekunder berupa bahan hukum primer, sekunder, dan penelitian lapangan untuk mendapatkan data primer sebagai penunjang, data dianalisis secara yuridis kualitatif. Berdasarkan hasil penelitian dapat disimpulkan bahwa pemberian APKB meningkatkan realisasi PKB Provinsi Jawa Barat sehingga PAD dari sektor PKB, meskipun tidak menyebabkan peningkatan ketaatan hukum, bahkan tidak berpengaruh terhadap perkembangan realisasi PKB Provinsi Jawa Barat, hambatan yang dialami oleh Badan Pendapatan Daerah (BAPENDA) dalam pemungutan PKB adalah minimnya pengetahuan dan pemahaman masyarakat mengenai pajak, upaya peningkatan PAD dari sektor PKB dilihat dari program yang diimplementasikan sebelumnya yang secara tidak langsung berpengaruh terhadap ketaatan hukum.

Kata kunci: anugerah pajak kendaraan bermotor, implikasi, regulasi.

A. Introduction

Regional autonomy requires regions to carry out regional government to be effective. The law requires that the implementation of regional government is aimed at accelerating the realization of people welfare through the improvement of services, empowerment, and participation; and at increasing regional competitiveness by considering the principles of democracy, equality, justice, and the distinctiveness of an area within the system of the Unitary State of the Republic of Indonesia.¹ Regional financial management should be independent; and, therefore, local governments in Indonesia should be able to explore potentials to increase financial revenues.

In order to increase the regional revenues, local governments have potential sources of income. The sources should not be varied but less potential.² One of the efforts is to increase Locally Generated Revenue (PAD–*Pendapatan Asli Daerah*) from tax sectors, including Motor Vehicle Tax (PKB–*Pajak Kendaraan Bermotor*), as stipulated in the Law Number 28 of 2009 on Regional Taxes and Retributions (Regional Taxes and Retributions Law). The local government of the West Java Province has responded the stipulation by composing the Regulation of the Province of West Java Number 13 of 2011 on Regional Taxes. The regulation emphasizes that in order to improve service to the community and regional

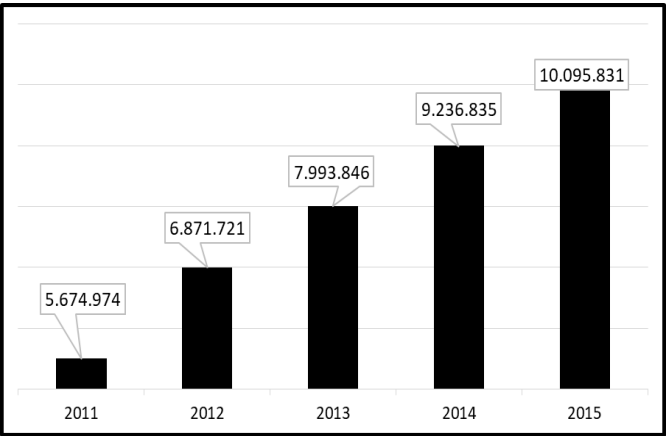
¹ See consideration (b) of Law Number 23 of 2014 on Local Government [*Undang-Undang Nomor 23 Tahun 2014 tentang Pemerintahan Daerah*].

² Darwin, *Pajak Daerah dan Retribusi Daerah*, Jakarta: Mitra Wacana Media, 2010, p. 11.

independence, the Regional Taxes and Retributions Law has been stipulated, so that it is necessary to adjust the West Java’s Regional Regulation of regional taxes.

During 2011 to 2017, more people own motor vehicles. The data shows that the number of motor vehicles from 2011 to 2015 has increased, as well as the average growth potential of motor vehicles during 2014 to 2017.

Figure 1
The Number of Motor Vehicles in 2011 to 2015 in West Java Province³

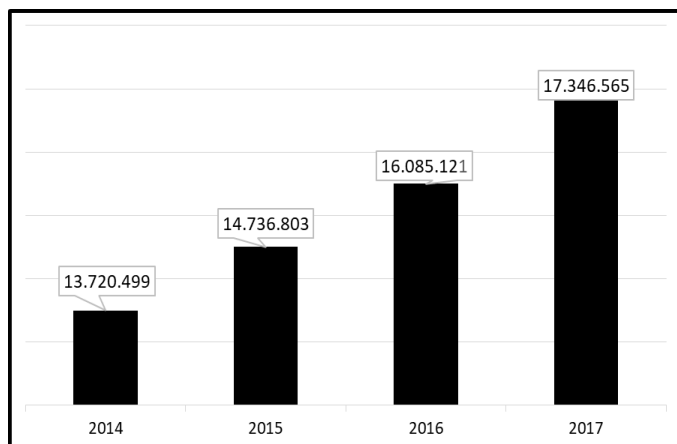


The Figure 1 shows an increase in the number of motor vehicles from 2011 to 2012 for 1,196,747 units. Then, in 2013, there were 1,122,125 units, 1,242,989 units in 2014, and 858,996 units in 2015. It means that there is an increase in the number of motor vehicles for 1.1 million units every year during 2011 to 2015. The growth of the number of motor vehicles did not only happen during 2012 until 2015, but also occurred in subsequent years. It can be seen in Figure 2.

