



THE IMPACT OF LOCAL TAXES, LOCAL FEES, AND TKKD ON THE REVENUE OF BANTEN PROVINCE FROM 2016 TO 2024

Yusenda Ragil Saputri*, Ruth Eviana Hutabarat

Faculty of Economics and Business, Universitas Negeri Surabaya, Surabaya, Indonesia

*Corresponding author: yusenda.22152@mhs.unesa.ac.id

ARTICLE INFO

Article history

Received: 18 February 2026

Revised : 6 March 2026

Accepted: 6 March 2026

Keywords

fiscal autonomy; local fees;
local revenue; local taxes;
TKKD

JEL Classification

H71, H72, H77

ABSTRACT

This study aims to analyze the structural contribution of local taxes, local levies, and Transfers to Regions and Village Funds (TKKD) in forming regional revenue in Banten Province for the period 2016–2024. This study uses secondary data from the Budget Realization Report (LRA) of districts/cities in Banten Province over nine years of observation, resulting in 72 panel data observations. The analysis method used is panel data regression with a Fixed Effect Model. The results indicate that local taxes, local levies, and TKKD each make a positive and significant contribution to regional revenue. Comparatively, local levies have the largest coefficient (2.4213116), followed by local taxes (1.389492) and TKKD (0.4124826). The R-squared value of 0.7339 indicates that the independent variables explain 73.39% of the variation in regional revenue. Given that the independent variables are structural components of regional revenue, the estimates reflect fiscal sensitivity rather than pure causal relationships. This finding indicates that even though Local Own-Source Revenue capacity has increased, fiscal dependence on central government transfers remains considerable. This study contributes by integrating the TKKD variable into provincial-level panel data analysis and presenting the latest empirical evidence on the structure of regional fiscal dependence in Banten Province. The policy implications emphasize the importance of optimizing local tax and levy collection and strengthening fiscal independence to reduce the dominance of central transfers in the regional revenue structure.

This is an open access article under a [CC-BY 4.0](https://creativecommons.org/licenses/by/4.0/) license.



1. INTRODUCTION

One of the main components of regional autonomy is fiscal decentralization, which aims to give local governments more control over their own budgets by reducing the role of the central government in this area. According to the Decentralization Theorem proposed by (Oates, 1972) , local governments have an information advantage in understanding the needs of local communities, so they are expected to be able to allocate resources effectively and improve the quality of public services. Therefore, fiscal decentralization is seen as a mechanism for regional fiscal independence and reducing dependence on the central government.

One factor that determines how well local financial policies function under fiscal decentralization is how well the federal government and state governments coordinate their budgets. To avoid inefficient local budget management, it is important to balance the fiscal authority granted and local fiscal capacity. A mismatch between regional expenditure responsibilities and available revenue capacity can create fiscal pressure and increase dependence on central transfers. Therefore, the optimization of local taxes and levies needs to be seen as part of efforts to strengthen the efficiency of local fiscal policy within the framework of central and local fiscal relations (Oates, 1972).

Empirically, an increase in local tax revenue has been proven to have a positive impact on Local Own-Source Revenue (PAD). Local taxes are considered a major component in the PAD structure because they have a relatively broad collection base and a guaranteed level of revenue stability compared to other sources. Several studies show that optimizing local taxes through intensification and extensification of collection can increase the fiscal capacity of local governments and strengthen fiscal independence in development financing. In addition, the effectiveness of local tax management also reflects the institutional capacity of local governments in exploring local economic potential. The greater the contribution of local taxes in the PAD structure, the stronger the region's ability to reduce its dependence on central government transfers. These findings are in line with previous studies showing that local taxes significantly and positively affect the growth of Local Own-Source Revenue (PAD) in a number of districts and cities in Indonesia (Maesyaroh et al., 2022).

