

# Advertisement Tax Policy in Malang Regency

## (Study on the Implementation of Regional Regulation of Malang Regency)

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### ABSTRACT

*This research is entitled "Advertising Tax in Malang Regency (Study on the Implementation of Malang Regency Regulation Number 1 of 2019 concerning Amendments to the Regional Regulation of Malang Regency Number 8 of 2010 concerning Regional Taxes [1])" which is the result of interview and literature research to answer questions: How to implement the policy implementation in the advertisement tax service. There are two problems that will be examined in this research, namely: 1. What is the form of the advertisement tax service implementation (tax potential data collection, supervision and collection strategies)? 2. What are the driving factors and constraints both internally and externally in policy implementation. To answer this problem, this researcher uses qualitative research methods. The study used several data collection techniques, namely observation, interviews and documentation. So the researcher will go directly to the field and conduct research by means of observation and in-depth interviews with several related informants. The data obtained were then presented descriptively and analyzed using descriptive analytic techniques. From the results of this study, the aim of this research is to provide an understanding of the community regarding "Implementation of the advertisement tax service policy in the Regional Regulation of Malang Regency Number 1 of 2019 in Malang Regency". Based on the existing data, the author tries to describe / describe systematically. 1. Potential data collection is realized with npwpd services and periodic field data collection. Supervision is carried out to provide control and inspection. The collection strategy has been running according to good policy and governance. 2. The factors driving and constraining the implementation of policies, the driving factors are the improvement of facilities, the competence of officers and the support of regional banks. While the obstacle factors are the number of types of taxes, the area of Malang Regency and the low level of compliance.*

**Keywords:** Policy Implementation, Tax Services, Advertisement Tax, Driving Factors, Constraints.

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### 1. INTRODUCTION

Regional tax, which is one of the original regional income types, hereinafter referred to as Tax, is a mandatory contribution to the Region that is owed by an individual or a compelling entity based on law, without receiving direct compensation and is used for regional needs for the maximum amount of the amount of prosperity of the people. (Law 28 of 2009 concerning Regional Taxes and Regional Retributions) [1].

Local taxes have two basic functions, namely the revenue function and the regulatory function. The revenue function is to fill the regional treasury or collect community contributions for the benefit of regional development financing. Meanwhile, the regulatory function is that local taxes are used for instruments to achieve certain goals. For example, to reduce the level of public consumption of certain goods, such as taxes on cigarettes, which aim to reduce public consumption of cigarettes.

In 2017, Bapenda Malang Regency has set a regional tax target of 188 billion rupiah and can realize it of 255.8 billion rupiah (135.83%). Then in 2018 the target was set at 236.7 billion rupiah and it could be realized as much as 281 billion rupiah (118.75%). And in 2019 Bapenda set a target of 266.5 billion rupiah and succeeded in realizing it at 298.231 billion rupiah (111.88%). The achievement of the target can be carried out as well as possible by the Regional Revenue Agency of Malang Regency in the last 3 years. This is also reflected in the realization of revenue through advertisement taxes in the 2017-2019 period.

In the advertisement tax in 2017, Malang Regency Bapenda can realize the target of 3,150 billion rupiah to 3,889 billion rupiah (123%). Then in 2018 with a target of 3.72 billion to be realized at 4.03 billion (108%) and in 2019 with a target of 3.9 billion rupiah can realize 4.09 billion rupiah (104%).

From the realization data, the realization of local tax targets by the Malang Regency Revenue Agency could actually exceed the predetermined target value limit. Fulfilling the realization target can be a reflection of the successful implementation of regional regulations on regional taxes. The realization of local taxes made by the Regional Revenue Agency of Malang Regency is higher than what has been predicted, it can be caused by the large number of potential tax objects that have not been touched by tax collection.

