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Implementation of Groundwater Tax Collection Based on Regional Regulation Number 10 of 2010 concerning Regional Taxes in Tangerang Regency

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ABSTRACT

This study focuses on the Implementation of Groundwater Tax Collection Based on Regional Regulation Number 10 of 2010 concerning Regional Taxes in Tangerang Regency which is motivated by the high activity of groundwater extraction in Tangerang Regency, but in reality, it is found that there is still low awareness of tax subjects to register as taxpayers and low compliance level of tax payable reporting. Therefore, this study aims to describe how the implementation of groundwater tax collection is based on regional regulation number 10 of 2010 concerning local taxes in Tangerang Regency. The research method used is a descriptive method with a qualitative approach. The results showed that the implementation of the collection was not optimal due to the lack of coordination between organizations, discretionary actions by lower-level bureaucrats that were not by regulations, and negative responses from groundwater taxpayers. This study concludes that the implementation of groundwater tax collection in Tangerang Regency is still not fully by tax regulations.

Keywords: *Groundwater, Implementation, Tax Regulation*

Background

The successful implementation of a country's development requires a strong source of state revenue. The source of state revenue, which is the main source of revenue for the state, comes from the tax sector. Based on Law Number 23 of 2014 concerning Regional Government, regions are required to explore sources of regional revenue so that they can administer the government and regional development evenly, which is marked by the granting of authority to regions to collect regional taxes. Based on observations, Tangerang Regency is an area with a high level of regional independence ratio which shows that the region can finance its regional development affairs marked by the ability to collect local taxes. The local government of Tangerang Regency can conduct regional collections as an effort to increase local revenue based on the provisions stipulated in Regional Regulation Number 10 of 2010 concerning Regional Taxes in Tangerang Regency. The following table shows the realization of the Tangerang Regency local tax for the collection of local taxes.

Table 1.
Tangerang Regency Regional Tax Realization Year 2017-2020

Number	**Tax**	**Regional Tax Realization (Million Rp)**			
		2017	**2018**	**2019**	**2020**
1.	Hotel	18.301	24.044	30.006	18.271
2.	Restaurant	204.366	28.875	392.693	220.385
3.	Entertainment	40.282	56.906	75.548	23.145
4.	Advertising	16.538	30.654	27.946	21.314
5.	Street Lighting	232.761	251.400	267.051	248.777
6.	Parking	44.105	55.689	62.608	33.486
7.	PBB	350.935	372.151	460.874	439.533
8.	BPHTB	925.984	823.340	833.543	694.002
9.	Groundwater	3.379	3.319	3.388	2.983

Source: Tangerang Regency Regional Revenue Agency (2021)

Table 1 shows that the realization of Tangerang Regency's regional tax revenue fluctuated from 2017 to 2020. The realization of regional tax revenue Tangerang Regency with the smallest realization of revenue was in the groundwater tax sector with the acquisition of Rp 2,983,601,533. This is inversely proportional to the reality of groundwater extraction activities in the Tangerang Regency. In 2020 there are 223 total owners of SIPA (Groundwater Concession Permits), but there are still many SIPA owners who have not been registered as taxpayers.

Groundwater management is the authority of the government, both the central government and the provincial, district/city governments. This is as mandated in the 1945 Constitution of the Republic of Indonesia in Article 33 paragraph 3. One of the authorities of the Tangerang Regency government in terms of maintaining a balance of quality and quantity of water resources is by collecting groundwater taxes. The implementation of groundwater tax collection is regulated in the Tangerang Regency Government Regional Regulation Number 10 of 2010 concerning Regional Taxes. The implementation of groundwater tax collection in addition to optimizing local revenue is made to prevent and suppress excessive use of groundwater to avoid environmental damage and avoid state losses due to illegal exploitation of groundwater resources. As an effort to achieve the objectives referred to above, namely by giving the authority to local governments to collect taxes on the extraction and/or utilization of groundwater. Based on the initial observations made by the researchers, the implementation of groundwater tax collection in Tangerang Regency experienced various other problems as follows:

