



ANALYSIS OF THE EFFECTIVENESS OF TAX COLLECTION AND GROWTH RATE OF TAX REVENUE FOR HOTELS, RESTAURANTS, PARKING, AND ENTERTAINMENT FOR THE 2018-2023 PERIOD IN DKI JAKARTA

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Abstract

This paper describes the effectiveness of tax collection and the growth rate of hotel, restaurant, parking, and entertainment tax revenues in DKI Jakarta. The analysis used in this research is quantitative descriptive analysis, which provides information regarding each research variable: the effectiveness of tax collection and the growth rate of tax revenue. The primary data used in the research is the realization of tax revenues for 2018-2023 obtained from the Regional Revenue Agency of DKI Jakarta Province. Meanwhile, the secondary data used was obtained through a literature study. The research results show that, on average, hotel and restaurant tax collection throughout 2018-2023 is very effective, with a percentage of more than 100%. Meanwhile, the average parking and entertainment tax collection can only be effective by reaching 89.54% and 98.01%. Furthermore, The highest growth of hotel, restaurant, parking, and entertainment tax revenues is in 2022, and the lowest is in 2020.

Keywords: tax, effectiveness, DKI Jakarta

Introduction

The Indonesian Government gives the authority to regulate and manage government affairs and community interests to regions through regional autonomy, including managing their finances through the Regional Revenue and Expenditure Budget, based on Law No. 1 of 2022 concerning Financial Relations between the Central Government and Regional Governments. The authority in question is given to around 548 autonomous regions (Oktaviani, 2023), including the particular autonomous region of DKI Jakarta Province. The Regional Government of DKI Jakarta Province, through the Governor and the Regional People's Representative Council (DPRD), carries out government affairs financed by Regional

Revenue, which is contained in the APBD for the relevant fiscal year. The following is a table of regional income based on the DKI Jakarta APBD for the 2019-2023 fiscal year.

Table 1. shows that DKI Jakarta's Regional Income is mainly obtained from Original Regional Income (PAD), which covered an average of more than 60% of regional income from 2019 to 2023. Original Regional Income is a combination of regional taxes, regional levies, and the results of separate wealth management. The following is a detailed table of DKI Jakarta's original regional income for the 2019-2023 fiscal year.

Table 1. Revenue Structure of the DKI Jakarta Province APBD

	2023	2022	2021	2020	2019
Locally-generated revenue	48,442,043,648,831	55,662,834,753,592	45,182,087,250,967	38,085,985,616,631	50,845,081,891,466
Transfer Income	20,224,315,057,470	17,226,478,703,801	16,873,544,789,828	16,955,351,316,683	21,309,064,176,015



	2023	2022	2021	2020	2019
Other Legitimate Regional Income	1,996,577,429,044	4.907.334.270.90	3,153,473,000,000	2,095,271,075,000	2,843,351,308,000
Total Regional Income	70,662,936,135,345	77,796,647,728,301	65.209.105.040.795	57,136,608,008,314	74,997,497,375,481

Source: Regional Revenue and Expenditure Budget Document for DKI Jakarta Province which has been reprocessed

Regional taxes, as in the table 2, contribute the most among other sources of regional original income, more than 80% of income. A consumption tax is one type of regional tax collected by the Regional Government of DKI Jakarta Province. This includes taxes on restaurants, hotels, parking, and entertainment, which have great potential to provide regional tax revenues to DKI Jakarta because they have an unlimited number of tax subjects, including residents of DKI Jakarta, but rather every consumer who is a tax subject. In their journal, Dantes and Lasminiasih (2021) stated that restaurant taxes contributed an average of 7.15% to the Original Regional Income of DKI Jakarta Province, with a revenue effectiveness level of more than 100% in 2017-2019.

