



## ANALYSIS OF INCENTIVIZING BASIC COST OF RURAL AND URBAN LAND AND BUILDING TAX THROUGH DETERMINATION AND PAYMENT POLICIES IN THE PROVINCE OF JAKARTA IN 2023 BASED ON THE PRINCIPLE OF TAX COLLECTION

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### Article History

Received: 01/01/2025

Accepted: 05/01/2025

Published: 07/01/2025

Vol –4 Issue – 1

PP: -01-07

### Abstract

The DKI Jakarta Governor Regulation No. 5 of 2023 regarding the determination and payment policy of rural and urban land and building tax is a component of the 2023 economic recovery initiatives designed to alleviate the burdens of rural and urban land and building taxpayers in meeting their tax responsibilities. This study aims to analyze the incentive policy for reducing the basic cost of rural and urban land and building tax through a determination and payment policy scheme based on the principle of tax collection. This research was conducted using the descriptive qualitative method, where data were obtained through literature, field, and document studies. The determination and payment policy in 2023 has fulfilled the principle of Equality (horizontal justice), the principle of revenue productivity where the realization of rural and urban land and building tax revenue in 2023 has reached the target, the principle of neutrality, where the incentive policy does not cause distortion of consumption or production, the principle of ease of administration where efficiency, convenience of payment, and simplicity have been fulfilled, but in certainty. However, the rules have been made clear and provide certainty for taxpayers and tax authorities, changes in several provisions in the determination and payment policy each year can confuse taxpayers.

**Keywords:** Rural and urban Land and Building Tax, Tax Incentive, Tax Collection Principles

## 1. BACKGROUND

Delegation of responsibility and sharing of power and authority in fiscal decision-making covering both revenue and expenditure aspects is known as fiscal decentralization (Nashrullah, 2023). To support the implementation of fiscal decentralization, one of the things that is regulated is establishing Law Number 28 of 2009 concerning Regional Taxes and Retribution (Pemerintah RI, 2009), which was later updated by Law Number 1 in 2022 concerning Financial Relations between Central and Regional Governments (HKPD Law) (Pemerintah RI, 2022). The realization of the policy in the PDRD Law to optimize local revenue includes transferring the management of Rural and Urban Land and Building Tax (Pemerintah Provinsi, 2022) from the Central Government to the Local Government.

In DKI Jakarta Province, rural and urban land and building tax management was transitioned in 2013 based on Regional Regulation No.16 in 2011 on Rural and Urban Land and Building Tax (Bapenda Jakarta, n.d.-b). Since the process of

transferring the management of rural and urban land and building tax, the DKI Jakarta Provincial Government has issued various policies related to the collection of rural and urban land and building tax, including the policy of providing incentives to reduce the principal of rural and urban land and building tax, which in recent years according to the Head of the DKI Jakarta Provincial Revenue Agency aims to help residents' economic recovery and is a stimulus to increase tax compliance (Jakita, 2022).

The form of rural and urban land and building tax incentive policies issued by the DKI Jakarta Provincial Government vary from providing exemptions or principal reductions to eliminating administrative sanctions, etc. The provisions for these incentives also align with the circumstances and economic needs of the DKI Jakarta Provincial Government. One of the adjustments made is the issuance of DKI Jakarta Governor Regulation Number 23 of 2022 concerning policies for determining and paying rural and urban land and building tax to recover the economy (Pemerintah Provinsi, 2022).



The scheme of providing basic incentives for rural and urban land and building tax then continued its implementation in 2023 with several adjustments regulated in DKI Jakarta Governor Regulation Number 5 of 2023 concerning policies for determining and paying rural and urban land and building tax as an economic recovery effort in 2023 (Pemerintah Provinsi, 2023). This policy is based on Regional Regulation Number 2 of 2020 concerning COVID-19 Countermeasures, where the DKI Jakarta Provincial Government can provide fiscal incentives in economic recovery efforts for people affected by COVID-19 (Pemerintah Provinsi, 2020). The provision of incentives is carried out through a policy of determining rural and urban land and building tax with a certain nominal value and providing partial exemption with a certain area and percentage, as well as facilitating the payment of rural and urban land and building tax in instalments by providing principal relief and reduction or elimination of administrative sanctions regulated in the Governor Regulation. The following summarizes several policy points for providing incentives on the principal of rural and urban land and building tax applicable in DKI Jakarta Province in 2023. (see Table 1.)

