

Realization and contribution of restaurant tax revenue to local own-source revenue in Madiun

Ayu Chairina Laksmi*, Izzalya Alfa Safina 'Ad'n

Faculty of Business and Economics, Universitas Islam Indonesia, Yogyakarta

*Corresponding e-mail addresses: ayucl@uii.ac.id

Abstract

This study aims to analyze the realization and contribution of Restaurant Tax to Local Own-Source Revenue (Local Revenue) in Madiun, and identify efforts made by the Regional Revenue Agency (Bapenda) in increasing Restaurant Tax revenue. Based on the data from 2019 to 2023, the contribution of Restaurant Tax to Local Own-Source Revenue in Madiun is still relatively small, with an average annual contribution of 1.01%. Although the effectiveness level of this tax is classified as very effective, its contribution to Local Own-Source Revenue has not been maximized. Some of the inhibiting factors include lack of taxpayer compliance and geographical challenges in restaurant monitoring. To overcome these obstacles, Bapenda Madiun makes efforts such as socialization, monitoring, and the application of the "Si Kampung" application to facilitate taxpayers in calculating and paying taxes. The findings of this study indicate that optimizing Restaurant Tax revenue can increase Local Own-Source Revenue contributions in a sustainable manner.

Keywords: Restaurant Tax, Local Own-Source Revenue, tax effectiveness, Madiun.

INTRODUCTION

In the context of governance, Indonesia has implemented a policy of regional autonomy, which authorizes each region to manage the potential of its territory, including sources of Local Own-Source Revenue. As a financial performance indicator, Local Own-Source Revenue plays a pivotal role in funding development and reducing regional dependence on the central government. (Ahmad & Putra, 2023).

Table 1.1: Realization of Local Own-Source Revenue in Madiun

No.	Year	Local Own-Source Revenue
1.	2019	229.206.394.170,37
2.	2020	258.211.505.535,08
3.	2021	333.154.568.459,37
4.	2022	353.319.685.573,26
5.	2023	323.778.237.445,92

Source: Bapenda Madiun (2024)

Based on data from the Madiun Regional Revenue Agency (Bapenda), the realization of Local Own-Source Revenue in Madiun tended to increase from 2019 to 2023, although it experienced a slight decrease in 2023. One way to increase Local Own-Source Revenue again is to explore local tax sources, such as Restaurant Tax, which can be maximized as a sustainable Local Own-Source Revenue potential.

According to Law No. 1 Year 2022 on Financial Relations between the Central and Local Governments, there are nine types of local taxes that can be levied by district/city governments, including the Food and/or Beverage Specific Goods and Services Tax (PBJT) that replaced the name Restaurant Tax. In Madiun, the potential for restaurant tax revenue is quite large considering its

strategic area and tourism potential, especially in the northern mountainous region which is accompanied by the development of the restaurant sector as a tourism support.

Table 1.2 Contribution of Restaurant Tax to Local Own-Source Revenue in Madiun
2019-2023

Year	Contribution
2019	1,16%
2020	0,74%
2021	0,83%
2022	1,01%
2023	1,33%
Average	1,01%

Source: Processed Data (2024)

Although the number of restaurants in Madiun has fluctuated over the past few years, the contribution of Restaurant Tax to Local Own-Source Revenue is still relatively small, with an average contribution of 1.01% per year. Based on data from Bapenda, there are still many taxpayers who have not reported their taxes. Some restaurant business owners complain that the tax reporting process is complicated, signaling the need for new strategies from the local government to increase Restaurant Tax revenue. These measures include efforts to increase taxpayer confidence and understanding in reporting, as well as optimizing tax data collection and evaluation.

On the other hand, previous explanations regarding efforts to increase Restaurant Tax revenue have not been documented. Previous research conducted by Lutviana (2020) found that if the Restaurant Tax revenue is high, the Local Own-Source Revenue will also be high. Meanwhile, Mursyid (2023) found that Restaurant Tax only contributed 1.98% to the Local Own-Source Revenue, where this contribution was classified as very less due to the Covid-19 pandemic and decreased awareness of taxpayers to report taxes. In addition, research by Putri and Ma'ruf (2022) showed that the Local Own-Source Revenue in Surabaya from Restaurant Tax was minimal, and it shows that the Surabaya Government has not fully utilized the potential of Restaurant Tax in Surabaya.

