Analysis of the Advertising Tax Supervision System in Increasing Local Tax at the Medan City BPPRD

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Abstract: The purpose of this study was to analyze the billboard tax control system in increasing local taxes at the Medan City BPPRD. This research is included in the type of descriptive research. In this study, quantitative and qualitative data types were used. The sources of data used by the author in conducting this research are secondary data in the form of written data, such as reports on targets and realization of advertisement tax revenues and primary data in the form of interviews. The data analysis technique used is descriptive analysis, namely by analyzing local tax report data regarding the target and realization of advertisement tax revenue, then conclusions are drawn from the target data and the realization of advertisement tax revenue. The results showed that the billboard tax control system at the Medan City Tax and Levy Management Agency had not been running well because the Medan City Regional Tax and Levy Management Agency still lacked resources (facilities and ASN) which became an obstacle in the process of supervising the billboard tax. In addition, the factors that cause the advertisement tax not to reach the target are because there is still a lot of lack of public knowledge of the advertisement tax, in this case the lack of socialization by related parties, the lack of awareness of taxpayers in reporting their advertisement tax to the related parties.

Keywords: Supervision, Advertising Tax, Local Tax.

INTRODUCTION

Tax is a mandatory payment imposed by law which cannot be avoided, the proceeds of which are used to finance state expenditures in the administration of government and development. Revenue from each tax sector continues to increase every year. Through the State Revenue and Expenditure Budget (APBN) it can be seen that every planned State Revenue from the tax sector has increased every year. The income obtained from this sector will be used to finance any ongoing and ongoing development as well as state income from this sector which will be used for state needs for the prosperity of the people.

The basis of tax imposition is one of the main components in calculating the tax payable. Law Number 28 of 2009 concerning Regional Taxes and Regional Levies has mandated that the determination of the basis for the imposition of taxes is the authority of the Regional Government. The implementation of this authority must be in accordance with the basic norms regulated by Law Number 28 of 2009 concerning Regional Taxes and Regional Levies.

The role of Regional Taxes in the budget of Level I Regional Governments throughout Indonesia is relatively very small to be able to finance regional development. Meanwhile, according to the principle of regional autonomy, governance and regional development will gradually be delegated to the regions. With the increasing authority of the central government given to regional governments, the role of regional government finances will be increasingly important because regions are required to be more active in mobilizing their own funds. Medan City adheres to the Self Assessment System, which means that taxpayers are entrusted with calculating, calculating, determining, paying, and reporting their own taxes. In this case, the Directorate General of Taxes/Local Government only
carries out the functions of coaching, researching, supervising, and the application of tax administration sanctions. Tax collection in the Self-Assessment System is carried out as early as possible since the tax debt arises or before the due date of tax payment or deposit.

The Medan City Tax and Levy Management Agency (BPPRD) is the implementing element of the Medan City Government in the field of collecting taxes, levies, and other regional revenues led by a Head of Service who is under and responsible to the Mayor through the Regional Secretary. The Medan City Regional Tax and Levy Management Agency has the task of carrying out some regional government affairs in the field of regional income based on economic principles and carrying out assistance tasks with their fields of duty.

Regional taxes and levies are levied by the Regional Government with the aim of increasing regional income which is also useful in regulating and controlling taxpayers as tax objects in the Medan City area. The Regional Tax and Levy Management Agency (BPPRD) of Medan City expects that regional tax and levy revenues will increase every year. One type of tax managed by the Medan City Tax and Retribution Management Agency (BPPRD) is the advertisement tax. Advertising tax is regulated in Regional Regulation Number 11 of 2011 as a source of regional tax (PAD) which is quite potential in the context of financing development activities in the Medan City area. Advertising tax is the largest regional tax (PAD) number 5 (five) after the Entertainment Tax, Ground Water Tax, Street Lighting Tax, and Swallow's Nest Tax which increases every year. From the advertisement tax revenue, it is hoped that the advertisement tax will be able to make a positive and significant contribution to the increase in Medan City Regional Tax (PAD).

According to the Medan City Regulation No. 11 of 2011 concerning the Advertising Tax states that every taxpayer who will organize billboards must obtain a license to administer advertisements at the Medan City Investment and Licensing Agency. After obtaining the permit, the taxpayer reports to the Medan City BPPRD to determine the taxes that must be paid by bringing the permit that has been obtained.

Based on the report on the target and realization of advertisement tax revenue at the Medan City BPPRD, the phenomenon that occurs is that the target is not achieved, this shows that the monitoring of the advertisement tax revenue target has not been going well, while according to the Medan City Regional Regulation Number 11 of 2011 concerning Provisions and Procedures Local Tax Collection and according to Siagian (2002), "Supervision is carried out aimed at preventing deviations in operations or plans, so that various ongoing operational activities are carried out properly in the sense not only according to plan, but with the highest level of effectiveness possible."

