Effect Of Parking Retributions And Market Levies Towards Increasing Regional Original Income Palopo City

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Abstract

The aim of this research is to determine the effect of parking fees and market fees on increasing PAD in Palopo City. The method used is a quantitative method, using multiple linear regression analysis. The research results prove that parking levies and market levies together (simultaneously) have a positive and significant effect on Palopo City's original regional income, parking levies have a positive and insignificant effect on Palopo City's local revenue and market levies. has a negative and significant effect on Palopo City's original regional income.

Keywords: Parking Levy; Market Levy; Regional Original Income

1. Introduction

The process of decentralization of government carried out by the central government towards regional governments as a concrete manifestation of the implementation of regional autonomy has the consequence that regional governments can carry out their own government. The decentralization process is supported by the enactment of Law Number 1 of 2022 concerning Financial Relations between the Central Government and Regional Governments. This law is a regional basis for the development of regional autonomy in Indonesia.

The implementation of regional autonomy is carried out by giving broad, real and responsible authority to regions in a professional manner which is realized by fair regulation, distribution and utilization of national resources. To carry out broad, real and responsible regional autonomy requires authority and the ability to find one's own financial resources. This authority can be exercised by the government in increasing local original income (PAD) because regional dependence on central assistance must be minimal, so that local original income (PAD) can become part of the largest financial source so that the role of regional government becomes greater. With the implementation of this law, regional authority becomes greater to manage regional revenue sources. These regional revenue sources are used to support the regional income and expenditure budget (APBD).

The first law of 2022 during the omicron period has a regulatory scope in providing regional revenue sources in the form of taxes and levies, managing TKD, managing regional expenditure, granting authority to carry out regional financing, and implementing national fiscal policy synergies. With the enactment of the financial relations law between the central government and regional governments, it is hoped that these regions can become independent and no longer depend on the central government and can increase local revenue (PAD), one of which is through regional levies.

Regional original income (PAD) is very important because it is a source of income that helps improve regional finances itself, so it needs to continue to be increased so that it can help in shouldering some of the costs needed to carry out regional development, especially in Palopo City. Palopo City, as one of the autonomous regions in South Sulawesi Province, continues to explore regional financial potential in order to increase revenue from local revenue (PAD), one of which is regional levies. Among the types of regional levies are general services levies, business services and permits, where parking and markets are included in the types of general services.

The source of regional revenue for Palopo City that is more likely to be developed at this time is the receipt of parking fees and market fees. Because, based on information from the Head of the Palopo City Regional Revenue Service, improvements still need to be made. Revenue from collecting parking fees and market fees to achieve the results targeted by the city government can be realized well. Suparmoko (1999) That the second source of original regional income is regional levies. Retribution is a payment from the people to the government where we can see a relationship between the remuneration received directly and the payment of the levy. The contribution of parking fees and market fees also has a very important role because the revenue from parking fees and market fees in Palopo City is quite large compared to other public service fees in Palopo City. By increasing local revenue (PAD), it is hoped that the region can become independent and no longer depend on the central government.

Table 1. Realization of Parking Levy, Market Levy, and Original Regional Income 2017-2021

Year	Growth of Parking Fees	Growth in Market Retribution Realization	Growth of Original Regional Income (PAD)
2017	131,432,000	880,803,000	167.307.131.609
2018	636,744,000	883,000,000	139.282.846.484
2019	436,300,000	950,023,000	165,664,354,780
2020	246,276,000	727,326,000	177.205.052.456
2021	437,091,000	1,019,439,916	140.133.041.614

Source: Directorate General of Financial Balance 2023 website

Table 2. Growth in Parking Levy, Market Levy, and Original Income Receipts Region 2017-2021 (in percent)

Year	Growth of Parking Fees	Growth in Market Retribution Realization	Growth of Original Regional Income (PAD)
2017	-53.52	6.45	24.75
2018	384.47	0.25	-0.17
2019	-31.45	7.59	18.94
2020	-43.55	-2.34	0.07

2021	77.48	40.16	-20.92

Source: Data processed 2024

Sources of local revenue (PAD) in Palopo City which are expected to contribute a lot to local revenue (PAD) are parking fees and market fees. Realization of local revenue (PAD) in Palopo City over the last 5 years shows that the figures for parking fees, market fees and local revenue (PAD) have fluctuated.

