
THE FACTORS THAT INFLUENCE AND LOCALLY GENERATED REVENUE EFFECTIVENESS KLATEN REGENCY FROM 2002 TO 2010

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ABSTRACT

Klaten has high potential areas covering the industrial sector, tourism, entertainment, agriculture, and others. In 2010 there were 285 industrial with a total of 9,254 businesses and employed 38,388 workers, 126 large and medium industrial and 32,798 small scale. The high potential of regions supported by a good government performance will result in high local revenues. This research purpose are (1) to know the factors that influence locally generated revenue in Klaten Regency, (2) to know that the regional tax, retribution area, regional factory profit, and the others income legally factors are influential as partial and simultaneous to locally generated revenue, (3) to know the factors that the most potential result locally generated revenue in Klaten Regency from 2002 to 2010, (4) to know the most effectiveness result of locally generated revenue between from 2002 to 2010. The research used descriptive quantitative method which used is secondary's data shaped target and realization of locally generated revenue in Klaten Regency from 2002 to 2010 as representation of the local government performance. Technique of analyzing data which used is technique of double linier regression analysis and effectiveness analysis. The conclusion of the research are (1) based on test of double linier regression analysis about the factors that influence locally generated revenue show us that the regional tax, retribution area, regional factory profit, and the others income legally factors are influential as partial and simultaneous to locally generated revenue in Klaten Regency, (2) based on test of effectiveness analysis locally generated revenue show us that management of the financial from 2002 to 2010 called effective, (3) variable that have the most influence to locally generated revenue in Klaten Regency is the local tax as big as 0,339, (4) based on test of effectiveness anlysis that locally generated revenue show the highest effectiveness level take place on 2006 as big as 110,44%. The academic implications from this research are as a reference to further research on locally generated revenue. Practical implications for local government is as a reference government in making policies to maximize the acquisition of regional tax so that locally generated revenue can be increased.

Keyword: Locally generated revenue.

INTRODUCTION

Autonomous region to be the solution which is offered the government to improve independence area since 2001 from centralization to decentralization. Consequence of the delivery of authority set up and take care of it is the local government given the flexibility to set the government for more independent and do not rely on the central government, included in the case of financial management. Dependence on funding from the central government should be minimized, so the local government more maximize the gain of locally generated revenue. So the high of locally generated revenue be one of the standard success of the performance of the local government. The district of Klaten is one of the district under of Central Java. This region has carry out of autonomy area since 2001. A wide range of wealth areas such as industrial sector, tourism, entertainment, agriculture, and so forth into several potential areas owned by the government of this area.

Based on data collected from the Central Bureau of Statistics of Klaten in 2010, it shows that Klaten has 285 industrial manufactures with a total of 9,254 businesses and has employed 38,388 people, 126 large and medium industrial enterprises and 32,798 small-scale enterprises. This provides local opportunities to develop the industrial sector. The high potential of this area if properly manage will contribute to increase in locally generated revenue in the district of Klaten. Since the autonomy enforced, locally generated revenue district of Klaten increased.

The research purpose are (1) to know the factors that influence locally generated revenue in Klaten Regency, (2) to know that the regional tax, retribution area, regional factory profit, and the others income legally factors are influential as partial and simultaneous to locally generated revenue, (3) to know the factors that the most potential result locally generated revenue in Klaten Regency from 2002 to 2010, (4) to know the most effectiveness result of locally generated revenue between 2002-2010.

Research by the title Identification of the Source of locally generated revenue in Order the Implementation of the Decentralization by Erlita Dewi (2002). The independent variable (X) are the regional tax, retribution area, regional factory profit, and the others income legally factors. The variable dependent (Y) is locally generated revenue. Based on the analysis of data can be concluded that the regional tax, retribution area, regional factory profit, and the others income legally factors have a positive relevancy and significantly to the acquisition of locally generated revenue. It is to argue that the proportion of acquisition of the regional tax, retribution area, regional factory profit, and the others income legally factors priority that need to be developed to increase the acquisition of locally generated revenue.

