Effectiveness, Growth Rate and Contribution of Local Tax Revenue, Local Retribution, Results of Management of Separated Regional Wealth and Other Legitimate Local Revenue to Kediri District Local Revenue

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Abstract

The purpose of this study was to determine the effectiveness, growth rate, and contribution of local taxes, local levies, the results of the management of separated local assets, other legitimate RLI to local revenue. The sample comprises the five-year budgetary framework of the Regional Revenue and Expenditure Budget (APBD) for Kediri Regency during the period from 2018 to 2022. The current phenomenon observed in the budget reports and realizations established within the framework of the Regional Revenue and Expenditure Budget (APBD) of Kediri Regency pertains to local taxes, regional levies, the management of separated regional wealth, and other legitimate sources of local revenue. Specifically, an analysis of the budget and realization from 2018 to 2022 reveals discrepancies in revenue generation year over year, alongside an examination of the growth rates and their contributions to overall revenue. These discrepancies serve as a basis for evaluating the effectiveness of the budget as set forth in the APBD of Kediri Regency. Consequently, it is imperative to conduct research focused on the effectiveness, growth rates, and contributions of these revenues to local income. A detailed examination of the budget and realization data from 2018 to 2022 indicates notable variations in revenue collection from year to year, as well as an analysis of the growth trends and their respective contributions to total revenue. These variations will inform the assessment of whether the budget, as established by the APBD of Kediri Regency, is effective or not. Therefore, it is essential to undertake research that investigates the effectiveness, growth rates, and contributions of these revenues to local income. Data analysis techniques and mathematical methods used are effectiveness ratio, growth rate ratio, and contribution ratio. Data collected from the APBD posture in Kediri district for the period 2018 - 2022. The results of the analysis of the effectiveness ratio for the period 2018 - 2022 for local taxes are very effective because all exceed 100%, the highest local retribution in 2018 is 133.22% and the lowest in 2020 is 90.31%. The results of the management of separated regional assets, the effectiveness ratio is in the highly effective category because all exceed 100%, while the highest other legal RLI in 2022 is 173.05% and the lowest in 2018 is 66.22%. The results of the growth rate analysis for local taxes, local levies, and the results of the management of separated assets for the period 2018 - 2022 are all included in the unsuccessful category because all are less than 30%. As for other legitimate RLI, some are unsuccessful but some are less

successful in 2019 and 2022 because the percentage is 30%-55%. The highest contribution ratio for local taxes in 2018 of 55.62% is in the very good category because it exceeds 50%, the lowest in 2022 of 37.74% is in the medium category between 30.10% - 40%. For local retribution and the results of managing separated assets are all in the very poor category because they are below 10%. Other legitimate RLI in 2022 amounted to 56.58 very good category, and the lowest in 2018 amounted to 35.73% including the moderate category.

Keywords: effectiveness ratio, growth rate ratio, contribution ratio, local revenue

1.   INTRODUCTION

The Indonesian government has implemented a self-assessment tax system, which requires individuals to calculate the amount of taxes they owe, pay any tax deficiencies, report their taxes to the Director General of Taxes, and keep track of their tax payments. Unfortunately, many people lack a proper understanding of taxes and only recognize them as a tradition of paying levies to the government. However, taxes play a crucial role in financing the country, and they are constantly evolving to keep up with the changing business patterns in society (Ilanoputri, 2020). Therefore, as responsible citizens, it is our duty to pay taxes according to the tax rates set by the government.

According to Ariffin et al. (2022), taxes are compulsory payments made by individuals or entities to the state in accordance with the law. These payments have no direct reciprocity and are used for the benefit of the people and the country as a whole. In Indonesia, taxes are one of the primary sources of state revenue, and they contribute significantly to the national income. Without taxes, it would be difficult for the government to carry out most of its activities. Tax revenue is utilized for various purposes, including personnel spending and financing development projects (Hidayat & Damayanti, 2024). Public facilities, such as roads, bridges, schools, hospitals, and police stations, are built using funds derived from taxes. Kediri District in Indonesia has several types of local taxes, such as hotel tax, restaurant tax, billboard tax, entertainment tax, street lighting tax, non-metal mineral and rock tax, parking tax, groundwater tax, tax on the acquisition of rights and buildings, rural and urban land and building tax.

