ANALYSIS POTENTIAL AND CONTRIBUTION OF HOTEL TAX TO THE REGIONAL INCOME (PAD) IN BENGKALIS REGENCY (A CASE IN BENGKALIS REGENCY)

By

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Abstract

This research has the purpose to know how large is the potential and contribution of hotel tax to the Regional Income (PAD) in Bengkalis Regency. Type of research that used in this research is quantitative descriptive. The method that used in collecting data are library study, documentation, interview, and observation. The results of this research conclude that potential of hotel tax in Bengkalis Regency is very high, but not all potential can be realized. It can be seen with different calculate between potential and realization revenue of hotel tax 66.74% in 2009, 73.25% in 2010, and 75.67% in 2011. In other words, the realization of hotel tax that was achieved within the three consecutives years, 33.26% in 2009, 26.75% in year 2010, and 24.33% in year 2011 from the real potential revenue of hotel tax. Otherwise, the contribution of hotel tax to Regional Income (PAD) inclined decrease.

Key Words: Potential, Contribution, Realization, Hotel Tax

INTRODUCTION

As a unitary state, Indonesia has the function to build a justice and prosperous society in accordance with the mandate of basic of the fourth paragraph of the 1945 Constitution. Thus, all potential and existing development resources should be allocated effectively and efficiently through a constant process of progress and improvement constantly called development. Regional development is an integral part of national development which aims to improve people's lives, both morally and materially.

The primary function of regional government as a provider of public services and the implementation of development, in the further implementation of the government and national development to achieve a justice, prosperous, and equitable society based on the Pancasila and 1945 Constitution which state that Indonesian is divided into autonomous regions. The state government gives autonomy rights to the regional government, even though not all regions in Indonesia are given the rights to self autonomy. The principles of regional autonomy are real and responsible for government that is essential to assist the central government in implementing governance.

One source of local finance is from the Regional Income (PAD), which comes from regional tax levies, of which the authority of implementation is delegated to the region. Based on Law Number 28 of Year 2009, regional taxes consist of hotel tax, restaurant tax, entertainment tax, street lighting tax, non-metallic minerals and rocks taxes, parking tax, groundwater tax, swallow's nest tax, land and building tax of the village and city, and acquisition fees for land and building rights (BPHTB).

Taxes are the contributions from citizens to the state treasury based on the law so as to be forced without direct remuneration received. Taxes are levied based on the law to maintain the cost of goods and services in collective to achieve public prosperity. According to Rochmad Soemitro (1982) in Adi Nugroho (2011), taxes are citizen contribution to the state treasury based on the law (that can be forced) without counter-achievements that can be directly showed and used to paid public expenses.

Taxes have an important role for the state, because taxes are one of the source revenue the state that can be used as a tool to manage economic activity and as equalization of income in society. "Taxes have the primary function as follows" (Mardiasmo, 2003:1);

1. Budgetary function is taxes as a funding resource for the government to fund expenses.

2. Regulatory function is taxes as a tool to manage or implement government policy in society and the economy.

In budgetary function, revenue from taxes has a vital role for the government in the state in Revenue and Expenditure Budget (APBN). Here, the state needs funds from the citizen to increase state funds to finance government activity and development.

Whereas in the regulatory function, the state uses taxes received in the economic sector to support exports and manage capital investment that supports a productive economy. In society, taxes received are used to give protection to domestic production of goods and to block inflation.

According to Mardiasmo (2009:p5-6), the types of taxes can be categorized into three kinds, which are based on characteristics, target, and tax administrator.

I. Types of Taxes Based on Characteristics

a. *Direct tax* is a tax that must is responsible to tax payer and cannot be held responsible to other people. Income tax is an example.

b. *Indirect tax* is a tax that can be transferred and charged to the other person. Value added tax is an example.

II. Types of Taxes Based on the Target

a. *Subjective tax* is a tax that is based on the subjects, in the sense of the regard to the situation of taxpayers. Income tax is an example.

b. *Objective tax* is a tax that is based on the object, without of regard to the situation of the taxpayers. For example, a value added tax and sales tax of luxurious goods.

III. Types of Taxes Based on the Tax Administrator

a. *Central tax* is a tax that is levied by the central government and is used to finance national spending. Example are income tax, value added tax

and sales tax of luxurious goods, land and property tax, and revenue stamp.

b. *Local tax* is a tax that is levied by the local government and is used to finance local spending. The local taxes consist of province tax and district or city tax. The example of the province taxes are vehicle tax and vehicle fuel tax. The examples of the district or city taxes are hotel and restaurant tax, and entertainment tax.