Local levies, unlike local taxes, are fees imposed as a form of payment for specific services or permits, where the benefits can be felt directly by the community. The specific and limited nature of levies on certain types of services means that their contribution to Local Own-Source Revenue is relatively smaller than that of local taxes. In addition, the effectiveness of local levy collection often faces various obstacles, including poor public service quality, weak supervision, and limited levy objects. This condition means that in many empirical studies, local levies are found to have no significant impact on Local Own-Source Revenue. Empirical evidence shows that the low contribution of local levies is also influenced by high collection costs compared to the revenue obtained, so that their role in the PAD structure is less than optimal. These findings indicate that although local levies have the theoretical potential to increase PAD, in practice their contribution is still limited and cannot yet become a major source of funding for the region.

In addition to being determined by the amount of revenue sources, regional fiscal capacity is also influenced by the quality of regional financial management. Local governments with effective and accountable financial management systems tend to have a greater ability to optimize available revenue sources. In this context, local taxes and levies are not only seen as a means of revenue, but also as a reflection of the institutional capacity of local governments in carrying out their fiscal functions. Weak financial management can result in local revenue potential not being optimally utilized, even though the region has great economic potential (Mardiasmo, 2018).

Regional revenue refers to all revenue derived from the region's economic potential, including regional taxes, regional levies, separate assets, and other legitimate sources of revenue. Regional revenue plays a very important role in supporting the implementation of regional autonomy, which reflects the fiscal capacity of local governments to finance the development of public services. In addition, regional revenue gives the government broader authority to optimize economic potential, which in turn increases regional revenue as a manifestation of the implementation of regional autonomy and fiscal decentralization (Padang & Padang, 2023).

In general, the contribution of regions in the formation of Regional Original Revenue (PAD) in Indonesia is still relatively small compared to regional taxes. This indicates that regional levies have not played an optimal role as the main source of revenue in the central government's revenue structure. The low contribution of regions is due to the limited types of levies that can be imposed, considering that not all public services have sufficient economic value to generate regional revenue. In addition, the quality of public services is not yet evenly distributed across all regions.

Furthermore, the uneven quality of public services in various regions also affects the low level of public willingness to fulfill their obligation to pay levies (Byaro & Kinyondo, 2020; Habibov et al., 2019).

To support government administration and development, the Indonesian central government allocates funds to local and village governments through Regional Transfers and Village Funds (TKKD), which play an important role in fiscal decentralization. However, the high level of dependence on TKKD often reflects the limited fiscal capacity of regions to optimize Local Own-Source Revenue (PAD), thereby limiting the scope of local governments to independently design and implement fiscal policies. A number of empirical studies show that a large portion of central transfer funds in the regional revenue structure can reduce the level of fiscal independence and hamper regional fiscal policy innovation, which ultimately has an impact on the low incentive for local governments to increase PAD

High central government transfer allocations can also influence the fiscal behavior of local governments. Several studies show that regions that receive a relatively large share of TKKD tend to have lower incentives to optimize revenue from local taxes and levies. This condition is known as *the flypaper effect*, which is a situation where transfer funds from the central government more quickly encourage an increase in fiscal capacity and regional spending than an increase in efforts to generate independent revenue, so that the regional revenue structure becomes increasingly dependent on central transfers and the goal of fiscal decentralization to strengthen regional independence has not been fully achieved (Apriliani et al., 2025). In this study, this phenomenon is not only discussed conceptually, but also analyzed empirically by including Banten's TKKD for the 2016-2024 period to test the extent of its influence on regional revenue compared to regional taxes and levies, thereby providing a more measurable picture of the level of fiscal dependence.

In addition to the limitations of the object, the issue of regional levies at the national level is also related to high management and collection costs. The levy collection process requires complex administrative support, ranging from the provision of human resources and recording systems to monitoring mechanisms. In some regions, the high collection costs are almost equal to or even exceed the revenue obtained from fees, resulting in low efficiency and effectiveness of local fees and a marginal contribution to the Regional Revenue Fund (PAD) (Mardiasmo, 2018).

This national problem can also be found in Banten Province. Although Banten Province has considerable economic potential, especially in the industrial, trade, and service sectors, the role of local levies in supporting PAD is still relatively small compared to local taxes. This shows that the potential of public services that can be used as a source of levies has not been fully utilized. In addition, differences in the quality of public services between districts and cities in Banten Province also affect the variation in the ability of regions to increase retribution revenue (Mardiasmo, 2018).