Darma & Nurabiah (2022) defines regional retribution as a type of regional levy that is charged to individuals or entities in exchange for certain services or permits provided by the local government. These services and permits are intended for the benefit of the people or entities. Regional retribution, also known as retribution, is a payment made by individuals or entities to the regional government for the use of certain services or permits (Rajab, 2020). Kediri District in Indonesia has several

types of regional levies, including retribution for business services and retribution for the use of regional wealth, such as land and building rental fees.

Local Government of West Nusa Tenggara (2020) outlines the management of separated regional assets. These are components of regional assets whose management is entrusted to Regional Owned Enterprises. In practice, these assets are managed by companies that are majority or fully owned by the region. Some examples of separated regional assets include profit shares from equity participation in regionally-owned companies, regional drinking water companies, regional plantation companies, and regional bank BPR companies.

There are several types of legal RLI (Public Service Agency) that are not included in local taxes, local levies, or the results of the management of separated local assets (Wibisono et al., 2023). These include revenue from tax fines, hotel tax fines, restaurant tax fines, entertainment tax fines, billboard tax fines, parking tax fines, rural and urban land and building tax fines, non-metal mineral and rock tax fines, groundwater tax fines, retribution fines, and regional property usage retribution fines. These other types of revenue provide local governments with the opportunity to carry out various activities that can increase revenue, both through material means, such as business activities, as well as non-material means, such as providing, facilitating, or stabilizing local government policies in a particular field (Sundawan & Laksmi, 2024).

According to Local Government of Kediri District (2020), concerning the Regional Budget for the 2021 fiscal year, Article 4 (1) Regional own-source revenue as referred to in Article 3 letter a is planned at Rp. 425,689,666,874.00, which consists of local taxes, local levies, results of management of separated local assets and another legitimate local revenue.

In previous research conducted by Raudhatinur & Ningsih (2019), it shows that the results of tax revenue are very good, regional retribution revenue is not comparable to the budget made, the results of the management of separated regional assets are able to realize their revenue with a predetermined target, local revenue is very effective. Nooraini & Yahya (2018) in their research found that the effectiveness of Batu City local taxes was highest in 2012 and lowest in 2017. The contribution of local taxes to Batu City's RLI was the highest in 2012 and the lowest in 2013. Herjanti & Teg (2020) examined the results of the effectiveness level of Hotel Tax, Restaurant Tax and Entertainment Tax in Bogor City during the period 2013-2017 including very effective criteria. For hotel tax the average growth rate in Bogor City is 14.15%. Then the average growth rate of restaurant tax is 17.55% while the growth rate of entertainment tax is 11.93%. Octovido et al. (2014) found that 2010 had the lowest effectiveness (69.30%) and 2012 had the highest level of effectiveness (136.67%), as well as for the contribution in 2009 had the highest contribution (136.67%).

The study aims to address the problem of determining the level of effectiveness, growth rate, and contribution of local tax revenue, local retribution, management of separated local assets, and other legitimate local revenue to Kediri District's local revenue during the period of 2018-2022. This is an important issue to understand the financial health and sustainability of the region and to inform future policies and decision-making processes.

2. LITERATURE REVIEW

2.1. Agency Theory

The theory that helps us understand the relationship between management and company owners is called agency theory (Lesmono & Siregar, 2021a). It involves one party (the principal) making a contract, either implicitly or explicitly, with another party (the agent), with the expectation that the agent will act or do the job as the principal wants. This theory is based on several disciplines, such as economic theory, decision theory, sociology, and organizational theory. Lesmono & Siregar (2021b) identifies three main assumptions of agency theory: 1) human nature has a more selfish nature (self-interest), has limitations in thinking rationally (bounded rationality), and often does not want to take risks (risk aversion), 2) any organization that has various individual characteristics will tend to arise conflicts between members of the organization, and 3) information that is valuable or considered important can be used as business leverage to reap profits.

Agency theory is a useful tool for analyzing agreements between two or more individuals, such as principals and agents. However, monitoring the behavior of agents requires supervision or monitoring, and this can be costly in the form of audit fees (Ivana et al., 2021). Supervisory costs refer to the costs of monitoring the agent's behavior to ensure that they are acting in the principal's interests by accurately reporting all activities that have been assigned to the manager. According to Sutra & Mais (2019), agency cost refers to the amount of costs incurred by the principal to supervise the agent. To reduce conflicts between principals and agents, agency theory suggests aligning the interests of both parties.