Several changes to the rural and urban land provisions and building tax principal incentives in the stipulation and payment policies since 2022 have generated various responses in the community. In the determination policy, the increase in the maximum NJOP limit used as the basis for exempting the principal rural and urban land and building tax by 100%, which is now IDR 2 Billion (previously IDR 1 Billion), is expected to expand the range of incentive recipients, but on the other hand, this latest provision is still not optimal in addressing the "asset rich, but cash poor" issue inherent in the characteristics of property taxes. This can be seen from taxpayer requests for service reduction/ partial exemption for rural and urban land and building tax with a tax assessment year 2023.

Although the stipulation and payment policy in 2023 is a continuation of a similar policy in 2022, there are several changes related to the provisions of the tax object and the percentage amount of incentives provided. According to (Rosdiana, Haula dan Irianto, 2022) regulations that change frequently, especially those concerning essential matters, will cause confusion in the community, making it difficult for taxpayers (primarily corporate taxpayers) in their strategic business planning. To see the comparison of payment policies in 2022 and 2023. (see table 2.)

**Table 1. Policy on Providing Basic Incentives for Rural and Urban Land and Building Tax (PBB-P2) in DKI**

Year	Type of Payment	Tax Year	Payment Policy						
			Jun	Jul	Agu	Sep	Okt	Nov	Des
2022	Lunas	2022	15%			10%		5%	
		2013-2021		10%				5%	

**Jakarta Province through Determination and Payment Policies in 2023**

N	Description	2023
1	Private Landed House	
	Value of Tax Object PBB-P2	100% tax exempted
	Value of Tax Object PBB-P2 > IDR. 2 billion	Land/Building area 60/36,
2	Other than Private Landed	10%
3	Toll Road Objects	10%

Type of Payment	Tax Year	Payment Period						
		M	A	M	J	J	A	S
Paid in full	2023			10%				5%
	2013-2022			20%				10%
Instalments	2023			10%				5%
	2013-2022			20%				10%

Source: Governor Regulation of DKI Jakarta Province No.5 in 2023

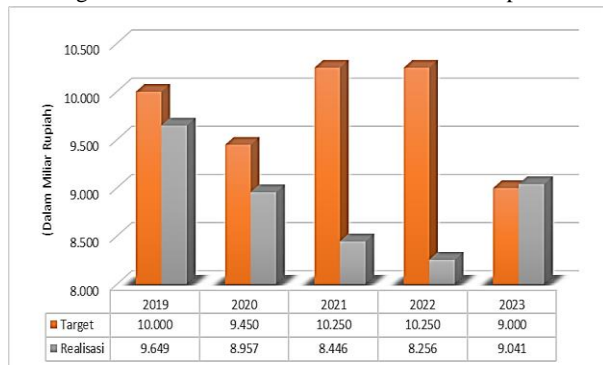
**Table 2. Comparison of Rural and Urban Land and Building Tax (PBB-P2) Payment Policy in DKI Jakarta Province in 2022 and 2023 Determination Policy**

No	Description	2022	2023
1.	Private Landed House		
	Value of Tax Object PBB-P2 until IDR 2 billion	100% tax exempted	100% tax exempted
	Value of Tax Object PBB-P2 > IDR. 2 billion	Land/Building area 60/36, partial exemption: 10%	Land/Building area 60/36, Partial exemption: 5%
2.	Other than Private Landed House	15%	10%
3.	Toll Road Objects	0%	10%