At the end of year 2000 and early 2001, a government system with autonomy was realized. According to Suparmoko (2002:9), the concept is to give authority to regional to plan and implement the development of government of every area appropriate to their needs, and the central government will help and care activities that are possible to implement in regional.

According to Silalahi, et al (1995: 48), regional autonomy is the ability to manage of them primarily related to general administration and development which was previously managed by the central government. For that, other than the necessary of financial capacity, it is necessary also to have the quality of human resources, natural resources, capital, and technology.

The principle of regional autonomy adopted by Law Number 32 year 2004 is an extensive regional, real, and responsible autonomy. The principles of extensive, real, and responsible autonomy are as follows:

1. Extensive autonomy is the regional freedom to organize the government that covers all authority except foreign policy, defense, security, justice, monetary, fiscal, religious authority, and others. Besides that, the flexibility of regional economy also includes a full and rounded authority in administration ranging from planning, implementation, monitoring, trial, and evaluation.

2. Real autonomy is the flexibility to organize regional government authority in particular fields that are real and necessary as well as to grow and develop the region.

3. Responsible autonomy is for the realization of accountability as a consequence of the provision of rights and development in the region.

Regional Autonomy is one of the policies which aims to provide better public services through the delegation of authority from central to regional government. To implement government, policies, and development, a region certainly needs quite a lot of funds. With the enforcement of regional autonomy a region is given the opportunity to explore their own potential for increasing the revenue.

Based on Law Number 33 Year 2004 regarding the Financial Balance of the Central and Regional Governments, the meaning of Regional Income (PAD) is regionally earned revenue that is collected based on regional regulations in accordance with the law and regulations and regional revenue that originate from regional tax revenue, regional contribution, regional wealth from separated management, and other legitimate Regional Income (PAD), which aims to give freedom to the region to explore their financing in the implementation of regional autonomy as a realization of the principle of decentralization.

Hotel tax is a regional revenue that is submitted and used for the purposes of regional government. The hotel tax are imposed on the tax objects in the form of services provided by the hotel with payment, including a support in the completeness of the hotel in providing convenience and comfort, including sport and entertainment facilities.

Potential. A potential is an ability that something has. But that ability is not utilized optimally. Because of that, the potential must growth to reach the target. So, a potential is an ability that has the possibility to growth, in strength, capability, and power.

Contribution. According to the General Dictionary of Indonesian Language, the definition of contribution is, aid, or that which given as help. Whereas according to Economic Dictionary (Guritno, 1992:76), contributions are something that which gives the other side the finance objective, financial loss or both. In other words, this contribution can be defined something that received from the hotel tax sector given as the Regional Income (PAD) in Bengkalis Regency.

RESEARCH METHOD

Based on the purposes of research that are raised by the researcher, the type of research that is used to know the contribution of hotel tax to the Regional Income (PAD) in Bengkalis Regency is a descriptive quantitative research. According to Arikunto (2002), basically descriptive research is non-hypothesis research; in other words the research process does not need a hypothesis formulation. Descriptive method is a research method that has the purpose to make an illustration about a situation or affair, whereas quantitative analysis is a method that uses calculation of data what have quality of authentication of problem. So, the descriptive quantitative method is a research method that illustrates and explains of the number.

This research used Regional Income (PAD) as the independent variable, whereas the dependent is hotel tax revenue. In this research, data collection techniques that are used library research, documentation, interview, and observation.

According to Harun (2003), these are the steps to know how big the potential of hotel tax to the regional:

1. The number of hotels in a regional is identified.
2. The sample for every hotel class (high class, medium class, and low class) is identified.
3. All tariffs of room classes and the number of rooms are observed.
4. The potential is calculated.

   From the sample in step point two, the calculation of potential of hotel tax can be assumed as follows:

$$Average\ Tariff = \frac{(X1 \times Y1) + (X2 \times Y2) + (X3 \times Y3)}{Z}$$

XI	= Number of high class rooms
X2	= Number of medium class rooms
X3	= Number of low class rooms
Y1	= Tariff of high class rooms
Y2	= Tariff of medium class rooms
Y3	= Tariff of low class rooms

Z   = Total number of rooms

After obtaining the average tariff, the calculation of hotel tax potential is as follows:

$$Tax\ potential\ of\ a\ hotel = a \times b \times 365\ days \times 10\%$$

a = Staying capacity

b = Average tariff

Then, to calculate the potential of all hotels for one sample= $c \times d$

c = Number of hotel

d = Tax potential of hotel

All hotels in the sample (high class, medium class, and low class), have their potential calculated using the assumptions above. After obtaining the potential of every hotel in the sample, all potential from the sample calculation are totaled. Then, it can be known the potential of hotel tax in a region. If the results are high, the potential revenue that could be received as hotel tax revenue is also high.