First, the lack of coordination and commitment between organizations in registering taxpayers. In the context of implementing groundwater tax collection, individuals/or business entities that have fulfilled the requirements as groundwater taxpayers are required to apply for a groundwater exploitation permit to the Banten Province One Stop Integrated Investment Agency (DPMPTSP). However, the Banten Province DPMPTSP as an organization that has the authority to issue a groundwater exploitation permit (SIPA) lacks coordination with the Tangerang Regency Regional Revenue Agency which is authorized to collect groundwater taxes. DPMPTSP Banten Province does not provide data on private individuals/business entities that already have SIPA to the Tangerang Regency Bapenda. The Tangerang Regency Bapenda also did not communicate to the Banten Province DPMPTSP to obtain data regarding private persons/business entities that already have a groundwater utilization permit. The absence of data from the Banten Province DPMPTSP shows that the Tangerang Regency Bapenda does not register in office to tax subjects who have met the criteria but have not registered their businesses as taxpayers.

Second, the lack of awareness of taxpayers to pay groundwater tax. One of the obstacles to not achieving the groundwater tax target in 2020 is the lack of awareness of taxpayers to pay taxes. Based on data on the number of taxpayers obtained in 2020, it is known that the number of taxpayers who paid for groundwater tax only reached 531 taxpayers out of 825 registered taxpayers. The data on the number of groundwater taxpayers in Tangerang Regency can be seen in the table below:

Table 2.
Level of Compliance of Groundwater Taxpayers The year 2018 – 2020

Number	Year	Obedient Taxpayers	Tax Areas	Taxpayers
1.	2018	542	200	742
2.	2019	467	309	776
3.	2020	531	294	825
	Average	513	268	781

Source: Tangerang Regency Regional Revenue Agency (2021)

Based on table 2, it is known that the number of groundwater taxpayers each year has increased the number of taxpayers who register themselves as taxpayers. On average throughout 2018-2020, the addition of taxpayers only reached 40% on an annual basis. However, the awareness of taxpayers to obey paying groundwater tax has decreased compared to 2018. From the table, it is known that every year taxpayers avoid paying groundwater tax with an average number of 268 taxpayers per year, and the average percentage of taxpayer's obedient pay only 65% yearly.

Third, indecisiveness in creating SPTPD reporting compliance and the application of administrative sanctions. In the process of reporting the SPTPD on the use of groundwater, there are problems, namely the existence of tax arrears by the groundwater taxpayer. This problem encourages lower-level bureaucrats to exercise discretion to overcome these problems. However, the discretion in collecting groundwater taxes is not by the regulations. This can be seen from the low professionalism of the Regional IV Tax UPTD apparatus which allows taxpayers to postpone the SPTPD reporting based on a close relationship and has been confirmed through electronic messages from taxpayers to lower-level bureaucrats to delay SPTPD reporting.

So this study aims to describe how the implementation of groundwater tax collection is based on regional regulation number 10 of 2010 concerning local taxes in Tangerang Regency with a research focus on implementation collecting groundwater tax sector.

Literature Review

Overview of Public Policy

Public policy is a series of actions taken by the government through a process of coordination between the actors involved to decide to solve public problems and is based on the law. The process of making public policy goes through several stages. William Dunn in Riant Nugroho (2017) describes the stages of public policy as follows: Agenda Preparation Stages, Policy Formulation Stages, Policy Adoption Stages, Policy Implementation Stages, Policy Evaluation Stages.

Overview of Policy Implementation

Implementation is a crucial stage because at this stage it is a way for a policy to achieve its goals. Actions that are directed at achieving the objectives as determined in the policy formulation process, whether these actions are carried out by individuals, officials, government groups, or private parties. (Nawawi, 2009). Convey the literature review as comprehensive study and interpretation of literature that addresses a specific topic. The theoretical approach(es) used in topic or question on background, to identify, appraise and synthesize evidence in order to answer specific research questions.