High collection costs and limited types of services that can be subject to levies pose challenges for local governments in Banten Province. As a result, local levies have not been able to contribute significantly to strengthening local fiscal independence and still play a complementary role in the local revenue structure. Therefore, the problems faced by Banten Province in relation to local levies are inseparable from structural problems at the national level, requiring further study on optimizing the role of local levies in increasing local revenue.

At the national level, regional revenue in Indonesia is still heavily influenced by transfer revenue from the central government, particularly Transfers to Regions and Village Funds (TKKD). Various empirical studies show that the portion of transfer income in the regional income structure is generally greater than Local Own-Source Revenue (PAD). This condition reflects that the fiscal capacity of regions to independently finance development needs is still limited, so that increasing regional income is highly dependent on the central government's transfer policy (Bahl & Bird, 2018).

The high level of dependence on TKKD poses problems in efforts to strengthen regional fiscal independence. Several studies have found that large amounts of transfer funds received by regions tend to reduce the incentive for local governments to optimize local revenue sources, especially local taxes and levies. As a result, regional revenue growth is more determined by the

amount of transfers received than by the performance of local revenue management itself, so that the objectives of fiscal decentralization have not been fully achieved (Juliani, 2020).

In addition, the effectiveness of TKKD in encouraging sustainable improvements in regional revenue capacity remains a concern. Research results show that an increase in transfer fund allocations is not always followed by improvements in regional revenue structures or increased fiscal independence. This shows that TKKD tends to act as a source of routine funding rather than as an instrument capable of encouraging regions to strengthen their own revenue bases (Hanapi et al., 2025).

The dynamics of local taxation policies and fiscal transfer schemes in recent years have required local governments to be more adaptive in managing their revenue sources. Changes in regional tax regulations and adjustments to central transfer allocations require regions to not only rely on TKKD, but also to strengthen regional tax and levy performance. In this context, empirical analysis examining the relationship between regional taxes, regional levies, and TKKD on regional revenue is relevant to provide an actual picture of regional fiscal conditions and the policy direction that needs to be taken (Wulandari & Iryanie, 2016).

This problem is also reflected in Banten Province. Despite its relatively large economic potential, Banten Province's regional revenue is still dominated by transfer revenue in its revenue structure. The contribution of PAD to regional revenue has not been able to offset the amount of TKKD received, so that regional revenue in Banten Province is still heavily influenced by the central government's transfer policy. This shows that the dependence on TKKD that occurs nationally is also experienced by local governments in Banten Province (Juliani, 2020).

Banten Province is one of the regions with relatively large economic potential, especially in the industrial, trade, and service sectors, which are concentrated in urban and industrial areas. However, this economic potential is not fully reflected in the regional revenue structure, particularly in terms of the contribution of PAD to total regional revenue. Several regencies and cities in Banten Province still show high dependence on TKKD as their main source of funding. Research results in the field of finance and banking show that regions with a strong industrial base do not always have a high level of fiscal independence, especially if the management and optimization of regional taxes and levies have not been implemented effectively (Apriliani et al., 2025).

The differences in fiscal capacity between regions and cities in Banten Province show variations in the management of local taxes, local levies, and the utilization of TKKD. Some regions are able to increase PAD relatively steadily, while others still show high dependence on central government transfers. This condition indicates high dependence on central government transfers. This condition emphasizes the importance of an empirical approach that is able to capture interregional heterogeneity as well as the dynamics of change over time. A number of previous studies have used a panel data approach in analyzing regional fiscal performance because this method allows for the control of fixed characteristics between regions and produces more consistent estimates compared to cross-section or single time series approaches (Wibowo & Soebagiyo, 2025).

To understand these dynamics comprehensively, the use of panel data is a relevant approach in regional financial analysis. Panel data allows for the observation of differences in characteristics between regions and changes in fiscal conditions over time. This approach is considered capable of providing accurate estimates in identifying the effects of regional taxes, regional levies, and TKKD on regional revenue compared to single data approaches (Gujarati & Porter, 2009).