Where in 2017 the growth of parking levies on Palopo City's original regional income (PAD) was -53.5%, market levies were 6.45% and local original income (PAD) was 24.75%. Then in 2018 parking levies rose to 384.47%, market levies also rose by 0.25% but local revenue (PAD) fell to -0.17%. In 2019 parking fees decreased to -31.45%, but market fees increased by 7.59% and local revenue (PAD) also increased by 18.94%. In 2020 parking fees fell again to -43.55%, market fees also decreased by -2.34% but local revenue (PAD) in 2020 increased to 0.07%. In 2021, parking fees increased by 77.48%, market fees also increased by 40.16%, but local revenue (PAD) fell to -20.92%.

The contribution of parking fees and market fees to local revenue (PAD) in Palopo City is expected to continue to increase, the more regional needs that can be financed with local revenue (PAD) shows that the quality of regional autonomy is increasing.

2. Methodology

In this research, multiple linear regression is used for research that has more than one independent variable. According to Ghozali (2018), multiple linear regression analysis is used to determine the direction and how much influence the independent variable has on the dependent variable. The results of the multiple linear regression analysis will test how big the influence of parking fees and market fees is on increasing PAD. Based on the relationship between two variables expressed by a linear equation, it can be used to make predictions (forecasts) about the magnitude of the Y value (dependent variable) based on a certain X value (independent variable). The predictions will be better if we do not only pay attention to one influencing variable (independent variable) so we use multiple linear regression analysis (Sugiyono, 2014).

The model equation from multiple linear regression analysis is as follows:

$$Y = a_0 + b_1X_1 + b_2X_2 + e$$

Where :

Y = Original Regional Income (PAD)

a = Constant from the regression equation

b = Regression coefficient

X_1 = Parking Levy

X_2 = Market Levy

3. Result and Discussion

3.1. Result

Multiple linear regression analysis is a method used to determine the accuracy of predictions of the influence that occurs between the independent variables Parking Levy (X_1) and Market Levy (X_2) on the dependent variable or PAD (Y). Statistical calculations in the multiple linear regression analysis used in this research were carried out using the latest version of the SPSS application (SPSS version 29). The results of data processing will later be entered into the predetermined regression equation. By using the SPSS program, the complete details can be seen in the table and further along with a brief explanation as follows.

SPSS calculation results are as follows:

a. Simultaneous test (f test)

ANOVA

Model		Sum of Squares	df	Mean Square	F	Say.
1	Regression	10139.566	2	5069.783	15.955	.004[b]
	Residual	1906.554	6	317.759		
	Total	12046.119	8			

a. Dependent Variable: ORIGINAL REGIONAL INCOME (PAD)

b. Predictors: (Constant), MARKET LEVY, PARKING LEVY

The f test is used to determine the independent variables together (simultaneously) with the dependent variable. 5% significant level = 0.05 . If the probability value is < 0.05 then it can be said that the independent variable has a significant effect on the dependent variable.

The Anova table shows information about whether the independent variable influences the dependent variable simultaneously (together). Two ways can be used to make this decision , first look at the significance value. In the ANOVA table, the significance value is 0.004, so it is concluded that the variables X_1 (parking levy), X_2 (market levy) have a joint effect on PAD (Y). This is done by following the significance level of 0.05 as the cut off value of the significance value. This means that if the probability (significance) value is below 0.05 then all independent variables have an effect on the dependent variable and vice versa.

The second step is to compare Fcount and Ftable, the F value produced in the Anova table is 15.955. By using the formula df1 = k – 1 and df2 = k – 1 to determine Ftable, an Ftable of 5.32 is used . So the conclusion is that Fcount > Ftable, so that all independent variables have a joint effect on the dependent variable, namely Regional Original Income (PAD).

b. Partial Test (t Test)

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardizationed Coefficients Beta	t	Say.
1	(Constant)	38.591	7.463		5.171	.002
	PARKING RETRIBUTION	.071	.039	.305	1.788	.124
	MARKET RETRIBUTIONS	-1.973	.433	-.778	-4.561	.004

a. Dependent Variable: ORIGINAL REGIONAL INCOME (PAD)

$Y = a + bX_1 + bX_2 + e$

$Y = 38.591 + 0.071\ X1 - 1.973\ X2 + 7.463$

Parking Levy (X_1) = 0.071

Market Levy (X_2) = -1.973

a = 38.591

e = 7.463

From the results of the multiple linear regression analysis table, it can be explained that:
1. a = 38,591 if the value of X= 0 then the decision value is 38,591.
2. bX_1 = 0.071 which means that parking fees have a positive effect on PAD. This shows that if the variable X1 is increased by one unit, then Y will increase by 0.071. 3.
3. bX_2 = -1.973 which means that market levies have a negative effect on PAD. This shows that if the variable X_2 is increased by one unit, then Y will increase by -1.973.