Agency theory has been applied in the public sector, specifically in central and local governments (Wenas et al., 2020). In the relationship between the community and the government, the community acts as the principal, providing resources and authority to the government as an agent to manage these resources for the benefit of the community. In the context of this research, the community as the principal gives the mandate and authority to Kediri District as a representative of the government to manage the existing resources, make decisions, and carry out various strategic actions to maximize welfare and progress in Kediri district's local revenue. The principal expects the Kediri district government to show the local revenue received from various revenue sources, thus avoiding agency problems such as the misalignment of agent and principal goals. To evaluate Kediri district local revenue, it is essential to assess the growth rate, effectiveness, and contribution of local taxes, local levies, results of the management of separated local assets, and other legitimate local revenues. This approach can help ensure that the interests of both the principal and the agent are aligned, and that the resources are managed effectively for the benefit of the community.

2.2. Annual Regional Budget (ARB)

ARB is a yearly financial plan for local government that is discussed and approved by the local government and Regional People's Representative Council (RPRC) and is stipulated by regional regulations (Herman, 2022). The ARB is an essential tool for local governments to explore financing sources, especially to meet the financing needs of government and development in their regions through RLI (Regional Local Income), as noted by Putra & Yanto (2024). By maximizing RLI, local

governments can generate revenue through various sources, such as taxes, levies, and other legitimate local revenues, to support the development of their regions. Therefore, the ARB is an important mechanism to ensure that local governments can allocate their resources effectively and efficiently to achieve their development goals for the benefit of the community.

According to Nur (2022), ARB is a local government work plan that includes all revenues or revenues and expenditures or expenditures of local governments, both provinces, districts and cities in order to achieve development goals within one year which are expressed in units of money and approved by the DPRD in laws and regulations called Regional Regulations. According to Sulistiawan et al. (2019), ARB is a financial plan made by the local government every year, approved by the RPRC. ARB can be also defined as a local government financial operational plan, which on the one hand describes the highest estimated expenditure to finance regional activities and projects in a certain fiscal year, and on the other hand describes the estimated revenue and sources of regional revenue to cover these expenditures (Rahmawati & Putri, 2023). In the context of carrying out government functions to achieve state goals regarding state financial management, the State Budget is used, which is hereinafter abbreviated as the SB which is prepared annually (Savitri et al., 2019).

2.3. Effectiveness

The definition of effectiveness is how well the work is done, the extent to which people produce outputs as expected. This means that if a job can be completed in accordance with the plan, both in time, cost, and quality, it can be said to be effective (Wulandari & Simon, 2019). According to Nugraha (2020), effectiveness is a measure of the success or failure of an organization's achievement of its goals. If an organization achieves its goals, the organization has run effectively. The effectiveness indicator describes the range of consequences and impacts (outcomes) of program outputs in achieving program objectives. The greater the contribution of the resulting output to the achievement of the specified goals or objectives, the more effective the work process of an organizational unit (Aulia & Soemitra, 2021).

According to Syamsudini & Karya (2022) , effectiveness is a measurement in the sense of achieving predetermined goals. This means that effectiveness is a communication process that goes through a certain measurable process to achieve predetermined goals or objectives. The process involves budgeted costs, set time, and a predetermined number of people. If all of these provisions run smoothly, the planned goals will be achieved as desired (Wulandari & Simon, 2019).

2.4. Growth Rate

Economic growth refers to the ongoing changes in the economic condition of a country towards a better situation that is quantitative, which means it involves measurable changes (Haniko et al., 2022). The most common way to measure economic growth is by using Gross Domestic Product (GDP) data or income, which represents the total market value of final goods and services produced by an economy over a certain period of time.

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Damanik et al. (2023) defines economic growth as the development of activities in the economy that causes an increase in the production of goods and services in society, which leads to an increase in the prosperity of the society. Marcal et al. (2024) defines economic growth as the process of building an increasing economy of goods or products in a country. From these definitions, it can be concluded that economic growth is the economic activity of society that causes an increase in the production of goods and services, which leads to an increase in national income.

2.5. Contribution

Contribution can come in various forms such as money, labor assistance, thought assistance, material assistance, and other forms of aid that can aid the success of activities in a forum or association. It is everything that someone receives after making various efforts that have an impact on the input of resources and money.