Angsuran	2022	15%	10%	5%
	2013-2021	10%		5%
		Mar	Apr	Mei
		Jun	Jul	Agu
		Sep		
<b>2023</b>	Lunas	2023	10%	5%
		2013-2022	20%	10%
	Angsuran	2023	10%	5%
		2013-2022	20%	10%

Sumber: Governor Regulation of DKI Jakarta Province No. 23 in 2022 and Governor Regulation of DKI Jakarta Province No. 5 in 2023

The provision of incentives to reduce the principal of rural and urban land and building tax through stipulation and payment policies aims to help economic recovery after the Covid-19 pandemic, which has had a direct impact on financial conditions for both business actors and the general public so that to support DKI Jakarta Province as a business city. The DKI Jakarta Provincial Revenue Agency provides fiscal incentives to ease the burden on rural and urban land and build tax obligations to fulfil their tax obligations. The realization of rural and urban land and building tax revenue in 2023 has met the revenue target according to the APBD-P. However, this achievement is supported by a revenue target that has decreased significantly compared to previous years. In addition, the realization of rural and urban land and building tax revenue in 2023 is considered not optimal compared to the realization of rural and urban land and building tax revenue in 2019 before the COVID-19 pandemic.



Source: DKI Jakarta Provincial Revenue Agency

**Figure 1. Comparison of Revenue Realization and Revenue Target of Urban Land and Building Tax (PBB-P2) in DKI Jakarta Province from 2019 to 2023**

Based on the description above, it is interesting to dissect how to analyze the provision of basic incentives for rural and urban land and building tax through determination and payment policies in DKI Jakarta Province in 2023 based on the principles of tax collection according to Rosdiana, Haula dan Irianto (2022) consisting of equity/Equality, revenue productivity, neutrality, and ease of administration? There are several urgencies why this research was conducted: 1) Rural and urban land and building tax is one of the most significant contributors to local tax revenue in DKI Jakarta Province.

According to data from DKI Jakarta Provincial Revenue Agency in 2023, rural and urban land and building tax contributed 20.77% of the overall realization of local tax revenue, so policies related to rural and urban land and building tax enacted by the DKI Jakarta Provincial Government will have a significant influence on the amount of local tax revenue as a whole. 2) Providing rural and urban land and building tax incentives through stipulation and payment policies in DKI Jakarta Province will only take effect in 2022, so no specific research dissects this incentive scheme. 3) Policy analysis based on ideal tax collection principles can assist tax authorities in implementing similar incentive programs in the future.

## 2. THEORETICAL FRAMEWORK

The definition of property tax is a tax based on the value of a property owned by the taxpayer. Meanwhile, according to Salm (2017), property taxes are imposed by local governments based on ownership or occupation of a property and another opinion from B.Musgrave (1989) : "In the United States, property taxation has been almost entirely in the form of the local property tax, imposed as an in rem tax, mostly on land and real estates." Thus, it can be concluded that property tax is generally part of local government revenue, which is levied based on the state of a thing (object), not the state of an individual (subject), which is usually the object in the form of land and buildings on it.

B.Musgrave (1989) argue that there are no definite criteria for assessing a good tax system. Still, the following criteria can be used to determine the tax system: "The good tax system should be designed to meet the requirements of equity in burden distribution, efficiency in resource use, macro policy goals, and ease of administration." However, all of these criteria do not necessarily go together; if there is a conflict between one criterion and another, then it is important to consider trade-offs (making decisions on two or more things at the expense of one of them). Therefore, in a tax system, equity sometimes requires complex administration that may interfere with neutrality, efficient tax policy design, fairness, etc.

According to Rosdiana, Haula dan Irianto (2022), in designing a tax collection system, there are several important principles to consider: The principle of Equality (justice), the ability of taxpayers to collect taxes and get appropriate benefits from the state. The principle of Equality is then divided into two categories: 1) horizontal equity, where every addition to the same economy will be subject to the same tax burden, and 2)

vertical equity, where the addition of different economic capabilities will be treated unequally. Revenue Productivity Principle: Taxes are levied in the government's interest to raise public funds to finance government activities. In the neutrality principle, the tax imposed is free from distortion, either on consumption or production, as well as other factors. The principle of Ease of Administration is divided into several criteria, namely certainty (certainty of the object, subject, imposition basis, rates and procedures for imposing taxes), efficiency (in terms of administrative cost is relatively low, in terms of taxpayers compliance cost is relatively low), convenience of payment (when paying taxes should pay attention to the convenience of taxpayers), and simplicity (tax collection regulations must be clear and easily understood by taxpayers).

