



Land and building tax as a source of village income

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Abstract

Land and Building Tax is one of the other sources of village income which is obtained and used to improve development and community welfare. Community participation in the payment of Land and Building Tax is a form of support to increase local village income, because through Land and Building Tax Villages get pure income from the Village treasury, but so far it has not run optimally so that village income from land and building taxes still has many problems that must be corrected both from the system and regulations. The purpose of this research is to explain the role of the Village Government in the management of land and building taxes as a source of village income, factors that hinder the management of land and building taxes to increase village income, and the contribution of land and building taxes as a source of village income. The research method uses normative juridical by studying primary, secondary and tertiary data, to complement the normative, dig up data directly from informants and respondents to parties directly involved in increasing village income. Analyzing data using qualitative analysis in depth by exploring the principles, the main values and norms contained therein. The results of the study indicate that public participation as taxpayers in paying Land and Building Tax in Village is still lacking, which is caused by factors of economic income, social conditions that affect people's self-awareness of the importance of paying Land and Building Tax.

Keywords: land and building tax, village government, village income

Introduction

In the framework of administering the government of the Unitary State of the Republic of Indonesia, based on Article 18 of the 1945 Constitution (UUD 1945) that the territory of the Unitary State of the Republic of Indonesia "consists of provincial areas and provincial regions consist of regencies and cities". In the administration of the government, the regions have the right to impose levies on the community in the form of levies on taxes and are managed for the public interest and welfare.

So far, the government has placed taxation on the management of the earth, water and natural resources contained as one of the embodiments of the objectives of governance, in the context of a welfare state. Taxes collected by the government are managed for the benefit of the community, the legal basis for collecting Land and Building Tax is based on the provisions of Article 33 Paragraph (3) of the 1945 Constitution.

Another provision in Article 23A is that "taxes and other levies that are coercive in the interest of the State are regulated by law". therefore, the government stipulates Law Number 28 of 2009 concerning Regional Taxes and Regional Levies.

That the collection of taxes must be based on the legal principles contained in the law, looking at the principles of justice, legal certainty, and non-discrimination. The importance of this principle is to avoid the government's arbitrariness in formulating, discussing and enacting tax laws that indirectly have an impact on confiscation or arbitrarily stipulates tax collections.

Based on the provisions of Article 1 Paragraph (37) of Law No. 28 of 2009 states that "Rural and urban land and building taxes are taxes on land and/or buildings that are owned, controlled, and/or utilized by private persons or entities, except the area used for plantation, forestry and mining business activities". Rural and Urban Land and Building Taxes should be potential enough to affect the increase in Regional Original Income (PAD), because Land and Building Tax P2 is the type of tax that has the largest number of taxpayers.

Regarding the legal basis for Land and Building Tax, the first P2 was formed, namely Law Number 12 of 1985 which was later updated with Law Number 12 of 1994, after which it was updated with Law Number 19 of 2000, the government still considered that there was a need for improvement, so there was a change with Law No. 28 of 2009 which states that Land and Building Tax P2 has been handed over to the city/regency.

Land and Building Tax is very important for economic growth and regional development, especially in rural areas (Village as Aceh Province is called). However, Law Number 28 of 2014 was repealed by Law Number 1 of 2022 concerning Financial Relations between the Central Government and Regional Governments.

As stipulated in Law No. 28 of 2009 Article 95 Paragraph 1, the transfer of the authority of Land and Building Tax P2 (Aceh Besar District). Land and Building Tax is different from the general tax that we know so far (motorcycle tax). In principle, the Land and Building Tax is the acquisition of land and building rights, in

particular the Aceh Besar Regency regulates the provisions of the land and building tax in the Regency Qanun Number 4 of 2010 concerning Customs for Acquisition of Land and Building Rights, because Land and Building Tax is one type of tax that is a source of funds. important in the framework of governance and development of Aceh Besar District.

This is because the Rural and Urban Land and Building Tax is used to increase the accountability of regional financial management which is paid directly as a source of PAD, especially in Aceh Besar District. However, the land and building tax for plantations, forestry and mining is still the central tax. Meanwhile, the results of the rural land and building tax are village income (Village) for village development.

Based on the terms Aceh Qanun Number 5 of 2003 concerning Village Government Article 26 Paragraph (2) letter "d" which states that "Village s are required to develop village income sources (Village)". Based on this provision, Village s are required to develop village income in the form of Village -owned enterprises and collect land and building taxes that are within the scope of the Village 's legal area, one of which is Village s in Darul Imarah District, Aceh Besar District.

