

## **The Increase of the Capacity of the Regional Income in Receiving the Regional Original Income in Supiori District**

**Djamil Hasim, Sri Handayani, Onesias Rumere**

Institut Sosial dan Ilmu Politik Yapis Biak, Indonesia

Email: [djamil.hasim1964@gmail.com](mailto:djamil.hasim1964@gmail.com), [shandaycici@gmail.com](mailto:shandaycici@gmail.com)

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### **ABSTRACT**

Regional revenue agencies in organizing local tax revenues and regional levies have not been maximized because there are several problems faced in increasing their capacity, namely the problem of limited human resources. Therefore, this study aims to determine the strategy of increasing the capacity of the Regional Revenue Agency for the framework of local tax and levy receipts in increasing Regional Original Income and what factors determine the efforts to increase the capacity of the Regional Revenue Agency to increase taxes and levies in receiving Regional Original Income. This study uses a descriptive research method with a qualitative approach. The results of the study indicate that the increase in the capacity of the Regional Revenue Agency Building in receiving Regional Original Revenue is associated with the quality of the Human Resources apparatus, so it has not been balanced with the competence of the relevant apparatus' ability to carry out their duties and functions properly and several factors were detected as determining factors in the improvement process. the capacity of apparatus resources to increase the capacity of local taxes and levies in Supiori Regency. These determining factors include the ability of the implementers in the areas of revenue planning, data processing and finance as well as collection. Another determining factor is the problem of facilities and facilities as well as problems related to the division of tasks and functions of the existing sections. This is one with other factors that have their respective roles that are interrelated so that they have an impact on increasing local tax revenues and levies during 2012-2017 in Supiori Regency.

**Keywords:** locally-generated revenue; Capacity; Human Resources.

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### **INTRODUCTION**

One of the important aspects in the principle of regional autonomy is the ability to self-finance in a proportional, accountable and independent manner, in an effort to explore sources of regional original income as a source of income to finance development, community economic

empowerment and public services that are still underdeveloped (Akib et al., 2015; Andi et al., 2018; Budi et al., 2015; Daraba et al., 2018; Niswaty et al., 2015; Rengifurwarin et al., 2018; Wawointana et al., 2016). subsidized by the central government thereby reducing regional dependence on the central government (Martinez, 2010; Sanders & Schnabel, 2006).

So this is where efforts are needed to increase the capacity of the Regional Revenue Agency in its function as a regional apparatus organization that plays a role in the main tasks and functions as a regional apparatus which is under the organizational structure of the regional government to carry out the task of collecting regional income through regional taxes. and regional retribution to increase local revenue (Ramos, 2009). The appropriate sources of regional income (article 285 of Law 23 of 2014) consist of regional tax revenues, and the results of regional retributions and other legitimate regional original revenues as well as efforts made by the regional revenue office to increase regional original income through regional tax revenues and regional levies in organizing the division of tasks to the Regional Apparatus Work Unit as the technical implementing unit/technical implementing unit (Siregar et al., 2020).

Collector of taxes and levies with Human Resources at the Regional Revenue Agency. It is impressed that the regional revenue agency in organizing regional tax and regional levies has not been maximized because there are several problems faced in increasing its capacity, namely the problem of limited human resources, limited facilities and infrastructure and regulatory rules as a legal umbrella for collecting regional taxes and regional levies (Cerase, 2005).

Thus it can be said that increasing the capacity of the Regional Revenue Agency in organizing local tax revenues and regional levies in accordance with the expected organizational goals. With regard to the supiori district as a regional apparatus that has the main task of extracting regional income, it has not been maximized because it has not applied the principles of organization of the essence of organization in the division of tasks to Regional Apparatus Organizations as the technical implementing unit for receiving and collecting taxes and retributions that have not been maximized by the regional revenue office. In increasing organizational capacity, then: (1) internally the division of tasks in the organizational structure of staff is not evenly distributed, (2) Limited competence of Human Resources capabilities, (3) Limited facilities and infrastructure, (4) Limited set of rules as a legal umbrella to carry out levy tax collection (Drucker, 2017).

