

# Analysis of Hotel and Restaurant Tax Efficiency, Effectiveness, and Contribution to Regional Original Revenue (PAD) of North Toraja Regency

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Research Paper

## Analysis of Hotel and Restaurant Tax Efficiency, Effectiveness, and Contribution to Regional Original Revenue (PAD) of North Toraja Regency

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This research aims to determine and analyze the efficiency and effectiveness of hotel, restaurant, and hotel and restaurant tax revenues together in North Toraja Regency, as well as to determine the magnitude of the potential for hotel and restaurant taxes on Regional Original Income (PAD) in North Toraja Regency. This research uses a quantitative descriptive approach with a statistical descriptive approach. The results of this research are: 1) The effectiveness of hotel and restaurant taxes has an effect on local revenue (PAD) of North Toraja Regency, 2) Hotel tax efficiency does not have a significant effect on local revenue (PAD) of North Toraja Regency, 3) Tax contributions hotels and restaurants have a significant effect on local revenue (PAD) of North Toraja Regency, and 4) The potential for hotel and restaurant taxes in North Toraja Regency in 2013-2018 continues to increase, only in 2020 it decreases due to tourist visits due to the pandemic.

**Keywords:** Efficiency, Effectiveness, Tax Contribution, North Toraja

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### I. INTRODUCTION

Taxes are a source of state revenue, both central and local governments, which are used to carry out development and development to achieve the welfare of all Indonesian people. Taxes in the State of Indonesia from year to year are increasing local revenue by collecting local taxes. One of Regional Original Revenue (PAD) comes from Regional Taxes, namely taxes levied by the regions for the benefit of local government household financing. Where hotel and restaurant taxes are one of the potential sources of local taxes in providing income for the state treasury.

Hotel tax and restaurant tax are one type of tax that has potential at this time along with the development of an area due to the increase in the tourism sector both at home and abroad. One indicator of the increase in the tourism sector is shown by the increase in hotels, inns, restaurants, culinary services and various types of buildings that provide residential services for tourists.

Taxes are very important for regions to finance the running of regional government and development, for that local governments must be able to maximize the improvement of regional tax management which has an impact on increasing regional income. The increase in local taxes is determined by the local tax component itself. North Toraja Regency has sought to receive regional income from the regional tax sector, but in terms of tax collection in North Toraja Regency, it is considered not optimal.

North Toraja Regency Regional Tax Target and Realization from 2013-2020

Year	Target (Rp.)	Realisasi (Rp.)	Presentase (%)	Rasio Pertumbuhan (%)
2013	6.409.925.500,00	6.589.276.945,00	103	
2014	8.911.827.775,00	8.718.949.610,00	97,84	0,32
2015	10.540.390.225,00	10.300.489.724,98	97,72	0,18
2016	12.289.685.375,00	11.040.040.061,60	89,83	0,07
2017	19.443.593.000,00	16.208.699.402,38	83,36	0,47
2018	21.034.818.100,00	18.403.534.804,74	87,49	0,14
2019	23.139.049.100,00	19.572.426.271,00	84,49	0,06
2020	25.549.021.000,00	19.004.505.370,00	74,38	-2,90

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From the table above, it can be seen that nominally the realization of North Toraja Regency regional taxes from 2013 to 2019 continues to increase. In 2013 the tax realization exceeded the target of the set target of 103 percent. In 2014 to 2019 the realization of taxes continued to increase but the percentage of the increase was fluctuating. Then in 2020 the realization of the tax target decreased to 74.38 percent or decreased by 2.90 percent from 2019. It can be seen that the management of local taxes in North Toraja Regency has not been maximized and the percentage of effectiveness tends to fluctuate every year.

This shows that hotel and restaurant tax contributions have not been effective in North Toraja Regency. In terms of North Toraja is a tourist destination, which means relying on PAD sources that come from most tourists both foreign and domestic through the number of tourists who use hotel and restaurant services to meet their needs during their stay in North Toraja.

## 52 II. LITERATURE REVIEW

### 2.1. Basic Concepts

#### 2.1.1. Fiscal Decentralization Concept

This concept<sup>55</sup> is the transfer of authority from the Central Government to the Regional Government so that the region itself has the authority to regulate its government based on the aspirations of the people and the needs of the people in an area.