Aceh Qanun Number 5 of 2003 was revoked by Aceh Qanun Number 1 of 2019 concerning Village Government. Regarding Village income, it is based on Articles 73 to 76. Based on this regulation, in terms of increasing village income, tax collections are carried out within the legal territory of the Village based on statutory regulations. Because the Land and Building Tax has a positive impact in terms of village development for the welfare of the community.

In addition, Village income as referred to in Article 71 Paragraph (1) Village finances are all Village rights and obligations that can be valued in money as well as everything in the form of money and goods related to the implementation of Village rights and obligations, and. Paragraph (2) rights and obligations as referred to in paragraph (1) generate income, expenditure, financing, and management of Village Finance.

Sources of original village income consist of business results, asset returns, self-help and participation, mutual cooperation, and other village original income, part of district/city regional taxes and levies, share of regional taxes and district/municipal levies at least 10% (ten percent) of regional taxes and levies, this has been regulated in Article 72 paragraph (2) of Law Number 6 of 2014 concerning Villages.

In addition, each Village receives a transfer of balancing funds received by the Regency/City of at least 10% (ten percent) of the balancing funds received by the Aceh Besar Regency in the Regency Revenue and Expenditure Budget (APBK) after deducting the Special Allocation Fund (DAK).

So far, the Village government is still dependent on the results of regional taxes and retributions from the Regency/City, the share of the results of regional taxes and regional levies at the Regency/City is at least 10% (ten percent) of regional taxes and levies, this has been regulated in Article 72 paragraph (2) Law Number 6 of 2014 concerning Villages.

If the village government can manage the Land and Building Tax in the village area, especially the Darul Imarah sub-district, it is not impossible that every year the village income exceeds the transfer by the Aceh Besar District Government by 10%. Land and building taxes are a source of village income.

The problems in this study are how the role of the village government in the management of land and building taxes as a source of village income, what are the factors that hinder the management of land and building taxes to increase village income and how the contribution of land and building taxes to village income receipts.

The purpose of this study is to determine and analyze the role of the village government in the management of land and building taxes as a source of village income, the factors that hinder the management of land and building taxes to increase village income.

Research Methods

The type of research used in this research is normative legal research, namely legal research that puts law as a norm system building, where the norm system in question is about the principles, norms, rules of legislation, the material as a point of view and framework of thinking a researcher to conduct analysis, of course in the approach to legislation requires a historical approach, as well as concepts.

Normative research (library) using primary, secondary and tertiary data, reading all the literature relating to the problems in this research, not only with the data library obtained but also using existing technology, by exploring various media that present structured data. However, it is also possible to complete normative research using direct research data on informants and respondents who are directly related to this research.

Data analysis was carried out qualitatively with interpretation and legal synchronization techniques, qualitative were verbal expressions obtained from written materials (laws, documents, books, and so on). The data/legal materials that have been collected through the legal inventory process are then classified for further in-depth analysis by exploring the basic principles, values and norms contained therein.

Research Results and Discussion

Land and building tax is one of the sources of village income

Land and Building Tax is a reform in the field of taxation. The rate of the Rural and Urban Land and Building Tax (Land and Building Tax P2) which has been determined based on the Qanun of Aceh Besar Regency Number 4 of 2012 is the highest of 0.3%. The principal amount of Land and Building Tax P2 payable is calculated using the method of multiplying the rate by the tax base, after deducting the Sales Value of Non-Taxable Tax Objects (NJOPTKP).

The provision based on Law Number 1 of 2022 concerning Financial Relations between the Central Government and Regional Government in Article 40 Paragraph (6) and (7) states "NJOP as referred to in paragraph (1) is stipulated every 3 (three) years, except For certain tax objects, it can be determined every year in accordance with the development of the region, and the amount of NJOP is determined by the Regional Head.

Land and Building Tax is a tax imposed on the people because the object of Land and Building Tax is the land and buildings. Every year the NJOP is determined by the Minister of Finance and each region has a different NJOP according to the classification of land (earth) and buildings.

The Rural and Urban Land and Building Tax is one of the most important sources of regional income to finance the implementation of government and development in the regions to realize a safe, orderly, prosperous, and just life for the nation. The UN Village (village) government is also one of the sources of village income.

Whereas the use of Land and Building Tax revenue is directed to the purposes for the benefit of the village and the community where the tax object is located, one of which is the tax object in the village environment in Darul Ijarah District, Aceh Besar Regency.