The definition of tax incentives, according to Sanchez-Ugarte (1987), is a reduction in either the tax rate, tax base, or tax debt, which is given if specific actions are taken by the beneficiary (taxpayers determined based on particular qualifications). The purpose of implementing tax incentives is to obtain government revenue and encourage economic development in specific fields (Loupatty, 2021). Several forms of tax incentives can be provided by the government, namely tax exemptions (exemptions), tax reductions, tax exemptions (holidays and allowances), tax facilities and government-borne duties, and other forms in the regional context (Rahmawaty & Rosdiana, 2018).

### 3. RESEARCH METHOD

This study's qualitative method is considered the most appropriate because it allows researchers to understand export-related policies in Indonesia more holistically, including how these policies affect the various parties involved. This study uses a constructivist paradigm, where researchers try to understand/ interpret the meaning of research participants based on their experiences related to a particular object where they live or work (Cresswell, 2018). The constructivist paradigm views reality as something relative, depending on the subject's experience and who does it, and it can be generalized (Adi et al., 2016). Qualitative data collection methods will be used to determine the meaning of a phenomenon from the perspective of participants, where one of the key elements of data collection in this method is the observation of participants' behaviour in carrying out an activity (Cresswell, 2018). Based on its purpose, this research is included in descriptive research. According to Neuman (2014), descriptive research can describe a situation, social setting, or relationship in detail. The data collection techniques used were literature, field, and document studies.

### 4. RESULT AND ANALYSIS

#### 4.1 Principle of Equality

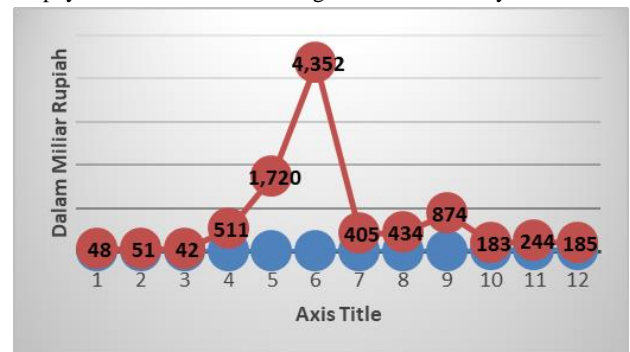
In the principle of Equality, better known as the principle of justice, tax collection should be adjusted to the taxpayer's ability and the benefits obtained from the state. The principle of justice is generally divided into horizontal justice and vertical justice. However, for rural and urban land and building tax, the principle of justice is fulfilled only in

horizontal justice. This is because rural and urban land and building tax, which is part of property tax, has characteristics where it is uniformly imposed based on the state of the object rather than the state of the subject - in rem tax (B.Musgrave, 1989). Horizontal justice, according to Rosdiana, Haula dan Irianto (2022), is when taxpayers who are in the same "condition" are treated equally.

In the stipulation policy, rural and urban land and building taxpayers in DKI Jakarta Province will receive the same rural and urban land and building tax principal reduction incentive benefits if they own/ utilize/ control rural and urban land and building tax objects with the same sales value of rural and urban land and building tax. For landed houses owned/utilized/controlled by individual taxpayers with a sales value of rural and urban land and building tax up to IDR 2 Billion, a 100% exemption of the principal of rural and urban land and building tax will be given. In addition to landed houses owned/ utilized/ controlled by individual taxpayers, a reduction of the same percentage of 10% will be provided. In addition, for toll road objects, a decrease of 10% is given. Horizontal justice is also reflected in the payment policy, where there are no certain requirements/ classifications to benefit from the incentive to reduce the principal of rural and urban land and building tax through the payment policy. All taxpayers who pay their tax obligations in a certain period will get the same incentive percentage. Thus, the policy of providing incentives to reduce the principal of rural and urban land and building tax in DKI Jakarta Province in 2023 has fulfilled the principle of horizontal justice.