#### 2.1.2. Regional Original Revenue (PAD) Concept

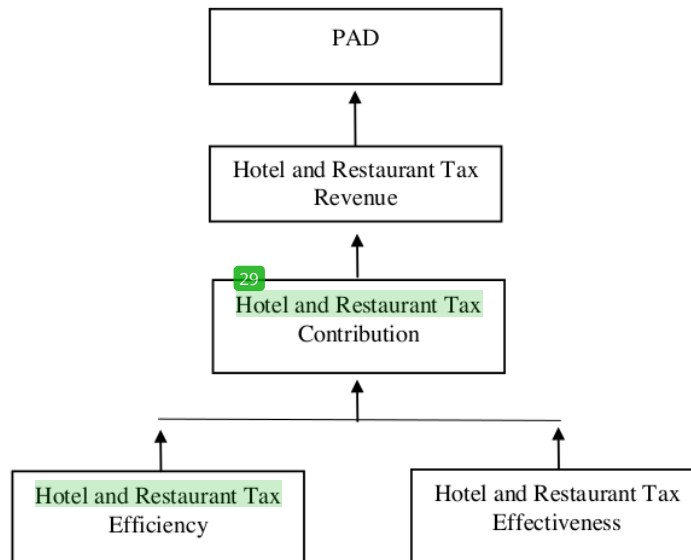
The definition of Regional Original Revenue<sup>21</sup> is defined on Law Number 33 of 2004 concerning the financial balance between the central and regional governments is the income obtained by the regions which is collected based on regional regulations<sup>37</sup> in accordance with statutory regulations. PAD is income sourced from local governments consisting of: local taxes, regional levies, profits from regional-owned enterprises (BUMD), and other legitimate local revenue.

#### 2.1.3. Tax and Regional Tax Concept<sup>6</sup>

According to Law Number 28 of 2007, Tax is a mandatory contribution to the State that is owed by an individual or entity that is coercive under the law without receiving direct compensation and is used for the purposes of the State for the greatest prosperity of the people.

## III. CONCEPTUAL FRAMEWORK

### 3.1. Conceptual Framework



### 3.2. Hypothesis

1. It is thought that the hotel and restaurant tax efficiency in North Toraja Regency has increased

2. It is thought that the hotel and restaurant tax effectiveness in North Toraja Regency has increased
3. It is thought that the hotel and restaurant tax contribution in North Toraja Regency has increased
4. It is thought that the hotel and restaurant tax potential in North Toraja Regency has increased

#### IV. RESEARCH METHOD

##### 4.1. Research Design

This study uses a quantitative descriptive approach with a statistical descriptive approach. Descriptive quantitative research is research that seeks to describe or describe a phenomenon. Quantitative methods are used to calculate the effectiveness and efficiency of hotel and restaurant taxes and their contribution to the PAD of North Toraja Regency and the data used in this study is time series data with an observation period between 2013 and 2020.

##### 4.2. Research Time and Location

This research was conducted in North Toraja Regency, carried out in coordination with the Regional Revenue Agency, the Tourism Office, the length of the research was approximately 2 (two) months, namely August to September 2021.

##### 4.3. Population, Sample and Sampling

The population in this study is a taxpayer in the form of hotels and restaurants in North Toraja Regency. While the sample used is a saturated sample because the population is small.

##### 4.4. Data Types and Sources

The type of data used in this study is quantitative data, which is data that is measured on a numerical scale (numbers). Data were obtained from the Central Statistics Agency (BPS) and the Regional Revenue Agency of North Toraja Regency.

##### 4.5. Data Gathering Method

The data collection method used in this study is a documentation study by reading literature, taxes, potential journals and hotel tax contributions, as well as other sources such as documents at the Central Bureau of Statistics North Toraja Regency, North Toraja Regency Regional Revenue Agency, Regency in Figures 2020. from the Central Bureau of Statistics of North Toraja.

##### 4.6. Research Variables

The research variable used is the independent variable (independent variable) hereinafter referred to as the independent variable, namely the contribution of hotel and restaurant tax revenues, hotel and restaurant tax effectiveness, hotel and restaurant tax efficiency and North Toraja Regency original revenue as the dependent variable.

##### 4.7. Operational Definition

###### 1. Hotel and Restaurant Tax Revenue

According to Law No. 28 of 2009 article 1 numbers 20 and 21, hotel tax is a tax on services provided by hotels. According to Law No. 28 of 2009 restaurant tax is a tax on services provided by restaurants. Hotel and restaurant tax is an effort carried out by the Regional Revenue Agency of North Toraja Regency in order to increase regional tax revenues that support the increase of Regional Original Income.

###### 2. Regional Original Revenue (PAD)

Regional Original Revenue (PAD) is the revenue obtained by the region from sources in its own territory measured in rupiah for a period of 8 years, from 2013 to 2020.

###### 3. Effectiveness

Comparison between the realization of hotel and restaurant tax revenue with the hotel and restaurant tax revenue target in percent units. The following are the criteria for evaluating effectiveness:

1. Above 100% : Very Effective
2. 90-100% : Effective
3. 80-90% : Adequately Effective
4. 60-80% : Less Effective
5. Below 60% : Not Effective

#### 4. Efficiency

Comparison between hotel and restaurant tax collection costs with hotel and restaurant tax revenue realization in percentage units. <sup>28</sup>

1	Less than 10%	: Very Efficient
2	10% - 20%	: Efficient
3	21% - 30%	: Adequately Efficient
4	31% - 40%	: Less Efficient
5	More than 40%	: Not Efficient

### V. RESEARCH RESULT

#### 5.1. Research Results

##### 5.1.1. Hotel and Restaurant Tax Revenue Realization

YEAR	TARGET	HOTEL TAX REALIZATION
2013	662.000.000,00	643.163.789,00
2014	662.000.000,00	754.954.619
2015	957.000.000,00	1.051.931.470
2016	1.183.000.000,00	1.200.125.572
2017	1.800.000.000,00	1.505.617.171
2018	2.000.000.000,00	1.792.141.300
2019	2.139.049.100,00	1.289.457.684
2020	1.669.049.100,00	600.568.009,00

The table above shows the realization of hotel tax revenues and the targets set by the local government of North Toraja Regency from 2013 to 2020. Budgeted hotel tax revenues continued to increase from 2013 to 2019. However, in 2020 there was a decline, due to lack of visitors amid the COVID-19 pandemic.