Previous research shows that Ma'arif(2025) found that in Bandung City, regional taxes contribute the most to regional revenue, while regional levies have no significant effect. These findings indicate that improving the effectiveness and efficiency of regional tax and levy management remains a key factor in overall regional revenue performance. Furthermore, according to Mardiasmo (2018) the problem of significant dependence on transfer funds from the central government remains in local financial management, which hinders the achievement of an ideal level of fiscal independence.

Previous studies have highlighted the relationship between local revenue (PAD), local taxes, and local levies, but have not considered Regional Transfers and Village Funds (TKKD) as determining variables and indicators of fiscal dependence, especially in Banten Province. Differences in empirical findings regarding the impact of local levies, which some studies have declared insignificant, indicate the need for further analysis based on the latest panel data. The use of data from the 2016-2024 period allows for the observation of long-term trends and regional fiscal dynamics following changes in regional taxation regulations and adjustments to the central transfer scheme. Therefore, this study is relevant for comprehensively analyzing the regional revenue structure and level of fiscal dependence in Banten Province (Wulandari & Iryanie, 2016).

Based on the details of regional revenue in Banten Province from 2016 to 2024, the portion of PAD, especially from regional taxes and levies, is not yet sufficient to replace TKKD as the main source of revenue in the province. This imbalance shows that the region's ability to support development through independent funding is still not optimal, so that fiscal dependence on the central government remains an important issue that needs to be studied empirically. High dependence on TKKD limits the flexibility and innovation of regional fiscal policies and increases the risk of budget instability due to changes in national transfer policies. This condition shows the gap between the objectives of fiscal decentralization, namely strengthening regional independence, and the realization of regional revenue that depends on the central government (Caroline & Afriadi, 2025).

Data from the Directorate General of Fiscal Balance reveals that regional revenue in Banten Province during the 2016–2024 period shows a long-term upward trend, although with notable annual fluctuations (*Direktorat Jenderal Bina Keuangan Daerah Kementerian Dalam Negeri*, 2019). The budget ceiling increased from IDR 8,005.29 billion in 2016 to IDR 12,408.21 billion in 2024, while realization grew from IDR 8,656.40 billion to IDR 12,404.00 billion over the same period. In 2016, realization exceeded the ceiling, suggesting unanticipated revenue inflows, likely from central government transfers. The most significant deviation occurred in 2020, where the ceiling reached IDR 12,609.36 billion but realization fell to IDR 10,334.12 billion, reflecting fiscal disruption caused by the COVID-19 pandemic. A similar but milder gap was observed in 2019 and 2023. Conversely, from 2022 onward, realization occasionally surpassed the ceiling, indicating improved revenue absorption. By 2024, the two figures were nearly identical (IDR 12,408.21 billion vs. IDR 12,404.00 billion), suggesting increasingly accurate fiscal planning. Despite this progress, the overall revenue structure remains heavily influenced by central government transfers, reinforcing the importance of empirically examining the relative contribution of local taxes, local levies, and TKKD to regional fiscal capacity in Banten Province.

This study aims to analyze the contribution and structural relationship of local taxes, local levies, and TKKD in forming regional revenue in Banten Province during the 2016–2024 period, as well as to assess the extent to which these three variables describe the level of fiscal dependence. In addition, the findings of this study are expected to serve as a reference for the government in formulating strategies to increase regional revenue in a more sustainable manner and strengthen fiscal independence in the future.

2. RESEARCH METHOD

This study uses a quantitative descriptive design that aims to analyze the structural contribution of local taxes, local levies, and TKKD in the formation of regional revenue in Banten Province for the period 2016–2024. The data used is secondary data from the Local Government Budget Realization Report (LRA) in Banten Province. This study utilizes panel data regression analysis using the Fixed Effect Model (FEM) to analyze the relationship between variables. The selection of FEM is based on the need to accommodate differences in fixed characteristics between districts/cities in Banten Province that affect regional income.

$$Y_{it} = \beta_0 + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \varepsilon_{it} \dots\dots\dots (1)$$

Description:

