Potential Market Service Tax in Pekanbaru City, Indonesia

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Abstract. There are some local taxes which income from Pekanbaru City are. Among these are the market service levy taxes. The approach used in this research is quantitative approach with explanatory analysis. Based on the results of research, the potential of market levies then the amount of potential market service levy is worth Year 2016 worth 1.2 billion rupiahs - Year 2017 worth 1 billion rupiahs and the prediction of Year 2018 is worth about 1.3 billion rupiahs, the calculation of market service potential in 2015 to 2017 uses the Regional Regulation of 2012 while in 2018 the calculation of market service potential is based on local regulation in 2017. In accordance with the 2012 Regulation, the calculation of potential market services in the form of cleanliness during the year 2015-2017. From the calculation result, the potential of market hygiene service for 3 (three) years consecutively is; Year 2015 worth about 992 million rupiahs. Year 2016 worth about 1 billion rupiahs and year 2017 worth of 990 million rupiahs whereas for the calculation in 2018 is not done because according to the replacement regulation of 2017 the cleanliness levy is not included in the retribution of market services. From the calculation results can be seen that the comparison between the realization of retribution services market with market service levy potential in 2015 to 2017 year amounted to 55.73%, 58.27% and 65.32% respectively. This shows that the retribution of market services still has chance of getting better.

Keywords: market; service; levy taxes

1 Introduction

An area is formed based on consideration of economic capabilities, regional potential, socio-cultural, socio-political, population, area and other considerations that enable regional autonomy. Current economic development requires the government and society to develop and utilize the potential possessed by a region in order to support a better regional economy. The implementation of regional autonomy which is focused on the city begins with the submission of a number of authorities or affairs from the relevant regional government of the regional government.

Thus, in order to realize the implementation of regional autonomy which is responsible for organizing and managing one's own area, it is necessary to expand the object of regional retribution and regional retribution policies carried out based on the principles of democracy,
equity and justice, community participation and accountability by taking into account regional potential.

The city of Pekanbaru has sought to improve physical and non-physical development in order to improve the services and welfare of the people of Pekanbaru City based on the principle of openness, participation or accountability to the community. The availability of adequate carrying capacity greatly influences the progress or failure of the development process. Therefore, in this case the Pekanbaru City Government must play an important role in efforts to collect regional revenue sources which are part of existing regional development as regional development capital. Of the various sources of regional revenue in the City of Pekanbaru, there are sources of revenue derived from regional retributions which include general service fees, business service fees and licensing fees. From the general service fee class there are types of services including market service fees.

The unreachable realization of retribution in meeting the set targets is the main problem that is important to identify the cause. Some of the factors that led to the unavailability of retribution potential include the lack of retribution objects, the weakness of the legal system and the administration of regional income, the weakness of the apparatus, administrative weaknesses and awareness of objects that are still low. To overcome the shortage of regional revenue, it can be improved by administering administrative improvements such as data bases, expansion of bases, intensification of object levies and improving the quality of officials. Therefore, it is necessary to calculate the potential object of the right and correct retribution and policy in optimizing the receipt of retribution. With the right knowledge about the potential of this levy, the local government has directives, instructions, estimated targets and targets in realizing it.

As is known in every year the market service retribution has a role in increasing the revenue of the original area of Pekanbaru City, because every year the Pekanbaru City Government has a target to be achieved from receiving the market service contribution. The contribution of market service levies to revenues from Regional Original Revenues is expected to continue to increase, the more regional needs that can be financed by Regional Original Revenue shows the quality of regional autonomy is increasing. Increased acceptance of market service fees must be supported by efforts to improve good structures and systems in order to increase the effectiveness of collection. If the realization of the acceptance of market service fees is greater than the closer to the target set, it shows greater effectiveness.

According to Sri and Dwi (2017) the obstacles in optimizing market service fees are traders who are delinquent in both daily and annual retribution for various reasons, the company's high operating costs are mainly salary costs because the number of employees increases. The company and as if closed in terms of receipt of market service levies and costs arising from the services they provide, lack of assertiveness in dealing with delinquent traders, supervision of the City Government which is still low on the implementation of market retribution collection, in addition to regulations. Dharma said the calculation of market services potential retribution in Samarinda within a year indicates a great potential, but the realization of market service retribution in last five years still had not exceeded the total of existing potential determined by the Government is still classified as weak because it has not contained clear sanctions (2016).

Asep (2012) made conclusion regional market retribution as a source of financing for regional autonomy during the period of observation of its contribution is still low according to the criteria for measuring contributions. This condition is due to the fact that the revenue side of regional market retribution has not been optimized. The results of Isnaini's research (2016) conclude that human resources do not have a significant effect on the acceptance of market retribution and have a relationship between the nature of relationships inversely proportional and has a negative influence. Economic growth does not have a significant effect on the receipt
of market retribution and has an inverse and negative relationship. Potential acceptance of retribution has a significant effect on acceptance of market retribution and have a direct and positive relationship.

