



CONTRIBUTION OF ORIGINAL REGIONAL INCOME TO REGIONAL REVENUE OF JENEPONTO DISTRICT

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regional taxes, regional retribution, result of regional wealth management, other legitimate PAD

ABSTRACT

The purpose of this study is to determine the Contribution of Local Own Revenue (PAD) to regional revenues in Jeneponto Regency. This research is classified into time series research in which data collection is carried out through the Regional Original Income (PAD) report and regional revenue from Jeneponto Regency from 2015-2019.

INTRODUCTION

The economic crisis and trust that hit Indonesia in 1998 had a positive impact and a negative impact on efforts to improve the welfare of all Indonesian people. On the one hand, the crisis has had a tremendous impact on poverty levels. But on the other hand, the crisis could also provide a "blessing in disguise" for efforts to improve the standard of living of all Indonesians. The experienced economic and trust crisis has paved the way for the emergence of total reform in all aspects of the life of the Indonesian nation. The central theme of total reform is to create a just and prosperous society, create good governance, and develop a just development model. In addition, this reform has also given rise to an attitude of openness and flexibility in the political system and social institutions so as to facilitate the development and modernization of the legal and regulatory environment for paradigm renewal in various fields of life.

Regional autonomy is the fruit of the reforms that have been rolling out since 1998, however regional autonomy is not an end in itself, but a means to achieve an essential goal, namely a just and prosperous Indonesian society. As stated in the preamble to the 1945 Constitution, the objectives of the Unitary State of the Republic of Indonesia are 1). Protect the entire Indonesian nation and all Indonesian blood spilled, 2). Advancing the general welfare, 3). Educating the nation's life, and 4). To participate in implementing world order on the basis of freedom, eternal peace and social justice. If we look at these objectives, it can be understood that Indonesia adheres to the principle of a Welfare State which places the protection and welfare of the economy and society as its main objective.

The Regional Expenditure Budget (APBD) is a regional financial operational plan, on the one hand it describes the revenue of the region and on the other hand it is an expense to finance routine expenses and development expenditures in one fiscal year. Development expenditures to finance regional development activities and projects. With regard to development expenditures, what is very important to pay attention to is the determination of the composition or allocation function of the budget. The use of the development budget can vary, namely to build road infrastructure, office buildings, purchase official cars and so on. The impact on development must have been different. The development of road infrastructure will encourage the development of the activities of the sectors that use these roads (trade, agriculture, industry, transportation and others) and also affect the expansion of employment and business opportunities, which in turn is to increase income and community welfare. Types of activities and projects to be built must refer to the Regional Development Strategic Plan (Renstada). There is a common thread starting from the source of financing for regional revenue, preparation of the APBD, budget allocation to the achievement of regional development targets.

Jeneponto Regency is one of the regencies in South Sulawesi Province. The capital of Jeneponto Regency is Bontosunggu which is also the capital of Binamu District. The Jeneponto Regency Regional Budget (APBD) consists of components of Regional Income, Regional Expenditure and Regional Financing. Thus in analyzing regional financial management, it is first necessary to understand the types of objects of Regional Revenue, Regional Expenditure and Regional Financing in accordance with the authority of the Regional Government. This analysis is needed as a basis for determining the future funding framework by considering the opportunities and obstacles faced. In general, the components of the Jeneponto Regency APBD consist of: 1). Regional Revenue Components, which include Regional Original Revenue, Balancing Fund and other legitimate Regional Income; 2). Regional Expenditure Component, which includes Direct Expenditures and Indirect Expenditures; and 3). Regional Financing Components, in which there are Regional Financing Revenues, Regional Financing Expenditures, and the Remaining Budget for the Current Year.

LITERATURE REVIEW

Local tax

According to Mardiasmo (2009), Regional Taxes are compulsory contributions based on applicable laws and regulations, which are used to finance regional government administration and regional development. In the implementation of regional autonomy, the independence of the regional government is demanded to be able to implement fiscal decentralization policies.

Regional Retribution

(Sutrisno, 2001) argues that local levies are levies imposed by the central government because a person or legal entity uses government services and goods that can be appointed directly. 66 of 2002 concerning regional levies, article 1 states that retribution is a regional levy as payment for services or the granting of certain permits specifically provided by local governments by adhering to commercial principles because basically they can also be provided by the private sector. In Law no. 34 of 2000 regional levies are regional levies as payment for services or the granting of certain permits specifically provided and / or given by local governments for personal or corporate interests.

Results and Management of Regional Assets

The share of regional company profits is one of the components expected to contribute to regional revenue, but the main characteristic of regional companies is not profit-oriented but rather in providing services and providing public benefits, or in other words, regional companies carry out multiple functions which must be guaranteed. the balance is the economic function (Kaho, 2007).

