

Intensification and Extensification of Entertainment Taxes to Increase Own-Source Revenue (PAD) in Makassar City

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Abstract:Intensification and extensification strategy are an effort to extract tax revenue. Intensification refers to an activity to optimize tax revenue collection for objects and subjects that have been recorded or registered in DJP administration, whereas extensification is an effort to explore new sources of local revenue. The purpose of this study is to illustrate the efforts to increase regional own-source revenue (PAD) through the intensification and the extensification strategies towards entertainment tax revenue in Makassar City. The research method applied is descriptive qualitative research. The results of this study indicate that the intensification and extensification strategy has generally been running quite optimally, but there are still parts that need to be addressed, such as the entertainment tax regulations and tariff setting. These are to increase the number of entertainment taxpayers that are currently not optimal. According to data, the number of mandatorily registered taxpayers in 2017 was 30 people, while it dropped to 25 people in 2018. As for the tax collection system, the procedures for determining taxes and the accounting system have been very effective in supporting the improvement of the original revenue of Makassar City.

Keywords:Intensification, Extensification, Own-Source Revenue, Makassar

1. Introduction

Indonesia as a country that sees regional development as an effort to advance the nation continues to push for government reform efforts as the main pillar in bringing significant changes to the patterns of the political, social and economic life of the Indonesian people. The enactment of Law No. 23 of 2014 concerning regional government as a starting point for the implementation of regional autonomy has provided a great opportunity for the regions to carry out development goals based on higher locality and new expectations regarding broader autonomy, including to district / city-level regional governments.

One of the features presented from regional autonomy is the existence of financial transfers as part of the impact of the transfer of authority from the central government to regional governments, this then creates a large funding requirement and the regions can no longer depend entirely on the central government (Rodríguez-Pose& Gill, 2004; Guironnet et al., 2016; Hadi, 2020). So that in the fiscal authority of the local government in carrying out its functions and authorities must be able to recognize the potential and identify the resources they have. This is considered important to do, bearing in mind that each local government is expected to be able to explore financial resources in order to meet the needs of government financing and regional development through regional own-source revenue (PAD).

Local governments can take several efforts in increasing sources of regional income, including optimization of the tax sector. This optimization of tax revenue is in line with the expectation of the issuance of Law Number 23 of 2014 concerning Regional Government, which states that taxes and levies are sources of regional income so that regions can exercise their autonomy. Local governments are expected to be able to manage their households in addition to the existence of regional financial transfers. The source of revenue in each regulation is expected to be able to meet local needs in providing public services and optimizing the improvement of people's welfare(Sandholm& Lai, 2009 Daniguelo, 2020).

Tax is seen as an obligation of citizens to their country. Djaladiningrat in Resmi (2013) defines tax as an obligation to hand over a portion of wealth to the State treasury caused by a situation, event and act that gives a certain position, but not as a punishment, according to regulations determined by the government and can be forced, but there is no reciprocal service from the State directly, to choose welfare in general. From this definition, it is illustrated that only the State has the right to collect taxes. The tax collection process must be based on or with the rules of the implementation of the collection and the strength of its legislation and be used to finance the state expenditures that benefit the wider community.

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Regional Autonomy regulated in law No. 23 of 2014 concerning Regional Government gives authority to local governments to be able to manage everything related to local government, including leading local taxes effectively and efficiently. Law Number 28 the Year 2009 article 1 concerning Regional Taxes states that local taxes are mandatory contributions to regions owed by individuals or entities that are coercive based on the law, by not getting direct benefits and are used for regional purposes for the magnitude of people's prosperity. However, in reality, the management of taxes, especially local taxes, has not yet reached satisfactory results, as has happened in Makassar City. Based on data obtained from the Regional Revenue Agency of Makassar City (makassarkota.go.id), local tax revenue in the last five years has decreased, especially in 2015 and 2016. Besides, the realization of Makassar city tax revenue has always been far below the tax target.

As the economic centre in Eastern Indonesia, the government of Makassar makes entertainment tax a potential source of local tax. The reason is that entertainment tax is still considered as one of the sources of regional income, whose growth rate is in line with the rate of regional economic growth (Makassarterkini.id). This is based on its strategic position as the provincial capital region that cannot be separated from the centre of government, education, health and of course the centre of the crowd in the southern part of the island of Sulawesi. At present, the existence of entertainment venues in Makassar City is no longer an item that is difficult to find and can even be said to be located almost at every point of the city. Ideally, a city that has many entertainment venues will have a high entertainment tax revenue realization. However, based on the findings related to the tax collection from the entertainment business, tax revenue has not yet reached optimal results.