In the existence of the Regional Revenue Agency as a regional apparatus to carry out its main tasks and functions as the agency responsible for the task of organizing regional tax collections and regional levies, it turns out that it has not been maximized so that in carrying out regional autonomy authorities according to the law, it is necessary to study to apply management functions in implementing regional autonomy. organizing the existence of a clear distribution of tasks (Distributor of work) as partners of the technical implementing unit of recipients and collectors of taxes and levies according to the organizing function (Usman, 2002).

The definition above clearly shows that organizing is the first step towards implementing the plans that have been prepared previously. Thus, it is also logical if organizing as an organic function of administration and management is placed as a second function following the planning function (Hunt et al., 2009).

A head of the Revenue Agency in his function as an actor who plays a role in the duties and functions as a regional apparatus official who is under the position of the regional head's organizational structure to carry out regional revenue duties in collecting regional taxes and regional retributions to increase Regional Original Income. A Head of the Regional Revenue Agency in his capacity should be able to organize all available resources regarding Human Resources, equipment, infrastructure to increase tax and levy revenues in his working area with all existing stakeholders (Ohemeng & Owusu, 2015).

Sources of regional income In accordance with article 285 of Law 23 of 2014 consists of regional tax results. The results of regional levies with other efforts made through the capacity of the head of the Revenue Agency to increase Regional Original Revenue which so far is considered ineffective and tends to be low, in terms of the organizing function because the division of tasks is not appropriate and not evenly distributed to the existing stakeholders as the Implementing Unit Technical or staff so that so far it seems that regional income through regional taxes and regional levies is still minimal and has not reached the expected target so that it is still low and there seems to be regional dependence on the central government through balancing funds (Berg et al., 2010).

So it is illustrated that the capacity of the role of the Head of the Regional Revenue Agency. has not been maximized so that it needs to be supported by the quality of reliable human resources with supporting facilities and infrastructure in carrying out the main functions and tasks in accordance with the mandate of the applicable laws and regional regulations. Thus, it can be said that efforts to increase capacity in the Regency Revenue Agency (Grimsey & Lewis, 2002). Supiori has not been maximized in carrying out the organizational management function to manage regional tax and levy revenues as expected, so it is necessary to make efforts to increase the capacity of the Head of the Revenue Agency in organizing to increase regional tax and levy revenues by distributing the tasks out to all related stakeholders. directly with the implementing units for collecting taxes and levies, and others need to be streamlined in accordance with their respective duties and functions in accordance with organizational principles that apply to the division of labor in the relevant regional work unit units as Technical Implementing Units (Grimsey & Lewis, 2002).

## METHOD

This study uses qualitative methods, the purpose of this research is to reveal, describe and analyze facts, find information about what causes the problem and how to solve it, but the problem is only focused on one phenomenon that is observed. Researchers try to describe, analyze and explain in increasing the capacity of Human Resources at the Regional Revenue Agency of Supiori Regency in organizing local tax and levy revenues. This logically has a relationship, seen from the side of the organization's efforts in organizing resources for the process of increasing regional revenue capacity in matters of regional taxes and levies which are very important and strategic (Achmad, 2010; Crang, 2003).

To obtain information in order to conduct research, we must determine who is a potential source of information so that the information is accurate and correct. We have appointed the Head of the Regional Revenue Agency as a source of information, including staff and the Technical Implementing Unit in the field which directly manages receipts and collections of regional taxes and levies. Understanding of capacity building as capacity building, capacity building, and capacity building. In simple terms, capacity can be interpreted as a person's ability to do something in order to achieve goals. Capacity building is an effort intended to develop a variety of strategies to improve the efficiency, effectiveness and responsibility of organizational performance (AbouZahr & Boerma, 2005; Tereshko & Lee, 2002).