According to Lastri et al. (2019), contribution refers to the amount given for an activity carried out. Local Tax Contribution Analysis, on the other hand, is an analysis used to determine the amount that can be contributed from local tax revenue, local retribution, the results of managing separated local assets, and other legitimate local revenue to local revenue. This analysis involves comparing the realization of local tax revenue, local retribution, the results of managing separated local assets, and other legitimate local revenue to local revenue.

3. METHODOLOGY

The data utilized by researchers in this study is the regional budget of Kediri District. The data analysis employed in this research includes the assessment of the effectiveness and growth rate of local tax revenue, local levies, the outcomes of managing separated local assets, other legitimate local revenue, as well as contribution analysis.
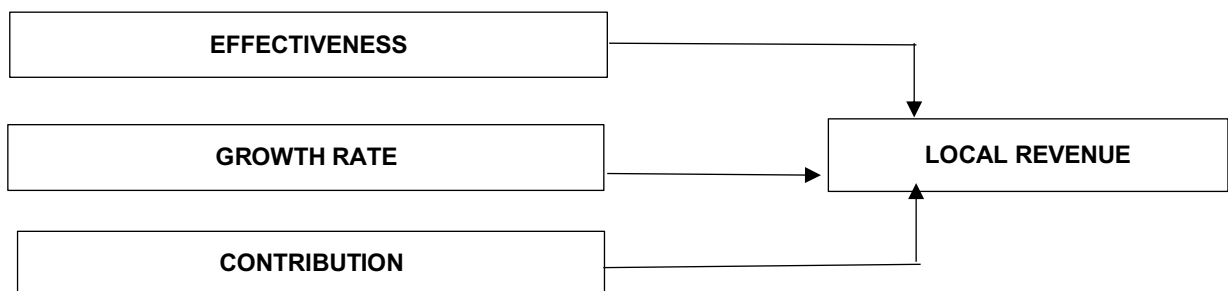

Figure 1. Research Model

4.   RESULT AND DISCUSSION

4.1. Effectiveness Ratio Test

In the analysis of the effectiveness ratio test for local tax revenue, local levies, management of separated local assets, and other legitimate local revenue, researchers studied the data to determine whether the target budget and actual realization of local tax revenue, local levies, management of separated local assets, and other legitimate local revenue from 2018-2022 in Kediri District were effective or ineffective. The effectiveness ratio illustrates the capacity of local governments to actualize the planned Regional Original Revenue (PAD). The measurement of this effectiveness ratio is conducted through a specific formula.

$$\text{Effectiveness Rate} = \frac{Realization}{Target} \times 100\%$$

Table 1. Effectiveness Ratio Percentage

No	Financial Performance Percentage	Criteria
1	less than 60%	Not very effective
2	61% - 80%	Not effective
3	81% - 90%	Quite effective
4	91% - 100%	Effective
5	> 100%	Very effective

Source: Listari et al. (2022).

The results of the calculation of the effectiveness ratio test of local tax revenue are presented in table 2.

Table 2. Results of Analysis of the Effectiveness of Local Tax Revenue

No	Year	Budget	Realization	Percentage (%)	Criteria
1	2018	160,41	265,27	165,37	Very effective
2	2019	175,00	195,37	111,64	Very effective
3	2020	195,53	215,30	110,11	Very effective
4	2021	210,02	211,90	100,89	Very effective
5	2022	204,40	249,54	122,09	Very effective

Source: Processed data (2023).

Based on table 2 above, the results of the analysis of the effectiveness of local tax revenue above, it can be seen that the level of effectiveness of local tax revenue from 2018 - 2022 can be categorized as very effective. At the Kediri District Revenue, Financial Management and Regional Assets Agency (FMRAA) shows the level of effectiveness of local tax revenue in 2018 of 165.37%. In 2019, it decreased to 111.64%. In 2020, it was 110.11%. Then, in 2021, it was 100.89% and in 2022 it increased to 122.09% and all the results of the analysis of the effectiveness of local tax revenue from 2018 - 2022 in Kediri District are categorized at a very effective level.

The calculation result of the effectiveness ratio test of local retribution revenue is presented in table 3.

Table 3. Result of Effectiveness Analysis of Local Retribution Revenue

No	Year	Budget	Realization	Percentage (%)	Criteria
1	2018	29,00	32,83	113,22	Very effective
2	2019	30,84	29,34	95,16	Effective
3	2020	28,33	25,58	90,31	Quite effective
4	2021	26,34	26,81	101,78	Very effective
5	2022	23,48	26,37	112,33	Very effective

Source: Processed data (2023).