Previous research conducted by Widiya (2016) on the Contribution, Effectiveness and Entertainment Tax Collection System in increasing the regional income of Makassar, showed that the level of entertainment tax contribution to own-source revenue is still very lacking. Although during the 2011-2015 period the effectiveness of overall tax revenue was quite effective, with an average level of effectiveness of 84.48%, there was a potential loss of an average of Rp. 15,785,191.00. The contributing factors to this are the lack of a maximum potential income database, inadequate standard operating procedures, and a lack of public awareness and taxpayer compliance in meeting tax obligations. The data below shows the target and realization of the entertainment tax revenue in Makassar:

Table 1. Target and Realisation Makassar City Entertainment Tax Receipts 2016-2018

Year	Target	Realization	Percentage
2016	Rp. 57.756.776.000	Rp. 27.154.460.742	47,02
2017	Rp. 61.000.000.000	Rp. 31.603.658.875	51,81
2018	Rp. 70.000.000.000	Rp. 38.710.026.743	55,30

Source: Regional Revenue Agency (Bapenda) Makassar

Based on the above table, it shows that the realization of entertainment tax revenue from 2016-2018 is always far below the planned target, with the percentage of realization reaching a maximum of 55% of the targeted amount. The less-optimal achievement is of course, very influential for the own-source revenue of Makassar in optimizing regional development efforts. In an online news site, head division of hotel tax, entertainment, underground water, and BPJ, Regional Revenue Agency of Makassar (Bapenda) states that entertainment tax revenue has decreased due to the ineffectiveness of the tax collection system which then has an impact on the number of entertainment entrepreneurs going bankrupt (makassar.sindonews.com).

The case stated earlier shows that the performance of the Makassar City Government has not run optimally in increasing local tax revenues, especially entertainment tax in Makassar. This condition is not in line with the objectives of the intensification and extensification strategy, as contained in the circular letter of the Directorate General of Taxes Number SE-06 / PJ.9 / 2001 concerning the implementation of taxpayer extensification and intensification. It is expected that with the extensification and intensification strategy, the government can hold activities related to efforts to increase the number of registered taxpayers, both in the form of expansion of tax objects or the activity of optimizing the extraction of revenue from registered tax objects and subjects.

Previous research conducted by Barkah (2014) related to the effects of tax extensification and intensification on regional tax revenue conducted at the Regional Office of Revenue Management of Financial and Asset in Kerawang District shows that extensive taxation and intensification activities had a positive and significant effect on tax revenue. While based on descriptive analysis, the realization of tax revenue at the Regional Financial Management and Asset Management Income always exceeds the planned target, and the data

presented shows that tax revenue has fluctuated. To increase tax revenues can be done by tax extensification and intensification activities.

Following the above phenomenon, the objective in this study is to describe the efforts to increase regional own-source revenue (PAD) through the intensification strategy of entertainment tax revenue in Makassar and to describe the efforts to increase own-source revenue through the Extensification strategy towards tax revenue entertainment in Makassar.

2. Methods

This paper is a qualitative descriptive study. Qualitative descriptive research, according to Sugiyono (2009), is research related to the ideas, perceptions, opinions or beliefs of the people studied, and their findings cannot be measured by numbers. The unit of analysis in this study is the organization. The determination of this unit of analysis is based on objective considerations, to describe the regional own-source revenue improvement strategy (PAD) in Makassar City by looking at the role of the Regional Revenue Agency (BAPENDA) of Makassar.

The informants of this study are the informants who are representative to provide information about efforts to increase regional own-source revenue (PAD) through intensification strategies. The data analysis technique used in conducting this research is the interactive model data analysis technique. This interactive model was developed by Miles et al. (2018). which consists of three components of analysis, namely data condensation, data display, conclusion drawing/verification.

Adjustment of the Orientation of Organizational Functions

The need to adjust or improve the institutional aspects of the Regional Revenue Agency (BAPENDA) is an important step for the Makassar City Regional Revenue Agency to fix and adjust all institutional needs and functions that are required to support all government affairs in the financial sector. This authority belongs to the regional government.