During the Global COVID-19 pandemic, from 2020 to 2023, the Government issued various gubernatorial regulations regulating restrictions on people's activities outside the home,

including the operation of public places such as restaurants and entertainment venues. Community mobility and activities in all provinces on the islands of Java and Bali, including Jakarta, decreased by 10 to 15% through the implementation of Emergency Community Activity Restrictions (PPKM) (BPMI Setpres, 2021). Meanwhile, according to the Indonesian Hotel and Restaurant Association (PHRI), 1,033 restaurants and hotel establishments in Indonesia have closed permanently due to the COVID-19 pandemic. (Bisnis.com, 2021). The Government needs to do this even though it can affect regional tax revenues. During the pandemic, the contribution of hotel, restaurant, and entertainment taxes decreased to local revenue (Inggur & Curry, 2022). Tax revenues were even eroded by up to 55% because many economic, social, and cultural sectors were affected by the pandemic (Astutik, 2020).

Table 2. Structure of Original Regional Income of DKI Jakarta Province

	2023	2022	2021	2020	2019
Local tax	43,000,000,000,000	45,700,000,000,000	37,215,000,000,000	32,480,000,000,000	44,540,000,000,000
Regional Levy	462.105.437.613	806,878,300,000	755,755,000,000	468,413,750,000	710,131,000,000
Results of Separated Regional Wealth Management	545.869.249.882	793.735.537.821	390.254.277.917	844.471.501.251	618,380,216,460
Other Valid Pads	4,434,068,961,336	8,362,220,915,771	6,821,077,973,050	4,293,100,365,380	4,976,570,675,006
Total Regional Original Income	48,442,043,648,831	55,662,834,753,592	45,182,087,250,967	38,085,985,616,631	50,845,081,891,466

Source: DKI Jakarta Regional Revenue Agency data, which has been reprocessed

The status of the COVID-19 pandemic itself in Indonesia was only lifted on June 21 2023, even though the regulations regarding community activities outside the home and operational restrictions on business activities had already been relaxed by the DKI Jakarta Government. Through Domestic

Instruction (Inmendagri) Number 26 of 2022, business activities such as restaurants, entertainment, and hotels have been allowed to maximize their capacity up to 100% (CNN Indonesia, 2022)

This condition is the hope of the DKI Jakarta Government to maximize regional revenues through taxes. Based on the phenomenon above, the author is interested in researching the effectiveness of tax collection and growth rate for restaurants, hotels, parking, and entertainment in DKI Jakarta after the pandemic and comparing it with the period before and during the COVID-19 pandemic.

Literature Review

1. Local tax

According to Davey (1988), regional taxes are taxes collected by regions regulated through regional regulations with rates regulated by the regional Government (Anggoro, 2017). Regional tax is a mandatory contribution paid by individuals or bodies to the region without direct, equal compensation, the collection of which can be enforced based on applicable laws and regulations used for government administration and regional development (Sugianto, 2008).

2. Hotel Tax

A hotel tax is imposed on hotel services (Anggoro, 2017). The hotel in question can be accommodation/rest services such as motels, guesthouses, tourism huts, tourism guesthouses, guesthouses, guest houses, and the like, as well as boarding houses with more than 10 (ten) rooms for which a fee is charged. This includes supporting services such as sports and entertainment facilities, laundry, and room rental.

3. Restaurant tax

Siahaan (2010) defines restaurants as providers of food and drinks in the form of restaurants, cafeterias, canteens, stalls,

bars, and catering for which a fee is charged (Anggoro, 2017). Restaurant tax is levied on services provided by restaurants.

4. Entertainment Tax

Entertainment tax is levied on the provision of entertainment. All spectacles, shows, games, and/or crowds for which a fee is charged are included in entertainment (Zuraida, 2012).

5. Parking Tax

The tax levied on providing off-street parking by an entity or individual also includes the storage of motorized vehicles for which a fee is charged (Kamaroellah, 2021).