According to Halim (2001), the formula used to calculate the contribution is as follows:

$$Pr = \frac{Xn}{Yn} \times 100\ \%$$

and,

$$Ps = \frac{Xn}{Zn} \times 100\ \%$$

Explanation:

        Pr   : Contribution of hotel tax to regional taxes

        Ps   : Contribution of hotel tax to Regional Income (PAD)

        Xn   : Amount of hotel tax received (in Rupiah)

        Yn   : Amount of regional tax received (in Rupiah)

        Zn   : Amount of PAD received

        N   : Specific periods

DATA ANLYSIS AND RESULTS

Bengkalis Regency is one of the regencies in Riau Province. The region of Bengkalis Regency is located on the east coast of Sumatera and spreads between

2.30'-0.56' north latitude and between 100.52'-102.31' east latitude. Bengkalis regency has the borders:

a. To the East with the Malacca Strait,

b. To the Weast with Rokan Hilir Regency, Rokan Hulu Regency, and Dumai Municipality,

c. To the North with the Malacca Strait, and

d. To the South with Siak Regency and Kepulauan Meranti Regency.

The area of Bengkalis Regency consists of islands and seas. The area of Bengkalis Regency is 7,773.93 km^2. There are 16 main islands beside other small islands in the area of Bengkalis Regency. The central administration of Bengkalis Regency is in Bengkalis Island, which is the biggest island in Bengkalis Regency. Bengkalis Regency consist of eight sub-regencies, there are Mandau sub-regency, Pinggir sub-regency, Bukit Batu sub-regency, Siak Kecil sub-regency, Rupat sub-regency, Rupat Utara sub-regency, Bengkalis sub-regency, and Bantan sub-regency. Among the sub-regencies, Pinggir sub-regency has the highest percentage of land area compared to the total area of Bengkalis Regency. It is about 2,503 km^2 (32.20 %). The smallest sub-regency is Bantan, with about 424.4 km^2 (5.46%). Overall, the area of Bengkalis Regency by sub-regency is shown in Table 1.

Table 1
Area of Bengkalis Regency by Sub-Regency, 2010

Sub-Regency	Area		Percentage
	Km^2	Ha	
Mandau	937.47	93,747	12.06
Pinggir	2,503.00	250,300	32.2
Bukit Batu	1,128.00	112,800	14.51
Siak Kecil	742.21	74,221	9.55
Rupat	896.35	89,635	11.53
Rupat Utara	628.5	62,850	8.08
Bengkalis	514.00	51,400	6.61
Bantan	424.4	42,440	5.46
Bengkalis Regency	7,773.93	777,393	100

Source: Bureau of Statistics, Bengkalis Regency, 2011

Table 2
Target and Realization of Regional Income (PAD)
Year 2009-2011

Year	Target PAD	Realization PAD	Percentage
2009	Rp 100,051,500,000.00	Rp 138,345,456,553.81	138.27 %
2010	Rp 95,006,500,000.00	Rp 132,069,826,328.40	139.01 %
2011	Rp 141,040,500,000.00	Rp 216,120,227,163.45	153.23 %

Source: Regional Treasury Service of Bengkalis Regency, data processed

According to the table above, the target to be reached in the Regional Income (PAD), is arranged to know the Regional Income (PAD) in the next year. In the years from 2009-2011, the target could be reached because there are many factors increase, and up to year 2011, the target could be reached with a percentage of 153.23 %.