Research by the title Analysis of locally generated revenue and Factors Influence in an Effort the Implementation of Autonomous Regions in the District of Kediri by Purbayu Budi Santoso and Retno Puji Rahayu (2005). The independent variable (X) are total expenditure area, the population, and gross regional domestic product. The dependent

variable (X) is locally generated revenue. Based on the analysis of data can be concluded that total expenditure area, the population, and gross regional domestic product have a positive relevancy and significantly to the acquisition of locally generated revenue the district of Kediri. Based on the analysis of data which has the influence of the most of locally generated revenue is the population.

Autonomous Region

Autonomous Regions is a community law has boundaries the authority to set up and take care of government affairs and the interests of the local community according to the initiative own based community aspirations system state unity of Indonesia (Government law number 32 year 2004). This means that the central government directly provide the opportunity to the local government to manage the potential areas owned, so the local government are required to have the ability of managerial and leadership to manage the region. Some variables that affect the ability of the implementation of decentralization is the ability apparatus area, the ability encourage participation, the ability of the financial area, technology, legal support, the behavior of the public, and leadership.

Autonomous region program has changed the pattern of the coordination of centralized by central government to be decentralization by the region. Decentralization mandated to the local government to manage the potential of the region each independently to improve the welfare society in line with the provisions of government. The main purpose decentralization and autonomous regions is to hold the government services can be carried out more effective and efficient (Adrian Sutedi, 2008:20).

Locally Generated Revenue

Locally generated revenue is the earnings area of the regional tax, retribution area, regional factory profit, and the result of wealth management other areas separated (Government law number 22 year 1999). This means that locally generated revenue obtained from the regional tax, retribution area, regional factory profit, and the others income legally factors. Locally generated revenue become an important note because of its management is based on the potential of the region. Through the empowerment potential that there is expected to the local government has the opportunity to develop the area without having to wait for funding from the central government. A good management of locally generated revenue will be a positive impact on the increase in the welfare of the community.

Locally generated revenue is the main source and more get the main priority in the implementation of decentralization. To be the main priority because locally generated revenue can be used in accordance with the initiative of the region, while the provisions of the central government in the form revenue sharing, special allocation funds, and general allocation funds are more binding.

The Regional Tax

The regional tax is contribution required to the area payable by personal money or agency coercive statutory by not get a reward directly and used for the purposes of the area for maximum prosperity people (Government law number 28 year 2009). In the tax no benefits directly balance between giving and receiving dues tax. The function of the tax according is budgeter that as the source of funds allocated for spending financing government and regular that as the tools to set or carry out the policy of the field of social and economic (Waluyo, 2008: 6).

Based on the authority collectors, the tax can be divided into provincial tax that collected by the province government and the regional tax that collected by the local government. Principles of the regional tax is (1) equality that in accordance with the ability of tax payer, (2) certainty that run expressly, clear, and definitely, (3) convenience that no force, (4) efficiency that the cost of levies smaller than the amount of tax revenue.

Retribution Area

The retribution area is levies area as payment on services or license certain special supplied and or provided by the local government for the sake of an individual or entity (Government law number 28 year 2009). The object of retribution is public services levy, services business levy, and permits a particular levy. The procedures for the collection levies is the collection of retribution can't be done by with the same, always starts with the charging registration object levies letter clearly, right, and complete and signed by the retribution required or authorized.

Regional Factory Profit

Local governments are required to conduct activities aimed at providing services to meet the needs of the community in the form of commercial and semi commercial activities which is profit oriented. This profit acquired will increase revenue area called regional factory or regional owned enterprises.

Regional owned enterprises mean business entities that provide services, organize public benefits, and foster income (Government law number 34 year 2000). Purpose of regional factory is participate in the implementation of regional development in particular and national development in general in the framework of a guided economy to meet the needs of the people by prioritizing industrialization and tranquility and peace of work within the company, towards a just and prosperous society. Another goals are to create employment opportunities or to encourage economic development of an area and a source of local revenue. The regional factory profit is the one source of acceptance of locally generated revenue.