Based on this background, this study aims to analyze the realization and contribution of Restaurant Tax to Local Own-Source Revenue in Madiun and the efforts made by Bapenda Madiun in increasing Restaurant Tax revenue. The results of this study are expected to make a sustainable contribution to the optimization of Local Own-Source Revenue and the improvement of Restaurant Tax services.

LITERATURE REVIEW

This study used the Goal Setting theory as its theoretical base. This theory was originally proposed by Locke (1968). Locke et al., (1981) stated that the goal setting theory relies on the belief that life is a process of goal-oriented actions. According to Milles (2012) goal setting theory focuses on the belief that life is a goal-oriented process. In the development of goal setting theory, Locke and Latham (2002) mentioned five principles of goal setting. These principles are clarity, challenge, commitment, feedback, and task complexity. Clarity means when organizations formulate a clear and specific goal, it will lead to a high success rate. Furthermore, clear, and specific goals will reduce misinterpretation in the process of achieving goals. In general, individuals will be more motivated to try to achieve difficult goals than easy ones. In other words, people like challenge. However, if the challenge is too difficult, an individual may abandon the goal and lose motivation to achieve it (Milles, 2012). Hence, when individuals set difficult goals, there needs to be a limit that can still be achieved so as not to lose motivation. According to Locke and Latham (2002), when individuals have a strong commitment to achieve a goal, they can achieve higher performance than people who do not have the same commitment. High commitment can be achieved when individuals believe that achieving goals is important and achievable (Milles, 2012). Locke and Latham (2002) suggest that goal setting will achieve high levels of performance when individuals are given feedback on the quality of their performance (Milles, 2012). In some goals, individuals cannot determine how well they are

performing. Therefore, it is necessary to have feedback to measure the progress that has been achieved. In addition, feedback provides an opportunity to clarify the expectations of the community and superiors regarding the goals to be achieved. Tasks that are too complex can affect a person's performance in achieving their goals. Therefore, it is better to provide tasks that are simple and easy to understand (Ramadhan et al., 2022).

Based on the description above, the Goal Setting theory is quite influential on tax revenue. This theory emphasizes the importance of having specific goals, challenges in achieving these goals, and employee commitment to these goals (Sastri & Ditrini, 2018). In this case, Bapenda Madiun as a regional revenue management agency, needs to set specific goals related to the amount of Restaurant Tax revenue to be achieved in one fiscal year. Thus, it is expected that the goals that have been set, especially those related to Restaurant Tax revenue, can be achieved and motivate Bapenda Madiun employees.

According to Bapenda Madiun, Local Own-Source Revenue is income obtained by a region from sources or potentials in its territory. This revenue is imposed based on Regional Regulations and in accordance with applicable laws and regulations. Local Own-Source Revenue includes local tax revenue, retributions from the management of separated local assets, and other separated local revenue. The purpose of Local Own-Source Revenue is to provide flexibility to regions in exploring sources of funding for the implementation of regional autonomy as a manifestation of the principle of decentralization (Zakir et al., 2020).

Local tax is a type of tax that is managed and collected by the local government through the Regional Revenue Agency (Thian, 2022). In the Law Number 1 Year 2022, it is stated that Regional Taxes are mandatory contributions to the region owed by individuals or entities that are compelling based on the law, with no direct reward and are used for regional purposes for the greatest prosperity of the people.

Local taxes in Indonesia are divided into two based on the collecting institution, namely local taxes collected by local governments at the provincial level and local taxes collected by local governments at the Regency/City level. Restaurant Tax or Specific Goods and Services Tax (PBJT) on Food and Beverages is one of the Local Taxes collected based on the taxpayer's own calculation. According to Law Number 1 Year 2022, PBJT is a tax paid by consumers on the consumption of goods and/or services sold and/or delivered to final consumers. According to the same Law, Food and Beverages are food and/or beverages provided, sold and/or delivered, either directly or indirectly, or through orders by restaurants. Restaurant itself is defined as a facility for providing food and/or beverage services for a fee. In the Madiun Regional Regulation Number 1 of 2024, it is also stated that the maximum tariff for the collection of PBJT Food and Beverages is 10%.