The potential of hotel tax are following:

Table 3

Total Potential of Hotel Tax in Bengkalis Regency
Years 2009-2011

Year	Potential of Hotel Tax
2009	Rp 4,586,725,317
2010	Rp 4,756,078,017
2011	Rp 4,799,878,017
Total	**Rp 14,142,681,351**

Source: Processed Primary Data

The contribution of Hotel Tax to Regional Tax can be calculated by comparing amount of Hotel Tax received with the amount of Regional Tax Received. The calculation of realization contribution of Hotel Tax to Regional Tax in Table 4 is as follows:

Table 4
Realization Contribution of Hotel Tax to Regional Tax in Bengkalis
Regency
Year 2009-2011

Year	Realization Hotel Tax	Realization Regional Tax	Contribution (%)
2009	Rp 1,525,667,691.86	Rp 23,835,645,587.37	6.40 %
2010	Rp 1,272,339,097.00	Rp 24,029,684,204.00	5.29 %
2011	Rp 1,168,035,074.00	Rp 40,227,006,897.00	2.90 %

Source: Regional Treasury Service of Bengkalis Regency, data processed

From the table above, the contribution of Hotel Tax during years 2009-2011 generally decreased. From the table, it can be seen that the contribution of Hotel Tax in 2009 is 6.40%, then in 2010 decrease to 5.29%, and in 2011 drastically decreased to 2.90%. In other words, in 2010 the decrease was 1.11%, in 2011 the decrease was 2.39%.

Hotel Tax does not only give contribution to the Regional Tax, but also give contribution to the Regional Income (PAD). The contribution of Hotel Tax could be calculated by comparing the amount of hotel tax received the Regional Income (PAD). The calculation of realization contribution of Hotel Tax to Regional Tax can be shown in Table 5 as follows:

Table 5
Realization Contribution of Hotel Tax to Regional Income (PAD) in
Bengkalis Regency
Years 2009-2011

Year	Realization Hotel Tax	Realization Regional Income (PAD)	Contribution (%)
2009	Rp 1,525,667,691.86	Rp 138,345,456,553.81	1.10 %
2010	Rp 1,272,339,097.00	Rp 132,069,826,328.40	0.96 %
2011	Rp 1,168,035,074.00	Rp 216,120,227,163.45	0.54 %

Source: Regional Treasury Service of Bengkalis Regency, data processed

According the calculation above, it can be concluded that the realization of Hotel Tax to Regional Income (PAD) in Bengkalis Regency is not stable and decreased. In 2009, Hotel Tax gives a contribution of 1.10%, while in year 2010 the contribution is 0.96%, and in 2011 the contribution is 0.54%. So, from year 2009 to 2010, contribution of hotel tax decreased as 0.14%, and in year 2011 it decreased by 0.42%.

According to the results of research and data analysis, the performance of the Regional Treasury Service (Dispenda) of Bengkalis Regency in year 2009-2011 is good enough. It can be seen from the target of and realization of Regional Income (PAD), the growth of Regional Taxes in Bengkalis Regency, and the contribution of Hotel Tax to Regional Taxes. But, the target of hotel tax asa determined by the Regional Treasury Service (Dispenda) of Bengkalis does not illustrate the real potential.

Hotel tax is one part of the revenue of Regional Tax, if seen from the growth during the years 2009-2011, the potential of tax received does not yet illustrate the real condition of tax received. To know the possibility of lost tax that must be received by government can be down by comparing between the potential and target hotel tax or realization of Hotel Tax. The following is a comparison between the potential and target Hotel Tax:

Table 6
Comparison between Potential of Hotel Tax and Target Hotel Tax
in Bengkalis Regency
Years 2009-2011

Year	Potential Hotel Tax	Target Hotel Tax	Difference	%
2009	Rp 4,586,725,317.00	Rp 750,000,000.00	Rp 3,836,725,317.00	83.64%
2010	Rp 4,756,078,017.00	Rp 600,000,000.00	Rp 4,156,078,017.00	87.38%
2011	Rp 4,799,878,017.00	Rp1,000,000,000.00	Rp 3,799,878,017.00	79.17%
Total	**Rp 14,142,681,351.00**	**Rp 2,350,000,000.00**	**Rp 11,792,681,351.00**	**-**

Source: Regional Treasury Service of Bengkalis Regency, data processed

From table above, it can be concluded that from the comparison between potential and target of hotel tax from year 2009 to 2011 there is difference between the potential and target hotel tax of Rp 11,792,681,351.00. The percentages of differences in each year are 83.64% in 2009, 87.38% in 2010, and 79.17% in 2011. This is because the Government of Bengkalis Regency determined the target revenue of hotel tax not based on the real potential, but based on the realization revenue of hotel tax from the previous year, which is analyzed to calculate the increase for next year and then to arrange the target to be must be achieved.