Figure 2
The Growth of Motor Vehicle Potential During 2014 to 2017 in West Java Province⁴

³ See Central Bureau of Statistics West Java Province (Badan Pusat Statistik Jawa Barat), “Statistik Transportasi Jawa Barat”, <https://jabar.bps.go.id/publication/2016/11/23/4e722536df44e7369581d0fd/statistik-transportasi-jawa-barat-2015.html>, accessed on April 2018.

⁴ Section of Field of Planning and Development, “Pengantar Sosialisasi Anugerah Intensifikasi PKB Tahun 2018” [Socialization of the PKB Intensification Award in 2018], Regional Revenue Agency (Bapenda) of West Java Province.



The Figure 2 shows the growth of the number of motor vehicles during 2017 for 12.20% per year, or as many as 1,208 million motor vehicles. It is in line with the addition of 1.3 million new motor vehicles.

The ownership and utilization of motor vehicle are inseparable from various obligations. One of which is the obligation to make PKB payment once in a year.⁵ The West Java Local Government through the Regional Revenue Agency (BAPENDA –*Badan Pendapatan Daerah*) held the award program to increase tax compliance by reducing the number of KTMDU.

The APKB is the realization of the Regulation of the Governor of West Java Number 90 of 2015 on the award of the Motor Vehicle Tax Collection Intensification Award, which is began in 2016. The West Java Government intends to encourage and appreciate the participation of taxpayers, tax-compliance campaigners, regency/city government, district government, and the Office of Regional Revenue Service Branch (CPPD–*Cabang Pelayanan Pendapatan Daerah*) to succeed the intensification of PKB collection.⁶ In essence, the West Java Local Government is trying to enhance people awareness to pay taxes, to increase the PAD, by giving certain award. The award, for instances, are among others (1) 55 automatic motorbike for taxpayers who pay PKB routinely; (2) 6 motorbikes for tax-compliance campaigners who actively encourage awareness of taxpayers; (3) 3 cars for districts that are active in making taxation programs in their area, (4) 3 double cabin cars for regency/city that actively facilitates the achievement of

⁵ Bapenda Jabar, "KTMDU dan Kesadaran masyarakat akan Manfaat Pajak Kendaraan Bermotor", <https://bapenda.jabarprov.go.id/2016/04/21/ktmdu-dan-kesadaran-masyarakat-akan-manfaat-pajak-kendaraan-bermotor/>, accessed on February 2018.

⁶ Bapenda Jabar, <https://bapenda.jabarprov.go.id/anugerah-pajakkendaraan-bermotor-2017/>, accessed on April 2018.

regional tax targets; and (5) 1 incentive for the revenue service branch, which is the most innovative, effective and synergistic in achieving revenue targets.⁷

The aim of the APKB program is to build community awareness of regional taxes, especially PKB, in accordance with the legislation.⁸ However, the success of this program is questionable since the number of non-re-registered vehicles (KTMDU–*Kendaraan Tidak Melakukan Daftar Ulang*) from 2015 to 2017 continues to increase. In 2015, the KTMDU is 3,450,465 and it raises to 4,348,163 in 2016. It means an increase of 897,698 and the increase occurred again in 2016 to 4,348,163 to 5,333,628 in 2017. It means an increase of 985,465 as shown in Table 1.

Table 1
The Number of Non-Re-Register Vehicles (KTMDU) from 2015 to 2017 in West Java Province

Number	Service Branch	Per 31 December 2015	Per 31 December 2016	Per 31 December 2017
1	Bogor Regency (Cibinong)	374.197	489.218	599.001
2	Bogor City	95.448	120.858	146.156
3	Sukabumi City	25.775	32.072	39.351
4	Sukabumi Regency I CBDK	79,442	101.492	126.119
5	Sukabumi Regency II P. Ratu	41.009	51.651	63.786
6	Cianjur Regency	81.637	103.348	129.243
7	Karawang Regency	211.769	267.806	328.851
8	Purwakarta Regency	73.817	91.568	111.444
9	Subang Regency	120.966	151.034	182.180
10	Cirebon City	43.114	51.096	60.701
11	Cirebon Regency I SBR	96.303	122.740	149.360
12	Cirebon Regency II	44.475	49.510	61.743

⁷ *Ibid.*

⁸ Bapenda Jabar, <https://bapenda.jabarprov.go.id/anugerah-pajakkendaraan-bermotor-2018/>, accessed on April 2018.