YEAR	TARGET	RESTAURANT TAX REALIZATION
2013	323.000.000,00	363.821.691,00
2014	323.000.000,00	424.595.204
2015	449.000.000,00	757.111.992
2016	758.000.000,00	1.077.910.402
2017	1.522.400.000,00	1.788.645.834
2018	2.000.000.000,00	2.204.351.376
2019	2.020.000.000,00	1.707.750.932
2020	2.610.000.000,00	1.540.540.191,00

Based on the table above, it shows the realization of revenue and <sup>27</sup> tax revenue targets that have been budgeted by the local government for restaurants in North Toraja Regency. <sup>23</sup> It can be seen that the tax revenue target that has been set increases every year.

Based on the data above, it can be seen that the government is able to realize tax revenues exceeding the set target. However, in 2019 and 2020 the restaurant tax did not reach the set target.

##### 5.1.2. Regional Original Revenue (PAD) Realization <sup>46</sup>

Regional Original Revenue (PAD) is a combination of 4 types of PAD consisting of regional taxes, regional levies, separated regional wealth management results and other legitimate regional original income. <sup>34</sup> The following is the total budget and local revenue (PAD) in North Toraja Regency from 2013 to 2020.

YEAR	TARGET	PAD REALIZATION
2013	20.331.609.250,00	19.824.778.307,37
2014	25.345.877.930,00	32.113.888.542,94
2015	39.203.596.900,00	33.808.406.730,57
2016	44.045.099.325,00	34.896.616.655,55
2017	66.508.803.000,00	44.165.976.209,12
2018	58.220.028.100,00	41.975.878.751,30
2019	56.220.028.100,00	51.867.651.798,99
2020	77.433.903.735,00	55.672.229.593,93

The table above shows the comparison between the target and the realization of local revenue (PA <sup>41</sup>) that has been set and budgeted by the local government of North Toraja district. The amount of local revenue set by the government continues to increase both in terms of budget and realization. Thus, it can be concluded that the PAD revenue target set by the government continues to increase every year. However, it has not been able to realize the revenue in accordance with the target.

**5.1.3. Tax Collection F<sup>22</sup>**

To measure the efficiency of hotel and restaurant tax collection, a comparison between the cost of tax collection and the realization of hotel and restaurant tax revenue is used in North Toraja Regency. The following is the cost of tax collection in North Toraja Regency in 2013-2020.

YEAR	TAX COLLECTION FEE
2013	217.847.500
2014	206.907.200
2015	221.568.000
2016	238.997.400
2017	193.935.150
2018	235.737.800
2019	218.383.550
2020	210.110.225

The table above shows that the cost of collecting hotel and restaurant taxes in North Toraja Regency from 2013 to 2020 has fluctuated. The occurrence of fluctuations in tax collection costs due to the addition of hotels and restaurants as well as hotels and restaurants that went bankrupt. The increasing number of hotels and restaurants in North Toraja Regency is followed by an increase in the cost of collecting taxes, and vice versa.

**5.2. Hotel and Restaurant Tax Effectiveness Analysis**

Effectiveness analysis is used to measure the success of an organization in achieving its goals. Realization of tax revenue can be said to be good if the realization is greater than the target or the realization of revenue is close to the target. The effectiveness of hotel and restaurant taxes can be seen from the comparison between the realization of hotel and restaurant tax revenues and the hotel and restaurant tax revenue targets. The higher the resulting effectiveness, the more effective the implementation of tax collection. The level of tax and restaurant effectiveness of North Toraja Regency is as follows.

Year	Hotel Tax Realization	Hotel Tax Target	Effectiveness	Criteria
2013	643.163.789.00	662.000.000.00	97%	Effective
2014	754.954.619	662.000.000.00	114%	Very Effective
2015	1.051.931.470	957.000.000.00	110%	Very Effective
2016	1.200.125.572	1.183.000.000.00	101%	Very Effective
2017	1.505.617.171	1.800.000.000.00	84%	Adequately Effective
2018	1.792.141.300	2.000.000.000.00	90%	Effective
2019	1.289.457.684	2.139.049.100.00	60%	Not Effective
2020	600.568.009.00	1.669.049.100.00	36%	Not Effective

The table above shows that the effectiveness of hotel taxes in North Toraja Regency from 2013 to 2020 has different criteria. The year 2013 is included in the effective criteria with a calculation result of 97%, for 2014-2016 the effectiveness of hotel taxes in North Toraja Regency has very effective criteria with the calculation results of 114%, 110% and 101% respectively. Furthermore, in 2017 the calculation of tax effectiveness decreased to quite effective at 84%, and in 2018 it was included in the effective criteria with a value of 90%. Meanwhile, for the year 2019-2020 the effectiveness of the hotel tax in North Toraja district has become ineffective.

