

## Increasing Restaurant Tax Through Intensification and Extensive Activities: Survey on Restaurants in Ponorogo Regency

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**ABSTRACT:** The restaurant tax obtained by the Ponorogo District Government during 2015-2019 shows an increase per year. The average increase or growth of restaurant tax in Ponorogo Regency is 27.49%. However, this is not necessarily an indicator of the success of local tax management, because the data must also be cross-checked with intensification activities and expansion of local taxes carried out by the regional tax field of the Financial and Asset Management Revenue Agency of Ponorogo Regency. One factor that is expected to affect the increase in local tax receipts, especially the restaurant tax, is the intensification and expansion of local taxes. The study also used four control variables namely gender, age, level of education and length of effort. The population in the study is 159 restaurant taxpayers registered with the Revenue, Financial Management and Asset Agency of Ponorogo Regency and all will be sampled using census techniques.

**KEYWORDS:** Intensification and Expansion of Local Taxes, Increase in Restaurant Taxes

### I. INTRODUCTION

Restaurant Tax is part of the types of local taxes regulated in the Local Tax Law and Regional Regulation No. 28 of 2009. In the implementation of the collection of Restaurant Tax. The increase in restaurant tax which is part of the local tax that will support the increase in Local Native Income based on Circular Letter of the Director General of Taxation Number SE-06/PJ.9/2001 concerning the Implementation of Taxpayer Expansion and Tax Intensification, can be done by using tax intensification activities to optimize the excavation of tax receipts on objects and tax subjects that have been recorded or registered in administration. While tax expansion is an activity with the addition of the number of registered taxpayers and the expansion of tax objects in administration.

Efforts to intensify taxes can be achieved through improving tax administration, improving the quality of employees or collection officers and improving the Sumitro Tax Law (Gupita, 2013). Henny Yulsiati and Maulan Irwadi (2013) stated that the Effect of The Expansion and Intensification of Individual Taxpayers on Tax Receipts has no significant effect on Tax Receipts. Nursafitri et al research (2019) which proves that intensification and expansion of local tax revenues and local levies have a significant effect on the strategy of increasing Local Native Income. For tax expansion activities can be achieved through the expansion of taxpayers, the improvement of tariffs and the expansion of tax objects according to Sumitro (Gupita, 2013:31). In the research conducted by Ngadiman and Felicia (2017) it was proven that partial tax expansion has a significant influence on personal tax receipts. Vergina and Juwita (2013) stated that the Influence of Extensiveness significantly has no effect on personal income tax receipts. The following is submitted a table of data on restaurant tax revenue contribution in Ponorogo Regency for the period 2015-2019.

**Table 1. Restaurant Tax Revenue Growth Ponorogo Regency (2015-2019)**

Year	Restaurant Tax Revenue (IDR)
2015	2.548.319.065,00
2016	3.869.566.999,00
2017	4.188.959.610,80
2018	5.112.335.792,00
2019	6.368.810.558,01
Average growth(%)	27,49%

Source: LKPD Kabupaten Ponorogo

The data above shows that restaurant tax revenues obtained by the Ponorogo District Government during 2015-2019 showed an increase per year. The average increase or growth of restaurant tax in Ponorogo Regency is 27.49%. However, this is not necessarily an indicator of the success of local tax management, because the data must also be cross-checked with intensification activities and expansion of local taxes carried out by the regional tax field of the Financial and Asset Management Revenue Agency of Ponorogo Regency.

With regard to local taxes, especially restaurant taxes, there are still some problems. This is as stated by the Audit Board in the report of compliance inspection results for the management of local tax revenues in 2019 (BPK RI, 2019), which shows that there are still some problems, among others: (a) The process of data collection and registration of taxpayers has not been carried out in accordance with the provisions, (b) Calculation and Determination of Restaurant Tax Is Not In Accordance with the Provisions, (c) The mechanism of imposition of sanctions on restaurant tax administration is not yet in accordance with the provisions, (d) The Revenue Agency for Financial and Asset Management of Ponorogo Regency has not been optimal in exploring the potential of Restaurant Tax

Based on interviews with the Head of Billing and Control Of Revenue Agency, Financial Management and Asset Ponorogo Regency it is known that the efforts to collect top taxpayers who are delinquent are carried out by door to door. The result of billing is in the form of payment of taxes owed and taxpayers do not want to pay taxes. On the payment of the tax payable, the Billing and Control Sub Division writes down the amount of money received in the SPTPD (*Surat Pemberitahuan Tagihan Pajak Daerah*), while for taxpayers who do not want to pay taxes there are no sanctions or other efforts made. This indicates that the billing efforts made by the Billing and Control Sub Division have not used the established mechanism. Referring to the formulation of problems that want to be studied in this study, the study aims to (1) analyze the significance of intensification activities on the increase of restaurant tax receipts in Ponorogo Regency, (2) Analyze the significance of the influence of extensive activities on increasing restaurant tax receipts in Ponorogo Regency.