Y_{it}	: Regional revenue of district/city i in Banten Province in year t
β_0	: Intercept (constant term)
$\beta_1, \beta_2, \beta_3$: Regression coefficients for local tax, local levies, and TKKD respectively
X_{1it}	: Local tax of district/city i in year t
X_{2it}	: Local fees for district/city i in year t
X_{3it}	: Transfer to the Regional and Village Fund (TKKD) for district/city i in year t
ϵ_{it}	: Error term (residual)
i	: Cross-sectional index (district/city)
t	: Time index (year)

This study recognizes that in terms of local taxation, local levies, and Transfers to Regions and Village Funds (TKKD) are elements that constitute local revenue. Thus, if regional revenue is regressed against these components, there is a possibility of mechanical correlations arising because these variables are structurally related. This condition has been explained by Pearson (1986) as spurious correlations, which are statistical relationships that arise not because of a causal relationship, but because of a mathematical relationship between variables that share the same components.

In line with the development of statistical analysis Aitchison (1982) explains through a compositional data analysis approach that data composed of parts of a total is not fundamentally independent. Changes in one component will affect the overall composition. Therefore, the interpretation of estimation results in compositional data must be done carefully so as not to lead to erroneous conclusions. Therefore, this study is not intended to test the mathematical identity between income components, but rather to analyze the structure of revenue and the sensitivity of changes in each source in forming regional fiscal capacity. Thus, the estimates made are placed within the framework of fiscal structure analysis, not as proof of a pure causal relationship between income components.

3. RESULTS AND DISCUSSION

3.1. RESULTS

The Hausman test results show that *the Fixed Effect Model* (FEM) is more appropriate than *the Random Effect Model* (REM), so this model is used in the panel data analysis in this study. The use of FEM estimation aims to accommodate the differences in fixed characteristics between districts/cities in Banten Province that affect regional income.

Based on the Chow test results, an F-statistic value of 55.08 with a Prob $\alpha = 5\%$ was obtained. Thus, it is more appropriate to estimate the relationship between variables in this study using the Fixed Effect Model (FEM). The Hausman test produced a Chi-Square probability of 0.0000, which is smaller than the significance threshold of 0.05. Based on these findings, the Fixed Effect Model (FEM) is the best panel regression model to use in this study because its estimator is significantly different from the Random Effect Model (REM).

Based on the results of the multicollinearity test, all independent variables have a Variance Inflation Factor (VIF) value below 10 with an average VIF of 1.23. This indicates that there is no multicollinearity between the independent variables in the model. Separately, the heteroscedasticity test yielded a probability value of 0.6018, which exceeds the 5% significance level, confirming that the model is free from heteroscedasticity. Furthermore, the heteroscedasticity results show a probability value of 0.6018, which is greater than the 5% significance level. This result indicates that the panel data regression model does not experience heteroscedasticity.

Table 1. Panel Data Regression

Variable	Coefficient	Prob
Local Tax (X1)	1.389492	0.000
Local Retribution (X2)	2.4213116	0.000
TKKD (X3)	0.4124826	0.000
Constant	1,157.242	0.000
R-squared		0.7339
Prob (F-statistic)		0.000

Source: Processed data (2025)

Based on the results of panel data regression estimation, a constant value of 1157.242 was obtained, indicating that when the local tax, local levy, and TKKD variables are zero, the value of the dependent variable (Y) is 1157.242. The local tax variable (X₁) has a positive and significant effect on Y with a coefficient of 1.389492 (p = 0.000). In addition, local levies (X₂) also have a positive and significant effect with a coefficient of 2.4213116 (p = 0.000). The TKKD variable (X₃) has a positive coefficient of 0.4124826 and is significant at the 1 percent significance level (p = 0.000). The R-squared value of 0.7339 indicates that the independent variables in the model explain 73.39% of the variation in the dependent variable Y, with the remaining 26.61% explained by other variables. Additionally, the simultaneous significance of the regression model is indicated by the Prob value (F statistic) of 0.0000.