	CLDG			
13	Indramayu Regency I	95.281	114.030	137.282
14	Indramayu Regency II HRGLS	53.412	64.439	76.439
15	Kuningan Regency	44.822	56.793	72.032
16	Majalengka Regency	62.661	77.414	96.485
17	Bandung City I PJJRN	108.067	133.525	164.240
18	Bandung City II KWLYN	106.585	130.423	159.722
19	Bandung City III SOETA	81.858	102.566	127.350
20	Bandung Barat Regency PDLG	99.636	125.008	155.555
21	Bandung Regency I RC.EKEK	94.138	117.676	144.673
22	Bandung Regency II Soreang	99.018	123.453	151.116
23	Sumedang Regency	53.242	65.476	80.017
24	Garut Regency	83.857	107.520	134.965
25	Tasikmalaya City	37.982	47.546	59.014
26	Tasikmalaya Regency	37.420	55.142	68.761
27	Ciamis Regency I	45.571	57.398	71.606
28	Ciamis Regency II PDGRN	19.135	23.148	27.285
29	Cimahi City	45.866	57.899	71.676
30	Banjar City	11.014	14.055	17.118
31	Depok City I	169.750	214.390	259.360

32	Depok City II CINERE	81.775	102.156	123.995
33	Bekasi City	360.053	455.118	557.452
34	Bekasi Regency CKRG	365.370	470.595	579.548
35	TOTAL	3.450.465	4.348.163	5.333.628

Table 1 shows that there is an increase in the number of KTMDU in all cities/regencies in West Java Province during 2015 to 2017, even though, as explained earlier, the APKB program has been implemented since 2016. The budget of the program is increasing every year as shown in Table 2.

Table 2

The Budget of the Award of Motor Vehicle Tax (APKB) Program for Fiscal Year 2016, 2017, and 2018

Year	Budget (in Rupiah)
2016	978.010.000,00
2017	1.740.350.000,00
2018	2.577.350.000,00

Table 2 shows the amount of funds budgeted by the West Java Local Government for the Motorized Vehicle Tax Award (APKB) program. In 2017, the budgeted funds for the program is increased by Rp762,340,000 and in 2018 by Rp837,000,000. There have been increases of the APKB program budget for at least 1.5 billion rupiah since 2016. In fact, the law has emphasized that efficiency and effectiveness of the implementation of regional government need to be improved by paying more attention to several aspects of relations. They may cover between the central government and local government, as well as and inter-local governments, the potential and diversity of regions, as well as the opportunities and challenges of global competition in the unity of the state administration system.⁹

Adam Smith in his book "An Inquiry into The Nature and Causes Of The Wealth Of Nations" explain that every tax ought to be contrived as both to take out and to keep out of the people as little as possible over and above what it brings into

⁹ See the Preamble (b) of the Law Number 23 of 2014 on Local Government [Undang-Undang Nomor 23 Tahun 2014 tentang Pemerintahan Daerah].

public treasury of the state.¹⁰ This efficiency principle stipulates that tax collection should be as economical as possible. The collection fee cannot exceed the tax income.¹¹ The effectiveness of government policy solely depends on the quality of the government itself. If the government is not or less efficient, there will be waste in the use of production factors.¹² This indicates that APKB has not been able to create compliance to the tax payer. Based on these problems, this study intends to evaluate the implementation of the APKB program organized by the West Java Local Government. The coverage of the study discusses the same problems addressed in several previous studies by Sumartoyo (2004) and Parahita (2004).

B. The Correlation Between the Award of Motor Vehicle Tax and the Increase of the Locally-Generated Revenue of the West Java Province in their Correspondence to the Regulation of the Governor of West Java Number 90 of 2015 on the Tax Vehicle Intensification Award

The implementation of regional governance needs to be supported by good financial management. Local governments are required to manage finances independently by not relying entirely on the central government. One important factor in the implementation of regional autonomy is the economy or regional revenue. Regional economic capacity enables a region to financially independent without rely on the central government.¹³ A good financial condition is correlated to optimal regional revenue, confirmed by the PAD. One of which, it comes from local taxes. Article 5(1) and 5(2) of the Law Number 33 of 2004 on Financial Balance between Central and Local Governments affirms that regional revenues in the implementation of decentralization consist of regional income and financing. Then, the regional income comes from PAD, balance funds, and other incomes.

Table 3
The Locally Generated Revenue of the West Java Province in 2014, 2015, 2016, and 2017¹⁴

Numb er	Item	Realization (in Rupiah)			
		2014	2015	2016	2017

¹⁰ R. Santoso Brotodihardjo, *Pengantar Ilmu Hukum Pajak*, Bandung: PT. Redaksi Refika, 2013, p. 28.

¹¹ *Ibid.*

¹² M. Suparmoko, *Keuangan Negara dalam Teori dan Praktek*, Yogyakarta: BPFE Yogyakarta, 2008, p. 30.