In view of the organizational structure and work procedures of the Makassar City Regional Revenue Agency as stipulated in the Makassar Mayor Regulation Number 110 of 2016 concerning Position, Organizational Structure, Duties and Functions and Work Procedures of the Regional Revenue Agency, all State rights and obligations that can be valued in money, as well as all something in the form of money or goods that can be used as State property, the Regional Revenue Agency carries out the supporting functions of Government Affairs in the financial sector which are the regional authority. The following is the organizational structure of the Makassar City Revenue Agency:

Since the Decree of the Minister of Home Affairs of the Republic of Indonesia Number 43 of 1999, for systems and procedures, local government organizations for regional revenue are no longer oriented to levies only, but are also adapted to functions within the organization, namely the registration and data collection tasks, assignment function, bookkeeping and reporting duty, billing function as well as planning and operational control functions.

Application of Local Tax Administration Systems and Procedures

Efforts to adjust the institutional aspects of managing local revenue in Makassar Regional Revenue Agency in addition to implementing organizational functions must also optimally implement the regional tax administration system and procedures as a systematic step in the activities of regional tax intensification.

The regional tax administration system is generally divided into two things, namely the self-assessment system and official assessment system. Self-assessment system is a system of regional taxation or levies administration in which the taxpayer is given the opportunity to do his own calculation of the object of regional tax that becomes his obligation and directly makes deposits with the SSPD (Regional Tax Payment Deposit) and attach SPTPD (Regional Tax Return). While the official assessment system is the administrative process of regional taxation where a taxpayer must submit SPTPD / RD (Local Tax Notification Letter / Regional Retribution) for data collection as material for the process of determining the tax of the area owed and the taxpayer is given an SKPD Decree / SKRD). In contrast to the official assessment system which is more focused on the activation of the tax authorities and on the number of taxpayers that have been previously determined such as the land and building tax and the acquisition fee for land and building rights, the self assessment system fully requires more taxpayers to be active and calculate their own taxes, for example only entertainment tax in Makassar.

Tax Collection System

In the Intensification Program, the management of Entertainment Taxes needs to adjust the aspects of management, both administrative adjustments and adjustments in terms of operational levels. This regulates the procedures for the implementation of levies, supervision and efforts to improve counseling activities to the community to foster public awareness of paying taxes.

Changes to the rules that will become technical guidelines for implementing taxation must be followed up with efforts to adjust/improve tax administration of levies. For the Entertainment Tax Administration System which has been explained previously, it states that the entertainment tax encourages the activity of taxpayers to calculate and submit their own taxes to the Makassar Regional Revenue Agency. From the results of the study it is clearly illustrated that the Administration Tax System for entertainment tax that applies the Self Assessment System has made major adjustments, starting with the juridical adjustment to the Decree of the Minister of Home Affairs Number 43 of 1999 concerning the Systems and Procedures of Regional Tax Administration, Regional Retribution and Revenue Revenue Etc. This system is also adjusted in relation to tax collection problems that have denounced corruption among the government and business people. With the Self Assessment System, in addition to providing education to entrepreneurs as entertainment taxpayers, it also serves as a supervisory function so that taxes can be managed honestly and accurately.

According to Law Number 28 of 2009 Article 96 concerning regional taxes and regional levies states that the procedure for collecting local taxes must be in the following manner (1) Tax collection is prohibited from buying up; (2) Each taxpayer is obliged to pay the tax owed based on a tax assessment letter or paid by the taxpayer himself based on tax legislation; (3) Taxpayers who fulfill tax obligations based on the determination of the Regional Head are paid using SKPD or other similar documents.; (4) Other similar documents are ticket and calculation note; (5) Taxpayers who meet their tax obligations are paid using SPTPD, SKPDKB, and SKPDKBT.

The results of the study showed that the procedures for adjusting the administration of fees, tariffs and the system of administering payments were carried out following applicable regulations. For entertainment tax, the Decree of the Minister of Home Affairs Number 43 of 1999 concerning the System and Procedure of Regional Tax Administration, Regional Levies, and Other Revenue Receipts, Law Number 28 of 2009 concerning Regional Taxes and Regional Levies. Makassar City Regulation Number 2 the Year 2018 concerning Regional Taxes. Whereas the technical procedures for collecting fees which become the duty of the field of a collection in the Regional Revenue Agency issues the SSPD and SSRD which become references to conduct levies.