Table 2. T-Test (Partial)

Variable	Coefficient	Prob.
X1	1.389492	0.000
X2	2.4213116	0.000
X3	0.4124826	0.000

Source: Processed data (2025)

Based on the t-test results, variable X₁ has a probability value of 0.000, which is smaller than the significance level $\alpha = 5\%$. Therefore, it can be concluded that X₁ has a significant partial effect on the dependent variable (Y). The positive regression coefficient indicates a direct relationship between X₁ and Y, where an increase in X₁ tends to be followed by an increase in Y. Variable X₂ also shows a probability value of 0.000 (< 0.05), indicating that X₂ has a significant effect on Y. The positive coefficient value reflects that an increase in X₂ contributes to an increase in the dependent variable. In addition, variable X₃ has a probability value of 0.000 (< 0.05), so it can be concluded that X₃ has a significant partial effect on Y. The positive coefficient value indicates that the greater the value of X₃, the greater the value of Y tends to increase, assuming other variables remain constant. The constant value, on the other hand, is not statistically significant with a probability of 0.282 (> 0.05). All independent variables have a value of zero, causing Y to be almost equal to zero. Therefore, partially, variables X₁, X₂, and X₃ are proven to have a significant effect on the dependent variable, while the constant does not show a significant effect.

Table 3. Simultaneous F Test

Model Statistics	Value
R-Squared	0.7339
F Statistic	56.08
Prob > F	0.000

Source: Processed data (2025)

Based on the F test results in the table above, the F statistic value is 56.08 with Prob > F of 0.000 (< 0.05). These test results indicate that the independent factors significantly influence the dependent variable (Y) simultaneously.

3.2. DISCUSSION

The results of the study indicate that local taxes make a positive and significant structural contribution to regional revenue in Banten Province, consistent with the fiscal composition framework underpinning this analysis. This finding shows that an increase in local tax revenue contributes to strengthening the fiscal capacity of local governments. Local taxes are one of the main components in the structure of Local Own-Source Revenue (PAD) which has great potential to be further optimized through improvements in the collection mechanism and strengthening of the local tax base. This condition is in line with the results of previous studies which state that local taxes are a dominant component of the PAD structure and play an important role in supporting the realization of local fiscal independence (Ma'arif, 2025) . The ability of regions to manage taxes reflects the capacity of local governments to utilize local economic potential and reduce dependence on other regions. It also demonstrates the performance of local governments in optimally carrying out their fiscal functions, as explained in the public sector accounting literature (Mardiasmo, 2018).

In addition to local taxes, local levies also show a positive and significant contribution to local revenue, reflecting the structural role of service-based charges in the regional fiscal composition. Although their contribution tends to be smaller than that of local taxes, the relatively large coefficient shows that an increase in levies still has a considerable impact on local revenue. Theoretically, this finding reinforces the benefit theory, which states that levies are a form of compensation for services provided by local governments to the community. In the context of local finance, the effectiveness of fees is greatly influenced by the quality of public services, the structuring of fee objects, and the level of public compliance (Mardiasmo, 2018). These findings are in line with research showing that optimizing retribution can increase PAD, although its contribution is not as large as local taxes (Cahyanto, Utami). Thus, local retribution still has the potential to be developed, particularly in the sectors of public services, licensing, and utilization of local assets.

Notably, the coefficient of local levies (2.4213116) is the largest among all independent variables in this study, exceeding that of local taxes (1.389492). This finding is somewhat unexpected given that prior literature often characterizes levies as having limited fiscal impact due to collection inefficiencies. One plausible explanation is that Banten Province's concentrated industrial and commercial zones generate above-average permit and service fee revenues, amplifying the marginal sensitivity of regional revenue to levy changes. This pattern warrants further investigation and may represent a distinctive fiscal characteristic of Banten Province's economic structure.

Furthermore, the results of the study show that TKKD makes a positive and significant structural contribution to regional revenue in Banten Province, reflecting its dominant role in the fiscal composition of regions with limited PAD capacity. These findings indicate that transfers from the central government are still an important component in the regional revenue structure, especially for regions with relatively low PAD, which tend to be more dependent on transfer funds to finance regional expenditure and development (Imani et al., 2018; Juliani, 2020).