METHODS

This research used a qualitative research design. This research emphasizes the subject's perspective, process, and meaning by using a theory as a basis and support in accordance with the facts in the field. This type of research is also suitable to investigate problem of realization and contribution of Restaurant Tax to Local Revenue in Madiun. This research also analyzes the efforts of the Madiun Regional Revenue Agency (Bapenda) in increasing Restaurant Tax revenue to increase Madiun Local Revenue.

The research participants in this study are the agency that manages local revenue, especially local taxes, namely the Madiun Regional Revenue Agency. This study also collected secondary data in the form of Restaurant Tax Revenue and Local Own-Source Revenue of Madiun from 2019 to 2023. Primary data in this study were obtained from interviews with several participants namely the Head of Development and Determination, secretariat staff, and the Restaurant Tax Task Force Team. The type of interview used in this research is a semi-structured interview. The interview questions used were adopted from Damayanti (2023). The following are the questions asked to the participants:

1. How does Bapenda Madiun determine the Restaurant Tax revenue targets?
2. In determining the Restaurant Tax revenue target, what are the things that need to be considered?

3. Is the determination of the Restaurant Tax target in accordance with the existing Restaurant Tax potential?
4. Will the actual Restaurant Tax revenue exceed the target, especially in the 2019-2023 period?
5. What if the realization of Restaurant Tax does not reach the specified target, what will Bapenda Madiun do?
6. How does Restaurant Tax contribute to Madiun Local Revenue?
7. What is the impact of the level of Restaurant Tax contribution to Local Revenue with Restaurant Tax payment facilities or services?
8. What are the factors that influence Restaurant Tax revenue to exceed the target?
9. What are the obstacles both from Bapenda Madiun and from the community (taxpayers) in the acceptance of Restaurant Tax?
10. What are the efforts made by Bapenda to increase Restaurant Tax revenue?

While secondary data is obtained from books and previous literature studies related to this research as well as the results of documentation and reports published by the Madiun Regional Revenue Agency such as regulations used by Bapenda Madiun employees in collecting Restaurant Tax and documents from regional revenue budget realization reports, laws and regulations, and news broadcast to the mass media. From the data that has been collected, data analysis was conducted using a thematic analysis. The data analysis technique of this study follows guideline by Miles et al, (2018).

To select and simplify data related to factors affecting Restaurant Tax revenue then focus data related to Bapenda's efforts in increasing Restaurant Tax. In addition, this study grouped the data based on the realization and contribution of Restaurant Tax to Madiun Local Revenue and afterwards, calculated using effectiveness analysis and contribution analysis. The calculation results are good or not good and can be measured by looking at the percentage obtained. The effectiveness level of Restaurant Tax Realization can be seen from the following criteria:

Table 1.3: Effectiveness Criteria

No.	Percentage (%)	Criteria
1.	<60	Ineffective
2.	60 - <80	Less Effective
3.	80 - <90	Effective Enough
4.	90 - <100	Effective
5.	>100	Highly Effective

Source: (Suoth et al., 2022)

Meanwhile, to see the level of contribution or role of Restaurant Tax to Local Revenue, it can be seen in the following criteria:

Table 1.4: Contribution Criteria

No.	Percentage (%)	Criteria
1.	0 - 10	Very less
2.	10 - 20	Less
3.	20 - 30	Medium
4.	30 - 40	Good enough
5.	40 - 50	Good
6.	> 50	Very good

Source: Mintalangi & Latjandu (2019)

Interviews conducted in this study were recorded using a voice recorder. As soon as the interviews finished, the researchers proceeded to do the transcription process. After the interview transcription process was completed, the researchers then start to reduce the data by applying a coding technique. The coding used was in vivo code where codes were gathered from the participants' own words. To analyze the results of the interviews, researchers used thematic analysis techniques, which is a qualitative data analysis that is used to identify patterns or find themes in the data that the researchers have collected (Saunders et al., 2019). In the data analysis process, to identify patterns

from the transcripts, the researchers read the entire transcript, made notes that allowed it to be coded, and began to identify codes.