This table is also used to see the influence of each variable on the dependent variable. Partial test results by comparing the Tcount value with Ttable to get the Ttable value using the formula df = nk 1 then obtained Ttable of 1.89458 . This value is compared with the Tcount value for each variable. If the Tcount value is greater than Ttable, then the conclusion is that the variable has an effect on the dependent variable.

Parking levy variable, results show Tcount 1.788 < 1.89458 Ttable. The hypothesis is rejected which shows that the parking levy variable (X_1) has no effect on the PAD variable (Y). And it has a significance of 0.124 which is greater than 0.05 , this means that parking fees are not significant to local original income.

Market levy variable, Tcount -4.561 < Ttable 1.89458 . The hypothesis is rejected which shows that the market levy variable (X_2) has no effect on the PAD variable (Y). And it has a significance of 0.004 which is smaller than 0.05 , this means the market levy is significant on PAD.

1. Parking Levy

The parking levy variable on PAD shows a significant value of 0.124 which is greater than 0.05 with a positive coefficient value, which means that the parking levy variable (X_1) is positively related but does not have a significant effect on PAD (Y), so the hypothesis in this research is accepted.

2. Industrial Sector

The market levy variable on PAD shows a significant value of 0.004 which is smaller than 0.05 with the beta coefficient value being negative, which means the market levy variable (X_2) is negatively related and has a significant effect on labor absorption (Y), so the hypothesis in this research accepted.

3.2. Discussion

3.2.1 The effect of parking fees on Palopo City's local revenue (PAD).

With the enactment of the Regional Autonomy Law which has been implemented by the Indonesian nation since 6 years ago, this is one of the reform guidelines which is currently something that has been implemented by each region to be able to provide better services to the community and demands of each existing region. to be independent in all fields, including increasing the original regional income sector.

Enactment of Law no. 32 of 2004 concerning Regional Government, and Law no. 33 of 2004 concerning Financial Balance between the Central Government and Regional Governments gives more authority to regions in carrying out government functions. This law is the juridical basis for the development of regional autonomy in Indonesia.

Granting autonomy to regions aims to give regions the authority to regulate and manage their own households, in order to increase the efficiency and effectiveness of government administration in the context of providing services to the community and implementing development.

From sources of Regional Original Income in accordance with Law no. 32 of 2004 and Law no. 33 of 2004, one of the biggest revenues is parking fees. Apart from being one of the largest sources of income, parking fees have an influence on increasing local revenue and regional development. With the policy taken by the Sidoarjo Regency government, in a policy based on Palopo City Regional Regulation Number 1 of 2006 concerning Parking Levy, it is hoped that it can increase local revenue.

The Palopo City Government is trying to increase Regional Original Income through Parking Levy, one of which is by enacting Palopo City Regional Regulation No. 1 of 2006 concerning Parking Levy which is expected to increase Regional Original Income.

Parking Levy income receipts for public roadside parking from 2009 to 2021 continue to increase, the increase was seen drastically in 2018 and 2019, this is because the Palopo City Government stipulated Palopo City Regional Regulation Number 1 of 2006 concerning Parking Levy which is a policy from the Regional Regulation This regulates parking fees.

Parking levies can support the receipt of local original income, because if the realization of parking levies decreases, it will affect local original income which indirectly decreases original regional income. Where financial sources come from regional taxes, regional levies have a direct influence on local original income.

In the Palopo City Regional Regulations, levies are imposed on owners of motorized vehicles with Palopo City vehicle number plates and/or vehicles with vehicle number plates outside Palopo City who use parking services in parking lots on the side of public roads where payment is collected directly in advance.

Currently, parking levies play a significant role in helping local revenue, but parking levies, even though they are a levy based on Palopo City's original regional revenue, now fluctuate every year. There are several possible causes, including setting targets that are not yet realistic, control and supervision systems in the field, the level of effectiveness in implementing sanctions, as well as facilities and infrastructure for operations in the field.