Based on table 3 above, the results of the analysis of the effectiveness of regional retribution revenue above, it can be seen that the level of effectiveness of regional retribution revenue from 2018 - 2022 can be categorized as fairly effective, effective and very effective criteria. At the Kediri District Revenue, Financial Management and Regional Assets Agency (FMRAA) shows the level of effectiveness of Regional Retribution revenue in 2018 of 113.22% which is classified as very effective. In 2019, it decreased to 95.16% which is classified as an effective category. Furthermore, in 2020, it decreased to 90.31% which can be included in the moderately effective category. And in 2021 it has increased compared to the previous year to 101.78% which is classified as very effective. Then, in 2022, it increased again to 112.33% which can be included in the very effective category.

The results of the calculation of the effectiveness ratio test of revenue from the management of separated regional assets are presented in table 4.

Table 4. Result of Effectiveness Analysis of Revenue from Management of Separated Regional Assets

No	Year	Budget	Realization	Percentage (%)	Criteria
1	2018	6,00	8,40	139,98	Very effective
2	2019	8,62	8,98	104,26	Very effective
3	2020	8,94	10,08	112,82	Very effective
4	2021	8,92	10,53	117,99	Very effective
5	2022	10,07	11,15	110,76	Very effective

Source: Processed data (2023).

Based on table 4 above, the results of the analysis of the effectiveness of the receipt of Separated Regional Wealth Management Results above, it can be seen that the level of effectiveness of the receipt of Separated Regional Wealth Management Results from 2018 - 2022 can be categorized as very effective criteria. The Kediri District Revenue, Financial Management and Regional Assets Agency (FMRAA) shows the level of effectiveness of the receipt of Separated Regional Wealth Management Results in 2018 of 139.98% which is classified as very effective. Then in 2019 it decreased to 104.26% which is classified as very effective. Furthermore, in 2020, it increased to 112.82% which can be included in the highly effective category. In 2021, it increased compared to the previous year to 117.99%

which is classified as very effective. Then in 2022, it decreased to 110.76% which can be included in the very effective category.

The results of the calculation of the effectiveness ratio test of other legitimate RLI revenues are presented in table 5.

Table 5. Results of Analysis of Effectiveness of Other Legitimate RLI Revenue

No	Year	Budget	Realization	Percentage (%)	Criteria
1	2018	257,40	170,41	66,20	Not effective
2	2019	176,54	224,07	126,92	Very effective
3	2020	192,13	243,45	126,71	Very effective
4	2021	180,41	264,54	146,63	Very effective
5	2022	216,17	374,09	173,05	Very effective

Source: Processed data (2023).

Based on table 5 above, the results of the analysis of the effectiveness of other legal RLI receipts above, it can be seen that the level of effectiveness of other legal RLI receipts from 2018 - 2022 can be categorized as ineffective, and very effective criteria. At the Kediri District Revenue, Financial Management and Regional Assets Agency (FMRAA), it shows the level of effectiveness of Other Legitimate RLI receipts in 2018 of 66.20% which is classified as in the ineffective category. Then in 2019 it increased to 126.92% which is classified as very effective. Furthermore, in 2020 it became 126.71% which can be included in the highly effective category. In 2021, it increased compared to the previous year to 146.63% which is classified as very effective. In 2022, it increased again to 173.05% which can be included in the very effective category.

4.2. Growth Rate Test

In the growth rate test of local tax revenues, local levies, the results of the management of separated regional assets, and other legitimate RLI researchers analyzed the data in order to find out whether between the realization of the current year's revenue and the previous year's revenue on local taxes, local levies, the results of the management of separated regional assets, and other legitimate RLI from 2018 - 2022 in Kediri District continue to move up or experience a decline and to see how the economic growth rate of local tax revenues, local levies, the results of the management of separated regional assets, and other legitimate RLI in Kediri District.

According to Halim (2004), the growth rate reflects a region's capacity to maintain and enhance the successes it has achieved from one period to the next. The formula for calculating the growth rate is as follows.