¹³ Adrian Sutedi, *Hukum Pajak dan Retribusi Daerah*, Bogor Selatan: Ghalia Indonesia, 2008, p. 10.

¹⁴ Section of Information of the Motor Vehicle Tax and Customs for Transfer of Motorized Vehicles, "Target dan Realisasi Pendapatan Daerah Provinsi Jawa Barat Tahun 2013 s/d 2018", Regional Revenue Agency (Bapenda) of West Java Province.

1	Local Revenue				
2	Locally Generated Revenue	15.016.969.212.284	16.063.930.026.552	16.779.205.066.880	18.044.614.937.962
3	Local Taxes	13.753.760.366.652	14.617.071.066.854	15.549.780.159.230.	16.483.095.520.644
4	Local Retribution	70.081.242.728	73.151.580.524	60.559.287.326	60.314.358.286
5	Results of Management of the Restricted Regional Wealth	304.380.444.819	281.661.628.120	319.993.828.293.	345.121.410.237
6	Other Legitimate Locally Generated Incomes	888.747.158.085	1.092.045.751.054	848.871.792.031.	1.156.083.648.795
7	Balance fund	3.260.505.636.017.	2.506.877.511.840	10.195.639.342.095	13.981.445.314.589
11	Other Legitimate Locally Generated Incomes	4.012.435.171.294	5.469.659.304.760	28.668.519.000	97.455.591.191
12	Total Revenue	22.289.910.019.595	24.040.466.843.152	26.387.284.594.890	32.123.515.843.742

Table 3 shows that regional taxes during 2014 to 2017 are the largest source of regional income of the West Java Province compared to other sources. The following is the realization of the West Java Province taxes during 2014 to 2017.

Table 4
Realization of Regional Taxes of the Government of West Java Province in 2014, 2015, 2016, and 2017¹⁵

¹⁵ *Ibid.*

No.	Item	Realization (in Rupiah)			
		2014	2015	2016	2017
1	Regional Tax				
2	Motor Vehicle Tax (PKB)	4.938.844.130.900	5.355.778.195.650	6.185.202.921.550	6.534.054.655.292
3	Title Transfer Fee for Motor Vehicle I (BBNKB I)	5.182.386.155.000	4.552.303.187.000	4.878.269.966.000	4.935.421.696.000
4	Title Transfer Fee for Motor Vehicle II (BBNKB II)	118.639.156.100	110.167.874.900	105.779.452.600	157.129.912.700
5	Motor Vehicle Fuel Tax (PBBKB)	2.119.915.120.776,00	2.377.653.629.059,00	2.007.858.327.949,00	2.314.028.808.428,00
6	Surface Water Tax (PAP)	53.640.493.666	52.488.074.700	64.842.726.501	59.247.318.669
7	Cigarette Tax	1.340.335.310.210,29	2.168.682.105.545,47	2.307.826.764.630,33	2.483.213.129.555,02
8	Total	13.753.760.366.652	14.617.071.066.854	15.549.780.159.230	16.483.095.520.644

Table 4 shows that the PKB is the largest source of income for West Java Province's tax revenues. The following data shows the PKB realization before the implementation of the APKB program (2014 and 2015 fiscal years) and after the implementation of the APKB program (2016 and 2017 fiscal years).

Table 5
Target and Realization of West Java Province's Motor Vehicle Tax for 2014, 2015,
2016, and 2017¹⁶

Item	Realization (in Rupiah)			
	2014	2015	2016	2017
Target	4.420.636.000. 000	5.376.430.000. 000	5.677.943.000. 000	6.140.280.000. 000
	Original			
Amended	4.571.605.000. 000	5.224.253.000. 000	5.928.266.000. 000	6.140.280.000. 000
% Amended	3.42	- 2.83	4.41	-
Realization	4.938.844.130. 900	5.355.778.195. 650	6.185.202.921. 550	6.534.054.655. 292
% Achievement	108.03	102.52	104.33	106.41

Table 4 shows the increase of the regional revenue of the West Java Government. The average realization of PKB for the 2014 to 2015 fiscal years is Rp5,147,311,163,275; and in the 2016 and 2017 for Rp6,359,628,788,421.

The data shows that before the APKB program was implemented, the regional revenue of the West Java Government has always increased. However, the increase was not necessarily caused by optimal PKB collection because the data showed an increase in regional revenues from 2014 to 2017, while the program APKB has only been implemented in 2016. In addition, the number of taxpayers who have not paid the PKB is still high. The data shows that, during 2015 to 2017, there is always an increase in KTMDU in all cities/regencies in the West Java Province, as shown in Table 1. Therefore, the West Java Government continues to increase the PAD through the PKB collection because the PKB has an important role for regional revenue. The PKB is even recognized as 'the favorite' because of its role. High PAD is expected to create good regional financial conditions. Therefore, to support the implementation of regional governance, as stated in the Regulation of the Governor of West Java Number 90 of 2015 states that the PKB revenue is a very significant source of income in the PAD of the West Java Province.