The purpose of this study was to identify the potential of Pekanbaru city market service levies in optimizing the revenue from the regional market service levies in the city of Pekanbaru. Based on these objectives, the objectives to be achieved from the implementation of the Potential of Pekanbaru City's Market Service Levies are as follows: (1) identify the potential of the regional market service levies in the city of Pekanbaru, so that from this potential can be a basis for finding solutions to realize the potential of the local retribution of Pekanbaru City, (2) evaluate and identify the implementation and problems that arise in the optimization of the potential of the Market Service Levy in the City of Pekanbaru, (3) identify how much potential market service levies are and their contributions and prospects and the factors that influence the realization of market service levies) in the city of Pekanbaru.

2 Research Methods

The approach used in this study is a quantitative approach with explanatory analysis. Quantitative Research Methods are research methods based on the philosophy of positivism, used to examine certain populations or samples, data collection using research instruments, data analysis is quantitative / statistical, with the aim of testing predetermined hypotheses (Sugiyono, 2006). This study includes explanatory research because it aims to explain the causal relationship between variables one with other variables through hypothesis testing (Singarimbun and Effendi, 1995).

The population is a generalization area consisting of: objects / subjects that have certain qualities and characteristics set by the researcher to be studied and then drawn conclusions. (Sugiyono, 2006). From this understanding it can be seen that the population is not only limited to people (subjects) but also to other objects. In addition, the population is not just the amount or quantity of the object / subject, but also includes all the characteristics inherent in the object / subject. The population in this study is the regional market of Pekanbaru City Government. The number of markets owned by the government in Pekanbaru City are 6 markets. All populations in this study will be the research sample.

This study uses primary data obtained from data in the field as well as secondary data in the form of the number of kiosks, stalls, stalls and street vendors in the market and the amount of market retribution received.

In accordance with the objectives of this study, the data analysis techniques performed are:

a. identifying the potential of the regional market service levies in the city of Pekanbaru, so that this potential can be a basis for finding solutions to realize the potential of the regional retribution of Pekanbaru City. Potential acceptance of retribution is one of the factors that influence the receipt of market retribution from outside the organization that is directly related to the management of retribution. According to Sunarto (2005) the potential is power, strength, or ability to produce regional revenues or abilities that deserve to be received in 100%. By adopting a formulation for calculating market acceptance potential (Mahmudi, 2010);

b. Measuring or calculating the growth rate of market fees in the city of Pekanbaru during the observation period, namely 2013 to 2017;

c. After knowing the potential also needs to be measured the effectiveness of market retribution. In this study the effectiveness is used to measure the relationship between market retribution fees and the potential market retribution in question. In calculating
effectiveness, if the results show an increasingly large percentage, it can be said that the
management of retribus is more effective, and vice versa, the management of retribution
the smaller the percentage of results shows that management of retribution is increasingly
ineffective.

3 Results and Discussion

3.1 Market Service Retribution Revenue Growth

The development of the realization of the receipt of market retribution during the period of
2013 to 2017 has fluctuated. The highest realization rate of market retribution income was in
2014 amounting to 99.05%, then followed in 2016 at 98.90%, in 2015 amounted to 96, 27%, in
2017 amounted to 88.07% and in 2013 amounted to 75%. In terms of the nominal value of
revenue from market retribution income in 2016, which is Rp. 1,313,568,750, - then followed
by 2017 amounting to 1,304,134,000 rupiah - in 2014 amounting to 1,288,785,250 rupiahs in
2015 amounting to 1,288,236,000 rupiah in and in 2013 amounted to 979,243,650 rupiahs and
this also illustrates the effectiveness of market retribution income, which only in 2013 was
below 80%.

3.2 Potential Market Service Levy in Pekanbaru City

To see the potential retribution in the city of Pekanbaru, is inseparable from the existence of
the existing market. In general, the number of kiosks, stalls and street vendors with active
potential in Pekanbaru in 2014 was 5,278, of which the kiosks, los and legs were active 2,695
or 51.06% were active and 2,583 were inactive or 48.94% were inactive. In 2015 the number of
kiosks, kiosks and street vendors that had as many as 3,149 potentials, with an active number
of 1,592 or 50.55% and as many as 1,557 kiosks, kiosks and street vendors which were not
active or amounted to 49.44%.

In 2016 the number of kiosks, kiosks and sidewalks that have the potential as much as 3,207,
with an active number of 1,609 or 50.17% and as many as 1,598 kiosks, kiosks and sidewalks
that are not active or equal to 49.83%. In 2018 the number of kiosks, stalls and street vendors
that have the potential as much as 2,992, with an active number of 1,560 or 52.14% and as many
as 1,432 kiosks, kiosks and street vendors who are not active or equal to 47.86%.

3.2 Calculation of Potential Market Levies in Pekanbaru City

Fig.1. Markets in Pekanbaru City

3.2 Calculation of Potential Market Levies in Pekanbaru City.
From the results of calculating the potential of market retribution obtained if maximized, the potential market income in 2015 is 24,012,720,000 rupiahs. 2016 amounted to 24,050,610,000 rupiahs and Year 2018 has a market potential of 26,047,710 rupiahs. If the Pekanbaru City government only wants to maximize the number of active markets, the potential market retribution in 2015 is 9,747,090,000 rupiahs, in 2016 amounting to 9,775,800,000 rupiahs and in 2018 has the potential of market retribution worth 11,714,310,000 rupiahs.