Year	Restaurant Tax Realization	Restaurant Tax Target	Tax Effectiveness	Criteria
2013	363.821.691.00	323.000.000.00	113%	Very Effective
2014	424.595.204	323.000.000.00	131%	Very Effective
2015	757.111.992	449.000.000.00	169%	Very Effective
2016	1.077.910.402	758.000.000.00	142%	Very Effective
2017	1.788.645.834	1.522.400.000.00	117%	Very Effective
2018	2.204.351.376	2.000.000.000.00	110%	Very Effective
2019	1.707.750.932	2.020.000.000.00	85%	Adequately Effective
2020	1.540.540.191.00	2.610.000.000.00	59%	Not Effective

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The results of the calculation of the effectiveness of the restaurant tax in North Toraja Regency show that in the period 2013 to 2018 the effectiveness of the restaurant tax is included in the very effective criteria. Meanwhile, in 2019 the effectiveness of the restaurant tax is quite effective and for 2020 the tax effectiveness is in the ineffective criteria.

**5.3. Hotel and Restaurant Tax Efficiency Analysis**

Tax efficiency is a comparison between the cost of tax collection with the realization of tax revenue. Realization of tax revenue can be said to be good if the realization of tax revenue is greater than the cost of collection. The

higher the tax efficiency, the more efficient the cost of tax collection. The comparison between the realization of tax revenue and the cost of collecting hotel taxes in North Toraja Regency is as follows:

Year	Tax Collection Fee	Tax Realization	Tax Efficiency	Criteria
2013	217.847.500	662.000.000,00	33%	Less Efficient
2014	206.907.200	662.000.000,00	31%	Less Efficient
2015	221.568.000	957.000.000,00	23%	Adequately Efficient
2016	238.997.400	1.183.000.000,00	20%	Efficient
2017	193.935.150	1.800.000.000,00	11%	Efficient
2018	235.737.800	2.000.000.000,00	12%	Efficient
2019	218.383.550	2.139.049.100,00	10%	Very Efficient
2020	210.110.225	1.669.049.100,00	13%	Efficient

Based on the table above, it shows that the efficiency of spending on hotel tax collection from 2013 to 2020 has decreased based on numbers, but it shows that the level of efficiency of tax expenditure is good or efficient.

Furthermore, the comparison between the realization of restaurant taxes and the cost of collecting restaurant taxes in North Toraja Regency in 2013-2020 is as follows.

Year	Tax Collection Fee	Tax Realization	Tax Efficiency	Criteria
2013	217.847.500	363.821.691,00	60%	Not Efficient
2014	206.907.200	424.595.204	49%	Not Efficient
2015	221.568.000	757.111.992	29%	Adequately Efficient
2016	238.997.400	1.077.910.402	22%	Adequately Efficient
2017	193.935.150	1.788.645.834	11%	Efficient
2018	235.737.800	2.204.351.376	11%	Efficient
2019	218.383.550	1.707.750.932	13%	Efficient
2020	210.110.225	1.540.540.191,00	14%	Efficient

The results of the above calculation show that the restaurant tax efficiency in North Toraja Regency in 2013-2020 still incurs costs in local tax collection. This causes the level of tax efficiency to vary each year.

#### 5.4. Tax Contribution Towards Regional Original Revenue (PAD) Analysis

Hotel and restaurant tax is one type of local tax that is a source of local revenue used for financing and administering the North Toraja district. Hotel tax is one of the types of local taxes that is collected and is a type of tax with a high realization compared to other taxes. With this high realized value, hotel taxes are expected to be able to contribute to local revenue. The calculation of the hotel tax contribution to local revenue (PAD) in North Toraja Regency is as follows.

Year	Realisasi Pajak Hotel	Realisasi PAD	Kontribusi	Kriteria
2013	643.163.789	19.824.778.307,37	3%	Contributing
2014	754.954.619	32.113.888.542,94	2%	Adequately Contributing
2015	1.051.931.470	33.808.406.730,57	3%	Contributing
2016	1.200.125.572	34.896.616.655,55	3%	Contributing
2017	1.505.617.171	44.165.976.209,12	3%	Contributing
2018	1.792.141.300	41.975.878.751,30	4%	Very Contributing
2019	1.289.457.684	51.867.651.798,99	2%	Adequately Contributing
2020	600.568.009	55.672.229.593,93	1%	Not Contributing

Year	Realisasi Pajak Restoran	Realisasi PAD	Kontribusi	Kriteria
2013	363.821.691,00	19.824.778.307,37	2%	Adequately Contributing
2014	424.595.204	32.113.888.542,94	1%	Not Contributing
2015	757.111.992	33.808.406.730,57	2%	Adequately Contributing
2016	1.077.910.402	34.896.616.655,55	3%	Contributing
2017	1.788.645.834	44.165.976.209,12	4%	Very Contributing
2018	2.204.351.376	41.975.878.751,30	5%	Very Contributing
2019	1.707.750.932	51.867.651.798,99	3%	Contributing
2020	1.540.540.191,00	55.672.229.593,93	3%	Contributing

#### 5.5. Hotel and Restaurant Tax Potential Analysis

Tax potential is a potential that is measured by multiplying the data from the observation of the object of research with the hotel and restaurant tax rate. So it is found the estimated amount of tax owed borne by the taxpayer (Mahmudi, 2007). In this case the restaurant, restaurant and cafe tax is set at 10%.