Method of Control and Supervision

Supervision is an essential part of every collection system, both in terms of juridical, technical and administrative oversight in the Local Revenue Agency (Bapenda) in Makassar. Tax supervision within the scope of Bapenda is carried out through monitoring and control. Supervision is carried out internally and externally. If it is related to entertainment tax, then the party being watched is the object of entertainment tax itself.

In general, all taxation activities, including entertainment tax are regulated juridically in Law Number 28 of 2009 concerning regional taxes and regional levies and then elaborated in Makassar City Regulation Number 2 of 2018 concerning local taxes. This is then used as a reference for implementation by each division in Bapenda, including the implementation of supervision and control.

Technical control is a control that is carried out directly to oversee the activities of taxpayers, wherein its implementation, Bapenda records all income, expenses and even daily activities of the entertainment business in Makassar. The supervision in facilitating its supervision involves the tax warriors (*laskar pajak*) as one form of control established by Bapenda itself. Bapenda's form of control is also carried out with authority based on the administrative system.

In supervision and control, there is a legality effort made by Bapenda in carrying out its supervisory activities. The business administration effort is realized with the official report (*berita acara*) related to the results of supervision for later review and follows up if problems are found within it. As an activity that continues to be pursued in a legal, juridical manner, technically and administered an evaluation is carried out to assess the effectiveness of the performance and achievement of Bapenda's efforts in tax supervision and control in Makassar.

Community Outreach Activities

Raising awareness of taxpayers to pay taxes can be done in various ways, one of them by counseling. Counselling conducted by the Bapenda as an effort to educate the public or make people aware and understand, obedient and aware in fulfilling their tax obligations. Tax dissemination activities are routinely held with the aim of educating and socializing changes in local regulations to the public, such as changes in tax rates. One of the parties who took part in the optimization of the tax socialization was the tax association, such as Makassar Entertainment Business Association.

The socialization held by Bapenda Makassar has been effective as said by several entertainment taxpayers in Makassar. By presenting presenters in their fields and conducting training for entertainment taxpayers, tax promotion activities are quite interesting for both registered taxpayers and new taxpayers. The Head of Registration and Data Collection of Bapenda Makassar stated that:

Personnel Aspects

Improving the quality of human resources of the apparatus for managing tax and regional income is a necessity in the Regional Revenue Agency. The local government apparatus is one of the crucial aspects of the intensification effort. The quality of employees must meet the demands and needs required by the number of existing employees plus the number of honorary staff and collector staff in each sub-district. In this case, the government is expected to involve its officials in various types of training, both structural and non-structural. In improving the quality of employees, education and training are ways to increase knowledge and skills of the employee in handling application, financial, technical and tax levies. Therefore, the objectives, targets and target indicators are set to be a reference for improving the quality of employees in Bapenda Makassar. The results showed that the personnel aspect carried out by Bapenda was to include its apparatus in training held at Bapenda. One effort to improve the quality of the apparatus in Bapenda Makassar City is to include apparatus both at the structural and functional levels to improve the quality of employees in developing managerial skills and functional training to improve the ability and technical skills of employees. Thus, education and training are vital for employees such as technical guidance training, financial training, taxation training and financial seminars. This is expected to contribute to employees to improve their performance. To make it easier to present the results and discussion related to the intensification program, the following authors give a matrix of the results of the discussion:

Table 2. Matriks Hasil Pembahasan Program Intensifikasi

Intensification Strategy	
Indicator	Upaya Bapenda Kota Makassar
Institutional aspect	
- Adjustment of the orientation of organizational functions	Organizational functions have been compiled based on the instructions of the Mayor Regulation Number 110 Year 2016 by holding a special division of registration and data collection which originally did not stand alone. Then to carry out the functions of determination, bookkeeping and reporting in the field of tax i and regional retribution precisely the Sub-Section determination, bookkeeping and reporting of regional taxes and levies. Whereas the billing function, as well as the operational planning and control functions, are contained by the coordination, supervision and planning division.
- Implementation of regional tax administration systems and procedures	Local tax administration system and procedures are applied by prior data collection. After the data is newly registered, the output is NPWPD (regional taxpayer identification number). By obtaining the local taxpayer identification number, the object has become a Makassar city taxpayer. The next step is the determination of tax both in self-assessment and official assessment.
Management Aspects	
- Tax collection system	▪ Adjustment of collection administration. The validity of the Self Assessment system as a collection administration system along with its supervisory function, the corporation is very wise and far better than the previous determination system.