The Others Income Legally Factors

The others income legally factors will help improve locally generated revenue. The others income legally factors is proceeds from the sale of local wealth which is not separated, the results of the utilization of local wealth which is not separated, current account service, interest income, claims for compensation, gains on the exchange rate differences against foreign currencies, commissions, deductions, as a result of the sale and/or procurement of goods and/or service by the region (Ministri law number 58 year 2005). Effectiveness is a measure that results from the targeting of an organization and is realized in the form of real work. The implementation of the effectiveness of a performance is to compare between the target and the realization of locally generated revenue in percentage form.

RESEARCH METHOD

The research used descriptive quantitative method which used is secondary's data shaped target and realization of locally generated revenue in Klaten Regency from 2002 to 2010 as representation of the local government performance. Technique of analyzing data which used is technique of multiple linier regression analysis and effectiveness analysis.

Researcher use secondary data that is local government financial statements obtained from the central statistical agency. The financial statements in the form of the amount of local revenue derived from various sectors include local taxes, levies, corporate profits, and other legitimate income in rupiah units. The data were processed and analyzed using multiple linear regression and effectiveness analysis.

RESULT AND STUDY

This study used four independent variables and one dependent variable. Dependent variable is locally generated revenue while the independent variables are the regional tax, retribution area, regional factory profit, and the others income legally factors. The data used are secondary data obtained from the central bureau of statistic Klaten. Based on the secondary data that has been collected it can be seen the following results:

Table 1. Data Description Dependent and Independent Variables (In Million Rupiah)

	N	Min	Max	Mean
The regional tax	36	1.439	5.245	3.289
The retribution area	36	1.520	4.040	2.521
The regional factory profit	36	272	1.124	638
The others income legally factors	36	646	5.347	3.149
Total	36	3.924	15.102	9.599
Valid N (listwise)	36			

Based on descriptive statistics of the data above, it can be seen that the total number of quarters analyzed as much as 36 quarters. Minimum score for the regional tax is IDR 1.439.629.787,41, maximum score is IDR 5.245.761.063,47 and mean IDR 3.289.954.442,86. Minimum score for the retribution area IDR 1.520.022.979,53, maximum score is IDR 4.040.494.528,38, and mean IDR 2.521.417.390,39. Minimum score for the regional factory profit is IDR 272.577.062,50, maximum score is IDR 1.124.324.262,44, and mean IDR 638.723. 839,33. Minimum score for the others income legally factors is IDR 646.413.413,88, maximum score is IDR 5.347.069.806,34, and mean IDR 3.149.703.246,69. Minimum score for locally generated revenue is IDR 3.924.816.180,81, maximum score is IDR 15.102.061.847,56, and mean IDR 9.599.798.919,27.

Table 2. F-Test

Model	Sum of square	df	Mean Square	F	Sig.
1 Regression	5,635	4	1,409	6140,672	,000
Residual	,007	31	,000		
Total	5,642	35			

Based on the f test results obtained the value of the probability of 0,000 worth less than 0,05 the Ho rejected. It can be conclude that the regional tax, retribution area, regional factory profit, and the others income legally factors are significant effect between simultaneously to locally generated revenue.

Table 3. T-Test

Model	Unstandarized Coefficient		T	Sig.	Collinearity Statistic	
	B	Std. Error			Tolerance	VIF
1 (Constant)	2,391	,413	5,788	,000		
LN_regionaltax	,339	,019	18,275	,000	,129	7,779
LN_regionaldues	,238	,026	9,060	,000	,210	4,761
LN_regifactoryprofit	,087	,010	8,902	,000	,274	3,649
LN_otherincomelegaly	,287	,011	25,334	,000	,110	9,120

Based on t test of double linier regression analysis about the factors that influence locally generated revenue show that the regional tax, retribution area, regional factory profit, and the others income legally factors are influential as significant to locally generated revenue in Klaten Regency. The four variables partially shows that the regional tax 0,339, retribution area 0,238, regional factory profit 0,087, and the others income legally factors 0,287. The value of regression coefficient each variable shows the effect of locally generated revenue. Based on the value of regression coefficient shows the influence of the greatest influence the acquisition locally generated revenue is variable regional tax as

big as 0,339. Increase in the acquisition of the regional tax will cause the increase acquisition of locally generated revenue. Focus of the excavation acquisition the regional tax contribute real in the acquisition locally generated revenue so that the independence of the area can be achieved.