The object of the Land and Building Tax is a source of village income, it can be seen that so far there are many buildings in the Darul Ijarah sub-district and several buildings belonging to large transportation companies in the area can be managed or obtain legal benefits for village income.), but the problem today is how the role of the Village government is to maximize the presence of Land and Building Tax in the Village areas to increase the source of village income.

Because most of the proceeds of Land and Building Tax revenue are directed to the Aceh Besar Regency Government as Regional Original Revenue, based on Article 9 of the Aceh Besar Regency Qanun Number 4 of 2012 concerning Rural and Urban Land and Building Taxes states "taxes owed are collected in the Aceh Besar Regency area",

The tax revenues so far that have been obtained by the Aceh Besar Regency are given back to the Village as stated in Article 75 letter "b" of Aceh Qanun Number 5 of 2003 is revoked by Aceh Qanun Number 1 of 2019 concerning Village Government stating that "Part of the proceeds of city regional taxes and regional levies" is transfer income as referred to in Article 73 Paragraph (2) letter "b". Part of it is given to the villages in Aceh Besar District.

We know that Land and Building Tax is a tax levied directly by the government to increase the source of PAD and to fulfill the interests of the people in the area concerned. Therefore, the community is expected to participate in fulfilling their obligations as taxpayers in paying Land and Building Tax .

The role of the Village government is important to increase income from the Land and Building Tax sector and needs to be carried out more optimally, although until now it is still difficult to realize it to increase village income from Land and Building Tax due to various internal and external problems of the Village government.

The very basic problems are internal and external, namely inequality with the district government and the lack of regulations that regulate Land and Building Tax at the village level to generate village income sources. So far what has happened is that village income through Land and Building Tax has not fully met the predetermined target, meaning that the realization of Land and Building Tax revenue so far is still low.

This could be due to a lack of community participation in paying taxes, this can be seen from the statement of one of the Village apparatus in Darul Ijarah District that so far people have been willing to pay Land and Building Tax because they have a need, for example wanting to make land certificates and others for administrative arrangements. in the Village , after there is no more need, the people no longer pay attention to the Land and Building Tax ."

Usually, every few months the Village government receives a tax return which is distributed between the middle of the year. First received at the sub-district level (Camat Office) and then given to each of the Villages, the role of the community is also very important for their participation. Regarding community participation in paying Land and Building Tax so far, people are still not used to tax collections and the average ownership of land and buildings, the owner does not live in place so that Land and Building Tax is not always paid.

This problem is one of the challenges for the Village government to obtain village income, there must be firmness but not violating the law so that the community obeys its obligations.

Factors Inhibiting Land and Building Tax Management

The factor that influences the management of the Rural Urban Land and Building Tax to increase village income, namely the lack of participation from the community in paying Land and Building Tax is a problem that must be addressed." In this improvement, there needs to be cooperation at the level of government administration at the village, sub-district, city-district levels so that a solution is obtained, both in the form of decisions and regulations that can be implemented properly.

Based on the results of these interviews, it can be concluded that the low interest in community participation in paying Land and Building Tax is inseparable from several factors that influence public participation in paying taxes, namely the economy and people's income to pay Land and Building Tax . In general, these factors are generally inseparable from the awareness of the surrounding community to always obey the regulations and their obligation to pay Land and Building Tax indirectly also has an impact on the community.

Therefore, related parties such as the Regional Financial Management Agency in the field of Regional Original Revenue handle all kinds of needs and tax needs to provide facilities and conveniences to people who pay Land and Building Tax through planned programs.

Several programs designed to continue to increase the realization of tax revenues in Aceh Besar District, especially the Darul Imarah Sub-district, involve elements of the government and all existing stake holders, especially large and high-value tax objects to the authorities for collection.

Optimization of village income can be achieved if the village government supervises the community on tax objects, and overcomes internal and external factors that have been obstacles in increasing village income. If the Village government apparatus is always active in providing information and education to the community, then public awareness will continue to increase, but on the other hand the community and local businessmen do not pay Land and Building Tax payments because there is no supervision of the Land and Building Tax object.

Basically, tax is a mandatory contribution to the region that is coercive based on the provisions of the Act by not getting a direct reward but is used for the purposes of the greatest prosperity of the people, in Article 1 Paragraph (10) of Law Number 28 of 2009 concerning Regional Taxes. and Regional Levies were then amended by stipulating Law Number 1 of 2022 concerning Financial Relations between the Central Government and Village Governments. Land and building taxes are the main source of implementing development and managing village finances properly.

Land and Building Tax Contribution as Village Income.