**METHODOLOGY**

**Local Tax**

According to Mardiasmo (2016), taxes are contributions in the form of money from the people to the state based on laws that can be enforced without receiving reciprocal services (contra-achievements) that can be directly appointed or used to pay general expenses. According to Law Number 28 of 2007 concerning general provisions and procedures for taxation, taxes are contributions of taxpayers to the state that are owed by individuals or entities that are coercive under the law, without receiving direct compensation and are used for state purposes for an amount of - the great prosperity of the people.

According to the Law of the Republic of Indonesia Number 28 of 2009 concerning Regional Taxes and Regional Levies, the definition of Regional Tax is as follows: "Regional Taxes, hereinafter referred to as Taxes, are mandatory contributions to the Regions owed by individuals or entities that are coercive under the Act. Act, by not receiving direct compensation and being used for regional purposes for the greatest prosperity of the people."

**Advertisement Tax**

According to the Medan City Regional Regulation Number 11 of 2011 concerning Advertising Tax, Advertising Tax is a regional levy on the administration of advertisements. Advertisements are objects, tools, actions or media according to their various forms and patterns for commercial purposes. Every billboard placement plan must pay attention to aesthetics, safety, building compatibility and the environment in accordance with the regional spatial plan. The arrangement of advertisements is arranged according to the place, type, size, construction and area (location).

In the event that the billboards are self-administered, the rental value of the advertisements is calculated by taking into account the factors of type, material used, placement location, time, period of operation, number and size of advertisement media, the method of calculating the value of advertisement rentals is determined based on the sum of the selling value of the advertisements and the strategic value of the advertisements. The selling value of the advertisement is the multiplication of the area/size of the advertisement media with the period of time and the unit price of the advertisement.

This research is included in the type of descriptive research. According to Suprihanto (2012) descriptive research is a research conducted by collecting, interpreting and analyzing data by comparing theories with objective data that occurs so as to provide a
complete picture of the research problem. As for what needs to be analyzed in this study is the budget as a means of monitoring the advertisement tax. The operational definitions in this study are as follows:

1. Supervision can be defined as a systematic effort by business management to compare the performance of predetermined standards, plans, or objectives to determine whether performance is in line with these standards.

2. Advertising tax is a regional levy on the administration of advertisements. Advertisements are objects, tools, actions or media which, according to their various forms and patterns for commercial purposes, are used to introduce, recommend or praise an item, service or person.

In this study, quantitative and qualitative data types were used. The sources of data used by the author in conducting this research are secondary data in the form of written data, such as reports on targets and realization of advertisement tax revenues and primary data in the form of interviews. The data analysis technique used is descriptive analysis, namely by analyzing local tax report data regarding the target and realization of advertisement tax revenue, then conclusions are drawn from the target data and the realization of advertisement tax revenue.

RESULTS & DISCUSSION

Based on the data obtained, the lowest value for the realization of the advertisement tax was in 2017 which was 57,994,489,484, for the highest value for the advertisement tax was in 2018 which was 119,219,690,557, for the average value of the advertisement tax obtained by the Tax Management Agency, and the Medan City Regional Retribution from 2017-2019, which is 94,684,167,651. The lowest value of the difference in advertising tax was in 2015 amounting to 391,274,510,516. From the results of the data analysis above, it can be seen that from 2017-2019 the realization value of the advertisement tax did not exceed the target value of the advertisement tax revenue, this shows that the Medan City Tax and Retribution Management Agency has not been able to manage advertisement tax revenues properly so that the advertisement tax can provide contributions to local taxes.

The contribution of advertising tax revenue in increasing the local tax is illustrated in the following diagram: In 2018 the realization of the advertisement tax increased to 106,838,322,911 with an achievement percentage of 11%, the increase in the advertisement tax could increase the regional tax in 2018 to 6,507,838,878,916 with a percentage of 41%, this shows that an increase in advertising tax can increase local taxes. In 2019 the realization of the advertisement tax increased to 119,219,690,557 with an achievement percentage of 11%, the increase in the advertisement tax could increase local taxes in 2017 to 7,771,964,720,887 with a percentage of 47%, this indicates that the increase in advertising tax can increase local taxes. It is known that Medan City's regional taxes have increased, from several years where the low regional taxes of a region are not caused by structurally poor regions or do not have potential financial resources, but are mostly caused by central government policies. In addition, financial resources are controlled by the center so that this causes the regions to be less independent in managing the material results of the resources and potential of the region. Regional taxes are regional revenues from various regional government efforts to collect funds for the needs of the region concerned in financing routine and development activities, which consist of regional taxes, regional levies, part of regionally owned operating profits, and other legitimate regional original revenues.

From the results of the data analysis above, it can be seen that every year the achievement of the advertisement tax does not reach the target. 79 of 2005 concerning Guidelines for the Guidance and Supervision of the Implementation of Regional Governments states that “Supervision over the administration of regional governments is a process of activities aimed at ensuring that Regional Governments run efficiently and effectively in accordance with the plans and provisions of laws and regulations.