As one of the potential regional tax revenues, billboards are the fifth leading regional tax that can potentially "upgrade" to number 4 if the Regional Revenue Board can encourage more realization of the billboard tax. The facts on the ground are that there are many problems in the implementation of billboards that could potentially become objects of advertisement tax, such as: inappropriate advertisement tax reports, incidental billboards that do not have illegal stickers / billboards, change of billboards text on permanent billboards that are not properly monitored. According to the Regional Regulation of Malang Regency that text changes are subject to a 10% rate, if this incident is not monitored, Malang Regency Bapenda could "lose" potential billboard tax revenue. And the placement of billboards anywhere. The value of advertisement tax revenue is also determined by the selling value of advertisement objects (NJOR) where there is a zoning area with a high NJOR. If the placement is not in accordance with the provisions, it can result in a decrease in the optimization of advertisement tax revenue.

The problem is that if handled properly by the Malang Regency Revenue Agency, it can become a potential advertisement tax that might increase the advertisement tax to become the fourth leading in local taxes.

The wide area of Malang Regency can be an obstacle for the Regional Revenue Agency of Malang Regency which has inadequate human resources in an effort to carry out optimal and intense monitoring of the implementation of billboards in Malang Regency.

In an effort to meet the target of local tax realization, the Malang Regency Regional Revenue Agency carries out tax collection based on Malang Regency Regional Regulation Number 1 of 2019 concerning Amendments to Malang Regency Regional Regulation Number 8 of 2010 concerning Regional Tax [2].

Based on these conditions, the authors are interested in conducting research with the title "Advertising Tax in Malang Regency (study of the Implementation of Malang Regency Regional Regulation Number 1 of 2019 concerning Amendments to Malang Regency Regional Regulation Number 8 of 2010 concerning Regional Taxes" [2].

Based on the background description and identification of the problem referred to, the main problems in this study are intended as follows: 1. How is the implementation of the advertisement tax policy in Malang Regency based on Malang Regency Regional Regulation Number 1 of 2019 concerning Amendments to Malang Regency Regional Regulation Number 8 of 2010 concerning Taxes Area. 2. What are the drivers and obstacles both internally and externally in the implementation of Malang Regency Regional Regulation Number 1 of 2019 concerning Amendments to Malang Regency Regional Regulation Number 8 of 2010 concerning Regional Taxes.

The objectives of this study are: 1. To analyze the implementation of the advertisement tax policy in Malang Regency based on Malang Regency Regional Regulation Number 1 of 2019 concerning Amendments to Malang Regency Regional Regulation Number 8 of 2010 concerning Regional Taxes, 2. To analyze what are the drivers and obstacles in the implementation of Malang Regency Regional Regulations Number 1 of 2019 concerning Amendments to Malang Regency Regional Regulation Number 8 of 2010 concerning Regional Taxes.

## **2. LITERATURE REVIEW**

### **2.1 Public policy**

Public policy based on the opinion of experts can be interpreted as the conclusion that public policy is an action taken or not taken by the government to achieve certain goals or objectives and to overcome problems that exist in society in the form of regulations or laws.

Apart from the above formulations, it can also be concluded that public policy studies are complex studies, because the implementation of a public policy must go through a number of stages, namely: (1) identifying and formulating public problems, (2) formulating and implementing a policy, (3) analyzing a policy, (4) making decisions on a policy, (5) implementing and monitoring a policy, (6) evaluating a policy, whether it has achieved the desired results, and (7) assessing the impact and effectiveness of implementing a policy.

## 2.2 Public Policy Implementation

Based on the views expressed by several experts, it can be concluded that policy implementation is basically an activity carried out by all stakeholders who are directly or indirectly involved or affected by policies made by the government in the form of regulations and legislation to achieve goals. which is desired.

## 2.3 Public Policy Implementation Model

According to George C. Edward III (in Leo Agustino, 2012: 149-153), there are four variables that determine the success of implementing a policy, namely [3]:

### 1) Communication

Communication is the process of delivering information from the communicator to the communicant. Information needs to be conveyed to policy actors so that policy actors can understand what is the content, purpose, direction, target group of the policy, so that policy actors can prepare any matters related to policy implementation, so that the policy implementation process can run effectively and in accordance with the objectives of the policy itself. There are three indicators that can be used in measuring the success of the communication variables mentioned above, namely: 1. Transmission, the dimension of transformation requires that information is not only conveyed to policy implementers but also to target groups and related parties; 2. Clarity of Information, The clarity dimension requires information that is clear and easy to understand, in addition to avoiding misinterpretation of policy implementers, target groups and parties involved in policy implementation; 3. Consistency of information, consistency dimension requires that the information submitted is consistent so as not to cause confusion among policy implementers, target groups or related parties.