The comparison between the Potential and Realization revenue of Hotel Tax in Bengkalis Regency can be shown in the following table:

Table 7
Comparison between Potential of Hotel Tax and Realization Hotel
Tax in Bengkalis Regency
Year 2009-2011

Year	Potential Hotel Tax	Realization Hotel Tax	Difference	%
2009	Rp 4,586,725,317.00	Rp 1,525,667,691.86	Rp 3,061,057,625.14	66.74%
2010	Rp 4,756,078,017.00	Rp 1,272,339,097.00	Rp 3,483,738,920.00	73.25%
2011	Rp 4,799,878,017.00	Rp 1,168,035,074.00	Rp 3,631,842,943.00	75.67%
Total	**Rp 14,142,681,351.00**	**Rp 3,966,041,862.86**	**Rp 10,176,639,488.14**	-

Source: Regional Treasury Service of Bengkalis Regency, data processed

Within three years of 2009-2011, the target revenue of Hotel Tax is Rp 2,350,000,000.00, whereas the realization revenue of Hotel Tax within the three years is 2009-2011 is Rp 3,966,041,862.86. So there is a difference of Rp 1,616,041,862.86. With these results, the realization revenue of hotel tax compared with the target of hotel tax arranged previously by the Government of Bengkalis Regency, increased and exceeded the target that was arranged before.

However, the above situation is much different when relate to the potential that must be achieved. According to table 4.20 above, with the assumption that all taxpayers pay the tax, it can be concluded that from the comparison between the potential and realization revenue of hotel tax within the three years of 2009-2011 the difference is large enough, the potential of hotel tax is Rp 14.142.681.351,00 and realization revenue of hotel tax being Rp 3.966.041.862,86. So, for the Government of Bengkalis Regency the lost potential of hotel tax revenue is Rp 10.176.639.488,14. The percentage of difference between the realization and potential of hotel tax revenue every year are 66.74% in 2009, 73.25% in 2010, and 75.67% in 2011. However, the Government of Bengkalis Regency did not increase or have a surplus on income, but this calculation of potential is based on the number of hotel, staying capacity, average hotel tariff, and the number of days in one year. It is known, that in implementation of Regional Autonomy, every region must increase of Regional Income (PAD) one way of which is by optimizing revenue from tax.

After the calculation of the growth of regional tax, growth of hotel tax, potential of hotel tax, contribution of hotel tax, comparison between potential and target of hotel tax, and comparison between potential and realization from hotel tax, it can be concluded that if the hotel tax is higher, the contribution of hotel tax also increase the revenue of regional tax. Besides that, if the hotel tax is higher, so the contribution of hotel tax to Regional Income (PAD) also increases.

By calculating and knowing the potential of the revenue of hotel tax, the contribution can be made to be higher. It is established that the potential is a tool that can help to project the contribution of hotel tax to the revenue of regional tax or Regional Income (PAD) that can be used as a guide to measure the the

performance of Bengkalis Regency Government. If Government of Bengkalis Regency can know all the potential of Regional Tax in Bengkalis Regency, so the revenue of Regional Tax will be higher and can be used to increase Regional Income (PAD), and then can be used to fulfil the necessities of Bengkalis Regency.

CONCLUSION

From the calculation of hotel tax potential in Bengkalis Regency in the year 2009-2011, regarding the data existing in the field, illustrate that hotel tax has high potential revenue. But that potential is not yet realized. It can be seen in the difference between the potential hotel tax and target hotel tax in Bengkalis Regency during years 2009-2011 in percentage: in 2009 it was 83.64%, in 2010 it was 87.38% and in 2011 it was 79.17%. Besides that, it also can be seen in the difference between potential hotel tax and actual hotel tax in Bengkalis Regency during years 2009-2011 in percentage. The difference between potential hotel tax and actual hotel tax in 2009 was 66.74%, in 2010 was 73.25%, and in year 2011 was 75.67%. In other words, the realization hotel tax that was achieved within the three consecutive years, 33.26% in 2009, 26.75% in year 2010, and 24.33% in year 2011 from the real potential revenue of hotel tax.

After calculation, the realization contribution of hotel tax to regional tax in Bengkalis Regency series 2009-2011 decreased. From the calculation it was obtained that the contribution of hotel tax to regional tax in 2009 was 6.40%, in 2010 was 5.29%, and in 2011 was 2.90%. Whereas from calculation of realization contribution of hotel tax to regional income in year 2009-2011, it was obtained that contribution of hotel tax to regional income in 2009 was 1.10%, in 2010 was 0.96%, and in 2011 was 0.54%. In other words, from 2009-2011 the contribution of hotel tax to regional income (PAD) decreased.

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