RESULT AND DISCUSSION

The following data is obtained from Bapenda Madiun regarding Restaurant Tax in Madiun from 2019 to 2023:

Table 1.5: Target and Realization of Restaurant Tax Revenue in Madiun from 2019-2023

Year	Restaurant Tax	
	Target	Realization
2019	Rp2.640.899.900,00	Rp2.655.192.540,20
2020	Rp 800.000.000,00	Rp1.906.988.147,00
2021	Rp1.750.000.000,00	Rp2.755.005.177,45
2022	Rp2.750.000.000,00	Rp3.575.116.491,59
2023	Rp3.500.000.000,00	Rp4.292.614.142,00
Average	Rp2.288.179.980,00	Rp3.036.983.299,65

Source: Bapenda Madiun (2024)

The calculation of the effectiveness of Restaurant Tax realization in Madiun uses effectiveness analysis, which is an analysis used to determine the success rate of realization with the specified target. Effectiveness analysis can be calculated using the following formula:

$$\text{Effectiveness} = \frac{\text{Restaurant Tax Realization}}{\text{Restaurant Tax Target}} \times 100\%$$

The calculation of the target and realization of Madiun Restaurant Tax revenue from 2019 to 2023 using the effectiveness formula yielded the following results for the effectiveness of the Restaurant Tax:

Table 1.6: Effectiveness of Madiun Restaurant Tax

Year	Effectiveness	Criteria
2019	100,54%	Highly Effective
2020	238,37%	Highly Effective
2021	157,43%	Highly Effective
2022	130,00%	Highly Effective
2023	122,65%	Highly Effective
Average	149,80%	Highly Effective

Source: Processed Data (2024)

The concept of effectiveness in tax collection refers to the extent to which the realization of revenue succeeds in achieving the potential that should be achieved within a certain period (Hartati et al., 2019). In another sense, the effectiveness referred to in relation to Restaurant Tax revenue is how much Restaurant Tax revenue realization Madiun has achieved based on the target that has been determined in a certain period. From Table 1.6 above, it can be seen that the results of the calculation of the effectiveness of Restaurant Tax realization in Madiun for the last five years, namely from 2019 to 2023, the results exceed 100%. Therefore, it can be said that the effectiveness level of Restaurant Tax realization in Madiun is classified as very effective. The highest level of effectiveness was in 2020 with a percentage of 238.37%, followed by 2021 at 157.43%. In 2022, the effectiveness rate was 130.00% and in 2023 the effectiveness rate was 122.65%. For 2019, the effectiveness level of restaurant tax realization in Madiun was recorded as the lowest level at 100.54%. During the last five years, the average effectiveness rate of Restaurant Tax realization was 149.80%. From the above results, it can be said that the target set by the Madiun government can be realized well and is very effective.

The main factor influencing the achievement of Bapenda's target is the large number of food and beverage purchases made by other Regional Apparatus Organizations in Madiun. Another factor that makes the level of effectiveness of Restaurant Tax realization in Madiun effective is that Bapenda

Madiun determined the Regional Tax target, especially Restaurant Tax, by looking at the tax target in the RPJMD (Regional Medium-Term Development Plan). In addition, Bapenda Madiun also examined the targets that have been determined in previous years and checked the realization in previous years. This made the targets set in 2019 until 2023 possible to be realized and able to exceed the target. The exceeding of the target that had been determined by Bapenda could not be separated from the coordination of Bapenda with the Madiun Inspectorate. The Inspectorate as a supervisory and inspection agency is tasked with conducting supervision and inspection of other Regional Apparatus Organizations that have not paid their Restaurant Tax. Meanwhile, the data regarding Madiun Local Revenue from 2019-2023 are as follows:

Table 1.7: Target and Realization of Local Revenue in Madiun from 2019-2023

Year	Local Own-Source Revenue	
	Target	Realization
2019	Rp209.130.880.908,84	Rp229.206.394.170,37
2020	Rp215.747.202.320,52	Rp258.211.505.535,08
2021	Rp318.464.845.137,00	Rp333.154.568.459,37
2022	Rp330.198.279.110,00	Rp353.319.685.573,26
2023	Rp298.041.423.403,77	Rp323.778.222.368,14
Average	Rp274.316.526.176,03	Rp299.534.075.221,24