Year	Turnover Per Day	Hotel Tax Potential
2013	17.433.272	627.597.785
2014	26.152.107	941.475.842
2015	27.247.911	980.924.783
2016	30.498.242	1.097.936.699
2017	40.803.531	1.468.927.110
2018	48.507.709	1.746.277.536
2019	35.395.927	1.274.253.363
2020	20.216.181	727.782.513

The potential increase in hotel taxes is due to the continued increase in restaurant turnover per day in line with the continued increase in the number of tourists visiting North Toraja Regency in relation to hotel visits, it's just that in 2020 the potential for taxes will decrease due to the lack of tourists visiting North Toraja due to the pandemic period.

Year	Turnover Per Day	Restaurant Tax Potential
2013	9.238.687	332.592.732
2014	14.832.951	533.986.246
2015	24.301.459	874.852.535
2016	29.278.242	1.054.016.726
2017	48.887.890	1.759.964.026
2018	54.885.631	1.975.882.730
2019	49.378.807	1.777.637.036
2020	43.966.050	1.582.777.812

The potential increase in restaurant taxes is due to the continued increase in restaurant turnover per day in line with the continued increase in the number of tourists visiting North Toraja Regency in relation to hotel visits, it's just that in 2020 the potential for taxes will decrease due to the lack of tourists visiting North Toraja due to the pandemic period.

## 5.6. Statistics Analysis Result

### 5.6.1. Regression Analysis

Data processing using regression analysis is used to determine how much influence the independent variables have on the dependent variable. The following are the results of regression processing with the help of the SPSS program.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	117.883	4.517		26.096	.000
	Hotel Tax Effectiveness (X1)	-.578	.080	-.1428	-7.230	.000
	Hotel Tax Efficiency (X2)	.041	.096	.038	.420	.675
	Hotel Tax Contribution (X3)	1.471	.214	.1395	6.876	.000

a. Dependent Variable: Regional Original Revenue (PAD) (Y)

The results of multiple linear regression testing for the effectiveness, efficiency, contribution of hotels to local revenue can be explained through the following equation:

$$Y = 117,883 - 0,578X_1 + 0,041X_2 + 1,471X_3 + e$$

- The constant of 117.883 indicates that if the independent variable is 0 then the value for Regional Original Revenue is 117.883.
- Hotel Tax Effectiveness (X1) has a regression coefficient of -0.578. This shows that an increase of 1% in the hotel tax effectiveness variable means that local revenue (PAD) will decrease by -0.578, assuming other variables remain.
- Hotel Tax Efficiency (X2) has a regression coefficient value of 0.041. This means that if the tax efficiency variable increases by 1%, the local revenue (PAD) will increase by 0.041 assuming other variables remain.
- The hotel tax contribution (X3) has a regression coefficient of 1.471. This means that the tax contribution variable with an increase of 1%, the value of Regional Original Income will increase by 1.471 assuming other variables remain.

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Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	124.312	4.376		28.409	.000
	Restaurant Tax Effectiveness(X1)	-.159	.034	-.520	-4.652	.000
	Restaurant Tax Efficiency (X2)	-.248	.097	-.236	-2.550	.012
	Restaurant Tax Contribution (X3)	.581	.113	.630	5.156	.000

a. Dependent Variable: Regional Original Revenue (Y)

The results of multiple linear regression testing for the effectiveness, efficiency, contribution of restaurant taxes to local revenue can be explained through the following equation:

$$Y = 124,312 - 0,159X_1 - 0,241X_2 + 0,581X_3 + e$$

- The constant of 124.312 indicates that if the independent variable is 0 then the value for Regional Original Revenue is 124.312.
- Restaurant Tax Effectiveness (X1) has a regression coefficient of -0.159. This shows that an increase of 1% in the restaurant tax effectiveness variable means that local revenue (PAD) will decrease by -0.159, assuming other variables remain.
- Restaurant Tax Efficiency (X2) has a regression coefficient of -0.248. This means that if the tax efficiency variable increases by 1%, the local revenue (PAD) will decrease by 0.248 assuming other variables remain.
- Restaurant tax contribution (X3) has a regression coefficient value of 0.581. This means that the tax contribution variable with an increase of 1%, the value of PAD will increase by 0.581 assuming other variables remain.

**5.6.2. F Statistic Test**

The F statistical test aims to determine whether there is a simultaneous effect between tax effectiveness, tax efficiency, and tax contribution on local tax results. Below are the results of the statistical F test for hotel taxes.