## RESULT AND DISCUSSION

### Strategy to Increase the Capacity of Revenue Agency in Increasing Regional Taxes and Levies

Based on the results of field research using an interview approach with a number of informants and through field observation methods, some research results related to the strategy of increasing the capacity of the Bapenda Supiori Regency in an effort to increase local tax and

levy revenues can be stated. The focus of increasing the strategy of local tax and levy revenue in this case is seen in the aspect of developing the quality of human resources in Bapenda (Ciesielska et al., 2018).

As has been understood together that institutional development carried out through improving the quality of its management resources, especially in the aspect of formal education, can only take place on an ongoing basis through serious efforts by the government level, especially in the face of the current era of competition which requires a variety of excellent service content at all levels. the community it serves. This can directly have an effect on the high and low revenue of local taxes and levies under the authority of the region.

Institutional equipment and infrastructure is also an aspect that cannot be ignored, which is now increasingly being discussed everywhere. This is related to efforts to improve the quality of personnel services rather than the institution itself, one of the determining factors is the extent to which existing facilities can provide flexibility to managers, especially in relation to the efforts of the Supiori Regency Regional Revenue Agency in increasing regional income (Adini et al., 2009).

One of the most basic environmental changes is a change in the service paradigm, where the community demands to get optimal services from government agencies. Today's society has become not only an object of development but also as a subject who can provide input and be involved in the development process and development control at every level of regional financial planning.

The following table illustrates that the revenue of Supiori Regency's original revenue during 2012-2017 experienced problems and targets that have not been achieved as a whole which can be shown as follows:

**Tabel 1**

**Conditions of Target and Realization of Regional Original Revenue during 2012-2017  
 Supiori District**

| Target | Initial Target | ABT | Total Target   | Realization    | %         | Growth Numbers | Desc.       |
|--------|----------------|-----|----------------|----------------|-----------|----------------|-------------|
| 2012   | 9.476,000,000  | -   | 9.476,000,000  | 6,255,974,455  | 66.02     | 24.45          | No Achieved |
| 2013   | 13,501,618,000 | -   | 13,501,618,000 | 10,186,662,337 | 75.45     | 30.35          | No Achieved |
| 2014   | 11.628,467,000 | -   | 11.628,467,000 | 9,844,379,113  | 84.66     | 34.18          | No Achieved |
| 2015   | 14,278,667,000 | -   | 14,278,667,000 | 8.044.297,969  | 56.34     | 9.58           | No Achieved |
| 2016   | 15,892,335,564 | -   | 15,892,335,564 | 14,509,129,002 | 91,30     |                | No Achieved |
| 2017   | 19,668,668,534 | -   | 19,668,668,534 | 9,730,575,830  | 0,4947244 |                | No Achieved |

*Source : Regional Revenue Agency, 2018*

The above description can be analyzed in relation to the human resource capacity development program of Bapenda Supiori Regency in increasing regional taxes and levies. Whereas capacity building efforts so far have not produced positive results in terms of macro income or from all sources of regional revenue. The target achievement figure for overall revenue is that it has not been able to reach 100%, as in 2013 and 2014 for example, it has not been able to increase the intended revenue potential (Bolger, 2000).

In fact, it was also found that the staff was still dominant in using the old work methods and patterns in carrying out their duties, even though they had been supported by adequate

guidelines for carrying out their duties and functions. This shows that staff who are an important part in the process of forming a culture and thinking structure for institutional development, especially in the field of developing the quality of human resources will further become an integral part of efforts to support the quality of regional revenue products for regional development activities.

### **Determinants of the Process of Developing the Capacity of the Apparatus of the Regional Revenue Agency of Supiori Regency**

The main problem of capacity development in its various forms is often faced with crucial and very classic problems, namely the level of capability and maturity of the apparatus that the organization wants to develop. In the working area of Bapenda, the development of human resources for implementing or implementing staff becomes a very important part, because in the process of implementing capacity building itself, it seems that the problem of quality of resources is still dominated by problems. The further impact of the limited condition of human resources in this case is becoming very common affecting performance both at the individual and organizational levels.