Research Methodology

1. Effectiveness of Tax Collection

The effectiveness of tax collection is calculated by comparing the realization of regional tax revenues with the targets set. The level of effectiveness describes the Government's ability to raise tax revenues (Nurhayati, 2021). The following is a formula for calculating the effectiveness of local tax collection.

$$E = \frac{Xt}{Yt} \times 100\%$$

Information:

Ex: effectiveness of tax collection per year

Xt: realization of tax revenue per year

Yt: annual tax revenue target

To measure the level of effectiveness of Restaurant, Hotel, Parking, and Entertainment Taxes, the indicators in the table as follows are used:

Table 3. Financial Performance Effectiveness Criteria

Financial Performance Percentage	Criteria
$E \geq 100\%$	Very effective
$90\% \leq E < 100\%$	Effective
$80\% \leq E < 90\%$	Effective enough
$60\% \leq E < 80\%$	Less effective
$E \leq 60\%$	Ineffective

Source: Minister of Home Affairs Decree No.690,900-327 of 1996 in Pohan (2021)

1. Tax Revenue Growth

Halim (2004) said that the tax growth rate calculated per year shows the Government's ability to improve and maintain the success of regional governments obtained from year to year (Herjanti & Teg Teg, 2020). The following formula can be used to calculate tax revenue growth.

$$Gx = \frac{Xt - X(t-1)}{X(t-1)} \times 100\%$$

Information:

Gx: Tax growth rate per year

Xt: realization of tax revenue per year

X (t-1): realization of tax revenue in the previous year

Results and Discussion

Analysis of the Effectiveness of Tax Collection

Table 4. Hotel Tax Effectiveness

Year	Realization of Hotel Tax Revenue	Hotel Tax Target	Hotel Tax Effectiveness Ratio	Criteria
2018	1,743,175,778,670.37	1,700,000,000,000.00	102.54%	Very effective
2019	1,761,432,480,678.09	1,800,000,000,000.00	97.86%	Effective
2020	753,139,389,953.85	675,000,000,000.00	111.58%	Very effective
2021	866,400,648,454.00	800,000,000,000.00	128.36%	Very effective
2022	1,490,370,176,104.00	1,400,000,000,000.00	106.455%	Very effective
2023	1,900,354,191,013.00	1,600,000,000,000.00	118.77%	Very effective

Source: DKI Jakarta Regional Revenue Agency data, which has been reprocessed

In general, in 2018 and 2019, when the Covid-19 pandemic had not yet entered Indonesia, hotel tax collection in DKI Jakarta Province was considered good, each with the criteria being very effective and effective even though in 2019, the target set for hotel tax was not achieved, the hotel tax effectiveness level reached a percentage of 97.86%. When the COVID-19 pandemic was at its highest level in DKI Jakarta Province, based on data from the government website Corona, Jakarta.go.id, and when community and business activities were tightened in 2021, hotel tax collection succeeded in exceeding the target, which is very effective. This cannot be denied because the hotel tax target decreased by more than

half the previous year. In 2022, when the DKI Jakarta Province begins to carry out economic recovery by relaxing policies, including the implementation of PPKM Level 1, which gives Taxpayers the freedom to fulfill their hotel business capacity up to 100%, and in 2023, when the pandemic is declared officially over, the realization of hotel tax revenues very effective, reaching 118.77%. This is in line with research by Leads Property Indonesia, which states that there has been an increase in hotel occupancy of up to 57% which began to occur in the third quarter of 2022 with guests on business trips dominated (Maharani, 2022).

Analysis of the Effectiveness of Restaurant Tax Collection

Table 5. Effectiveness of Restaurant Tax

Year	Realization of Restaurant Tax Revenue	Restaurant Tax Targets	Restaurant Tax Effectiveness Ratio	Criteria
2018	3,156,460,833,184.60	3,150,000,000,000.00	100.21%	Very effective
2019	3,609,053,685,128.91	3,550,000,000,000.00	101.66%	Very effective
2020	1,935,159,453,084.63	1,850,000,000,000.00	104.60%	Very effective
2021	2,159,539,257,773.33	2,000,000,000,000.00	107.98%	Very effective
2022	3,387,621,341,844.00	4,000,000,000,000.00	84.69%	Effective enough
2023	3,947,731,719,827.00	3,800,000,000,000.00	103.89%	Very effective