Efforts to increase the PAD are to reduce the number of non-re-register vehicles (KTMDU). They are getting higher in the last few years. Therefore, the

¹⁶ *Ibid.*

West Java Government provides a number of incentives to several parties, one of which is consistent taxpayers of PKB. They are expected to motivate other taxpayers. In the end, the expectation is to create public awareness to regional taxes, especially the PKB. It is expected that the number of KTMDU will decrease and eventually increase the PAD from the PKB sector.

Table 1 in the previous description shows that up to December 31, 2016, KTMDU amounted to 4,348,163, and as of December 31, 2017 amounted to 5,333,628. It means that there is an increase of 985,465, even though the APKB program is implemented since 2016. This study is to analyze the effect of the APKB on the increase of the legal compliance of the community in paying the PKB.

The efforts of the West Java Government to increase the PAD have indeed materialized. However, behind this increase, there are things that need to be considered because the increase is not proportional to the number of motor vehicles. The number of KTMDU is still high. The increase of the number of KTMDU in all cities/regencies in West Java Province starting from 2015 to 2017, after the APKB program was implemented, obedience of the community in paying taxes has not yet materialized. The increase in the number of KTMDU indirectly shows that the obedience of the people of West Java Province is still low, despite the fact that the West Java Government has implemented the APKB program. Therefore, the effectiveness of the program needs to be reviewed: whether it influences the community obedience to pay taxes as expected by the West Java Government. The problem is that the obedience may be realized when taxpayers get the award. In fact, paying taxes is an obligation.

The theory of legal awareness and compliance can be used to analyze the effect of award on legal compliance. Beforehand, it is necessary to analyze the effect of the award on legal awareness because, as previously explained, the establishment of a regulation is supported by legal awareness from the individual or the community itself. Thus, legal awareness plays a very important role on legal compliance. Therefore, the study analyzed the influence of the award on legal awareness first.¹⁷ Several factors or indicators influence legal awareness. According to Kutschinsky, the indicators of legal awareness problems are as follows.

1. Law Awareness

Award for taxpayers is expected to encourage people to pay the PKB so the taxpayers have the opportunity to get a gift or a prize in the form of motorcycle. However, the stimulus in the form of an award is not an ideal method to foster

¹⁷ Soerjono Soekanto, *Kesadaran Hukum & Kepatuhan Hukum*, Jakarta: CV. Rajawali, 1982, p. 159

legal awareness of the community. This will be clearer by looking at the analysis of the next factors. Nevertheless, giving a number of prizes to taxpayers who pay the PKB does not really affect this factor.

2. Law Acquaintance

Prizes convey messages to the public if they pay the PKB, they have the opportunity to get prizes or awards in the form of motorbikes, without emphasizing that the PKB is an obligation of taxpayers. If a taxpayer does not pay the PKB regularly, the taxpayer will be loss due to fines. In addition, the award does not emphasize that, with the payment of PKB, taxpayers have supported the West Java Local Government to build the Province. As described earlier, since the beginning of the APKB program, the number of KTMDU is still high, it is even increased as stated in Table 1. Therefore, the prizes for taxpayers do not affect this factor.

3. Legal Attitudes

Prizes for taxpayers do not affect this factor because in fulfilling this factor it is necessary to educate people about the urgency of paying the PKB. The PKB is taxpayer's concrete actions to help the West Java Province, even though taxpayers not get compensation directly after paying it. The education is not well conveyed. It can be seen from the high number of KTMDU in Table 1, in this case, the West Java Government has not been able to convey that the PKB has benefits for the people of West Java Province.

4. Legal Behavior

Award for taxpayers does not affect this factor because in fulfilling this factor cannot be implemented without the fulfillment of the previous factors. Whether or not the rule is accepted depends on the extent to which the community understands and agrees the enactment of regulation. In fact, the authority can pose by using all existing tools, regardless of whether the community accepts it or not, but of course it can lead to resistance from the community itself. Therefore, they who pay the PKB do not affect this factor.

The definition of legal awareness along with its factors or indicators does not mention and explain explicitly that an award can create legal awareness. Based on the results of the analysis, it can be seen that an award does affect the knowledge of legal regulations but it has no effect on the other three factors, namely legal knowledge, attitudes, and treatment. Therefore, it can be seen that it does not significantly affect one's legal awareness but it is still too soon to say that there is no correlation between the award and the growth of PAD. It is also necessary to find out the award influences on legal compliance for the depth of analysis and prevent premature conclusions which may mislead the analysis.