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

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The criteria for assessing the growth rate of regional taxes, local levies, separated management rights of regional wealth, and other legitimate local revenue sources in relation to local revenue are as follows:

Table 6. Measurement Level of Growth Rate

No	Growth Rate	Criteria
1	85% - 100%	Highly successful
2	70% - 84%	Successful
3	55% - 69%	Quite successful
4	30% - 54%	Less successful
5	Less than 30%	Not successful

Source: Patar Rizki Manalu et al. (2023)

The results of the local tax revenue growth rate test calculation are presented in table 7.

Table 7. Results of Analysis of Growth Rate of Local Tax Revenue

No	Year	Growth Rate (%)	Criteria
1	2018	28,75 %	Not successful
2	2019	-26,62 %	Not successful
3	2020	10,20 %	Not successful
4	2021	-1,58 %	Not successful
5	2022	17,76 %	Not successful

Source: Processed data (2023).

Based on table 7 above, the results of the analysis of the growth rate of local tax revenue above show that the growth rate of local tax revenue in 2018 was 28.75%, and experienced fluctuations or decreases and increases each year. In 2019 the growth rate of local tax revenue decreased to -26.62%. In 2020, it experienced an increase from the previous year to 10.20%. In 2021, the growth rate of local tax revenue has decreased again to -1.58%. In 2022, it has increased again by 17.76%. The growth rate of local tax revenue from 2018 - 2022 is included in the not successful category, despite experiencing an increase or decrease because it is less than 30%.

The calculation result of the effectiveness ratio test of local retribution revenue is presented in table 8.

Table 8. Growth Rate Analysis Result of Local Retribution Revenue

No	Year	Growth Rate (%)	Criteria
1	2018	2,92%	Not successful
2	2019	-10,63%	Not successful
3	2020	-12,82%	Not successful
4	2021	4,81%	Not successful
5	2022	-1,64%	Not successful

Source: Processed data (2023).

Based on table 8 above, the results of the analysis of the growth rate of local retribution above show that the growth rate of local retribution in 2018 was 2.92%.

But in 2019 and 2020, it decreased from the previous year to -10.63% and 2020 to -12.82%. In 2021, the growth rate of regional retribution revenue has increased to 4.81%. In 2022 the growth rate of local retribution has decreased again compared to the previous year to -1.64%. The results of the analysis of the growth rate of local levies from 2018 to 2022 are included in the not successful category because the percentage is less than 30%.

The results of the calculation of the effectiveness ratio test of revenue from the management of separated regional assets are presented in table 9.

Table 9. Results of Analysis of Growth Rate of Revenue from Management of Separated Regional Assets

No	Year	Growth Rate (%)	Criteria
1	2018	2,82 %	Not successful
2	2019	6,90 %	Not successful
3	2020	12,25 %	Not successful
4	2021	4,46 %	Not successful
5	2022	5,89 %	Not successful

Source: Processed data (2023).

Based on table 9 above, the results of the analysis of the growth rate of revenue from the management of separated regional assets above show that the growth rate of revenue from the management of separated regional assets in 2018 was 2.82%, and experienced fluctuations in increasing every year. In 2019 the growth rate of revenue from the management of separated regional assets increased to 6.90%. In 2020, it experienced an increase from the previous year to 12.25%. Until in 2021, the growth rate of revenue from the management of separated regional assets decreased again to 4.46%. Then, it increased again by 5.89% in 2022. The growth rate of revenue from the management of separated regional assets from 2018 - 2022 is included in the not successful category, despite experiencing an increase or decrease because the percentage is less than 30%.

The results of the calculation of the effectiveness ratio test of other legitimate RLI revenues are presented in table 9.

Table 10. Results of Analysis of Growth Rate of Other Legitimate RLI Revenue

No	Year	Growth Rate (%)	Kriteria
1	2018	-40,81 %	Not successful
2	2019	31,49 %	Less successful
3	2020	8,65 %	Not successful
4	2021	8,66 %	Not successful
5	2022	41,41 %	Less successful

Source: processed data (2023)

Based on table 10 above, the results of the analysis of the growth rate of other legitimate RLI revenues above show that the growth rate of other legitimate RLI revenues in 2018 was -40.81%. But in 2019 it increased from the previous year to -31.49% and in 2020 to 8.65%. In 2021 the growth rate of other receipts of legal RLI is 8.66%. And in 2022 the growth rate of other legitimate RLI receipts has increased

again compared to the previous year to 41.41% in the category of less successful. The results of the analysis of the growth rate of local levies from 2018 to 2022 are included in the category of not successful and less successful.