Source: DKI Jakarta Regional Revenue Agency data, which has been reprocessed

Before the COVID-19 pandemic, restaurant tax collection in DKI Jakarta was considered very effective, with a target achievement percentage of more than 100%. A decrease did occur in 2020 due to large-scale social restrictions (PSBB). However, adjustments to tax targets through changes to the APBD still make restaurant tax the second most effective type of tax in the last six years, even though the rupiah value of restaurant tax revenue has shrunk—almost half. The restaurant tax effectiveness ratio increased the following year, then fell again to 84.69% in 2022, making it quite effective. This happened because the restaurant tax target increased to 100%, accompanied by a commensurate increase in actual revenue. However, adjusting the target in 2023 and the end of the global pandemic helped the Government achieve an effectiveness ratio of up to 103.89% for restaurant tax collection. This can be driven by the growing trend of purchasing food via online food delivery (OFD). A survey conducted by the global research institute Measurable AI stated that the pandemic has changed consumer shopping habits, including online food delivery, which continues to increase (Almansur, 2023).

Analysis of the Effectiveness of Parking Tax Collection

Table 6. Effectiveness of Parking Tax

Year	Realization of Parking Tax Revenue	Parking Tax Target	Parking Tax Effectiveness Ratio	Criteria
2018	513,583,137,467.00	550,000,000,000.00	93.38%	Effective
2019	532,543,649,485.32	525,000,000,000.00	101.44%	Very effective
2020	335,892,300,848.60	325,000,000,000.00	103.35%	Very effective
2021	306,992,774,849.00	300,000,000,000.00	102.33%	Very effective
2022	414,418,892,880.00	1,350,000,000,000.00	30.70%	Ineffective
2023	477,106,483,222.00	450,000,000,000.00	106.02%	Very effective

Source: DKI Jakarta Regional Revenue Agency data, which has been reprocessed

Parking tax revenue in 2018 and 2019 is still the largest in the past six years. Even though parking tax collection in 2018 did not reach the revenue target, in 2019, the local Government managed to increase revenue with an effectiveness level of 101.44% raising the collection effectiveness from merely effective in 2018 to very effective in 2019. Contrast, though, of course, is not the case. Unexpectedly, acceptance during the pandemic was the lowest. Even though the tax collection exceeds the target, it is very effective. In the 2022 tax year, the percentage of effectiveness of parking tax collection will be the lowest, only managing to collect 30.70% of the set target, even though, in terms of numbers, revenue has increased quite significantly from the previous year. According to representatives of the Regional Revenue Agency, this could be due to the inappropriate setting of the parking tax target amount by increasing the target value by up to 350% when economic conditions were recovering from the blow of the COVID outbreak. The target-setting error was then corrected in the following year. When the Government revoked the pandemic status and replaced it with endemic in 2023, parking tax collection will again enter the very effective criteria with 6% above the stated target.

Analysis of the Effectiveness of Entertainment Tax Collection

Table 7. Effectiveness of Entertainment Tax

Year	Realization of Entertainment Tax Revenue	Target Entertainment Tax	Entertainment Tax Effectiveness Ratio	Criteria
2018	833,995,184,987.62	900,000,000,000.00	92.67%	Effective
2019	859,007,050,478.54	850,000,000,000.00	101.06%	Very effective
2020	220,239,227,781.79	215,000,000,000.00	102.44%	Very effective
2021	86,884,580,630.00	70,000,000,000.00	124.12%	Very effective
2022	399,583,784,555.00	750,000,000,000.00	53.28%	Ineffective
2023	687,004,597,715.00	600,000,000,000.00	114.50%	Very effective

Source: DKI Jakarta Regional Revenue Agency data, which has been reprocessed

The table above shows that COVID-19 has negatively impacted entertainment tax revenues in DKI Jakarta. At its lowest point, the value received by local governments was only slightly higher than 10% of revenues in the pre-pandemic period. The prohibition on opening entertainment venues such as karaoke, bars, and discos, as well as organizing concerts and other incidental entertainment, is a factor that reduces revenue. Even so, the table shows that entertainment tax collection in 2020 and 2021 is considered very effective; it cannot be denied that this is because adjustments to the entertainment tax target have been made. Contrary to the previous year, setting targets could cause entertainment tax collection in 2022 to be considered ineffective. Targets rose explosively to nearly ten times as new entertainment ventures recovered. The following year, targets decreased, and revenues increased significantly, making entertainment tax collection in 2023 again very effective.

