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Optimalization of Local Taxes and Levies in Order to Increase the Local Revenue at Regency Jeneponto of South Sulawesi Province

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Abstract: This study discusses optimizing the management of Local Taxes and Levies in order to increase local revenue at Jenepontoregency in South Sulawesi. the purpose of this study was: (1) To analyzed the magnitude of the potential of local revenues derived from the Local Taxes and Levies in Jeneponto; (2) To determine the factors that constraint so that the Management of Local Taxes and Levies have not been optimal in increasing regional revenue in Jeneponto; and (3) to develop strategies that can be done to optimize the management of Local Taxes and Levies in order to increase revenue in Jeneponto. The results showed that the management of local taxes and levies in Jenepontot not optimal. Efforts should be made by the regional government in order to increase local revenue as follows: expanding the tax revenue base and levies, the increase in the capacity of manager of local taxes and levies and improve supervision of taxes and levies.

Keywords: Local Tax, Levies, Local Revenue, Optimalization

1. Introduction

Regional development is an integral part of national development, which has the objective to improve the lives and welfare of the people in the area. Development of national or regional development contains a broader sense than the economic development. Economic development is very important because it aims to promote economic growth[1]. The high economic growth needed to mobilize and spur development in other fields, as well as the main force development to achieve equitable development and results to give more opportunities for the people to participate actively in development. The development should be implemented in a harmonious and integrated, both between and between sectors within the framework of a development plan that is efficient and effective, reaching a local independence and progress uneven

In the autonomy era, the area is given greater authority to regulate and manage their own household. The aim among others is to get closer to public services, make it easier to monitor and control the use of funds from the local budget, but it is also intended to create a healthy competition between the regions and the emergence of innovation. In line with such authority, local governments are expected to be able to explore their financial potential in particular to finance the governance and development in the region through regional revenue. The local government should always be creative in improving acceptance of the original income. The sources of revenue potential area to be explored to the fullest, but of course in the corridor of the legislation in force, including the local taxes and levies which become elements of the main local revenues.

The Law No. 32 and No. 33/2004 has shifted the majority of central government authority is located in Local

Government. The implication is that local governments are required to be able to perform excavation and utilization of financial resources alone. The potential revenue is available at the local government level should continue to be managed and utilized optimally. Local revenues are very important positions in the area. Its contribution is expected to be the main pillar of development financing by local governments. The stronger the financial capacity of a region, the more development programs that can be implemented that would affect the speed of achievement of the level of welfare.

The central government through various regulations and policies have been delegated to the regions to explore the potential income. The effort to dig up financial resources that come from local revenue is a dynamic job in a sense to be in tune with the changes that occurred in the district /city. The dynamics of the socio-economic setting, the legal demands of legislation and the demands of the public areas of improvement of government performance over becoming a state of the art that boost regional revenue [2]. Under the state of the art of this kind, the relevant central issues to be discussed in relation to the increase in revenue is to prepare study documents that can be a valid reference grip and system measures to realize the optimal local revenues[3]. In order to improve the financial capability to carry out autonomous regions, the government made various areas of taxation policy, including by setting the Law No.28/2000 on amendments to the Law No. 34/2000 on Regional Taxes and Levies. Granting authority in the imposition of taxes and levies, it is expected to further encourage local governments continue to optimize local revenues, particularly from local taxes and levies[4].

Therefore Jeneponto District should further optimize potential revenue sources existing area. Good effort

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management revenue sources intensively (intensification) and the possible expansion of the object as a new revenue source (extension)[5]. This can be done by optimizing the potential sources of revenue that had been there more effectively and efficiently. Related to the case, then considered very urgent to examine how to improve the original income through the optimization of local taxes and levies in Jeneponto.

2.Strategy Enhancement Income First Regional

The successful management of the reception area is not only measured by the amount of revenue that can be achieved, but the extent of local taxes and levies as well as other sources of income play a role regulating the economy the community to grow and develop which in turn can improve the welfare of people in the area. Theoretically fiscal capacity can be increased with the intensification and or extension. Efforts are extending efforts to expand these types of charges. This effort must be made carefully by considering various aspects of national economic interests. Efforts were intensifying efforts to increase the independence of the reception area by improving the performance of taxes and levies that exist. This effort requires the ability to be able to identify areas of potential reception area and then were able to pick it up with, based on the principle of benefit and fairness. Furthermore, to achieve this, various resources (*software and hardware*) used to levy and collection strategies need to be prepared. In the short term most activities is easy and can be done is to intensify the object or local revenue sources that already exist by calculating the potential of the preparation of information system database of potential. By doing the effectiveness and efficiency of local revenue source or object, it will increase the productivity of the reception area without having to expand revenue sources or objects that require the study of bare, and the process takes less time. Estimation of the potential through the development of a data base that is shaped and composed of variables that reflect each type of reception. (taxes, fees and other revenues) in order to describe the condition of the potential of a kind reception.

In the short-term efforts to increase revenues is capable of laying the groundwork leading to the reception area of the "right" and reflect the function of local government. Improved reception area unfocused and right (only short term and in the interests of certain groups) it will topple the government and the authority of the Regional Representatives Council in the eyes of the public, which in turn will reduce the welfare of local communities. Therefore, the determination of potential (preparation of database of potential) every kind of reception area correctly and the application of systems and procedures for the collection of the reception area in accordance with the circumstances of the local community as well as the supervision completely by the regional council will be able to optimize the increasing acceptance area.

In general, efforts should be made by the regional government in order to increase local revenue through optimizing the intensification of local taxation and levies[6], among other things can be done in the following ways:

- 1) *Expanding the revenue base.* Actions taken to expand the revenue base that can be levied by the area, which is in the economic calculation is consider a potential, among others, identify taxpayers' new / potential and the number of taxpayers, improve object database, improve assessment, calculating the capacity of the reception of any kind of charges.
- 2) *Strengthening the voting process.* Efforts are made to strengthen the process of collecting, among other things speed up the decision-making, particularly the tariff change levy rates.
- 3) *Increasing the capacity of manager of the reception area.* Capacity manager reception area is one key to the success of the optimization reception area. Efforts that can be done through
 - a) Balancing the needs of managers qualitatively and quantitatively,
 - b) Recruitment manager.
 - c) Training of managers
 - d) Fulfillment welfare aspects of the manager (salary, wages picking up, career and pension system).
- 4) *Impromptu oversight.* This can be improved by performing an impromptu inspection and periodic, improve the regulatory process, impose sanctions on tax arrears and penalties toward the tax authorities.
- 5) *Improving administrative efficiency and reduce the cost of collections.* Actions taken by the region are among others improve tax administration by simplifying procedures administration tax increase collection efficiency of each type of ballot.
- 6) *Increase the enrollment capacity through better planning.* This can be done by improving coordination with relevant agencies in the area.
- 7) *Raising awareness of the taxpayer / levy.* Need to be growing the awareness and even pride taxpayer/compulsory levy taxes / levies as they contributed to local development. Activities that can be done is: A persuasive approach-participatory, counseling taxes and levies, Implementation excellent service.

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