There is a possibility that someone may obey rules without legal awareness. The compliance is caused or arises from the coercion of the authorities who use all kinds of power instruments, directly or indirectly. Further, to analyze the effect of award on legal compliance, Bierstedt proposes basics of compliance as follows.¹⁸

a. Indoctrination

Award for loyal taxpayers not really affects this factor since it only promises a number of awards to the community. The fact is that there is other important factor, namely the benefits of PKB payments for West Java people. Therefore, the community has been indoctrinated by improper understanding. In other words, it can lead to misperceptions regarding the urgency of PKB. In this case, the West Java Government has not been able to “doctrine” the community on the urgency of PKB, as explained in Table 1

b. Habituation

Award for taxpayers does not affect this factor because it has not been able to change the habits of the community to pay PKB. It can be seen from the high number of KTMDU and, as previously explained, award does not affect indoctrination factors. It will be difficult to change habits the community becomes obedient in paying PKB if the community has not been “indoctrinated” of the urgency of the PKB.

c. Utility

Award for loyal taxpayers affects this factor. The community get benefits, which is the opportunity to get prizes, whereas there is more important benefit, namely supporting the government to develop West Java. This also needs to be supported by efforts to create community awareness on the main benefits of PKB which can be realized by giving doctrine to the community. However, as previously explained, award does not significantly affect the indoctrination factor and affect utility factor.

d. Group Identification

The desired condition of this factor can be realized when the previous factors have been fulfilled. As known, award does not have much influence on indoctrination and utility factors. It also does not affect the habituation factor at all, making it difficult to create groups paying PKB obediently, which then make

¹⁸ *Ibid*, hlm. 225.

people outside of the group interested in following the obedient to pay PKB. Therefore, award does not affect this factor.

The definition of legal compliance along with its factors or indicators does not mention and explain explicitly that an award can create legal compliance. As described earlier, award does not significantly affect indoctrination and utility factors as well as the habituation and group identification factors. Based on the analysis, award is not too influential on someone's legal compliance. Then, although compliance is not optimal because as the theory explains that legal compliance has several kinds of degrees or levels, ranging from high degrees of conformity to those who are called non-conformist groups. Even in societies that have simple cultures and social structures, people who do not obey the conditions can be found. In complex societies, there are various types of procedures, so there will be diversity in the degree of compliance by the method.¹⁹ Further, this study analyzed compliance as what arises from the existence of award program. The analysis is based on Kelman's idea that distinguishes the problem of legal compliance. The idea is a qualitative degree in three processes:²⁰ (1) Compliance, (2) Identification, and (3) Internalization.

Legal compliance arising from the award arises because the community is promised a reward in the form of motorbike, the third center of strength of the legal degree is the person's trust in the purpose of the relevant law. Award only emphasizes taxpayers the opportunity to get prizes without educating the urgency of the PKB. In fact, as previously explained, the PKB plays an important role in supporting the income for the Government of West Java Province. With the payment of PKB, taxpayers indirectly have supported the government's efforts to enhance the welfare of the people of West Java Province. It is so difficult to make the community understand or trust the purpose of the PKB payment, then the compliance of the law is created by award including the type or degree of compliance with the first law. This does not reflect efficiency, because the theory says that indeed there will be compliance, but it requires close supervision from the authorities or in this case the West Java Provincial Government, because supervision also requires a number of costs in its implementation. This oversight can also be interpreted by the availability of stimulus, namely a number of gifts promised to the community with the payment of the PKB. This means that there is a possibility that the community will no longer pay the PKB after the West Java Provincial Government does not give award.

This is also influenced by the conditions of legal awareness that exist in the community. Award does not significantly affect one's legal awareness as mentioned above. The compliance of the law is not accompanied by the ideal legal

¹⁹ *Ibid*, p. 226.

²⁰ *Ibid*, p. 230.

awareness of the community itself. Therefore, it is not surprising that the KTMDU from year to year is increasing as shown in Table 1, although the number of regional revenues is increasing. This shows that the PKB collection is not optimal. Public awareness and legal compliance to pay the PKB is still minimum. Thus, it can be said that the APKB program does not significantly affect the creation of legal compliance. It even has no effect on the taxpayer's legal awareness. The obedience of the people of West Java to pay the PKB cannot be fully achieved, despite an increase in the PAD.

Problems do not stop here. With the results of the analysis saying that the APKB program does not have much influence on the creation of community obedience to pay the PKB, it is not surprising that the PAD continues to increase. As described earlier, the PAD always increases from year to year, even from some years before the APKB program was implemented, as previously stated.

The APKB program has been implemented for several years, but has not had a positive impact on the PKB realization. The budget of this program continues to grow as shown in Table 2. The amount of funds budgeted by the West Java Provincial Government for the Motorized Vehicle Tax Award (APKB) program is increasing. In the 2017 budget year, the budgeted funds for the program increased by Rp762,340,000 and in the 2018 budget year it increased again by Rp837,000,000. It means that the APKB program budget increased by at least 1.5 billion Rupiah since 2016, as already described earlier.