## **II. LITERATUR REVIEW AND HYPOTHESES**

Lunenburg (2012) in Compliance Theory and Organizational Efektiveness, compliance theory is an approach to organizational structure that integrates ideas from classic models and management participation. According to H.C Kelman in Anggraeni and Kiswaran (2011) compliance is defined as a compliance based on the expectation of a reward and an attempt to avoid punishment that may be imposed. The existence of administrative sanctions and criminal law sanctions for taxpayers who do not meet their tax obligations are carried out so that the public as taxpayers are willing to fulfill their obligations. This is related to the implementation of tax compliance. Obedience is obedience or discipline, in which case tax compliance is interpreted freely is obedience in carrying out all tax regulations.

The definition of tax according to the Law of the Republic of Indonesia number 28 of 2007 concerning General Provisions and Procedures of Taxation article 1: "Tax is the contribution of taxpayers to the country owed by a person or entity that is forceful under the Law, without obtaining direct rewards and used for the purposes of the state for the maximum prosperity of the people". Meanwhile, According to Adriani (Sari, 2013:34): "Tax is public dues to the state (which can be imposed) that are owed and obliged to pay according to general regulations (laws) by not getting an immediate re-achievement that can be appointed and which is used to finance public expenditures due to the duty of the state to organize the government".

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**H1: It is suspected that the intensification of local taxes has a significant effect on increasing restaurant tax receipts in Ponorogo Regency.**

Circular Letter of the Directorate General of Taxation No.SE-06/PJ.9/2001 concerning the Implementation of Tax Expansion and Tax Intensification. Mention that tax expansion is an activity related to the addition of the number of registered taxpayers and the expansion of tax objects in the administration of the Directorate General of Taxes (DJP). Extensive activities are expected to increase the object of taxpayers and be offset by an increase in restaurant tax receipts. The government should be able to see the potential of existing restaurant taxes, namely by reviewing, re-surveying taxpayers because many taxpayers are in fact not included as restaurant taxpayers and increasing supervision of tax payments based on sales turnover. Based on the above statement, the formulation of research hypothesis is

**H2: It is suspected that the expansion of local taxes has an effect on increasing restaurant tax receipts in Ponorogo Regency.**

Adriani (Sari, 2013:34): "Taxes are public dues to the state (which can be imposed) that are owed and are obliged to pay according to general regulations (laws) by not getting an immediate re-achievement that can be appointed and which is used to finance public expenditures due to the duty of the state to organize the government".

**III. RESEARCH METHODE**

This research was conducted and intended for restaurant taxpayers who have registered with the Ponorogo Regional Financial and Asset Management Revenue Agency. The type of research is qualitative data in this research is an interview with the Head of Regional Taxation along with staff of the sub-division of funding and billing BPPKAD Ponorogo Regency on the Effect of Inensification and Exensification of Local Taxes on Restaurant Tax Increase. Quantitative data used in this study is the number of restaurant taxpayers in BPPKAD Ponorogo Regency. And the results of questionnaire responses about the effect of intensification activities and expansion of local taxes on restaurant taxation that has been noted using the five-point Likert Scale.

The population used in this study is all taxpayers of restaurants in BPPKAD Ponorogo regency amounted to 159. This study took 100% of the population registered with the Revenue, Financial Management and Asset Agency of Ponorogo Regency, namely as many as 159 respondents / restaurant taxpayers. Thus the use of the entire population without having to draw research samples as observation units is referred to as census techniques. Another term of census technique is saturated sampling, where all members of the population are used as sugiyono samples (2016:85).