Tax Growth Rate Analysis

Table 8. Hotel Tax Growth

Year	Realization of Hotel Tax Revenue	Change	Growth Rate
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2018	1,743,175,778,670.37	-	-
2019	1,761,432,480,678.09	18,256,702,007.72	1.05%
2020	753,139,389,953.85	-1,008,293,090,724.24	-57.24%
2021	866,400,648,454.00	113,261,258,500.15	15.04%
2022	1,490,370,176,104.00	623,969,527,650.00	72.02%
2023	1,900,354,191,013.00	409,984,014,909.00	27.51%

Source: DKI Jakarta Regional Revenue Agency data, which has been reprocessed

Based on the table and graph above, it can be seen that hotel tax revenues failed to experience significant growth from 2018 to 2019. In addition, the pandemic that entered 2020 resulted in a very high decline in growth of 57.24%. In 2021, there will be a less significant increase in growth. After regulations related to COVID-19 were relaxed and the pandemic began to recede gradually, 2022 will be the year with the highest revenue growth, with a growth rate of 72.02%. Furthermore, in 2023, the realization of hotel tax revenues will exceed the revenues before the pandemic, namely in the 2018 and 2019 tax years. This is supported by community activities, which have returned to normal along with the end of COVID-19 in accordance with RI Presidential Decree number 17 of 2023 concerning the Determination of the end of the coronavirus 2019 (COVID-19) pandemic status in Indonesia, which changed the status of the global Covid-19 pandemic to endemic.

Restaurant Tax Growth Rate Analysis

Table 9. Restaurant Tax Growth

Year	Realization of Restaurant Tax Revenue	Change	Growth Rate
2018	3,156,460,833,184.60	-	-
2019	3,609,053,685,128.91	452,592,851,944.31	14.34%
2020	1,935,159,453,084.63	-1,673,894,232,044.28	-46.38%
2021	2,159,539,257,773.33	224,379,804,688.70	11.59%
2022	3,387,621,341,844.00	1,228,082,084,070.67	56.87%
2023	3,947,731,719,827.00	560,110,377,983.00	16.53%

Source: DKI Jakarta Regional Revenue Agency data, which has been reprocessed

Restaurant tax revenues grew by just over 10% from 2019 and experienced a decline, as did hotel taxes when the pandemic stopped economic and social activities in 2020. The decrease of 46.38% from previous revenues impacted overall local revenue. DKI Jakarta at that time. Even though the DKI Jakarta budget is needed to finance the negative impacts caused by the COVID-19 outbreak, the DKI Government does not expect much from restaurant taxes. The government regulation that forces restaurants to close dine-in services through DKI Jakarta Governor Regulation Number 33 of 2020 concerning the Implementation of PSBB in Handling COVID-19 in DKI Jakarta Province has impacted tax revenues from the restaurant sector in 2020. However, in 2021, it will be seen that There was progress in revenue with a growth of 11.59%, which then rose again in 2022 with a high growth rate of 56.87%. The growth in restaurant tax revenue will continue in 2022. In 2023, even though revenue only grew by 16.53% from the previous year, in rupiah terms, it will be the highest revenue in the last six years.