### 2) Resource

Resources are important in implementing policies. Although the provisions and rules are clear and consistent in their delivery, if the policy implementers who are responsible for implementing the policy lack the resources to implement the policy effectively then the implementation of the policy will not be effective. Resource indicators consist of: 1. Staff (human resources) will not succeed without the support of adequate quality and quantity of human resources. related to skills, dedication, professionalism and competence in their fields, while quantity relates to the number of human resources whether it is sufficient to cover all target groups. 2. Information and authority, Information is also an important factor in policy implementation, especially information that is relevant and sufficiently related to how to implement a policy. Meanwhile the authority plays an important role, especially to ensure and ensure that the policies implemented are as desired. 3. Facilities, facilities or infrastructure are one of the factors that influence policy implementation. The provision of proper facilities, such as buildings, land and office equipment will support the successful implementation of a program or policy. facilities or infrastructure are one of the factors that influence policy implementation. The provision of proper facilities, such as buildings, land and office equipment will support the successful implementation of a program or policy. facilities or infrastructure are one of the factors that influence policy implementation. The provision of proper facilities, such as buildings, land and office equipment will support the successful implementation of a program or policy.

### 3) Disposition

The disposition or attitude of the policy implementer. If the implementation of a policy is to be effective, then policy implementers must not only know what to do but also have the ability to implement it. Therefore, implementing a regulation requires dedication from policy implementers. The behavioral trends or characteristics of policy implementers play an important role in realizing the implementation of policies in accordance with the goals or objectives. Important characteristics that must be possessed by policy implementers are honesty and high commitment. Honesty directs implementers to remain in the program that has been outlined, while high commitment from policy implementers will make them always enthusiastic in carrying out their duties, powers, functions, and responsibilities in accordance with the regulations that have been set. Without a high commitment from the implementers, the implementation of the regulation or policy will not run well, the attitude of the implementer of this policy can be influenced by the incentives given to the policy implementer.

### 4) Bureaucratic structure

The organizational structure has a significant influence on policy implementation. This aspect of the organizational structure covers two things, namely the mechanism and structure of the bureaucracy itself. The first aspect is the mechanism. In implementing policies, standard operating procedures (SOPs) are usually made. SOPs serve as guidelines for every implementer in acting so that policy implementation does not deviate from policy goals and objectives. The second aspect is

the bureaucratic structure, a bureaucratic structure that is too long and fragmented will tend to weaken supervision and lead to complicated and complex bureaucratic procedures which in turn will cause organizational activities to be inflexible.

## **2.4 Tax**

Taxes are public contributions to the State (imposed) that are owed by those who are obliged to pay them according to general regulations (laws) with no return that can be directly appointed and whose use is to finance general expenses related to the State's duty to organize. government.

## **2.5 Scope of Local Taxes**

Regional tax, hereinafter referred to as tax, is an obligatory contribution to the region owed by an individual or entity of a coercive nature based on a law, without receiving direct compensation and used for regional needs for the greatest prosperity of the people.

Based on the Regional Regulation of Malang Regency Number 1 of 2019 concerning Amendments to the Regional Regulation of Malang Regency Number 8 of 2010 concerning Regional Taxes the scope of regional taxes includes: The scope of Regional Taxes includes:

- a. Hotel Tax;
- b. Restaurant tax;
- c. Entertainment Tax;
- d. Advertisement tax;
- e. Street Lighting Tax;
- f. Non-Metal Mineral and Rock Tax;
- g. Parking Tax;
- h. Groundwater Tax;
- i. Rural and Urban Land and Building Tax;
- j. Fees for Acquisition of Rights to Land and Buildings.