The most important problem in responding to the demands of Village development is funding for Village development, one of the sources of funding is from Village income, especially those from the regional tax and regional levies sector.

A good regional tax is a tax that supports the granting of authority to regions in the context of financing decentralization. The granting of authority is also followed at the Village level to support and increase village income by maximizing land and building taxes within the Village jurisdiction itself. The Village government is not always bound (hopefully) to the local government in terms of building community facilities with the management of land and building taxes.

Regional income from these sources must be given to the village in a proportional and fair distribution, this provision is intended to eliminate the burden of high economic costs and other impacts. the district government is obliged to give a certain percentage to the Village government.

Based on the provisions in Article 97 paragraph (1) of Government Regulation Number 43 of 2014 concerning Implementing Regulations of Law Number 6 of 2014 concerning Villages as amended by Government Regulation Number 47 of 2015 that "Regency/city governments allocate part of the proceeds of taxes and levies district/municipality to the village at least 10% (ten percent) of the realization of the revenue from district/city regional taxes and levies".

The provisions of Article 97 Paragraph (2) determine that the allocation of a portion of the proceeds of regional taxes and levies shall be based on the provisions that 60% (sixty percent) is divided equally among all villages, and 40% (forty percent) is divided proportionally to the realization of tax revenue and revenue. retribution from each village.

In fact, so far the distribution of tax and retribution proceeds is based on an allocation formula calculated by taking into account the population, poverty rate, area area, and the geographic difficulty index of the village. The data taken is the realization of the previous year as a condition for distribution to villages in the current year. Since the promulgation of Law Number 6 of 2014 concerning Villages, the Aceh Besar District Government is required to budget for a share of regional taxes and regional levies of 10%.

To see how the role of the village government in the Village Revenue and Expenditure Budget. Various reasons and factors were conveyed by the community related to the readiness of the keuchik and Village apparatus, infrastructure and leadership of the Village keuchik. The Village Law gives autonomous authority to the Village government in managing and building the Village .

The Village community can feel welfare through various empowerment programs and management of Village resources through land and building taxes through village income sources, having an impact on improving the community's economy, regulating the Village Revenue and Expenditure Budget and carrying out various infrastructure developments that are community priorities. indirectly felt by the government.

Keuchik as the Village government to be active and provide understanding to the community on the common interest in obtaining village income. The success of the development and administration of Village government cannot be separated from: "a. The Village situation is the social, cultural, security situation. b. The development plan includes plans for goals, objectives, targets and achievement strategies. c. Village income comes from land and building taxes, regional levies and other legitimate income, and. d. The use of such revenue from Land and Building Tax by the regions will stimulate the community to fulfill the obligation to pay taxes.

Land and Building Tax as one of the sources and potentials in order to support the results of state assets as well as regional income as well as the income of the village itself. There are various reasons that determine the unrealized payment of taxpayers.

The Village government, which is structurally still under the regency, remains part of the regency regional government, but financial management and development are still carried out by the Village government. In essence, a Village is a legal community unit that has a government structure whose rationale in Village governance is statehood, participation, genuine autonomy, democratization and community empowerment.

Land and building tax management contributes to the village's original income. The income from the levy on land and building taxes is beneficial to the community that is desired after the end of a development process, in

natural processes there is actually no concept of costs outside of tax collections. Land and Building Tax which is in the Village as a part of the village income which has a positive contribution in terms of Village development. All income from the Land and Building Tax -P2 sector will go into the Village government treasury specifically at the Village level, and the respective regional governments of Land and Building Tax -P2 are the full rights of the region. 100% (one hundred percent) of the proceeds from tax management goes to the Village treasury, so there is no tax sharing for district governments. The success of the government in realizing tax revenues in accordance with the target is one of the achievements that deserves appreciation.

Conclusion

Based on the above explanation regarding Land and Building Tax (Land and Building Tax) as a source of Village Income, the following conclusions can be drawn:

The implementation of land and building tax collection systems and procedures is in accordance with applicable regulations. However, in the implementation of the Land and Building Tax collection system, it is still not fully maximized in collecting and collecting tax objects throughout the legal territory of the Darul Iman District Village which is designated as a Taxpayer.

There are several factors that influence public participation in paying Land and Building Tax, consisting of the economy and community income, in general, namely the awareness of the community and the entrepreneur on the importance of paying Land and Building Tax.

The contribution of Land and Building Tax revenue in Darul Iman District in increasing regional income has not been fully optimal. Therefore, the relevant government, namely the village, is to form programs that are in direct contact with the general public, especially the surrounding village community.

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