#### 4.2 Principle of Revenue Productivity

As one of the sources of funding for government expenditure, the principle of revenue productivity is considered necessary in assessing the implementation of the tax policy. Based on the payment period, in May and June, there is a significant increase in rural and urban land and building tax revenue compared to other months, where in that period, the rural and urban land and building tax reduction incentive of 10% applies. In addition, the increase in rural and urban land and building tax revenue also occurred in September, when the last 5% rural and urban land and building tax reduction incentive was applied. From the data, providing incentives to reduce rural and urban land and building tax through payment policies stimulates rural and urban land and building taxpayers to fulfil their tax obligations immediately.



Source: DKI Jakarta Provincial Revenue Agency

### Figure 2. Realization of Rural and Urban Land and Building Tax Revenue Per Month in 2023

The realization of rural and urban land and building tax revenue in 2023 has reached the target set in the Amendment to the Regional Budget of 100.46%. The achievement of this revenue realization, according to the Tax Revenue Division I of the DKI Jakarta Provincial Revenue Agency, was supported by the provision of fiscal incentive policies, passive and active collection efforts, the addition of various channels and payment methods for rural and urban land and building tax, updating rural and urban land and building tax data through the Geospatial Information System, simplifying and digitizing online services through (Bapenda Jakarta, n.d.-a). Bapenda Jakarta, n.d.-b, as well as the implementation of Regional Secretary Instruction No. 15 of 2023 concerning Data Collection of NIK and Other Supporting Data on rural and urban land and building tax objects by urban village officers to obtain taxpayer contact data. Thus, the policy of providing basic incentives for rural and urban land and building tax has become one of the factors in achieving the rural and urban land and building tax revenue target in 2023, thus supporting the principle of revenue productivity.

To optimize the realization of rural and urban land and building tax revenues in the future, there are still several things that need to be considered by the DKI Jakarta Provincial Revenue Agency. According to the Tax Revenue Division I of the DKI Jakarta Provincial Revenue Agency, some of the obstacles experienced in collecting rural and urban land and building tax in 2023 include the unstable economic ability of rural and urban land and building taxpayers, making it challenging to fulfil the payment obligations of rural and urban land and building tax and the existence of tax objects that no longer exist but have not been updated, double tax objects, tax objects/subjects that are not found, to disputed objects that make it difficult for officers in collection efforts.

#### 4.3 Principle of Neutrality

According to Rosdiana, Haula dan Irianto (2022), tax-related policies should not affect public consumption or producer production or reduce one's enthusiasm for work. The results of the survey of the development of the real estate industry REI DKI Jakarta in 2023 quoted through investor.id stated that property developers consider that policies on credit interest rates are policies that can have a better impact on the development of the real estate sector when compared to policies on credit requirements, tax reduction, LTV/ DP, and tax object value reduction, besides that, the investment climate in the real estate sector according to 85.1% of REI DKI Jakarta members is influenced by licensing factors. Concerning this, the provision of incentives to reduce the principal of rural and urban land and building tax through the stipulation and payment policy in 2023 is not the primary and determining factor taken into consideration by real estate entrepreneurs in investing.