## **2.6 Advertisement tax**

Reflecting on Malang Regency Regional Regulation Number 1 of 2019 concerning Amendments to Malang Regency Regional Regulation Number 8 of 2010 concerning Regional Tax, the meaning of advertisement tax is a tax on the implementation of advertisements [1]. It can be interpreted that the obligatory contribution to the Region owed by an individual or entity of a coercive nature under the Law, without receiving direct compensation and used for regional needs for the greatest welfare of the people for the implementation of advertisement activities.

The meaning of Advertisements itself is objects, tools, actions, or media whose forms and styles are designed for commercial purposes to introduce, recommend, promote, or to attract general attention to goods, services, people, or bodies, which can be seen, read, heard, felt, and / or enjoyed by the public.

# **3. RESEARCH METHODOLOGY**

## **3.1 Type of Research**

The type of research used in this research is descriptive qualitative research, namely research or subject reviewers with the main objective of describing or describing a situation or event. Qualitative descriptive research methods are used to solve problems or answer problems that are being faced in the current situation used to provide information related to prevalence, population.

## **3.2 Research Focus**

This study will focus on how the implementation of billboard tax collection carried out by the Malang Regency Revenue Agency regarding the application of Malang Regency Regional Regulation Number 1 of 2019 concerning Amendments to Malang Regency Regional Regulation Number 8 of 2010 concerning Regional Taxes [1].

Focus research as follows:

1. Forms of Advertising Tax Policy Implementation through Malang Regency Regulation No. 1 of 2019 concerning Amendments to Regional Regulation Number 8 of 2010 concerning Regional Taxes in Malang Regency.
  - a. Data collection on potential advertisement tax  
Namely to find out how the Regional Revenue Agency carries out the mapping of the potential for advertisement tax in Malang Regency.
  - b. Advertisement Tax Supervision  
Researchers want to know the extent to which the Regional Revenue Agency supervises the billboard tax collection.
  - c. Collection strategy  
Namely any efforts or innovations carried out by the Regional Revenue Agency in implementing the billboard tax.
2. Driving factors and constraints on the implementation of Malang Regency Regulation No. 1 of 2019 concerning Amendments to Regional Regulation Number 8 of 2010 concerning Regional Taxes in an effort to optimize advertisement tax revenue in Malang Regency by the Regional Revenue Agency, including:
  - a. Driving Factors (internal and external)
  - b. Constraint factors (internal and external)

### **3.3 Data Sources and Types**

The types and sources of data in this study are:

1. Primary data is data obtained directly from the research field through observation, direct and open interviews with competent informants in accordance with data requirements.
2. Secondary data is obtained from books or literature related to discussion and research based on other supporting data related to the problem under study.

Sources of data in this study are divided into:

#### **1. Informant**

The informants selected in this study were obtained by snowball sampling. Snowball Sampling is a sampling technique with the help of a key informant and from this key informant will develop according to the instructions. In this case the researcher only reveals the criteria as a requirement to be sampled (Subagyo, 2006: 31) [4].

#### **2. Event**

Apart from these informants, researchers obtain information that comes from an event or phenomenon that occurs and is considered suitable to be useful in revealing a problem or a research focus.

#### **3. Document**

This data is in the form of official records, for example organizational schemes and charts, written regulations, or archives relevant to research through documents that have previously been compiled on the researcher's website supported by several kinds of articles that can be accessed through the internet, related to the implementation of advertisement tax revenue policies.

### **3.4 Data Analysis**

Data analysis used the interactive model of Miles and Huberman which includes:

1. Data condensation is a process of selecting, focusing on, abstraction and transforming rough data obtained from the field. This process can take place as long as the research is carried out, from the initial process to the end of the research. In this process, the researcher summarizes some of the results of research in the field both in the Regional Revenue Agency of Malang Regency and the actors who contribute to the implementation of the advertisement policy in Malang Regency by transcribing the results of interviews from informants to the researchers' laptops. Furthermore, the researcher describes the results of the research in the form of information in the form of document data and interviews until the images obtained at the research place are in the form of descriptive words on each photo in accordance with the facts in the field. The next

task of the researcher is, The researcher requires double-checking the correctness of the data (data validation) obtained, then double-checking with other informants using the triangulation technique), where this is done if the researcher wants to know more about it. Furthermore, if all the data has been collected, some data that is not used perform data reduction which feels unused data with the aim of not repeating the process again.