4.3. Analysis of Contribution

In the analysis of contributions of local tax receipts, regional remuneration, income management of the property of the region separated, other original income of the legitimate region, the researchers analyzed the data in order to be able to find out whether between the amount of realisation of the recipients of the component of the local income, namely the local tax, the region's retribution, the income from the management of wealth of the area separated and other legitimate local income with the number of realisations of the receipt of the regional income from 2018 – 2022 in the district of Kediri has been very good or very little.

An examination of the contributions from local taxes, regional levies, revenues from the management of separated regional assets, and other legitimate sources of local revenue (Marka et al., 2023).

$$\text{Contribution} = \frac{\sum Revenue\ Realization\ of\ PAD\ Components\ for\ the\ Period}{\sum Realization\ of\ PAD\ Revenue\ for\ a\ Specific\ Period} \times 100$$

Table 11. Criteria of Contribution Analysis

No	Financial Performance Percentage	Criteria
1	0,00% - 10,00%	Very less
2	10,10% - 20,00%	Less
3	20,10% - 30,00%	Moderate
4	30,10 – 40,00%	Quite good
5	40,10% - 50,00%	Good
6	More than 50%	Very good

Source: Rin Marka et al. (2023).

The results of the calculation of the analysis of the contributions of the district tax receipts are presented in table 12.

Table 12. Results of Regional Tax Contributions Analysis

No	Year	Regional Tax	RLI	Percentage (%)	Criteria
1	2018	265,27	476,91	55,62	Very good
2	2019	195,37	457,76	42,68	Good
3	2020	215,30	494,41	43,55	Good
4	2021	211,90	513,77	41,24	Good
5	2022	249,54	661,16	37,74	Quite good

Source: Processed data (2023).

Based on table 12 above the results of the analysis of the regional tax receipt contributions above, it is known that the rate of regional tax reception contributions from the year 2018 – 2022 can be categorized in a very good, good and quite good

level. At the Agency of Revenue, Financial Management and Regional Assets of Kediri district showed the level of contributions of the regional tax receipts in 2018 of 55,62 % last year in 2019 decreased to 42,68 %, in 2020 increased to 43,55 %, in 2021 decreases to 41,24 % and in 2022 experienced another decrease to 37,74 % and all results of analyses of the contribution of the local tax receivables from 2018 - 2022 in Districts are classified in very good level in 2018, in 2019, 2020 and 2021, while quite good category in 2022.

The results of the calculation of the analysis of the contribution of remuneration are presented in table 13.

Table 13. Results of The Calculation of The Analysis of The Contribution of Remuneration

No	Year	Local Retribution	RLI	Percentage (%)	Criteria
1	2018	32,83	476,91	6,88	Very less
2	2019	29,34	457,76	6,41	Very less
3	2020	25,58	494,41	5,17	Very less
4	2021	26,81	513,77	5,22	Very less
5	2022	26,37	661,16	3,99	Very less

Source: Processed data (2023).

On the basis of the results of the analysis of contributions received by the Regional Retribution above, it is possible to identify the rate of contribution received by Regional Retributions from the year 2018 – 2022 can be categorized as criteria very low. In the Agency of Revenue, Financial Management and Assets of the District of District showed the contribution rate of the receipt of Regional retributions in 2018 of 6.88% belonging to category very little. Then in 2019 a decrease to 6.41% belonged in category very few. Next in 2020 a decline to 5.17% can be included in category very less. In 2021 an increase compared to the previous year to 5.22% belongs to category very less.

The results of the calculation of the analysis of the contributions to the receipt of the results of wealth management of the separated areas are presented in table 14.

Table 14. Results of Contributions Analysis Acceptance of Separated Regional Wealth Management Results

No	Year	Acceptance of Separated Regional Wealth Management Results	RLI	Percentage (%)	Criteria
1	2018	8,40	476,91	1,76	Very Less
2	2019	8,98	457,76	1,96	Very Less
3	2020	10,08	494,41	2,04	Very Less
4	2021	10,53	513,77	2,05	Very Less
5	2022	11,15	661,16	1,69	Very Less

Source: Processed data (2023).

On the basis of table 14 above, it is possible to know the rate of contributions of receipts of regional asset management results separated from the year 2018 – 2022 can be categorized as very few. On the Agency of Revenue, Regional Financial Management and Assets at district of showed the level of receiving the contribution of separate regional assets management results in 2018 of 1.76% belonging to category very little. In 2019, there was an increase although slightly to 1.96% which belongs to category very less. In 2020, there has been an increase to 2.04% which can belong in category very less. In 2021, there is an increase compared to the previous year to 2.05% belonging in category very less. In 2022, it decreased to 1.69% which can be included in the category very less.