According to the results of interviews with the Medan City Regional Tax and Levy Management Agency, the implementation of advertisement tax supervision carried out on taxpayers so far has no difference in service or other matters, all of which must be in accordance with the SOP procedures in the Medan City Regional Regulation Number 11 of 2011. In addition, the Medan City Regional Tax and Retribution Management Agency still lacks resources which are an obstacle in the process of supervising the advertisement tax. The failure to achieve the realization of the Medan City advertisement tax from 2017-2019 is due to the fact that there are still many illegal billboards scattered along the road, the lack of public knowledge of the advertisement tax, in this case the lack of socialization carried out by related parties, the lack of awareness of taxpayers in reporting their advertisement tax to the parties. which is related.

Advertising Tax Supervision System at the Medan City BPPRD

In an effort to achieve the goals of the establishment of the company, the company organization has various functions related to the achievement of these objectives. So the budget is needed in a company that functions as a monitoring tool. Based on the results of data analysis, it shows that the supervisory ability of the Medan City Regional Tax and Retribution Management Agency in realizing the advertisement tax has not been maximized, it can be seen from 2015 to 2017 that the targets or plans that have been set have not been able to achieve.
According to Nafarin (2011) the budget is a monitoring tool. Supervision means evaluating (assessing) the implementation of work by - Comparing the realization with the plan (budget) - Taking corrective actions if deemed necessary (if there are adverse deviations). In article 1 Government Regulation no. 79 of 2005 concerning Guidelines for the Guidance and Supervision of the Implementation of Regional Governments states that “Supervision over the administration of regional governments is a process of activities aimed at ensuring that Regional Governments run efficiently and effectively in accordance with the plans and provisions of laws and regulations. Collecting advertisement tax is a natural thing to do, considering that the definition of advertisement according to Medan City Regulation No. 11 of 2011 concerning Advertising Tax are objects, tools, acts or media whose forms and features are designed for commercial purposes to introduce, encourage, promote or attract public attention to goods, services, people or entities that can be seen, read, heard, felt and enjoyed by the public. Research conducted by Hanum (2010) The Role of the Regional Tax Revenue Budget as a Planning and Monitoring Tool Case Study at the North Sumatra Regional Revenue Service, the results show that the role of the regional tax revenue budget cannot be used as a planning and monitoring tool properly.

Advertising Tax Acceptance Rate at the Medan City Regional Tax and Retribution Management Agency

From the results of data analysis, it can be seen that every year the achievement of the advertisement tax does not reach the target. This shows that the advertising tax control system at the Medan City Tax and Retribution Management Agency has not been running well, while Article 1 paragraph 4 of Government Regulation no. 79 of 2005 concerning Guidelines for the Guidance and Supervision of the Implementation of Regional Governments states that “Supervision over the administration of regional governments is a process of activities aimed at ensuring that Regional Governments run efficiently and effectively in accordance with the plans and provisions of laws and regulations. According to the results of interviews with the Medan City Regional Tax and Levy Management Agency, the implementation of advertisement tax supervision carried out on taxpayers so far has not made any difference in services or other matters, all of which must be in accordance with the SOP procedures in the Medan City Regional Regulation Number 11 of 2011. In addition, the Medan City Regional Tax and Retribution Management Agency still lacks resources which are an obstacle in the process of supervising the advertisement tax. The failure to achieve the realization of the Medan City advertisement tax from 2017-2019 is due to the fact that there are still many illegal billboards scattered along the road, the lack of public knowledge of the advertisement tax, in this case the lack of socialization carried out by related parties, the lack of awareness of taxpayers in reporting their advertisement tax to parties which is related.

The Medan City Regional Tax and Levy Management Agency will provide sanctions for taxpayers who do not comply in reporting/paying their advertisement tax, namely the BPPRD directly to the field to dismantle the billboards whose taxes have not been paid, this is the Medan City Tax and Levy Management Agency in coordination with the Satpol PP Medan City. According to the Medan City Regional Regulation Number 11 of 2011 concerning Advertisement Tax Article 16, it is stated that tax payable which at the time of payment is not paid or underpaid is subject to an administrative fine of 2% (two percent) every month, which is calculated from the time of maturity until the day of payment. payment for a maximum period of 24 (twenty four) months. The administrative fine as referred to in paragraph (1) plus the unpaid or underpaid tax payable shall be collected with a Tax Collection Letter which must be repaid no later than 1 (one) month from the date of receipt of the Tax Collection Letter by the Taxpayer. According to the Medan City Regulation Number 11 of 2011 concerning Advertisement Tax Article 18 is issued if the taxpayer does not pay off the tax debt and to him a warning letter or warning letter or other similar letter has been issued, the taxpayer does not pay off the tax debt even though the tax collection has been done immediately and at once. , the taxpayer does not meet the provisions as stated in the installment decision or payment delay.

CONCLUSION

Based on the results of the research that has been done, the following conclusions can be drawn:

1. The billboard tax control system at the Medan City Tax and Levy Management Agency has not been running well because the Medan City Tax and Levy Management Agency still lacks resources (facilities and ASN) which are obstacles in the process of supervising the billboard tax.

2. The factor that causes the advertisement tax does not reach the target is because there is still a lot of lack of public knowledge of the advertisement tax, in this case the lack of socialization carried out by related parties, the lack of awareness of taxpayers in reporting their advertisement tax to related parties.

REFERENCES