According to data from investor.id, as many as 94% of REI DKI Jakarta members stated that 2023 property sales were better than in previous years. This is supported by data from

the DKI Jakarta Provincial Revenue Agency, where the realization of Land and Building Acquisition Duty revenue in 2023 also increased when compared to 2022 by 7.95%. Although there is an increase in the realization of Land and Building Acquisition Duty revenue from year to year, in 2023, the realization of Land and Building Acquisition Duty revenue has not been able to reach the target according to the Second Amendment to the Regional Revenue and Expenditure Budget in 2023. This is according to the Tax Revenue Division I of DKI Jakarta Provincial Revenue Agency because the factors that taxpayers consider when buying property are more complex than the purchase/consumption of other products, so determining projections of property transactions will be complicated. Thus, although the incentive to reduce the principal of rural and urban land and building tax through the stipulation and payment policy was enacted in 2023, it is not the main factor determining people's choices in property transactions. Therefore, in terms of producers and consumers in the property sector, the policy of incentivizing the principal of rural and urban land and building tax in 2023 does not cause certain distortions, so the principle of neutrality can be fulfilled.

#### 4.4 Principle of Ease of Administration

Certainty in the provision of rural and urban land and building tax principal incentives in the Governor Regulation of DKI Jakarta Province Number 5 of 2023 is reflected in the written clarity of the criteria for tax objects and tax subjects that can be given incentives to reduce the principal of rural and urban land and building tax, the percentage of incentives that apply, the basis for imposing incentives on the determination policy based on the amount of tax object value of rural and urban land and building tax and on the payment policy based on a predetermined payment period. This certainly provides certainty for taxpayers and tax authorities because what has been explained in the Governor's Regulation does not cause multiple interpretations.

## 5. DISCUSSION

The policy form of reducing the principal rural and urban land and building tax through the determination and payment policy that has been in effect since 2022 continues to experience changes in tax objects and the percentage of incentives provided yearly. According to Rosdiana, Haula dan Irianto (2022), regulations that do not change too often have a relatively higher degree of certainty than regulations that change frequently. This is because frequent changes in regulations will cause confusion to taxpayers and make taxpayers, especially corporate taxpayers, experience difficulties in preparing their financial planning (related to the fulfilment of rural and urban land and building tax obligations). Therefore, if a similar policy is implemented in the future but with some adjustments to the rules, the DKI Jakarta Provincial Revenue Agency is expected to disseminate the information effectively so that the utilization rate of the incentive policy can be correctly on target.

According to Cedric Sandford in Rosdiana, Haula dan Irianto (2022), compliance costs consist not only of costs that can be

measured by monetary value (tangible) but also costs that cannot be measured by monetary value (intangible). Efficiency from the taxpayer side is reflected in the relatively low compliance cost. The determination and payment policies regulated using the rural and urban land and building tax information systems can reduce taxpayers' costs in fulfilling their tax obligations. Before this policy, taxpayers had to apply for a reduction in the principal of rural and urban land and building tax either by coming directly to the Regional Tax Collection Service Unit office or submitting it online through [pajakonline.jakarta.go.id](http://pajakonline.jakarta.go.id). The determination and payment policy enactment adds to the alternative rural and urban land and building tax principal reduction policies that taxpayers can utilize. Suppose the taxpayer chooses to use the determination and payment policy. In that case, the taxpayer does not need to apply for a reduction in the principal of the rural and urban land and building tax because the incentive policy has been adjusted automatically so that the amount of the bill that appears in each payment channel is the amount that has been reduced by the tax incentive that is still valid. Thus, taxpayers can save in terms of cost and time. Tax authorities can also feel efficient because they do not need to conduct formal or material research to reduce administrative costs related to this determination and payment policy.

In the implementation of the determination and payment policy in 2023, the convenience of payment is realized by issuing this policy in March 2023, namely at the beginning of the Electronic Notification of Tax Due period of rural and urban land and building tax, where previously the DKI Jakarta Provincial Government tended to provide additional incentives at the end of the period (before the rural and urban land and building tax was due or near the end of the year). Policies enacted at the right time will provide a more extended opportunity for taxpayers to take advantage of this incentive policy. Meanwhile, enacting a policy where a more significant percentage of incentives is given to taxpayers who pay faster will form a pattern of appreciation for compliant taxpayers. In addition, convenience is also illustrated by the availability of all channels and payment methods that taxpayers expose to this policy; if the taxpayer received approval for the principal reduction of rural and urban land and building tax, the taxpayer had to wait for the Decree on the principal reduction of rural and urban land and building tax. Then, the taxpayer could pay the tax obligation. However, suppose taxpayers take advantage of incentives through the determination and payment policy that has been automated through the information system of rural and urban land and building tax. In that case, taxpayers can directly pay rural and urban land and building tax on the available channels and payment methods.