The results of the calculation of the contributions analysis of other valid RLI receipts are presented in table 15.

Table 15. Results of Contribution Analysis Acceptance Other Valid RLIs

No	Year	Other Valid RLIs	RLI	Percentage (%)	Criteria
1	2018	170,41	476,91	35,73	Quite good
2	2019	224,07	457,76	48,97	Good
3	2020	243,45	494,41	49,24	Good
4	2021	264,54	513,77	51,49	Very good
5	2022	374,09	661,16	56,58	Very good

Source: Processed data (2023).

In view of the results of the analysis of the contributions of the other RLIs, it is clear that the level of contributions from the 2018 – 2022 RLI can be categorized as quite good, good, and very good criteria. In the Revenue Agency, Regional Financial and Asset Management of the district of indicated the rate of contribution from the recipients of the Other RLI in 2018 of 35.73%, belonging to the medium category. In 2019 there was an increase to 48.97% that belonged to the good category. In 2020 it was 49.24% that can be included in the Good category. In 2021, there was a yearly increase from the previous to 51.49% that falls in the very good category. In 2022 there was another increase to 56.58%, which can be in the very Good category..

5. CONCLUSION

Based on the results of the analysis of the effectiveness of the receipt of regional tax on receipts of RLI, the district is included in the very effective category due to the amount of percentage values from 2018 to 2022 above 100%. The results of the analysis of the effectiveness of the reception of the Regional Retribution include a category that is quite effective, effective and highly effective. The results of the analysis of the effectiveness of receipt of the results of wealth management of the segregated areas included in the category are very effective due to the number of percentage values from 2018 to 2022 above 100%. The results of the effectiveness analysis of the acceptance of other valid RLIs in 2018 were less effective and the following years were very effective.

Based on the results of the analysis of the rate of growth of regional tax receipts, regional remuneration, income management of the wealth of the region separated against the receipt of the RLI at district of from the year 2018 to 2022 included the category not succeeded because all less than 30%. While other valid RLI acceptances included the category of less successful and unsuccessful.

Based on the results of the analysis, the contribution of the regional tax receipt to the receipt of the RLI of district from 2018 to 2022 included the category of quite good, good, and very good. The remuneration of the district, the receipt of income from the management of the wealth of the separate district is included in the category very less because all less than 10%. The other valid receipts include the category quite good, good, and very good.

5.1. Implication

The contribution of research to the public enhances community awareness regarding the payment of local taxes, regional levies, the management of separated regional wealth, and other legitimate sources of Local Original Revenue (PAD). This, in turn, can significantly boost the Original Local Revenue (PAD) of Kediri Regency and its economic growth rate, allowing the community to benefit from the public facilities provided by the government. Furthermore, the public can gain insight into the extent of the local original revenue received by the government, both in terms of budget allocations and actual realizations.

5.2. Suggestion

The government can further explore sources of original regional revenue by encouraging the community to actively participate in paying local taxes and enhancing the realization of local levies, as well as optimizing the management of separated regional assets and other legitimate sources of local revenue. This approach aims to increase the Original Regional Revenue (PAD) of Kediri Regency and improve its overall effectiveness. Additionally, conducting outreach programs to raise public awareness regarding the importance of paying local taxes, levies, and managing separated regional assets can significantly contribute to the growth of PAD in Kediri Regency, thereby fostering successful economic development and benefiting the community at large

5.3. Limitation

This study presents certain limitations that necessitate further development in subsequent research endeavors. The primary limitations identified include the reliance solely on secondary data sourced from the APBD posture of Kediri Regency and data obtained from the SIKD. It would be beneficial to incorporate primary data, such as through interviews, to enhance the comprehensiveness of the information. Additionally, the analysis conducted was restricted to effectiveness, growth rates, and contribution values; incorporating efficiency analysis would provide a more thorough examination

*Effectiveness, Growth Rate and Contribution of Local Tax Revenue, Local Retribution, Results of Management of
Separated Regional Wealth and Other Legitimate Local Revenue to Kediri District Local Revenue
(Susi Siswati and Ade Kristianus Kaloeti)*

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