## 2. Data Presentation (Data Display)

Is one of a group of informants (data used) has been arranged which gives the possibility in the next stage, namely the process of drawing conclusions and taking an action. After all the data has been reduced, the next researcher presents the reduced data as the results that have been obtained can be displayed. The data that has been presented can be in the form of narrative text, matrices, graphs, networks and charts. The researcher presents the data by presenting narrative and clarifying the data presentation in the form of a description of the area in Malang Regency through the implementation of the billboard policy with the aim of this presentation form is to make it easier for researchers or readers to draw conclusions.

3. Conclusion and data verification (Data Conclusion / Verifying) is one of the activities of configuring one unified whole. After the researcher presents the data, the next stage is where the researcher draws conclusions based on the results of data reduction in the form of answers to the problems that have been raised or the limitations of the research raised by the researcher. The next stage, where the conclusions are also verified while the research is still ongoing. The meaning that emerges from the data must always be tested for truth and suitability as well as its validity guaranteed.

## **4. RESULTS AND DISCUSSION**

### **4.1 Forms of Implementation of Malang Regency Regional Regulation Number 1 of 2019 concerning Amendments to Malang Regency Regional Regulation Number 8 of 2010 concerning Regional Taxes**

Malang Regency Regional Regulation Number 1 of 2019 concerning Amendments to Malang Regency Regional Regulation Number 8 of 2010 concerning Regional Taxes in Malang Regency seems to prioritize order and unity in the implementation of advertisements in Malang Regency. The implementation of billboards is regulated by the Malang Regency Government where it is more codong through the role of the Malang Regency government through the Regional Revenue Agency to carry out its duties in terms of potential data collection, supervision and collection strategies. Furthermore, the author will describe several important points that are the focus of the researcher.

#### 1) Data Collection on Advertising Tax Potential

In relation to the potential data collection of Malang Regency Regional Regulation Number 1 of 2019 concerning Amendment to Malang Regency Regional Regulation Number 8 of 2010 concerning Regional Taxes regulates the requirements of an advertisement [1]. Article 1 point 23 clearly states that "Advertisements are objects, tools, actions, or media whose forms and patterns are designed for commercial purposes to introduce, recommend, promote, or to attract general attention to goods, services, people, or bodies, which can be seen, read, heard, felt, and / or enjoyed by the public. " The description of the meaning in article 1 is a minimum requirement regarding what can be categorized as billboards.

This classification is regulated as material for the Malang Regency Government through the Regional Revenue Agency to obtain, record, calculate the potentials that can become regional tax revenue through billboards. area.

#### 2) Supervision

In relation to the supervision in Malang Regency Regional Regulation Number 1 of 2019 concerning Amendments to Malang Regency Regional Regulation Number 8 of 2010 concerning Regional Taxes, it is stated that the audit activity is a form of supervision. This is regulated in Article 1 point 83 where Audit is a series of activities to collect and process data, information, and / or evidence which are carried out objectively and professionally based on an inspection standard to test compliance with the fulfillment of regional tax obligations and / or for other purposes in the framework of implementing the provisions of regional tax laws and regulations. The advertisement tax is no exception, audit activities are carried out to test compliance and control forms of advertising in Malang Regency.

According to the type, the examination is divided into 2 (two) types, namely field inspection and office inspection. Field inspections are carried out to find out what happens in the field in accordance with tax reporting conditions. Meanwhile, office inspection is to examine data and facts so that they can carry out analysis as material for evaluating compliance and control over the implementation of the billboard tax. The Regional Revenue Agency has monitoring and evaluation activities

that are carried out every month as a form of implementation in Malang Regency Regional Regulation Number 1 of 2019 in order to test taxpayer compliance and provide control for local tax collectors in this case the billboard tax.