The results of the analysis of growth change data for the last 4 years show that changes in the growth of parking fees have decreased from year to year (2012 = -60.53 % , 2017 = -53.52%, 2019 = -31.45%, and 2020 = -43.55%). Meanwhile, PAD over the last 4 years has experienced an increase from changes in growth (2012 = 28.33 % , 2017 = 24.75%, 2019 = 18.94, and 2020 = 0.07%). In simple terms, it can be understood that the increase in PAD growth in Palopo City is not caused by parking fees.

Based on the results of the partial test research (T test), it is known that the parking levy variable on local revenue (PAD) shows a significant value of 0.124 which is greater than 0.05 with a regression coefficient value of 0.071 which means that the agricultural sector is positively related but has no effect. to Palopo City's original regional income (PAD).

3.2.2 The influence of market levies on Palopo City's local revenue (PAD)

Regional Original Income (PAD) is one of the financial sources owned by the region. Revenue comes from various components such as regional taxes, regional levies, BUMD profits and other legitimate income. It is hoped that PAD can become a reliable source of finance in implementing regional autonomy.

In implementing regional autonomy, regional governments must really explore as much as possible the revenue potential in their regions. So, in its implementation there will be no problems, namely in terms of financing. Original Regional Income comes from several regional revenues, namely regional taxes, regional levies and regional company profits, including other income outside regional taxes and regional levies.

As a result of this revenue, regions have full power in using it to organize government and regional development. Original Regional Income comes from several regional revenues, namely regional taxes, regional levies and regional company profits, including other income outside regional taxes and regional levies (Handoko, 2012).

In order to analyze regional financial capacity, it is necessary to pay attention to the basic provisions regarding sources of income and regional financing based on Law Number 32 of 2004 and Law Number 35 of 2004 (Dewi, 2002). Regional financial management is important, especially in autonomous regions. Palopo City, as an autonomous region, is required to have independence, especially in terms of extracting and managing regional finances. The amount of Original Regional Income (PAD) greatly determines the level of development of a region's autonomy.

One component of Regional Original Income (PAD) that is a mainstay is revenue from regional levies. One type of regional revenue is market levies in Palopo City.

According to Irawan (2014), the realization of market levy revenues from the specified target has been achieved even though the percentage increase has decreased, while the contribution of market levies to Palopo City's Regional Original Income (PAD) in 2009-2021 is ineffective. This is not necessarily the same as current conditions, so an analysis of recent years is necessary.

Meanwhile, in the tax law book and tax levies, market levies are one of the public service levies that have relatively high revenues compared to other public service levies.

From the analysis of growth change data for the last 3 years, it shows that changes in market levy growth have decreased from year to year (2012 = -0.44 % , 2016 = -16.38%, and 2020 = -2.34%). Meanwhile, PAD over the last 3 years has experienced an increase from changes in growth (2012 = 28.33 % , 2016 = 159.58%, and 2020 = 0.07%). In simple terms, it can be understood that the increase in PAD growth in Palopo City is not caused by market levies.

Based on the results of the partial test research (T test), it is known that the market levy variable on regional original income shows a significant value of 0.004 which is smaller than 0.05 with a coefficient value with a regression coefficient value of -1.973, which means that market levies are negatively related but have an effect. to Palopo City's original regional income (PAD).

Meanwhile, the results of the simultaneous test (F Test) show that the parking levy and market levy variables have Fcount of 15.955 and Ftable of 5.32, which means Fcount > Ftable. And the significant value is 0.004 which is smaller than 0.05 , which shows that parking fees and market fees simultaneously (together) have a positive and significant effect on Palopo City's local revenue (PAD).

4. Conclusion

Based on the results of theoretical and statistical processing and discussion, the following conclusions can be drawn :

a. Parking levies and market levies together (simultaneously) do not have a significant effect on Palopo City's original regional income (PAD). This shows that the management of parking fees and market fees influences the increase in local revenue (PAD) in Palopo City.

b. Parking levies do not have a significant effect on Palopo City's local revenue (PAD) in 2017-2021. This is thought to be due to several factors including the following: 1) Determining targets that are not yet realistic. 2) The control and supervision system in the field is lacking. 3) Lack of effectiveness in implementing sanctions. 4) As well as facilities and infrastructure for field operations.

c. Market levies have a significant effect on Palopo City's local revenue (PAD), in this case market levies still need to be improved. This is suspected to be caused by several factors, for example in terms of traders, regulations and facilities. For example, in collecting market levies, most of the time there is still a lot of debt and the implementation of the regulations is not appropriate. This causes market realization to not be achieved every year.

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