Source: Bapenda Madiun (2024)

While the level of contribution of Restaurant Tax to local revenue is calculated by analyzing the contribution calculated by the formula:

$$\text{Contribution} = \frac{\text{Restaurant Tax Realization}}{\text{Realization of Local Revenue}} \times 100\%$$

Based on the calculation between the realization of Restaurant Tax revenue and Madiun Local Revenue from 2019 to 2023, the results of the contribution of Restaurant Tax to local revenue are as follows:

Tabel 1.8: Contribution of Restaurant Tax to Madiun Local Revenue

Year	Contribution	Criteria
2019	1,16%	Very Less
2020	0,74%	Very Less
2021	0,83%	Very Less
2022	1,01%	Very Less
2023	1,33%	Very Less
Average	1,01%	Very Less

Source: Processed Data (2024)

This study makes a significant contribution to the existing literature by examining the role of restaurant tax revenue in supporting regional original revenue in Madiun. Table 1.8 above shows that the contribution value of Restaurant Tax to Local Revenue in 2019 was 1.16% with very little contribution criteria. In 2020, the contribution rate decreased from that of 2019, with a value of 0.74% and was classified as a very low contributing criterion. In 2021, the contribution rate was 0.83%, indicating a very low level of contribution. In 2022, the contribution rate was 1.01%, also indicating a very low level of contribution. In 2023, the contribution value was recorded as the highest level of contribution over the past five years, amounting to 1.33% with very low contribution criteria. The preceding results indicate that the contribution of the restaurant tax to local revenue in Madiun over the past five years remains classified as very low, with an average value of 1.01% per year. Although the contribution of restaurant tax to local revenue is relatively modest, it does not exert a significant influence on the fluctuations in local revenue in Madiun. This is because the comparison of restaurant tax revenue with other local tax components, such as tax on acquisition duty of rights on land and building, land and building tax, and street lighting tax, is relatively less pronounced. Furthermore, other local revenue components, such as other legal local revenue, demonstrate a higher degree of contribution than restaurant tax. This is also the reason why the level of contribution of Restaurant

Tax to Local revenue is relatively insignificant, despite the considerable efficacy of Restaurant Tax revenue.

Tabel 1.9: Contribution of Components Forming Local Revenue of Madiun in 2019-2023

No.	Components of Local Revenue	Year				
		2019	2020	2021	2022	2023
	Local Tax	29,95%	26,97%	23,59%	26,47%	31,00%
	Hotel Tax	0,03%	0,02%	0,02%	0,03%	0,03%
	Restaurant Tax	1,16%	0,74%	0,83%	1,01%	1,33%
	Entertainment Tax	0,01%	0,01%	0,00%	0,00%	0,00%
	Billboard Tax	0,20%	0,12%	0,22%	0,26%	0,34%
1.	Street Lighting Tax	10,16%	8,61%	6,86%	7,67%	9,38%
	Tax on Extraction of Class C Excavated Material	0,10%	0,02%	0,01%	0,01%	0,03%
	Parking Tax	0,03%	0,01%	0,00%	0,00%	0,01%
	Underground Water Tax	0,17%	0,12%	0,10%	0,10%	0,12%
	Rural and Urban Tax	10,19%	8,86%	7,56%	7,28%	8,23%
	Acquisition Duty of Right on Land and Building	7,89%	8,46%	7,99%	10,10%	11,53%
2.	Regional Retribution	4,24%	3,39%	2,40%	2,52%	3,30%
3.	Results of Management of Separated Regional Wealth	2,74%	2,92%	2,28%	2,26%	2,39%
4.	Other Legitimate Local Revenue	63,07%	66,72%	71,73%	68,75%	63,31%
	Total	100,00%	100,00%	100,00%	100,00%	100,00%

Source: Processed Data (2024)