The results of the analysis generate new questions, namely regarding the urgency of the APKB program or whether the program must be continued or not because in reality the absence of the APKB program does not result in a decrease in the amount of regional income from the PKB and PAD sectors. The principle in the implementation of state financial management in this case is regional finance, one of which is the results-oriented accountability principle, which says that the budgeted funds for certain programs must have benefits.

This is noteworthy because the implementation of this program requires a number of funds or a budget. There is a concern that the program will not have a significant impact on increasing the PAD, which is influenced by the PKB. The costs incurred for the implementation of this program are greater than the amount of tax that the West Java Government wants to collect. This is certainly contrary to the principle of efficiency, which is one of the principles of tax collection proposed by Adam Smith, known as *the four maxism*. The principle stipulates that tax collection fees should not exceed the amount of the tax itself, or that tax collection should be done as economically as possible. However, to find out whether the principle of results-oriented accountability and the principle of efficiency applied in the APKB program properly is not easy because the two principles are still too

abstract. Therefore, this problem needs to be analyzed by using the theory of cost and benefit analysis.

The development of the PKB realization is assumed a marginal benefit, while the budget for the APKB program is the marginal cost, listed in Table 6.

Table 6
Cost and Benefit of the Budget of APKB for the Development of the PKB
Realization after the APKB program was held²¹

Item	Year			
	2015	2016	2017	2018
The Budget of APKB (Marginal Cost)	0	978.010.000	1.740.350.000	2.577.350.000,00
The PKB Realization	5.355.778.195.650	6.185.202.921.550	6.534.054.655.292	-
The growth of the PKB Realization (Marginal Benefit)	-	829.424.725.900 (the 2016 PKB realization minus the 2015 PKB realization)	348.851.733.742 (the 2017 PKB realization minus the 2016 PKB realization)	-

Table 6 shows that the development of PKB realization in the 2017 fiscal year is lower compared to the 2016 fiscal year, even though the budget for the APKB program from 2015 to 2017 is always increasing. Based on the analysis of the effect of award on legal awareness and legal compliance and types, the extent to which the benefits of the APKB program on the development of the PKB realization in West Java Province are supported by related data. It can be seen that there is indeed a correlation between the APKB and the increase in West Java Province's PAD, although it is difficult to ensure that the APKB program directly influences this. Because the PAD always increases from year to year, even a few years before the APKB program is implemented as shown in Table 2, but the provision of the APKB has no effect on rejuvenation. The realization of the PKB as stated in Table 6, even though the APKB program aims to optimize the collection of the PKB, which can be realized by creating conditions for people who are obedient to pay taxes

²¹ Analysis of the development of motor vehicle tax realization is based on the Cost and Benefit Theory by looking at the data contained in Table 5 to find out the marginal benefit and Table 2 to find out the marginal cost.

but giving the APKB itself has little effect on legal awareness and legal compliance. An increase in PAD also increases the KTMDU.

C. Obstacles and Efforts Faced by the West Java Government to Increase Locally Generated Revenue Originating from Motor Vehicle Tax

The West Java Government, or in this case the Local Revenues Agency (BAPENDA), has difficulties or encounters certain obstacles. In addition to the burden of the tasks carried out, the following are some obstacles faced in collecting local taxes, especially PKB according to BAPENDA.²²

1. The number of tax collectors are not comparable to the number of taxpayers because of the number of motor vehicles increasing. It is not easy to reduce the number of KTMDU, even though the BAPENDA continues to do its best in carrying out its duties and functions.
2. The BAPENDA has weak authority in carrying out its duties and functions. The position of the tax authorities is still relatively weak compared to other parties. This can be seen from the phenomenon that currently the community obedience to pay the PKB is still low. People are more afraid of the debt collector or the police, compared to the tax authorities.
3. There is a disharmony of legislation. There are differences in the arrangement of the PKB objects. The Regional Taxes and Retributions Law states that the PKB objects not only include ownership of motor vehicles, but also, according to article 3(1), the mastery of motor vehicles. The Road Traffic and Transportation Law stipulates that PKB objects only include ownership of motor vehicles, as seen in Article 64(2) that registration as referred to in paragraph (1) includes the following.
 - a. New motor vehicle registration
 - b. Register changes in the identity of motor vehicles and owners
 - c. Renewal registration of motor vehicles
 - d. Registration of ratification of motor vehicle

The PKB objects regulated by the Regional Taxes and Retributions Law are broader compared to the Road Traffic and Transportation Law. Therefore, there is uncertainty regarding the objects of PKB, which leads to the increasing KTMDU from year to year, it is not easy to reduce the number of KTMDU.

The lack of knowledge and understanding of the people regarding the laws and regulations of local taxes makes all policies of tax collection, especially from the PKB sector, not implemented optimally. In fact, these policies often make it easier for the public to pay the PKB.

²² Interview with A. Irman Firmansyah, the Head of Sub-Division of Regulation & Cooperation, the Regional Revenue Agency (Bapenda) of West Java Province on Thursday, August 23, 2018, Bandung city.