According to Rosdiana, Haula dan Irianto (2022), simple regulations will be more specific, clear, and easy for taxpayers to understand. In the determination and payment policy, the DKI Jakarta Provincial Revenue Agency has fulfilled the principle of simplicity, where the percentage of incentives provided applies to all rural and urban land and building taxpayers who fulfil the provisions based on Governor

Regulation 5 of 2023. Meanwhile, in other rural and urban land and building tax principal reduction incentive regulations, for example, in Governor Regulation Number 211 of 2012, the percentage of incentives provided can vary, determined by assessing the taxpayer's economic situation (income, cost of living, proof of taxpayer experiencing a disaster, etc.). That way, the clarity of the calculation supports the transparency of providing incentives for reducing the principal of rural and urban land and building tax that taxpayers can easily understand. In addition, in the implementation of its administration, simplicity is also realized by the use of the rural and urban land and building tax information system where all criteria in the determination and payment policy can be arranged in bulk and centrally to reduce the risk of human error and the risk of subjectivity in granting a reduction in the principal of rural and urban land and building tax.

## CONCLUSION

Based on the previous discussion, it can be concluded that the provision of incentive policies for reducing rural and urban land and building tax through the stipulation and payment policies in 2023 in DKI Jakarta Province has fulfilled the principle of equity/equality (horizontal justice) because all taxpayers can take advantage of the same incentive policies, has fulfilled the principle of revenue productivity by contributing to the realization of rural and urban land and building tax revenues that have reached the target of the 2023 Regional Budget Amendment, has fulfilled the principle of neutrality because it does not cause distortions related to the choice to consume or produce. Regarding the principle of ease of administration, it is divided into several indicators, namely a) certainty has been realized with Governor Regulation Number 5 of 2023 which clearly regulates the object, subject, basis for providing incentives, but changes in several provisions in the determination and payment policies each year can cause confusion to taxpayers, b) efficiency has been achieved by minimizing taxpayer compliance costs and fiscal administration costs, c) convenience of payment has been fulfilled by providing a sufficient period of time for taxpayers to take advantage of this incentive policy and the availability of various channels and payment methods that make it easier for taxpayers to fulfill their tax obligations, d) simplicity is reflected in the transparency of the calculation of incentives for reducing the principal of rural and urban land and building tax and the use of a rural and urban land and building tax information system so as to reduce the risk of human error and subjectivity in providing incentives for reducing the principal of rural and urban land and building tax.

The provision of incentives to reduce the rural and urban land and building tax principle has fulfilled most of the principles of ideal tax collection. However, several things can be improved so that if a similar policy is applied, the results can be more targeted and effective. Related to changes in several provisions in the policy every year, the DKI Jakarta Provincial Revenue Agency needs to conduct more thorough socialization, for example, by involving officials in sub-districts and villages so that information can be conveyed to

the minor community groups (neighbourhoods). In addition, it is necessary to strengthen the database of rural and urban land and building tax subjects so that when disseminating the latest rural and urban land and building tax information/policies through WhatsApp / email blasts / other social media channels can be delivered more quickly and efficiently. The DKI Jakarta Provincial Revenue Agency also needs to conduct periodic reviews on the effectiveness of the policy of providing incentives for reducing the principal of rural and urban land and building tax so that its implementation remains in line with the principles of ideal tax collection.

#### DISCLAIMER (ARTIFICIAL INTELLIGENCE)

Author(s) hereby declare that NO generative AI technologies such as Large Language Models (ChatGPT, COPILOT, etc) and text-to-image generators have been used during the writing or editing of this manuscript.

#### COMPETING INTERESTS

The authors have declared that no competing interests exist.

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