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	<ul style="list-style-type: none"> ▪ Tariff adjustment. Tariff adjustments made in the city of Makassar, especially in the Entertainment Tax, have been oriented towards Law No. 28 of 2009 and Makassar City Regional Regulation No. 2 of 2018 and is considered to be able to collect every aspiration and various interests. ▪ Adjustment of the collection system. Modifications to the collection system are basically adjusted to Law Number 28 of 2009 concerning Regional Taxes and Regional Levies that the collection system should be adjusted to local conditions.
- Methods of supervision and control	<ul style="list-style-type: none"> ▪ Juridical supervision and control. In general, all taxation activities including entertainment tax are regulated juridically in law number 28 of 2009 concerning regional taxes and regional levies and then reduced in the elaboration of Makassar city regulation number 2 of 2018 concerning regional taxes. ▪ Supervision and Technical Control. Technical control is a control that is carried out directly to oversee the activities of taxpayers. In its implementation, Bapenda will go down to record all income, expenditure and even daily operations of the entertainment business concerned. ▪ Business Administration and Control. Supervision and control in administration show that there is a legality effort undertaken by Bapenda Makassar City in carrying out its supervisory activities. The business administration effort is realized with the official report related to the results of supervision to be then reviewed and followed up if problems are found therein.
- Increase counseling activities to the community	Routine socialization activities are carried out related to the introduction of entertainment tax, while this aims to provide an understanding to the public that must be aware of the tax, it is routinely carried out twice a year in one year. Those invited are those who have not been registered or who have long been registered.
Personnel aspects	
- Involve the apparatus in the regional financial course	(None)
- Involve the employee in education and training programs	The personnel aspect carried out by Bappeda is to include its apparatus in training held in Bapenda.

Regional tax extensification efforts made in the context of increasing local revenue in this study can be pursued in two ways, namely the creation of tax sources and the policy in the field of investment.

Creation of Tax Sources

The Extensification Program in tax collection in general and entertainment tax in particular can be interpreted as an effort to expand the government to add new tax objects and local tax subjects. This effort must, of course, also pay attention to the regulated collection system so that it has the potential to be taxed. The creation of tax sources as a significant step in adding tax subjects and objects must be supported by efforts to extract new sources of revenue and attempts to add sources of income.

The importance of extracting new sources of revenue for local taxes especially entertainment taxes is the responsibility of the local government, Bapenda Kota Makassar, to continuously encourage the development of entertainment objects in the city of Makassar. Efforts to extract new tax sources as a necessary step in adding revenue sources are carried out by listing new revenue sources.

The data collection system is carried out directly from Bapenda employees to the taxpayer community to see direct and analyze the condition of existing entertainment tax objects. Even though the implementation is still experiencing problems such as data collection schedules that should be done during working hours, but

especially for entertainment tax, it must be done at night because most of them operate at night. For this problem, the Makassar City Bapenda took a solution to make a call to the business responsible for coming to the agency if there was a confirmation that could not be found at the location, or by coordinating with relevant associations in data collection.

Coordination Steps were also taken by Bapenda to extract revenue sources. Bapenda in increasing the development and collection of taxes, especially the completeness of new data, coordinates with several associations including Makassar Entertainment Business Association (AUHM) which directly handles night entertainment businesses in Makassar.

In addition to efforts by going directly to the field, coordinating efforts were also made with the association and related agencies. Besides that, Bapenda also made efforts to increase the source of revenue. The attempt to add revenue sources as an attempt to add new tax objects and subjects is made by utilizing the role of Social Media such as Google and Instagram.

Utilization of social media is considered to be very effective as an effort in adding sources of revenue, with social media will facilitate the search system and data collection of any tax objects that need to be recorded. The evaluation effort as a final point and performance evaluation that has been done is also not spared by Bapenda to optimize the efforts to create tax resources, with the Bapenda evaluation effort, this can provide an assessment of the level of effectiveness of the efforts and extensification strategies that have been carried out.

The results of the interview above indicate that based on efforts to create tax sources made by Bapenda from Directly Down to Fields to the evaluation efforts related to efforts that have been made, indicate that the Extensification Program in creating tax sources has been running optimally.