Parking Tax Growth Rate Analysis

Table 10. Parking Tax Growth

Year	Realization of Parking Tax Revenue	Change	Growth Rate
2018	513,583,137,467.00	-	-
2019	532,543,649,485.32	18,960,512,018.32	3.69%
2020	335,892,300,848.60	-196,651,348,636.72	-36.93%
2021	306,992,774,849.00	-28,899,525,999.60	-8.60%

2022	414,418,892,880.00	107,426,118,031.00	34.99%
2023	477,106,483,222.00	62,687,590,342.00	15.13%

Source: DKI Jakarta Regional Revenue Agency data, which has been reprocessed

Growth in parking tax revenue in Jakarta tends to be nisd. In the last six years, the growth that occurred each year was not very significant. In fact, in 2020, the year the pandemic started in Indonesia, parking tax growth in Jakarta was negative, reaching 36.93%. A new increase in growth occurred in 2022, at the same time Level 1 Community

Activity Restrictions came into effect at the end of the previous year (BPBD Jakarta, 2021). In the past year, even though growth was only 15.13%, the amount of parking tax revenue almost equalled the value before the pandemic came.

Entertainment Tax Growth Rate Analysis

Table 11. Growth in Entertainment Tax

Year	Realization of Entertainment Tax Revenue	Change	Growth Rate
2018	833,995,184,987.62	-	-
2019	859,007,050,478.54	25,011,865,490.92	3.00%
2020	220,239,227,781.79	-638,767,822,696.75	-74.36%
2021	86,884,580,630.00	-133,354,647,151.79	-60.55%
2022	399,583,784,555.00	312,699,203,925.00	359.90%
2023	687,004,597,715.00	287,420,813,160.00	71.93%

Source: DKI Jakarta Regional Revenue Agency data, which has been reprocessed

The most significant growth in entertainment tax in DKI Jakarta occurred when social and economic activities of the community began to be allowed with few restrictions by the Government, namely when PPKM Level 1 began to be consistently implemented in 2022. Entertainment tax previously experienced minimal growth in 2019 and negative in 2020 and 2021, with percentages of -74.36% and -60.55%, respectively, experiencing a growth spike of 359.90% in revenue. The opening of cinemas and other entertainment venues to a maximum capacity of 100% as mandated in the Decree of the Governor of DKI Jakarta Number 492 of 2022 concerning the Implementation of Level 1 Corona Virus Disease 2019 Community Activity Restrictions supports this growth. Even though in rupiah terms, revenues in 2022 and 2023 have not been able to match revenues in the year before the pandemic, revenue growth in 2023 of 71.93% has succeeded in securing revenues of almost 700 billion rupiahs.

Obstacles and Efforts

Based on interviews conducted through representatives of the Regional Revenue Agency, there are several obstacles in collecting hotel, restaurant, parking, and entertainment taxes, especially for the 2018-2023 tax year, including:

1. Covid-19 pandemic

Restrictions on community social and economic activities through implementing Large-Scale Social Restrictions or PSBB policies affect hotel, restaurant, parking, and entertainment business operations. People's decision to stay at

home more instead of going outside has significantly reduced the number of consumers from these businesses. In addition, some regulations limit the capacity of the number of visitors allowed.

2. Determining Tax Targets

Setting tax targets, especially after the impact of the Covid-19 pandemic began to improve and the Government began to relax restrictions and regulations, has yet to be carried out correctly. Several tax objects, including restaurants, hotels, parking lots, and entertainment venues, which are permanently closed, have yet to be removed from the object data collection system, so they are still included in the calculation of potential tax, which is the basis for determining regional tax targets. In addition, a spike in tax targets not accompanied by the opening of new tax objects provides room for ineffectiveness in tax collection on the targets set.

3. Compliance

Hotel, restaurant, parking, and entertainment taxes are a type of self-assessment tax, so local governments are very dependent on taxpayer compliance in collecting and paying taxes. Through data collection and audits by the Regional Revenue Agency, many taxpayers still need to pay their taxes according to the actual amount. Apart from that, several taxpayers previously reported being temporarily closed and then started to reopen their businesses when restrictions on business activities were relaxed and returned to collecting taxes from consumers but did not pay them to the regional treasury.