The crucial phenomenon in which the problem of human resources can basically be interpreted as the first major problem faced by almost all public organizations. The ability of human resources in managing their organizations, including in the process of implementing organizational capacity development, is one of the programs that should be observed by existing actors.

Meanwhile, the responses of other informants seem to place more emphasis on factors other than human resources, that the argument regarding the factors that affect the process of implementing capacity building in the Bapenda Supiori Regency is considered as a factor of costs and funds for its implementation. The emphasis on the funding factor for the implementation of capacity building generally also occurs in other organizations that carry out the process of developing their organizational capacity. More than that, the funding factor is actually a very essential factor even in some practical levels more than the human resource factor that affects the implementation of organizational capacity development.

The problem of funding in every activity carried out is very important to get attention by the various parties involved in it, because the issue of funding itself is essentially the heart of the implementation of its activities. So that if the funding problem is not resolved properly and completely, it will result in institutional performance that is not in accordance with what was previously expected.

The findings of the study indicate that the determining factors that led to the implementation of the development of the capacity of the local government officials in increasing regional taxes and levies in Supiori Regency have not achieved optimal results as discussed in the Regency's medium-term development plan, including low staff understanding, organizing more subjective training as well as funding and facilities and orientation of staff mutations that are still rigid. This has become a principle factor in improving collection performance and ultimately has an influence on the achievement of the desired regional income target so far in Supiori Regency.

On the other hand, conceptually and related to the implementation of development and the factors that become obstacles, it has been analyzed by experts that the decline in public services, including the decrease in the degree of increase in regional income, is due to planning and revenue processing that is relatively not optimal. In this case, there are many things that affect it, such as salaries that are not sufficient for the lives of employees, so that some of them commit corruption, extortion or manipulation, rigid service, narrow service vision. Increasing

complexity and complexity of public organizational units that are not facilitated by sufficient and reliable 3 P (personnel, equipment and budgeting) and weak adaptation to change.

Another phenomenon that can be discussed in this regard is the absence of a sense of responsibility and mental vulnerability. The concept of developing human resources for the apparatus in the ranks of institutional development in general is also an inseparable part, so that the public bureaucracy can carry out its functions and roles more accountably. This fact causes the government and society to be unable to unite and there is even a deep gulf.

The determining factor in the process of developing the capacity of public organizations is relevant and supports the concept described by Grindle (1997) that in an effort to improve the ability of the bureaucracy to be more effective, efficient and economical, the initial step taken is to carry out capacity building which is currently recommended in order to improve government, including local government.

## CONCLUSION

The increase in the capacity of the Regional Revenue Agency Building in receiving Regional Original Revenue is related to the quality of the Human Resources apparatus, so it has not been balanced with the competence of the relevant apparatus' ability to carry out their duties and functions properly. Organizational functions have not been carried out according to the structure to carry out the division of tasks and functions in good management. The strategy to increase capacity in receiving Regional Original Revenue is not optimal because it lacks: (a) Carrying out more effective socialization of regional regulations on local taxes and levies to increase Regional Original Income, (b) Providing socialization of understanding about the importance of Regional Original Income for the region. (c) Providing excellent service to taxpayers and user fees who need services, (d) Infrastructure facilities that are not yet supported.

Several factors were detected as determining factors in the process of increasing the capacity of apparatus resources to increase the capacity of local taxes and levies in Supiori Regency. These determining factors include the ability of the implementers in the areas of revenue planning, data processing and finance as well as collection. Another determining factor is the problem of facilities and facilities as well as problems related to the division of tasks and functions of the existing sections. This is one with other factors that have their respective roles that are interrelated so that they have an impact on increasing local tax revenues and levies during 2012-2017 in Supiori Regency.

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