Investment Policy

One of the policies in extending the source of regional tax revenue that does not cause public misery is an investment policy. Another effort that can be done to increase local revenue is by attracting investors to be willing to invest in the region by promoting and creating a conducive climate for business. The results of the research show that investment policy is not taken directly by Bapenda Makassar City, several agencies that carry out investment which then encourage taxpayers based on data matching. Based on the data, the Extensification Policy carried out by the Bapenda of Makakassar City is only limited to the creation of tax sources not reaching the stage of investment. To make it easier to present the results and discussion related to the extensification program, the following authors present a matrix of the results of the discussion:

Table 3. Matrix of Discussion Results of Extensification Program

Ekstensifikasi Strategy	
Indicator	Bapenda's Efforts
Creation of Tax Sources	
- Efforts to extract new sources of revenue	To obtain new sources of revenue, Bapenda seeks new potential taxpayers as much as possible. So here the field of registration and data collection must go down to the area to look for new potentials by collecting data. The identification of new data is carried out with the standard of at least one person having a target to look for the new possibility of at least two taxpayers in one day. This applies to all types of taxes, including entertainment tax except the PBB and BPHTB. Other efforts were undertaken in the form of coordination with the association and related agencies.
- Efforts to increase sources of revenue	Bapenda tried to increase the source of income. The effort to add revenue sources as an attempt to add new tax objects and subjects is made by utilizing the role of social media such as Google and Instagram.
Investment Policy	
Policies in the investment sector are not pursued directly by Bapenda, several agencies that carry out investment which then encourage taxpayers based on data matching.	

Regional Own-Source Revenue (PAD)

Regional own-source revenue is revenue determined and collected locally. This type of income should be the primary source of income for the region. There are three categories included in this type of income which include local taxes, fines and levies, as well as regional company income. Regional own-source revenue (PAD) is revenue that is obtained by the region from sources within its own region, which are collected based

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on regional regulations following applicable laws and regulations. Assessment of a potential region and its success in managing the region's original revenue can be justified through achieving the target of the realization of its achievement. Following are the targets and realization of Makassar City's revenue for 2016-2018.

Table 4. Target and Realisation of Own-Source Revenue of Makassar from 2014 to 2018

Year	Target	Realization	Percentage
2014	Rp.831.661.964.000	Rp. 730.988.641.339	87,89
2015	Rp. 994.584.816.000	Rp. 800.354.038.761	80,47
2016	Rp. 1.286.067.656.000	Rp. 971.859.753.605	75,57
2017	Rp. 1.484.865.937.000	Rp. 1.337.231.094.236	90,06
2018	Rp. 1.503.411.219.000	Rp. 1.152.843.456.196	76,68

Source: Regional Revenue Agency (Bapenda) Makassar, 2019

Based on the table above, it shows that regional own-source revenue of Makassar has fluctuated. From the realization figure, it can be seen that in 2014-2015, PAD of Makassar has increased by 9.49%. In 2015-2016, it increased by 21.43% and by 37.60% in 2016-2017. For 2017-2018, PAD, however, decreased by 13.79%. From these data, it can be concluded that regional own-source revenue of Makassar has not increased significantly. In order for the regional government to have its own household affairs, the regional government needs to increase its regional income through the empowerment of state-owned enterprises (BUMN) and regional own-source revenue (PAD) derived from taxes, fees, and others. PAD according to Law No. 33 of 2004 concerning financial balance between the central government and regional government article 6, one of which is the local tax. Local tax is considered by many to be the primary type of income that is earned by the region. In this case, generally, the central government determines which taxes the local government can collect. As is the case with the Entertainment Tax as part of the entertainment tax which is a potential area of Makassar City.

Table 5. Makassar City Entertainment Tax Target and Realization from 2016 to 2018

Year	Target	Realization	Percentage
2016	IDR. 57.756.776.000	IDR. 27.154.460.742	47,02
2017	IDR. 61.000.000.000	IDR. 31.603.658.875	51,81
2018	IDR. 70.000.000.000	IDR. 38.710.026.743	55,30

Source: Regional Revenue Agency (Bapenda) Makassar, 2019

Based on the table above, it shows that the Makassar city entertainment tax revenue from 2016-2018 has not yet reached the target; however, in 2016-2018, it rose gradually. From these data, it can be concluded that the Makassar city entertainment tax receipts have increased significantly. An increase in original regional income is an increase in regional revenue, by encouraging the creation of an increase in the number of taxpayers, an increase in ways of determining taxes and an increase in tax collection in the correct amount and on time. And bookkeeping system enhancements, making it easier to search for tax arrears data which in turn can facilitate billing. In practice, the entertainment tax is still experiencing problems related to meeting the target setting. There are some entertainment tax objects that need special attention and are still the concentration of the government in working on the development of these business objects, among them the family karaoke tax object, massage parlour, steam bath/spa and fitness centre.