To minimize obstacles in collecting regional taxes as mentioned above and to increase the effectiveness and growth rate of regional taxes, the Regional Revenue Agency also makes various efforts as follows:

1. Passive and Active Billing

Passive collection is carried out by the Regional Tax Collection Services Unit (UPPPD), a unit under the Regional Revenue Agency, by providing letters of appeal to taxpayers who, based on research by the tax authority, have indications of not carrying out their tax obligations correctly and on time. If, within a certain period, the appeal letter is followed by a letter of warning that the Taxpayer has yet to respond to, the tax authorities have the right to attach stickers indicating tax arrears on the relevant tax objects. Meanwhile, in carrying out the active collection, the tax authorities carry out office and field inspections of taxpayers. If, during the audit, it is discovered that the Taxpayer has not paid the actual tax, the tax authorities can carry out collections up to confiscation of the object or auction of the object to pay off the tax owed. At the DKI Jakarta Provincial Regional Revenue Agency, active billing is the authority of the Regional Revenue Sub-agency.

2. Carrying out Tax Extensification and Intensification

One form of tax intensification will be carried out in 2022 through the Decree of the Head of the Regional Revenue Agency Number 2045 concerning the Collection of Entertainment Tax and Restaurant Tax on Business Actors Organizing Entertainment Activities and Providing Food and Beverage Services, which allows a restaurant business to organizing entertainment must have two tax object numbers and collect two types of taxes, namely restaurant tax and entertainment tax. In its implementation, there was an additional tax object, which was confirmed as an entertainment tax object after previously only being a restaurant tax. The addition of this tax object is expected to increase the amount of tax revenue for the Government. Meanwhile, regional tax extensification was carried out through a tax census. Through the Instruction of the Governor of the Special Capital Region of Jakarta No. 50 of 2020 concerning Support for 2020 Regional Tax Census Activities, the regional tax census will be held by the Regional Revenue Agency starting in 2020. Accurate tax object data collection is needed to expand the tax base and optimize the existing tax potential in DKI Jakarta.

3. Improving Online Services (opening payment channels), Online Tax

Providing various payment channels, starting from payments at the Regional Cash Bank, namely Bank DKI, as well as services via ATMs to E-Banking and e-commerce, is one of the strategies implemented by the Regional Revenue Agency to make it easier for Taxpayers to carry out their obligations to pay taxes collected in regional cash receipts. Apart from that, to increase the use of digitalization in tax services, the Regional Government Agency also opens services to Taxpayers online via the website <https://pajakonline.jakarta.go.id/> for accessible services,

which can be accessed anywhere without limited working hours.

Conclusion

On average, hotel and restaurant tax collection is effective with a percentage of more than 100% for the 2018-2023 tax year period. Meanwhile, parking and entertainment tax collection have yet to be effective on average, reaching only 89.54% and 98.01%. This is due to the implementation of inappropriate tax targets in 2022. Apart from that, the increase in the number of tax targets, many times the previous target when people's economic activities are still recovering, could be a supporting factor.

Throughout the 2018-2023 tax year, hotel and restaurant tax revenues grew the most positively in 2022 after restrictions on social and economic activities were relaxed, although in 2020, tax revenues shrank by half. Meanwhile, parking and entertainment taxes are at their lowest point for 2020 and 2021 with negative percentages, up to more than 70% for entertainment taxes. However, opening entertainment venues such as bars and karaoke and holding incidental entertainment such as concerts will increase growth by more than 300% in 2022.

Suggestion

Even though the effectiveness of regional taxes for restaurant, entertainment, hotel, and parking consumption taxes on average is close to 100%, and tax revenues that grow positively at the end of the pandemic in 2023 can be a good performance record for DKI Jakarta, regional governments, especially the Revenue Agency. Regions, as agencies tasked with carrying out tax collection, need to make preparations regarding the issuance of Regional Regulation Number 1 of 2024 concerning regional taxes and regional levies. This is because there are several changes compared to previous regional regulations, especially in combining consumption taxes such as restaurant, entertainment, hotel, and parking taxes plus street lighting taxes into one new terminology, namely Certain Goods and Services Tax or PBJT. The changes in question include object restrictions and tariff reductions, potentially affecting regional income from taxes. A strategy to anticipate a decline in regional tax revenues needs to be formulated after considering the potential decline. Utilization of regional tax census results that have been carried out in previous years and supervision of the implementation of regional regulations must be done optimally.

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