Other legal PAD

Other revenues that are legalized constitute revenues originating from the relevant regional offices which are not tax revenues, levies or regional company profits. The main function of revenue from regional offices (except for regional revenue offices) is generally not to seek regional income, but to carry out some of the regional government affairs which are coaching or guidance to the community. Other revenues, on the other hand, are local government revenues outside of official revenues, taxes, user fees and a share of local company profits. This revenue, among others, comes from the rental of regional-owned official houses, the proceeds from the sale of used goods belonging to the region, the receipt of rent for regional kiosks and the receipt of regional magazine subscriptions (Hirawan, 2016).

Regional Revenue

Regional revenue is a very vital factor in regional government administration, especially the implementation of regional development. In this way, the regions will be able to carry out a freer wheel of government, in the sense that the administration of government is based on the initiative, circumstances and needs of the region itself. The regional government must be able to increase the effectiveness and yield in the implementation of development in the region so that it is hoped that the increasing amount of regional revenue will increase the amount of regional development spending so that the wheels of development in the area can be more advanced.

METHODOLOGY

In accordance with the research objectives, the research methods used are:

1. Regression analysis, is a statistical method used to see the role of Regional Original Income on Regional Revenue in Jeneponto Regency for the last five years, from 2015 to 2019. Regression according to Singgih Santoso (2010) is a method that can be used to develop a model or equation that describes the relationship between independent or dependent variables. This method is used through the Spss data processing. Spss is an application program that has the ability for statistical analysis is quite high (Ghozali, 2013).

2. Analysis of the Contribution of Original Regional Revenue (PAD) to Regional Revenue. Bappenas (2003), Contribution of Original Regional Revenue (PAD) is the ratio of Regional Original Income (PAD) to Regional Revenue. This ratio measures the extent to which a region's capability comes from Regional Original Income (PAD).

The formula for calculating Contribution is:

$$\text{Contribution} = \frac{\text{Locally-generated revenue}}{\text{Regional Revenue}} \quad 100\%$$

RESULTS

Simultaneous F Test

Table 4. 9
Simultaneous F Test
The Role of Local Own Revenue (PAD) on Regional Revenue
in Jeneponto Regency
Model Summary

Model	Change Statistics				
	R Square Change	F Change	df1	df2	Sig. F Change
1	1,000 ^a	1346184671224 862,000	4	55	,000

a. Predictors: (Constant), PAD Lain yang sah, Retribusi Daerah, HPKD, Pajak Daerah

Based on the results of the F test, it was obtained a significant value (sig) of 0.000 < 0.05. Thus, the role of Regional Original Revenue (PAD) through Regional Taxes, Regional Retributions, Results of Regional Asset Management and Other Legitimate PAD simultaneously has a role in Regional Revenue Jeneponto Regency. This shows that

if the regional taxes, levies, the results of the management of regional assets and other legitimate PAD are jointly increased, it will increase the regional revenue of Jeneponto Regency.

Table 4. 11
Contribution of Original Regional Revenue to Regional Revenue
Jeneponto Regency in 2015-2019

(000,000)

No	Fiscal year	Regional Original Income (PAD)	Regional Revenue	Contribution (%)
1	2015	61.267	1.044.672	5,86
2	2016	77.638	1.261.885	6,15
3	2017	97.930	1.088.513	8,99
4	2018	91.255	1.110.909	8,21
5	2019	97.653	1.336.455	7,31
Average		85.148,6	1.168.486,8	7,30

Source: 2020, (processed data).

Based on the table above, it is known that the Regional Original Revenue (PAD) to the Jeneponto Regency Regional Revenue contributed an average of 7.30%. The Jeneponto Regency Government still depends on the central government. The Regional Government of Jeneponto Regency is not yet independent in terms of regional revenue, because most of the 77.79% regional revenue in Jeneponto Regency still depends on the Central Government.

DISCUSSION

The increasing the amount of local revenue (PAD), the more regional revenue in Jeneponto Regency will increase. Regional Original Income (PAD) is income that must be continuously extracted and increased by the Jeneponto Regency Government in managing its household and also for increasing development in various sectors.

Regions that are supported by adequate facilities and infrastructure will have an effect on the level of productivity of their people and will attract investors to invest in the area which in turn will increase the Regional Original Income. It is hoped that the increase in local revenue (PAD) will have a significant effect on the allocation of the capital expenditure budget by the government. The increase in capital investment (capital expenditure) is expected to be able to improve the quality of public services and in turn be able to increase the level of public participation / contribution to development as reflected in the increase in Regional Original Income (PAD), Mardiasmo (2002). In other words, the construction of various public sector facilities will lead to an increase in Regional Revenue. The implementation of decentralization has made development a top priority for local governments to support increased Regional Original Revenue (PAD).

CONCLUSION

1. Local taxes have a significant role in regional revenues.
2. Regional levies have a significant role in regional revenues.
3. The results of regional wealth management have a significant role in regional revenue.
4. Other legitimate PAD has a significant role in regional revenue.
5. Original Regional Revenue (PAD) has a significant role in regional revenue.
6. The contribution of Local Own Revenue (PAD) to Regional Revenue in Jeneponto Regency is an average of 7.30%.

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