As shown in Table 1.9, the components that comprise local revenue are local taxes, retributions, the results of the management of separated regional wealth, and other legitimate regional original income. As illustrated in the aforementioned table, the most substantial contributor to local revenue is derived from the outcomes of Other Legitimate Local Original Income. Subsequently, local taxes constitute the second-largest contributor, followed by local retributions. The final contributor is the results of the management of separated regional assets. It is therefore unsurprising that the restaurant tax, which constitutes one of the components of the local tax, has a relatively low contribution value. This is due to the fact that the regional tax itself is not the primary contributor to local revenue in Madiun. The relatively modest contribution of restaurant tax to local revenue can be attributed to a number of factors, including the lack of awareness among taxpayers regarding their tax obligations. Furthermore, the expansive area of Madiun presents a significant challenge in identifying potential sources of restaurant tax revenue. The construction of toll roads has also contributed to a decline in restaurant tax revenue, subsequently affecting the contribution of restaurant tax to local revenue. This is because many restaurants that were previously located along main roads have closed due to a shift in road usage towards toll roads.

To analyze the results of the interviews, a thematic analysis was conducted. In this thematic analysis, the researchers identified the data, conducted coding, then found themes that were in accordance with the research conducted.

Table 1.10: Transcripts and Codes

Participant	Interview Transcript	Code
P1	So, the <i>Si Kampung</i> application is Integrated Regional Tax Application. There will be Hotel Tax, Restaurant Tax, PAT (Groundwater Tax), and MBLB (Non-Metallic Minerals & Rocks) tax, all in one. The reporting will be through the application. So, the taxpayer registers, gets an NPWDP. We give a username so he can report himself, when he reports he gets an	Creation of an application to facilitate tax obligations of taxpayers

Participant	Interview Transcript	Code
	SSPD (Regional Tax Payment Slip) and there is a billing number. They can pay through Bank Jatim, or through ATM or Mbanking. But we are only in Bank Jatim, except for PBB, it can be Alfamart, Indomart, and BUMDes.	
	The obstacle is probably the size of the area. The area of Madiun is 15 sub-districts, so there may be untapped potential. Maybe the Kare area, because starting in 2020/2021, all employees from Bapenda are withdrawn because they focus on the office so if you want to go to the village, it's from the office.	Lack of staff in the office, resulting in staff leaving the sub-district.
	If from the taxpayer, the awareness to pay according to turnover. Because dealing with taxes, you want to be as cheap as possible.	Lack of awareness of taxpayers to pay restaurant tax.
	Then we also ask the Inspectorate to look at every supervision related to the Regional Apparatus Organization Food and Beverage Tax. Later if there are findings, it will be deposited.	Coordination with other Regional Apparatus Organization
P2	At that time there was Kemendagri, which was related to the tax concession. We followed it up with Regent Regulation No. 39 if I'm not mistaken. For those who want to apply for concessions, please do so.	Sub-decree issued to ease the burden on taxpayers during the pandemic
	If we ask them to pay the shortfall SKTPB or self-assessment using STPD. So, for example, if they only pay 1 million, the shortfall of 4 million has to be paid again.	Issuance of SKPKB for taxpayers who do not report turnover as per reality
	Conduct evaluation monitoring. We say that the monitoring and evaluation is conducted by the Resto Tax Task Force Team.	Monitoring and evaluation was conducted by Restaurant Tax Task Force Team
	There is a team equipped with a letter of assignment. Their job is to monitor the movement of visitors at Pajak Resto. Usually, they come to the restaurant on weekends or holidays or red dates. On weekdays, it's standard.	The Task Force oversees monitoring
	Restaurant Taxpayer Awareness in fulfilling their tax obligations. So, for example I have a restaurant, my monthly turnover is 10 million. If it is 10 million, the Restaurant Tax that I pay is 1 million. I don't want to voluntarily pay 1 million, it's a shame that I can use it for additional capital in the following month. Well, it could be that they report 500k. So, they keep the 500. It's okay because Restaurant Tax is self-assessment.	Lack of awareness of taxpayers to pay restaurant tax
	Bapenda's job is to check whether the Restaurant Tax turnover is really 5 million because if you pay 500 thousand, the turnover is 5 million. So, we give them the freedom to report as they wish, but we have the duty to check.	Conducting audit to taxpayers
	So, if it turns out that the audit results found underpayment, for example, the restaurant was caught underpaying by 500 thousand, we issue a Tax Assessment Letter for Underpayment.	Issuance of SKPKB for taxpayers who do not report turnover as per reality
	Yes, if the SKPKB is issued, they can fulfill it, there are no sanctions.	No sanctions
	Yes, the awareness of taxpayers in fulfilling tax obligations needs to be strengthened by socialization. Sometimes we do	Socialization conducted