**IV. RESULT AND DISCUSSION**

Hypothesis testing uses multiple linear regression analysis in regression analysis. Developed a regression equation that is with a formula that looks for dependent variable values from the value of known independent variables. The results of multiple linear regression analysis are as follows:

**Table 2. Multiple Linear Regression Analysis Results**

Variable	Equation 1			Equation 2		
	Coefficient	t-test	Sig.	Coefficient	t-test	Sig.
(Constan)	2.051	1.570	0.118	2.836	1.326	0.187
Independent Variables						
Intensification of Local Taxes	.428	4.115	.000	.406	3.843	.000
Local Tax Expansion	.238	2.291	.023	.280	2.582	.011
Control Variables						
Gender				.099	1.530	.128
Age				-.071	-1.027	.306
Education Level				-.032	-.450	.648
Length of Effort				-.049	-.679	.498
R <sup>2</sup>	.404			.420		
Adj. R <sup>2</sup>	.396			.397		
F-test	52.766			18.321		
Sig	.000 <sup>b</sup>			.000 <sup>b</sup>		

**1. The Effect of Intensification of Local Taxes on Restaurant Tax Increase**

The results of multiple linear regression tests showed a Coefficient value of 0.428 can be concluded that intensification of local taxes has a positive effect on the increase in restaurant taxes. The results of the hypothesis test show that the first hypothesis was accepted. The variable intensification of local taxes has a significant effect on the increase in restaurant tax in Ponorogo Regency with a significant value of p-value (0.000) < 0.05. If the intensification of local taxes increases, then the increase in restaurant tax in Ponorogo Regency will also increase.

Variable intensification of local taxes if tested by adding control variables then the Coefficient value becomes 0.406 so that the influence of local tax intensification variable decreases by 0.022 so that the control variable can affect the variable intensification of local taxes but still have a significant effect on the increase in restaurant tax with a significant value of p-value (0.000) < 0.05.

The results of this study are relevant to the findings of research conducted by Nurlela and IwanKesumaSihombing (2018) proving that there is a significant influence of tax intensification on increasing

personal tax receipts. In the research conducted by Vergina and Juwita (2013) it was also proven that Intensification has a significant effect on Personal Income Tax Receipts.

Intensification of local taxes is a way to increase regional revenues by focusing on optimizing the excavation of income or tax receipts on the objects and subjects of recorded taxes. Based on the results of the above test, that tax intensification has been implemented by optimizing the improvement of restaurant tax administration, improving the quality of service of tax officers, socialization of knowledge of tax laws. Improvement of restaurant tax administration is intended so that every restaurant taxpayer is orderly administration and has Local Taxpayer Identification Number which is used as a personal identification or taxpayer identity in carrying out their tax rights and obligations.

Improving the quality of service of tax officers is one of the things that increases the interest of taxpayers in fulfilling their tax obligations and it is expected that tax service officers must have good competence related to all matters related to taxation in Indonesia (Pranata, 2015:36). Good service to taxpayers can be one way to improve taxpayer compliance in paying restaurant taxes in Ponorogo Regency. The existence of good service from the tax agency concerned can be the main capital and become an important thing to be able to attract the attention of taxpayers.

Socialization of knowledge of restaurant tax law will increase taxpayer knowledge in terms of tax rates and tax benefits that will be useful for society and development. Knowledge of taxation is the ability of a taxpayer to know the tax regulations whether it is about the tax rate based on the law they will pay and the tax benefits that will be useful for their lives (Utomo, 2011:17). The more inggi the taxpayer's knowledge, then the taxpayer can follow the behavior better and in accordance with the taxation. Efforts to raise taxpayer awareness so that taxpayers are more obedient is to increase knowledge in the field of taxation. This knowledge of taxation will have an impact on tax receipts received by the state if the people already have sufficient taxation knowledge.

## **2. Effect of Local Tax Expansion on Restaurant Tax Increase**

The results of multiple linear regression tests showed a Coefficient value of 0.238 can be concluded that the expansion of local taxes has a positive effect on the increase in restaurant taxes. The results of the hypothesis test show that the first hypothesis was accepted. The variable expansion of local taxes has a significant effect on the increase in restaurant tax in Ponorogo Regency with a significant value of p-value  $(0.023) < 0.05$ . If the expansion of local taxes increases, then the increase in restaurant tax in Ponorogo Regency will also increase.

Variable expansion of local tax if tested by adding control variables then coefficient value to 0.280 so that the influence of variable expansion of local tax increased by 0.042 so that the control variable can affect the variable expansion of local tax but still have a significant effect on the increase in restaurant tax with a significant value of p-value  $(0.011) < 0.05$ .

The results of this study are relevant to the findings of research conducted by Ngadiman and Felicia (2017) proves that there is a significant influence of tax expansion on personal tax receipts. In the research conducted by Nursafitra et al (2019) it was also proven that tax expansion has a significant effect on pad improvement strategy.