### 3) Collection Strategy

This collection strategy is also supported by improving advertisement tax services through innovations that are the mainstay of the Regional Revenue Agency in collecting billboard taxes. The Regional Revenue Agency makes online service efforts which are contained in Malang Regent Regulation Number 25 of 2019 concerning Online Local Tax Management Systems [5]. Advertisement tax is one of the taxes that can be done online. By using the Independent Regional Tax Management Information System application, hereinafter referred to as SIPANJI, is an application that functions to fulfill Regional Tax obligations by Regional Taxpayers for registration of subjects and objects, reporting Regional Taxes and paying Local Taxes online. This application system manages from registration to payment of local taxes.

## 4.2 Driving Factor

Facilities and infrastructure are also driving factors. Since 2017, local tax services in Malang Regency can be implemented in two offices, namely Jalan KH. Agus Salim no. 7 Malang City for services of North Malang Regency and offices on Jalan Panji no 158 Kepanjen for services of South Malang Regency. In terms of infrastructure it is also improved by collaborating with Regional Banks to make payments at the North Malang office and in South Malang. Service facilities are also equipped with public service eligibility standards. Meanwhile, Bank Jatim support plays a role as an external driving factor to realize the ideal regional tax play.

## 4.3 Obstacles

The many types of taxes and the area of Malang Regency are internal constraints in updating the potential data and monitoring of advertisement tax according to the implementation of Malang Regency Regional Regulation Number 1 of 2019 concerning Amendments to Malang Regency Regional Regulation Number 8 of 2010 concerning Regional Taxes and socialization of advertisement tax policies in community is also an external barrier which results in low levels of compliance.

## 5. CONCLUSIONS AND RECOMMENDATIONS

### 5.1 Conclusion

Based on the research results, the conclusions that can be drawn in implementing the advertisement tax in the context of implementing Malang Regent Regulation Number 1 of 2019 concerning Amendments to Malang Regent Regulation Number 8 of 2010 concerning Regional Tax are as follows:

1. The implementation form of Malang Regent Regulation Number 1 of 2019 concerning Amendments to Malang Regent Regulation Number 8 of 2010 concerning Regional Taxes in Malang Regency are:

a. Data collection on advertisement tax potential. Data collection has been running in accordance with established policies that aim to determine the potential for advertisement tax in Malang Regency through field data collection activities and the development of innovations in taxpayer services.

b. Supervision

Supervision is running well and is always carried out to provide a control impact through the inspection of advertisements in Malang Regency.

c. Collection Strategy

The Regional Revenue Agency of Malang Regency has implemented a collection strategy optimally and in accordance with applicable policies which are supported by increased facilities and innovation in advertisement tax services.

2. Supporting Factors and Obstacles in the implementation of Malang Regent Regulation Number 1 of 2019 concerning Amendments to Malang Regent Regulation Number 8 of 2010 concerning Regional Taxes in Malang Regency, namely:

a. Driving Factor

The efforts of the Regional Revenue Board in improving the advertisement tax service are driven by internal factors through improving the facilities and competence of service officers to be a driving factor in realizing the proper and efficient implementation of the billboard tax. Meanwhile, Bank Jatim support plays a role as an external driving factor to realize the ideal regional tax play.

b. Constraint Factor

The many types of taxes and the area of Malang Regency are internal constraints in updating the potential data and monitoring of advertisement tax according to the implementation of Malang Regency Regional Regulation Number 1 of 2019 concerning Amendments to Malang Regency Regional Regulation Number 8 of 2010 concerning Regional Taxes and socialization of advertisement tax policies in community is also an external barrier which results in low levels of compliance.

## 5.2 Suggestion

Departing from the intended conclusion, the following are suggestions to support the implementation of Malang Regency Regional Regulation Number 1 of 2019 concerning Amendments to Malang Regency Regional Regulation Number 8 of 2010 concerning Regional Taxes in Malang Regency, namely:

- 1) It is necessary to rearrange potential targets by considering the amount of human resources, budget and time needed in order to socialize an efficient and effective advertisement tax policy.
- 2) Optimizing intensification and extensification activities through the participation of the supervisory agency, namely the State Prosecutor's Office.
- 3) Increase local tax service innovation by providing the widest possible option or choice of transaction payment methods, for example with post offices and private banks and other state-owned enterprises.

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