Participant	Interview Transcript	Code
	<p>sampling to some restaurants by cooperating with law enforcement officers (APH)</p> <p>So, taxpayers will be sent a manual book to use <i>Si Kampung</i>. Well, we send a manual book to Regional Apparatus Organization user for all registered taxpayers. So how to apply <i>Si Kampung</i> is here. Later the Regional Apparatus Organization can learn, then if there are still difficulties, they can come here.</p>	Creation of applications to facilitate tax obligations of taxpayers
P3	<p>Yes, how much is the turnover per month. Well, we can assess, if indeed it is categorized as a potential tax, then we will collect the data. After that, we invite them to become taxpayers by registering NPWPD, right? After that, we invite them to become taxpayers by registering for an NPWPD.</p> <p>There are many obstacles. Basically, it is difficult for people to pay taxes. That's just the way it is.</p> <p>We must give them some understanding. Yes, we must socialize to attract the willingness of the taxpayers who own the restaurant. Like what is the tax, who is it for, what is it for. The point is to attract the willingness of awareness.</p> <p>So, the dilemma at this time is that the people are rebellious and do not want to be taxed. If it has been calculated, this is the tax of 10% of turnover, they still try to bargain, how come it is a lot, what if it is reduced? That's natural, it's called human.</p>	<p>Collecting data on Restaurant Tax objects</p> <p>Taxpayers find it difficult to pay tax</p> <p>Conduct socialization</p> <p>Taxpayers do not understand tax and do not want to pay tax</p>
	<p>In this Task Force Team, there are monitoring activities. The monitoring is for us to monitor in one month that the turnover exceeds and does not match the tax paid, then that's when the inspection is carried out.</p> <p>It was all pulled into the office. The cause here is the lack of employees to handle everything. There used to be a coordinator in the field. There was a coordinator whose every employee was placed in the sub-district to monitor all taxes.</p> <p>There is no specific schedule. So, there is no specific schedule per month or 3 months or how many months.</p>	<p>Establishment of Task Force Team for Restaurant Tax Monitoring</p> <p>Lack of staff in the office,</p> <p>There is no schedule for Restaurant Tax monitoring</p>

Source: Processed Data (2024)

Based on the results of data analysis regarding the various factors that influence Restaurant Tax revenue in Madiun, both supporting factors and inhibiting factors, as well as the efforts of Bapenda Madiun in increasing Restaurant Tax revenue, researchers identified the findings into several themes, namely:

1. Taxpayers' compliance in carrying out tax obligations is low.
2. Restaurant tax monitoring was less effective.
3. Bapenda showed some efforts in increasing Restaurant Tax revenue.

Taxpayers' compliance in carrying out tax obligations plays an important role in tax revenue. Taxpayers' compliance is very important because the Restaurant Tax collection uses a self-assessment system where taxpayers can freely calculate, pay, and report their own Restaurant Tax. According to Bapenda Madiun, taxpayers' compliance in carrying out tax obligations is still low. Taxpayers often made excuses and even did not pay and report their Restaurant Tax in accordance with their restaurant actual turnover. In addition, taxpayers were reluctant in paying and reporting their Restaurant Tax

since they did not feel the direct benefits after paying their Restaurant Tax. Therefore, this problem could lead to low contribution of Restaurant Tax to Madiun local own source revenue.

Furthermore, even though the Restaurant Tax revenue is classified as very effective, the contribution is still small. This shows that there were Restaurant Tax potentials that could be explored. The amount of lost potential is partly due to the inadequate monitoring of Restaurant Tax in several areas of Madiun. This was due to the lack of officers who monitor Restaurant Tax objects in several areas. In fact, if each sub-district has officers who monitor local taxes, especially Restaurant Tax, the potential for Restaurant Tax revenue is higher. In addition, there was no special schedule prepared by Bapenda Madiun to monitor Restaurant Tax objects purely from restaurants or eating places in Madiun. This makes the potential for Restaurant Tax revenue that should be able to increase Restaurant Tax revenue lost.