ANOVA <sup>a</sup>			
Model		F	Sig.
1	Regression	17.823	.000 <sup>b</sup>
	Residual		
	Total		

a. Dependent Variable: Regional Original Revenue (PAD) (Y)

b. Predictors: (Constant), Hotel Tax Contribution(X3), Hotel Tax Efficiency(X2), Hotel Tax Effectiveness (X1)

Based on the results of the F test above, it shows that the F value is 17,823 with a significance level of 0.000. This shows that the significance level is less than 0.05 which indicates that the independent variables in the form of hotel tax effectiveness, hotel tax efficiency, and hotel tax contributions together have a significant and simultaneous effect on local revenue (PAD). Furthermore, the results of the F test for restaurant taxes are as follows.

ANOVA <sup>a</sup>			
Model		F	Sig.
1	Regression	20.338	.000 <sup>b</sup>
	Residual		

Total
a. Dependent Variable: Regional Original Revenue (Y)
b. Predictors: (Constant), Restaurant Tax Contribution (X3), Restaurant Tax Efficiency (X2), Restaurant Tax Effectiveness (X1)

The F test table above shows an F value of 20.338 and a significance value of 0.000 <0.05. Thus, the effectiveness of restaurant taxes (X1), restaurant tax efficiency (X2) and restaurant tax contributions (X3) simultaneously or jointly affect local revenue (PAD).

### 5.6.3. T Statistic Test

The t-statistical test shows how much influence an individual independent variable has in influencing the dependent variable. The results of the statistical t-test calculation for hotel taxes in North Toraja Regency are as follows.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	117.883	4.517		26.096	.000
	Hotel Tax Effectiveness(X1)	-.578	.080	-.1428	-7.230	.000
	Hotel Tax Efficiency(X2)	.041	.096	.038	.420	.675
	Hotel Tax Contribution(X3)	1.471	.214	.1395	6.876	.000

a. Dependent Variable: Regional Original Revenue (PAD) (Y)

Based on the results of data processing using linear regression showed the following results:

1. The effectiveness of the hotel tax (X1) shows a t value of -7.230 and a significance value of 0.000 <0.05. Thus, the effectiveness of hotel taxes has a negative and significant effect on local revenue (PAD).
2. Hotel Tax Efficiency (X2) has a t-count value of 0.420 and a significant value of 0.675 > 0.05. Thus, hotel tax efficiency has no effect on local revenue (PAD).
3. Hotel Tax Contribution (X3) has a t-count value of 6.876 and a significant value of 0.000 <0.05. This shows that the hotel tax contribution has a positive and significant effect on local revenue (PAD).

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	124.312	4.376		28.409	.000
	Restaurant Tax Effectiveness(X1)	-.159	.034	-.520	-4.652	.000
	Restaurant Tax Efficiency(X2)	-.248	.097	-.236	-2.550	.012
	Restaurant Tax Contribution(X3)	.581	.113	.630	5.156	.000

a. Dependent Variable: Regional Original Revenue (Y)

Furthermore, the table above shows the results of the statistical t-test for restaurant taxes in North Toraja Regency.

1. The effectiveness of the restaurant tax (X1) shows a t-value of -4.652 and a significance value of 0.000 < 0.05. Thus, the effectiveness of the restaurant tax has a negative and significant effect on local revenue (PAD).
2. Restaurant tax efficiency (X2) has a t-count value of -2.550 and a significant value of 0.012 <0.05. Thus, hotel tax efficiency has a negative effect on local revenue (PAD).
3. The Restaurant Tax Contribution (X3) has a t-count value of 5.156 and a significant value of 0.000 <0.05. This shows that the hotel tax contribution has a positive and significant effect on local revenue (PAD).

### 5.6.4 <sup>11</sup> Determination Coefficient

The coefficient of determination is used to determine how much the independent variable can explain the dependent variable. The determination value is determined by the Adjust R Square value. The results of the coefficient of determination test for hotel taxes in North Toraja district are as follows:

<sup>26</sup>

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.606 <sup>a</sup>	.368	.347	17.81849	.490

a. Predictors: (Constant), Hotel Tax Contribution(X3), Hotel Tax Efficiency(X2), Hotel Tax Effectiveness(X1)

b. Dependent Variable: Regional Original Revenue (PAD) (Y)

<sup>40</sup> Based on the results of the R-Square test above, it can be seen that the result of Adjust R Square is 0.347. Thus, the variables of hotel tax effectiveness, hotel tax efficiency, and hotel tax contributions can affect the dependent variable of local revenue (PAD) by 34.7% and the remaining 65.3% is explained by other variables not included in the research model. As is known, hotel taxes are not the only income for the North Toraja Regency area, but there are still many aspects that become tax revenues for the area.

<sup>10</sup>

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.631 <sup>a</sup>	.399	.379	17.37365	.445

a. Predictors: (Constant), Restaurant Tax Contribution(X3), Restaurant Tax Efficiency(X2), Restaurant Tax Effectiveness(X1)

b. Dependent Variable: Regional Original Revenue (Y)

<sup>3</sup> The result of the coefficient of determination test for restaurant tax in North Toraja district shows the adjusted R-square value of 0.379. This shows that the local revenue (PAD) of North Toraja Regency is influenced by the effectiveness<sup>32</sup> of the restaurant tax, the efficiency of the restaurant tax and the contribution of the restaurant tax by 37.9% while the remaining 62.1% is influenced by other variables.