For potential market-based market hygiene retribution potential in 2015 worth 4,821,930,000 rupiahs, 2016 amounting to 4,859,820,000 rupiahs and year 2018 has the potential of cleanliness retribution worth 5,033,137,500 rupiahs. For potential active market-based cleanliness retribution is worth 1,626,806,250 rupiahs for 2015, in 2016 amounted to 1,655,516,250 rupiahs and in 2018 has the potential to receive cleanliness retribution worth 1,891,507,500 rupiahs.

Based on the calculation of potential market retribution, the amount of potential market service levies is the 2016 value of 1,213,182,000 rupiahs in 2017 valued at 1,005,768,000 rupiahs and the 2018 prediction is worth 1,372,728,000 rupiahs. Calculation of market service potential in 2015 to 2017 uses the 2012 Regional Regulation while in 2018 the calculation of market service potential is based on the 2017 local regulation.

### Table 1. Total Market Levies for 2015-2018

<table>
<thead>
<tr>
<th>Based on the Potential Market Year (In Rupiahs)</th>
<th>Years</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Retribution</td>
<td></td>
<td>1,318,842,000</td>
<td>1,213,182,000</td>
<td>1,005,768,000</td>
<td>1,372,728,000</td>
</tr>
<tr>
<td>Hygiene Retribution</td>
<td></td>
<td>992,637,000</td>
<td>1,041,210,000</td>
<td>990,697,500</td>
<td></td>
</tr>
<tr>
<td>Parking Unloading Retribution</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>2,311,479,000</td>
<td>2,254,392,000</td>
<td>1,996,465,500</td>
<td>3,371,732,800</td>
</tr>
</tbody>
</table>

3.3 Comparison of the Potential Performance of Market Levies with the Realization of Market Levies

To consider the potential of existing market retribution, researchers use a comparison between the realization of market retribution and the potential of market retribution. This aims to show performance related to potential market retribution.

### Table 2. Comparison Realization of Market with Potential Market

<table>
<thead>
<tr>
<th>No</th>
<th>Year</th>
<th>Realization of Market Retribution Revenues (in rupiahs)</th>
<th>Potential Market Service Levies (in rupiahs)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2015</td>
<td>1,288,236,000</td>
<td>2,311,479,000</td>
<td>55/73%</td>
</tr>
<tr>
<td>2</td>
<td>2016</td>
<td>1,313,568,750</td>
<td>2,254,392,000</td>
<td>58,27%</td>
</tr>
<tr>
<td>3</td>
<td>2017</td>
<td>1,304,134,000</td>
<td>1,996,465,500</td>
<td>65,32%</td>
</tr>
</tbody>
</table>

In accordance with the 2012 Regulation, the calculation of market service potential in the form of cleanliness during 2015-2017 is carried out. From the results of the calculation, it is obtained the potential of market cleaning services for 3 (three) consecutive years namely; In
2015, $992,637,000 rupiahs, in 2016 worth $1,014,210,000, rupiahs and 2017 worth $990,697,500 rupiahs. While the calculation for 2018 is not carried out because according to the replacement regulation in 2017 the cleanliness retribution is not included in the market service levy. The market service levy is in the form of kiosk rental, kiosk and street vendors as well as parking fees for loading and unloading vehicles.

3.3 Total Potential of Market Service Levy Performance

After knowing the market service potential in the form of kiosks, stalls and street vendors as well as market service potential in the form of market cleanliness, recapitulation is carried out as a total potential market service retribution. From the table can be known the calculation of potential market retribution, the amount of potential cleanliness retribution in 2015 amounted to $2,311,479,000 rupiahs. 2016 amounted to $2,254,392,000 rupiahs and 2017 have the potential of $1,996,465,500 rupiahs, in 2018 the amount of potential market service levies worth $3,371,732,800 rupiahs.

What makes the difference between 2015 and 2017 and 2018 is the difference in tariffs, where in 2015 to 2017 treat the 2012 local regulation which consists of kiosk, kiosk, stall and street rental rates and cleanliness fees. Whereas for 2018, it is treated with the 2017 Regional Regulation which consists of kiosk, kiosk, stall and street vendors and parking fees for loading and unloading vehicles.

From the calculation results, it can be seen that the comparison between the realization of market service fees and the potential of market service levies in 2015 to 2017 is 55.73%, 58.27% and 65.32% respectively. This shows that market service retribution still has the opportunity to get better.

4 Conclusion

a. The potential market service retribution in the city of Pekanbaru shows a very large revenue potential, seen from the calculation of market potential in a year.

b. The government is expected reinforce regulation with contain sanctions for traders who are delinquent or late paying retribution and adjust retribution rates according to developments the market and the state of the trader.

c. The government is expected to be able to improve supervision of the collection of levies in the field so that all levies can be reported in accordance with the true conditions

References