From various factors that make the contribution of Restaurant Tax to local revenue small, Bapenda Madiun made efforts to increase Restaurant Tax. Some of the efforts were socialization conducted by the Restaurant Tax Task Force Team to taxpayers, especially taxpayers who own restaurants. In addition, this socialization was also carried out in a collaboration with the Law Enforcement officials, namely the prosecutor's office and the Madiun police. This was done to increase pressure on taxpayers to comply with their obligations as taxpayers. In addition, Bapenda Madiun also conducted a monitoring and evaluation, as well as conducting surveillance in restaurants in various areas of Madiun. From those activities, the Madiun Restaurant Tax Task Force Team collected data related to the turnover of existing restaurants. If the restaurant met the requirements as a tax object, then Bapenda Madiun recorded the restaurant as a new tax object. Another effort made in Madiun was creating *Si Kampung* application to make it easier for taxpayers to calculate their Restaurant Tax. The results of this research also show that Bapenda Madiun provided a leeway to taxpayers in Madiun during the Covid-19 pandemic. The help from Bapenda Madiun was important in maintaining Restaurant Tax revenue stability and it can be seen from the realization of Restaurant Tax during the Covid-19 pandemic where the Restaurant Tax realization exceed the predetermined revenue target.

The results of this study also show that the Goal Setting theory could be applied in Bapenda Madiun. In determining the Restaurant Tax revenue target, Bapenda Madiun must formulate a clear and specific goal. This is one of the principles in the Goal Setting theory, namely the principle of clarity. The clarity of desired goal will reduce misinterpretation in the process of achieving goals. In this case, Bapenda Madiun, which sets the Restaurant Tax revenue target in accordance with the RPJMD, certainly expected that the predetermined target would be successfully realized and not miscalculated since it was in accordance with regional development guidelines. The determination of this target lead to high success and was evidenced by the level of effectiveness of the realization of Restaurant Tax revenue which was categorized as highly effective for the last 5 years.

In addition, Bapenda Madiun employees had a high commitment in their efforts to increase Restaurant Tax revenue. This was shown by the formation of the Restaurant Tax Task Force Team where the existence of this Task Force Team greatly assisted the supervision of Restaurant Tax objects in the Madiun area. In addition, government commitment was also shown in the socialization activities that were carried out by Bapenda Madiun in coordination with various local government agencies in Madiun. In achieving their goals, Bapenda Madiun also tried to listen to feedback from taxpayers. This can be seen with the implementation of the *Si Kampung* application which aimed to facilitate taxpayers in carrying out Restaurant Tax calculations. Thus, despite the level of contribution of Restaurant Tax in Madiun to its Regional Original Revenue in 2019-2023 is still low, the principles of the Goal Setting theory can be seen in the efforts made by Bapenda Madiun to increase its Restaurant Tax revenue.

CONCLUSION

The realization of Restaurant Tax revenue in Madiun from 2019-2023 had an average annual effectiveness rate of 149.80% which is categorized in the highly effective criteria. The main factor that made the effectiveness level of Restaurant Tax realization high was the high expenditure of Food and Beverages by regional apparatus organization. Meanwhile, the level of contribution of Restaurant Tax

to Regional Original Revenue in 2019-2023 is classified as very poor criteria, since the average contribution per year only reaches 1.01% far from the number >50% (very good criteria).

This study also found that the comparison of Restaurant Tax revenue with other local revenue forming components such as Fees on Acquisition of Land and Building Rights, Rural and Urban Tax, Street Lighting Tax, and Other Legitimate Local Revenue is smaller. The efforts made by Bapenda in increasing Restaurant Tax are conducting socialization to taxpayers to increase taxpayer compliance, supervision of taxpayers, and implementing the *Si Kampung* application to facilitate taxpayers in carrying out their obligations to pay Restaurant Tax.

Bapenda Madiun must improve and increase its intensive in collecting Restaurant Tax to improve its Regional Original Revenue. The limitation of this research is that the researcher could not self-select the participants to be interviewed since the participants were determined and must be approved by Bapenda Madiun. Future research can add other tax objects to be studied and more participants to be interviewed. This study can be used as a reference for future research in the realization and contribution of Restaurant Tax to local revenue and the efforts of related government agencies in increasing Restaurant Tax revenue.

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