Tax Overview

Tax is a state obligation contribution whose collection can be forced if it meets the subjective and objective requirements as a taxpayer and if it does not pay it will be subject to sanctions by the authorities. Tax Grouping according to the collection agency is divided into 2:

a. State Tax (Central Tax)
   A tax is collected by the central government and is used for general household financing purposes. Examples: Income tax, Value added tax, and Stamp Duty
b. Local tax
   Taxes are collected by local governments at both the I (provincial) and level III (district/city) levels and are used for local household financing purposes. Examples: Advertising tax, hotel tax, groundwater tax, and street lighting tax.

Groundwater Tax

Groundwater tax can be said to be a tax levied on the extraction/utilization of groundwater which is solely used for business activities. Groundwater is water that moves under the surface of the soil occupying cavities in the soil or rock layers that can be used by wells, drainage systems, or pumping. The legal basis for collecting groundwater tax in Tangerang Regency has been regulated in Regional Regulation Number 10 of 2010 concerning Regional Tax Articles 53 to 60.

Method

The method used in this study is a descriptive method with a qualitative approach. A qualitative approach is used to explore the phenomenon of groundwater tax collection by observing the behavior of individuals, groups, and institutions in depth. Researchers made direct observations on the implementation of groundwater tax collection in Tangerang Regency. In addition, in-depth interviews were also conducted with informants in this study. Researchers also collect information in the form of data related to the implementation of groundwater tax collection as research-supporting data. The data obtained in the study were analyzed using the Miles Huberman model.

Result and Discussion

The researcher examines the results of the research on the Implementation of Groundwater Tax Collection Based on Regional Regulation Number 10 of 2010 concerning Regional Taxes with the Soren C Winter implementation model literature:

1. Organizational and Inter-Organizational Behavior

   Public policy implementation for optimal results requires various organizations and between organizations to support implementation. Regarding the collection of groundwater taxes to carry out groundwater extraction activities in the Tangerang Regency, tax subjects must obtain written permission through the Banten Province DPMPTSP. The Tangerang Regency Government has the authority to manage the groundwater tax. The Tangerang Regency Regional Revenue Agency must carry out budgetary and regulated functions. One way is to update the data on the permit for groundwater extraction. This effort can be made by establishing a working relationship between the Tangerang Regency Bapenda and the Banten Province DPMPSTP. The existence of a good working relationship can establish coordination. The working relationship includes communication that supports coordination. However there is no coordination between the Tangerang Regency Bapenda and the Banten Province DPMPTSP in the context of updating data on permits for groundwater extraction. This condition causes not knowing for sure who are the licensed business entities that should be able to collect groundwater tax. The following is a table regarding the comparison of data on the issuance of SIPA and business entities that register as taxpayers.

Table 3.
Groundwater Tax Subject Data Comparison

Year	Amount	
	Publication SIPA	Register Taxpayers
2018	219	35
2019	221	34
2020	223	49
Amount	663	118

Source: Research Responsible (2022)

Based on table 3 shows the differences in data collection on tax subjects. Based on data from the Banten Province DPMPTSP 663 new tax subjects have been licensed within 3 years, in contrast to the Tangerang Regency Bapenda data there are 118 new tax subjects who register as taxpayers. This difference indicates that not all business entities are licensed to register as taxpayers. As stated in Regional Regulation Number 10 of 2010 Article 55 paragraph (2), when a tax subject who already has a permit for groundwater extraction in the Tangerang Regency area must be registered as a taxpayer, either register independently or appointed in office. This is reinforced by the Regent's Regulation Number 07 of 2011 Article 17 paragraph (2). So, this condition shows that Bapenda does not determine the tax payer in office.

On the other hand, the coordination between Bapenda and UPTD went well. The Tangerang Regency Bapenda authorizes the Regional Tax UPTD to carry out some of the duties and functions of the Tangerang Regency Bapenda by Regent Regulation Number 59 of 2019, in Tangerang Regency, there are five Regional Tax Technical Implementation Units (UPTD). Bapenda holds regular meetings at least once a month regarding checking the progress of groundwater tax collection. The form of commitment in the implementation of groundwater tax collection can be seen from the tax collection action. Based on the findings, there was a discrepancy in the implementation of billing because the billing sector submitted a tax payable notification letter to the Regional Tax UPTD until the third letter. This shows the active role of Regional Tax UPTD employees in submitting billing letters to taxpayers. This is not following Perbup Number 111 of 2016, considering that this is the task and function of the Billing Division of the Tangerang Regency Bapenda. In addition, invoices or warnings are issued far from the payment due date and are issued every three months.