## 5.7. Discussion

### 1. The Effect of Hotel and Restaurant Tax Effectiveness on Regional Original Income (PAD)

The results of data analysis<sup>30</sup> regarding the effect of tax effectiveness, tax efficiency and hotel and restaurant tax contributions on local revenue (PAD) in North Toraja Regency indicate that the level of hotel tax effectiveness has a significant effect on local revenue (PAD) in North Toraja Regency. This is indicated by the acquisition of a significance value of  $0.000 < 0.05$ . Thus, it shows that the level of hotel tax effectiveness<sup>18</sup> has approached the set target. Meanwhile, the effectiveness of the restaurant tax on local revenue also has a significant effect with a significance value of  $0.000 < 0.05$ . The realization of hotel and restaurant tax revenues has reached the potential that should have been achieved in a certain period.

### <sup>20</sup> The Effect of Hotel and Restaurant Tax Efficiency on Regional Original Income (PAD)

Based on the results of data analysis that has been carried out in the previous chapter, hotel tax efficiency in North Toraja Regency has no significant effect on local revenue (PAD). This is evidenced by the results of data processing with a significant value of 0.675 which is greater than 0.05. Hotel tax efficiency has no effect on Regional Original Revenue, it can be caused because the amount of costs incurred for hotel tax collection is still quite large even though the criteria<sup>18</sup> have been achieved are good. Meanwhile, the restaurant tax efficiency on Regional Original Income has a significant effect with a significance value of  $0.012 < 0.05$ . This means that the use of funds in restaurant tax collection can be optimized properly and is able to minimize resources in achieving predetermined targets.

### <sup>45</sup> 3. The Effect of Hotel and Restaurant Tax Contributions on Regional Original Income (PAD)

The results of the analysis in this study indicate that the hotel tax contribution has a positive and significant effect on Regional Original Income (PAD) in North Toraja Regency with a significance value of  $0.000 < 0.05$ .

Like <sup>3</sup> e, the contribution of restaurant tax in North Toraja Regency also has an effect on local revenue (PAD) with a significant value of  $0.000 < 0.05$ . This means that the level of hotel and restaurant tax contributions in North Toraja Regency is able to contribute to local taxes even though the contribution rate varies each year.

#### **4. Effectiveness of Hotel and Restaurant Tax Revenue in North Toraja Regency**

The results of the research that have been stated previously show that the realization of hotel tax revenues as a whole from 2013-2020 has increased from year to year, but there has been a decline in 2020. The criteria for effectiveness from 2013-2020 vary each year. In 2013 the hotel tax in North Toraja district was included in the effective criteria. Then, in 2014-2016 it rose to be very effective and then decreased to adequately effective in 2017. Then, in 2018 it increased to be effective. Meanwhile, in 2019 and 2020 the effectiveness of hotel tax collection in North Toraja Regency became ineffective.

The highest level of effectiveness occurred in 2014 which was 114% with the realization of tax revenues of Rp. The decrease in effectiveness occurs because the target setting from year to year is not much different from the realization of revenue in the previous year, assuming there is an increase in the number of hotels from 2013 to 2020. This is because in the budget discussion process, there is an expectation of sufficient income. high from hotel tax. However, due to technical conditions, many of the hotels targeted for operation are experiencing a setback process, so that revenues do not match the set targets.

The effectiveness of restaurant tax revenues in the realization of restaurant tax revenues in North Toraja Regency from 2013-2018 increased with very effective criteria and there was a decrease in the realization of tax revenues in 2019-2020 with quite effective and ineffective levels of effectiveness. The highest effectiveness occurred in 2015, 2016 and 2014, while the lowest effectiveness occurred in 2020, which was 59%. The decrease in the effectiveness of restaurant tax revenues was due to the target setting from year to year which was not much different from the realization of revenue in the previous year.

The effectiveness of the restaurant tax in 2013 to 2018 resulted in an effectiveness of more than 100%. This is because, from 2013 to 2018 the number of restaurants in North Toraja Regency has increased quite a lot compared to the previous year. And for restaurants, the realization of revenue is greatly influenced by the increase in the number of new restaurants. So that with more and more new restaurants, it will have an impact on more customers and turnover from restaurant sales. However, there was a decline in 2019-2020 due to a lack of income from some restaurants and some restaurants went out of business. This is due to the COVID-19 pandemic which requires all people and tourists not to travel.

The effectiveness of hotel and restaurant taxes is influenced by the increase in both new hotels and restaurants and the existence of hotels and restaurants that have gone bankrupt in North Toraja district. It can also determine the realization of tax revenue in North Toraja district. In the assessment of effectiveness refers to the realization of revenue and tax revenue targets. So even though the realization of hotel tax revenues is greater than the realization of restaurant tax revenues, it cannot reflect that the effectiveness of hotel taxes will be greater than restaurant taxes. This is because the revenue realization target is an indicator in determining the extent of effectiveness. The target is a challenge that must be achieved by tax managers. And sometimes the effectiveness of tax collection has decreased in a certain year, it can't make it clear that the realization of tax revenue also decreases, it can even increase.