From a fiscal decentralization perspective, this condition indicates that fiscal transfers still function as an instrument of regional financial equalization and stabilization (Oates, 1972). However, the dominance of transfers in the revenue structure may also reflect a fairly high level of fiscal dependence and potentially cause a flypaper effect, where regional transfer funds encourage increased spending rather than increased efforts to generate independent revenue (Apriliani et al., 2025). Therefore, although TKKD plays an important role in maintaining regional fiscal stability, strengthening local-based revenue sources remains necessary to achieve more sustainable fiscal independence.

4. CONCLUSION

This study aims to analyze the impact of regional taxes, regional levies, and Regional Transfer Funds and Village Funds (TKKD) on regional revenue in Banten Province for the period 2016-2024 using a fixed effects panel data regression model. Based on the empirical analysis results, all independent variables were found to make a positive and significant structural contribution to regional revenue, consistent with the compositional fiscal framework used in this study. Regional taxes are the variable with the greatest influence, indicating that optimizing tax collection is the main strategy for increasing regional fiscal capacity. Regional levies also have a significant impact, although their nominal contribution is still lower than regional taxes, so strengthening the public service system and structuring levy objects is necessary to maximize revenue potential. In addition, TKKD continues to have a significant impact on the region, indicating that Banten Province's fiscal dependence on the central government still exists and cannot be fully replaced by PAD. These findings clearly show that even though PAD in Banten Province has increased, central transfers still play an important role in the regional revenue structure. This condition emphasizes the need for strategies to strengthen local-based revenue in order to increase fiscal independence through policy innovation, digitization of taxation services, and development of the local tax base. This study also opens up opportunities for further research to analyze other factors that influence regional revenue, such as economic growth, regional investment, the quality of financial governance, and the effectiveness of fiscal digitization as a tool to increase PAD. The influence of local taxes shows that this component is the backbone of PAD and plays an important role in regional fiscal capacity. These findings indicate that optimizing local taxes remains a priority strategy in increasing regional revenue in a sustainable manner.

5. REFERENCES

- Aitchison, J. (1982). The Statistical Analysis of Compositional Data. *Journal of the Royal Statistical Society*, 44(2), 139–177. <https://www.jstor.org/stable/2345821>
- Apriliani, D. M., Fitrijanti, T., & Aryana, K. P. (2025). Flypaper effect di Pulau Jawa: Pengaruh pendapatan asli daerah dan transfer ke daerah terhadap belanja daerah dengan moderasi pertumbuhan ekonomi. *Jurnal Bisnis Mahasiswa*, 5(5), 2518–2537. <https://doi.org/10.60036/jbm.817>
- Bahl, R., & Bird, R. M. (2018). *Fiscal Decentralization and Local Finance in Developing Countries: Development from Below*. Cheltenham: Edward Elgar Publishing. <https://doi.org/10.4337/9781786435309.00006>
- Byaro, M., & Kinyondo, A. (2020). Citizens' Trust in Government and Their Greater Willingness to Pay Taxes in Tanzania: A Case Study of Mtwara, Lindi, and Dar es Salaam Regions. *Poverty & Public Policy*, 12, 73–83. <https://doi.org/10.1002/pop4.271>
- Caroline, V., & Afriadi, F. (2025). Analisis Tren Perbandingan Dana Perimbangan, Belanja Modal, dan Pendapatan Pajak Daerah Pada Kabupaten/Kota di Provinsi Banten. *Jurnal Nusa Akuntansi*, 2(2), 1052–1075. <https://doi.org/10.62237/jna.v2i2.252>
- Direktorat Jenderal Bina Keuangan Daerah Kementerian Dalam Negeri. (2019). *Buku pintar pengelolaan keuangan daerah*. <https://pbj.kalbarprov.go.id/wp-content/uploads/2021/03/Buku-Pintar-PP-12-2019.pdf>
- Gujarati, D. N., & Porter, D. C. (2009). *Basic Econometrics* (5th editio). New York: McGraw-Hill. https://www.cbpbu.ac.in/userfiles/file/2020/STUDY_MAT/ECO/1.pdf
- Habibov, N., Luo, R., & Auchynnika, A. (2019). The Effects of Healthcare Quality on the Willingness to Pay More Taxes to Improve Public Healthcare: Testing Two Alternative Hypotheses from the Research Literature. *Annals of Global Health*, 85. <https://doi.org/10.5334/aogh.2462>