There are many reviews submitted by Makassar City entertainment entrepreneurs which in this case are taxpayers who are the cause of four tax objects not meeting their targets, ranging from tariff setting to supervision systems that are considered unable to touch and provide solutions to the problems of Makassar entertainment entrepreneurs. The reason for the low realization of entertainment tax comes not from taxpayers who are lazy to pay taxes but regulations that are not conducive. From the interviews above, such government policies do not favour the interests of employers, business closures on major holidays, and efforts to control that are not administrative. This results in a solution to the need for improvements such as regulation must be wise, closure of public holidays must be improved, amend regulations that are not in favour of employers, and improve non-administrative raids.

It is necessary to improve regulations that favour the development of entertainment businesses, tariff adjustments that truly become the ability of entrepreneurs to pay taxes and more optimal supervision activities. To overcome this problem, of course, comprehensive efforts are needed not only from the government, but the

active role of the association, related agencies and even the active role of the taxpayer are also the keys to the successful elimination of the entertainment tax problem.

Stipulation and Tax Collection

Determination and collection of taxes is part of efforts to increase local revenue (PAD). This effort was carried out as an effort by Bapenda of Makassar to meet each of the stipulated local tax targets. Starting from the tax determination step to the collection effort must be carried out in accordance with applicable tax rules. The results of the interview illustrate that extensification and intensification efforts have been effective in improving ways of determining taxes and the tax collection system, where in the tax collection system sanctions and rewards are imposed for taxpayers who routinely pay taxes. The reward system strives as an effort to show appreciation for the efforts of taxpayers who diligently pay their taxes. Almost every agency considers that the reward system is very effective in improving the performance and system of public service organizations. Likewise, with the punishment system strived as a measure of controlling taxpayers who ignored the warning to pay taxes.

Bookkeeping System

The bookkeeping system is a process of recording carried out regularly to collect data and financial information. The bookkeeping and reporting system covers the principal of fostering and developing the activities of bookkeeping in reporting, monitoring, and evaluating regional revenues and conducting the legalization and administration of securities. The bookkeeping system used today is considered to have made it easier for the arrears data search and tax collection system. This is very functional when SKPDs are issued from the inspection, supervision or audit results of the Supreme Audit Agency (BPK) and Provincial Inspectorate.

From the foregoing descriptions, it can be concluded that the role of the intensification and extensification program as an effort to increase local revenue. Where the implementation of intensification and extensification that has not been optimal can have an impact on increasing local revenue that is not significant or fluctuating. Starting from high tariffs which affect decreasing the number of entertainment tax objects. Moreover, the regulations that are not conducive and non-administrative control efforts will have an impact on the realization of entertainment tax revenue which is always below the target. The intensification and extensification program held by Bapenda has not been able to increase the regional own-source revenue (PAD) in Makassar.

3. Conclusion

Institutional Aspects in Regional Revenue Agencies With the orientation of activities on the functions of the Makassar City Bapenda organization can provide positive encouragement in providing fast and accurate information so that coordination can be more directed. In addition, the optimal implementation of the system and procedures for local tax administration in a structured manner has encouraged a better monitoring system for internal institutional circles. The aspects of management are adjusted both administratively and operationally, including the way the entertainment tax is collected through the Self Assessment System and the adjustment of the Makassar City Regulation No. 2 of 2018 for determining tariffs. Personnel aspect as an effort to improve the quality of the apparatus in the Makassar City Revenue Agency is to include apparatus at both structural and functional levels to improve the quality of employees in developing managerial skills and functional training to improve the ability and technical skills of employees. Extensification program, extensification efforts undertaken in increasing local revenue include the creation of tax sources, efforts to create tax resources made by Bapenda of Makassar from decreasing directly to field, to evaluation efforts related to the efforts that have been made. Investment policy was not pursued directly by Bapenda, several agencies that carried out investment which then pushed taxpayers based on data matching. Based on the data, the extensification policy carried out by Bapenda in the form of only limited creation of tax sources does not reach the stage of investment.

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