#### **5. Efficiency of Hotel and Restaurant Tax Revenue in North Toraja Regency**

The level of tax efficiency is also one of the requirements for local tax collection. Efficiency is how to use minimal resources to achieve high results. Thus, local tax efficiency is an emphasis on the costs used in collecting local taxes to generate higher revenues. The level of local tax efficiency can be seen from the low collection <sup>4</sup> costs incurred to produce the targets used.

Based on the results of the analysis of hotel tax efficiency, the number decreases every year, but the efficiency criteria are getting better. The results of the calculation of tax efficiency that decreased due to the cost of tax collection were minimized so as to optimize the realization of hotel tax revenues, considering the number of hotels that experienced an increase every year. Similar to the hotel tax efficiency, the restaurant tax also experienced a decrease in the results of the restaurant tax efficiency calculation, but the efficiency criteria were getting better.

The efficiency of hotel and restaurant tax collection costs has decreased, but the percentage of restaurant tax collection efficiency is not as good as hotel tax collection efficiency. This is due to the increasing number of restaurants each year, but the hotel tax revenue is greater than the restaurant tax revenue.

Tax efficiency is affected by the increasing number of new and bankrupt hotels and restaurants. This can determine how much the realization of hotel tax and restaurant tax revenues is. Meanwhile, the collection fee will increase if the number of hotels and restaurants also increases, but the increase in the collection fee will not be so large compared to the increase in actual revenue that occurs. So that efficiency is strongly influenced by the realization of tax revenue generated.

Another factor that affects the tax efficiency of hotels and restaurants is the number of available human resources in various fields of tax management. The number of hotels and restaurants is increasing every year, which will increase the human resources needed for more effective performance. An adequate number of human resources will make it easier to get the targets that have been set so that the collection costs will increase. Even though the costs incurred will increase, it will reduce the risk that causes sub-optimal performance.

#### **6. Hotel and Restaurant Tax Contribution to Regional Original Income (PAD)**

The results of the analysis of the contribution of hotel and restaurant taxes to local revenue (PAD) in North Toraja district in 2013-2020 show that the contribution of hotel and restaurant taxes from 2013 to 2020 fluctuated. However, the realization of hotel and restaurant tax revenues has increased every year, only in 2019 the realization of hotel tax revenues decreased. Until 2020 the realization of hotel taxes has decreased due to a lack of hotel income due to the pandemic which of course affects the amount of taxes to be paid to the regions.

In general, the realization of hotel and restaurant tax revenues has increased every year. However, the contribution of hotel and restaurant taxes to PAD fluctuates. This is because PAD is not only affected by hotel and restaurant taxes but is also influenced by the results of regional levies, the results of separated regional management and other separated regional income.

The contribution of hotel and restaurant taxes to local taxes and PAD has decreased, indicating that there are other sources of local taxes and PAD besides hotel and restaurant taxes that have increased more, so that their contribution is greater to PAD. On the other hand, if the contribution of hotel and restaurant taxes to local revenue (PAD) has increased, it shows that hotel and restaurant taxes as a source of regional taxes have increased more than other sources, thus providing a greater contribution to local revenue (PAD).

## **VI. CONCLUSION**

### **6.1. Conclusion**

This research aims to determine the extent to which the performance of the tax management apparatus in realizing hotel tax revenues and restaurant taxes in North Toraja Regency in 2013-2020. Based on the results of the study, it can be concluded as follows:

1. The effectiveness of hotel and restaurant taxes in North Toraja district has an effect on local revenue (PAD). This shows that the level of effectiveness of hotel and restaurant taxes has approached the target that has been set. The realization of hotel tax revenues and restaurant taxes in North Toraja Regency in general has increased every year. This indicates a good overall growth of hotel tax and restaurant tax each year.

2. Hotel tax efficiency does not have a significant effect on local revenue (PAD) in North Toraja Regency. This is because the amount of costs incurred for hotel tax collection is still quite large even though the criteria that have been achieved are good. Meanwhile, restaurant tax efficiency in the area has a significant effect on local revenue (PAD). The level of hotel and restaurant tax efficiency in North Toraja Regency has improved every year. The cost of collecting restaurant taxes in North Toraja Regency has increased every year, but is accompanied by an increase in the realization of tax revenues. So that the level of tax efficiency every year is getting better.

3. The contribution of hotel and restaurant taxes in North Toraja district has a significant effect on local revenue (PAD). The contribution of hotel and restaurant taxes to PAD fluctuates. This is because PAD is not only influenced by hotel and restaurant taxes but is also influenced by the results of regional levies, the results of separated regional management and other separated regional income. When the contribution of hotel taxes and restaurant taxes increases, it means that hotel taxes and restaurant taxes make a sizeable contribution to local taxes and PAD.

4. The results of the potential calculation that have been carried out show that the potential for hotel and restaurant taxes in North Toraja Regency in 2013-2018 continues to increase, only in 2020 it decreases due to reduced tourist visits due to the pandemic.

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