These obstacles need to be analyzed to reveal the real obstacles of PKB collection. The analysis starts from the first obstacle, namely the unbalance of the number of collector and the number of taxpayers. The second obstacle is the weak authority possessed by the tax authority as the PKB collector in carrying out their duties and functions. Sutedi states that there are several things to consider in terms of regional tax, one of which is the ability and the carrying capacity of the administration. If the West Java Local Government, which in this case is represented by BAPENDA, has good administrative capacity, these should not be disputed. The good ability and carrying capacity of the administration can create a good management system without always supervising and giving award or certain stimulus to the community. The people can pay PKB and the BAPENDA already has the authority to carry out their duties and functions, especially with the involvement of the police and other parties. BAPENDA should be able to view this as something that can be utilized properly.

The third obstacle is that there is disharmony of legislation regarding the PKB objects. In this case, there is no disharmony in this matter because the letter (d) of the preamble of the Regional Taxes and Retributions Law confirms that to improve public services and independence regions, it is necessary to expand the objects of regional taxes and to provide discretion in tariff setting. In addition, the Regional Taxes and Retributions Law is valid since September 15, 2009. On the other hand, the Road Traffic and Transportation Law is valid since June 22, 2009. Therefore, the Regional Taxes and Retributions Law is *lex specialis* of the Law Number 22 of 2009 on Road Traffic and Transportation. Then, the principle of *lex specialis derogat legi generalis* binds.

The fourth obstacle is the difficulty of ensuring that the public aware and understands all policies or legislations of regional taxation. Based on political principles, which is one of several principles that must be met in regional taxation, BAPENDA should implement policies related to the PKB. It must be supported by good socialization so that the public or taxpayers understand the real urgency of the PKB in accordance with the previous analysis. Then, this is a real obstacle in collecting the PKB. After outlining these obstacles, the efforts of the Local Government of West Java to increase the PAD through the PKB sector should be efforts in accordance with the theories that are relevant to the obedience of the community to pay taxes.

These efforts can be seen from the programs that have been implemented previously as follows.²³

1. Drive Thru Samsat (One-Stop Administration Services)
2. E-Samsat (Electronic-Based Administration Services)
3. Samsat Keliling (Samling –Mobile Based Administration Services)

²³ See Bapenda Jabar, "Rencana Kerja", <https://bapenda.jabarprov.go.id/rencana-kerja/>, accessed on April 2018.

4. Samsat Gendong (Samdong –Mobile Based Administration Services with Motorcycle Rider Officer)
5. Samsat Masuk Desa (Samades –Village Based Administration Services)
6. Sistem Informasi Pajak Online (Sipolin –Online Tax Information System)
7. Tabungan Samsat (T-Samsat –Savings of Administration Services)
8. Samsat Online Sentralise (Centralized Online Administration Services)
9. Online Samsat 3 Provinces (Online Administration Services for Three Provinces)
10. Samsat Nampi luran Wajib Ti Wengi (NITE –Night Hour Online Administration Services)
11. Samsat Outlet (Outlet of Administration Services)
12. Bank Jabar Outlet Samsat (Outlet of Administration Services in Bank Jabar)
13. Samsat Corner (Administration Services Corner)

These programs have one thing in common, namely trying to improve services to taxpayers, as desired by Article 3 of the Regulation of the Governor of West Java Number 33 of 2013 on the Guidelines of the Regulation of West Java Number 13 of 2011 on Regional Taxes for PKB Fees and BBNKB. It says that the regulation aims to provide easy, fast, and appropriate PKB and BBNKB collection services and to provide information that is open for taxpayers regarding the provisions for provision, procedures, and process of PKB and BBNKB calculations.

D. Conclusion

The APKB is correlated to an increase in West Java's PAD even though it does not significantly influence legal awareness and compliance. It also does not affect the development of the PKB realization in West Java Province. Based on the results of interviews with the BAPENDA, the obstacles faced to increase the PAD, especially from the PKB sector, are the lack of knowledge and understanding of the people regarding laws and regulations of local taxes. The efforts to increase the PAD from the PKB sector can be seen from various programs that have been implemented before. These efforts indirectly affect legal awareness and legal compliance.

As for suggestions related to the increase of the PAD from the PKB sector, it is better for the West Java Government, in this case the BAPENDA to review the number of the KTMDU. There is also the need for procedures and clear and accurate data collection of the KTMDU and motor vehicles that are already absent or motor vehicles that only operate in certain regions. The BAPENDA of the West Java Province should hold more programs in the form of socialization or education to taxpayers regarding the urgency of the PKB. The taxpayers need to receive a deeper understanding of the benefits of the PKB for the people of West Java. The awareness, in turn, can influence legal awareness that underlies the creation of

legal compliance so that the PKB collection efforts can be carried out more optimally. It is expected to increase the PAD and to decrease the KTMDU.

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