2. Behavior of Lower-Level Bureaucrats

The behavior of lower-level bureaucrats is the actions of bureaucrats who are directly related to the community. As meant by lower-level bureaucrats in this study are directly related to the process of collecting groundwater taxes, namely the UPTD Tangerang Regency Tax. Groundwater tax collection mechanisms at the UPTD Regional Tax Office include:

Tax subject data collection is carried out through registration by filling out a form and attaching a photocopy of the ID card of the entrepreneur/ person in charge/ power of attorney; a photocopy of a certificate of domicile of the place of business; a photocopy of company establishment deed and Groundwater Concession Permit (SIPA). Applicants who have become taxpayers must report the amount of groundwater used by filling out the SPTPD and attaching the amount of groundwater usage within 30 days of groundwater extraction. The determination process is based on the acquisition of NPA (Water Acquisition Value). The principal amount of the groundwater tax is determined by multiplying the rate (20%) by the NPA. For taxpayers who do not use a water meter, the determination is based on the flat determination. Then the Regional Tax UPTD issues the SKPD and Id Billing to determine the principal amount of the groundwater tax. ID Billing is submitted to taxpayers to make tax payments. Taxes payable must be paid within 30 days after the issuance of the SKPD and Id Billing. Taxpayers who have paid groundwater tax provide proof of local tax payment to the Regional Tax UPTD and the Regional Tax UPTD submits the SKPD to the taxpayer.

Based on their position in the community, they can make decisions freely to solve problems that allow them to exercise discretion. Based on the results of the study, it was found that there was discretionary action by communicating personally with groundwater taxpayers. Through interpersonal communication, the Regional Tax UPTD allows taxpayers to postpone tax reporting without directing them to make an application letter so that it shows that the delay in reporting is not in order. This action is not by what is stated in Regional Regulation Number 10 of 2010 concerning Regional Taxes Article 59. If the groundwater taxpayer is affected by Covid-19, he can submit a letter of application first.

3. Target Group Behavior

   The behavior of the target group referred to in this study is the behavior of groundwater taxpayers in Tangerang Regency. The behavior of the target group can be seen in positive and negative responses. This positive response stems from the awareness of taxpayers of their obligation to pay groundwater taxes and their efforts to preserve the environment. While the negative response is the lack of awareness of taxpayers to report and pay groundwater tax on time. Where tax reporting is done by combining several months which should have been reported after 1 month of groundwater use

Conclusion

Based on the results of the discussion that researchers have analyzed and described regarding the Implementation of Groundwater Tax Collection Based on Regional Regulation No. 10 of 2010 in Tangerang Regency has not been running optimally, the researchers conclude:

1. Organizational and Inter-Organizational Behavior can be seen from the coordination and commitment that has not been going well. The Tangerang Regency Bapenda did not coordinate with the Banten Province DPMPTSP in the context of updating data on permits for groundwater extraction. In addition, there is a lack of commitment to the implementation of collecting taxes owed to taxpayers. On the other hand, the coordination carried out by the Tangerang Regency Bapenda with the Regional Tax UPTD went well. Convey summarize the results and discussion of research or discussion.
2. Lower-level Bureaucratic Behavior can be seen from the discretionary actions taken that are not by Regional Regulation Number 10 of 2010 concerning Regional Taxes Article 59.
3. Behavior of the Target Group, it can be seen from the positive response that the target group in this case the groundwater taxpayer supports the implementation of groundwater tax collection because they are aware of their obligations and the importance of preserving the environment. While the negative response is the uncooperative attitude of the taxpayer to the process of collecting groundwater taxes.

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