- Halim, A. (2012). *Akuntansi Sektor Publik: Akuntansi Keuangan Daerah* (Edisi 4). Jakarta: Salemba Empat. <https://library.bpk.go.id/koleksi/detil/jkpkbpkpp-p-11776>
- Hanapi, H., Musmuliadi, M., & Djiu, A. (2025). Implementation of Special Village Financial Assistance Policy to Realizing Village Self Reliance in Rapak Lambur Village. *Buletin Poltanesa*, 26(1), 423–429. <https://doi.org/10.51967/tanesa.v26i1.3371>
- Imani, S., Risma Ayu Kinanti, Hendratmi, A., Sawarjuwon, T., Herianingrum, S., & Iswati, S. (2018). The Influence of Non-Performing Financing (NPF) and Return on Assets (ROA) Against Linkage Multifinance at Sharia Commercial Bank in Indonesia. *Proceedings of the 2nd International Conference Postgraduate School (ICPS 2018)*, 142–146. <https://doi.org/10.5220/0007539001420146>
- Juliani, A. (2020). Komparasi Penerimaan Pajak Daerah Kota dan Kabupaten di Indonesia setelah Berlakunya Undang-Undang Pajak Daerah dan Retribusi Daerah. *Jurnal BPPK: Badan Pendidikan Dan Pelatihan Keuangan*, 13(2), 1–10. <https://doi.org/10.48108/jurnalbppk.v13i2.227>
- Ma'arif, M. I. M. (2025). *Pengaruh Penerimaan Pajak Daerah Dan Retribusi Daerah Terhadap Pendapatan Asli Daerah (Pad) Kota Madya Bandung*. 5(2), 169–176. <https://doi.org/https://doi.org/10.35313/iarj.v5i2.5170>
- Maesyaroh, A. N., Samanto, H., & Ma'ruf, M. H. (2022). Pengaruh Penerimaan Pajak Daerah Terhadap Pendapatan Asli Daerah (PAD) Kabupaten Boyolali Tahun 2017-2020. *Jurnal Ilmiah Keuangan Akuntansi Bisnis*, 1(3), 148–156. <https://doi.org/10.53088/jikab.v1i3.26>
- Mardiasmo, M. (2018). *Akuntansi Sektor Publik*. Yogyakarta: Andi Offset. https://books.google.co.id/books?id=pBVCEAAAQBAJ&printsec=frontcover&hl=id&source=gbs_vpt_read#v=onepage&q&f=false
- Oates, W. E. (1972). *Fiscal Federalism*. Harcourt Brace Jovanovich.
- Padang, N. N., & Padang, W. S. (2023). Pengaruh Pendapatan Asli Daerah (PAD), Dana Perimbangan dan Belanja Modal Terhadap Kinerja Keuangan Pemerintah Daerah di Kabupaten/Kota Provinsi Sumatera Utara. *Jurnal Riset Akuntansi & Keuangan*, 9(2), 303–318. <https://doi.org/10.54367/jrak.v9i2.2985>
- Pearson, K. (1986). Mathematical Contributions to the Theory of Evolution.--On a Form of Spurious Correlation Which May Arise When Indices Are Used in the Measurement of Organs. *Proceedings of the Royal Society of London*, 60, 489–498. <https://www.jstor.org/stable/115879>
- Wibowo, T. F., & Soebagiyo, D. (2025). Analisis Pendapatan Asli Daerah Provinsi Banten. *Ekonomikawan: Jurnal Ilmu Ekonomi Dan Studi Pembangunan*, 25(1), 12–21. <https://doi.org/10.30596/ekonomikawan.v25i1.22423>
- Wulandari, P. A., & Iryanie, E. (2016). Analisis Pengaruh Kontribusi Pajak Daerah Terhadap Pendapatan Asli Daerah (PAD) Kota Banjarmasin. *Indonesian Conference on Management, Politics, Accounting, and Communications*, 377–394. <https://journal.bakrie.ac.id/index.php/INDOCOMPAC/article/view/1615/pdf>