The expansion of local taxes itself clearly requires active efforts from local governments as well as all its work devices. The simplest activity is to 'pick up the ball' by going directly to the field to register new taxpayers who are already eligible to carry out their tax obligations. This effort can be classified in micro-efforts because it is done directly. Based on the results of the test mentioned above, that tax intensification has been carried out by optimizing the collection of tax objects and supervision of tax payments based on sales turnover.

## **3. Implications of The Effect of Intensification and Expansion of Local Taxes on Restaurant Tax Increase**

The results of the hypothesis test prove that both hypotheses are accepted. Variable intensification and expansion of local taxes simultaneously affect the increase in restaurant tax in Ponorogo Regency with a significant value of p-value  $(0.000) < 0.05$ .

Restaurant tax is one of the promising sources of income for local governments that can be defined as direct acceptance by business sources in the region that are coercive and based on applicable laws and regulations. To be able to optimize restaurant tax receipts, taxpayers are required to comply in carrying out their tax obligations. This is related to the implementation of tax compliance. Obedience is obedience or discipline, in which case tax compliance is interpreted freely is obedience in carrying out all tax regulations.

Intensification and Expansion of Local Taxes is expected to increase community compliance in paying restaurant taxes in accordance with applicable laws and regulations so as to increase restaurant taxes. With this Intensification and Expansion of Local Taxation activities can optimize the excavation of tax receipts on objects and tax subjects recorded or registered in administration as well as the addition of the number of registered taxpayers.

**4. Implications of gender, age, level of education and length of business on increasing restaurant taxes**

Based on coefficient multiple gender regression test results of 0.099(positive); age 0.071(negative); education level 0.032 (negative); and length of effort 0.049 (negative). This proves that the control variable is only gender that has a positive effect, besides all control variables have no significant effect on increasing restaurant tax in Ponorogo Regency.

The increase in restaurant tax in Ponorogo Regency is not influenced by gender, age, level of education or length of business but is influenced by the improvement of restaurant tax administration, improving the quality of service of tax officers, socialization of knowledge of tax laws, optimization of data collection of tax objects and supervision of tax payments based on sales turnover.

**5. Policy on the Effect of Intensification and Expansion of Local Taxes on Restaurant Tax Increase**

Based on the results of the study showed that the intensification and expansion of local taxes to increase restaurant taxes in Ponorogo Regency has been able to be carried out well although some strategies are still not effectively implemented due to various constraints owned by the Regional Tax Division of the Revenue, Financial Management and Asset Areas of Ponorogo Regency.

Several theories and results of previous research have been confirmed, that intensification and expansion of local taxes need to get greater attention considering that these variables have a significant effect on increasing restaurant taxes in Ponorogo Regency.

Referring to the results and discussions, it is expected that positive efforts can be increased as follows: a). Increasing the quantity and quality of officers levy the Regional Tax Field of the Revenue Agency, Financial Management and Regional Assets in order to be able to increase restaurant tax receipts to be more optimal. b). Socialize more vigorously about restaurant taxes to culinary activists or taxpayers, in order to understand the benefits of restaurant taxes so as to raise awareness in tax payments. c). Ponorogo Regency Government through the Regional Tax Division of the Revenue Agency, Financial Management and Regional Assets in order to intensify the excavation of potential restaurant taxes in order to achieve a more optimal realization of restaurant taxes. d). Ponorogo Regency Government through the Regional Tax Division of the Revenue Agency, Financial Management and Regional Assets in order to further increase supervision to improve the compliance of restaurant taxpayers.

**VI. CONCLUSION AND RECOMMENDATIONS**

Tax agencies as tax collectors from taxpayers must continue to improve the quality of tax services with trainings or comparative studies to other districts / cities, both in the form of improvement of Human Resources (HR) and other facilities, so as to encourage taxpayers to comply in carrying out their tax obligations. Tax sanctions must be increased by making regent regulations to be properly disseminated to taxpayers so that taxpayers can understand matters related to the implementation of tax sanctions and the causes of tax sanctions imposed on taxpayers. Taxpayers' understanding of tax regulations regarding tax rates and applicable tax provisions is still lacking, so there needs to be socialization such as tax gathering because some people do not understand the taxation. Taxpayers should be able to further improve their compliance in fulfilling their tax obligations, increase knowledge and understanding of tax regulations, so that taxpayers can be honest in reporting their taxes.

For further research, the results of this study are known the amount of coefficient of intensification of local taxes, expansion of local taxes, gender, to increase restaurant tax by only 39.7%, while the rest, namely by 60.3% explained other factors outside the model or other variables not described in this study. Therefore, researchers are then advised to be able to develop the results of this research, for example by adding free variables in the form of tax amnesty, tax inspection, and supervision.

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