Effectiveness is a measure that results from the targeting of an organization and is realized in the form of real work. The implementation of the effectiveness of a performance is to compare between the target and the realization of locally generated revenue in percentage form. The effectiveness of locally generated revenue is one of indicators performance of government an area. Calculation of the effectiveness based from percentage obtained, the higher percentage the to be the better effectiveness of locally generated revenue. Formula to obtain the value of effectiveness is:

$$\text{Effectiveness} = \text{realization} / \text{target} \times 100\%$$

Based on the formula, the calculation of effectiveness analysis of locally generated revenue since 2002 to 2010 is:

$$\begin{aligned} 2002 &= 0 / 17.519.438.716 \times 100\% = 0\% \\ 2003 &= 22.528.945.002 / 22.277.698.592 \times 100\% = 98,88\% \\ 2004 &= 25.844.860.000 / 27.185.613.930 \times 100\% = 105,19\% \\ 2005 &= 33.859.388.000 / 33.519.178.312 \times 100\% = 99\% \\ 2006 &= 35.760.002.000 / 39.493.737.943 \times 100\% = 110,44\% \\ 2007 &= 41.855.189.000 / 42.620.328.090 \times 100\% = 101,83\% \\ 2008 &= 52.148.445.000 / 49.772.710.999 \times 100\% = 95,44\% \\ 2009 &= 66.073.046.000 / 54.398.522.276 \times 100\% = 82,33\% \\ 2010 &= 61.743.899.426 / 58.769.231.450 \times 100\% = 95,18\% \end{aligned}$$

Based on the equation it can be classified as:

Table 4. Locally Generated Revenue (In Million Rupiah)

Year	Target locally generated revenue	Realization locally generated revenue	%	Information
2002	0	17.519	0	Not known
2003	22.528	22.277	98,88	Effective
2004	25.844	27.185	105,19	Very effective
2005	33.859	33.519	99	Effective
2006	35.760	39.493	110,44	Very effective
2007	41.855	42.620	101,83	Very effective
2008	52.148	49.772	95,44	Effective
2009	66.073	54.398	82,33	Effective enough
2010	61.743	58.769	95,18	Effective

Based on the table, the acquisition locally generated revenue increase every year but after the effectiveness analysis, it is seen the difference of achievement from year to

year. The results of the study showed that the acquisition of locally generated revenue is said to be very effective in 2004, 2006, 2007, and 2009. The results of the study showed that the acquisition of locally generated revenue is said to be effective in 2003, 2005, 2008, and 2010. Locally generated revenue is said to be effective enough in 2009 where the acquisition locally generated revenue is smaller than the target and in 2002 the effectiveness is not known because the local government do not make acquisition targets of locally generated revenue. The highest acquisition of locally generated revenue effectiveness occurred in 2006 as big as 110,44% and the lowest effectiveness occurred in 2009 as big as 82,33%. In 2006 the effectiveness of locally generated revenue classified is very effective. The local government should make government policy to refer to the year.

CONCLUSION

1. Based on test of double linier regression analysis about the factors that influence locally generated revenue show us that the regional tax, retribution area, regional factory profit, and the others income legally factors are influential as partial and simultaneous to locally generated revenue in Klaten Regency,
2. Based on test of effectiveness analysis locally generated revenue show us that management of the financial from 2002 to 2010 dimension called effective,
3. Variable that have the most influence to locally generated revenue in Klaten Regency is the local tax as big as 0,339,
4. Based on test of effectiveness analysis that locally generated revenue show the highest effectiveness level take place on 2006 as big as 110,44%. While locally generated revenue show the most low level take place on 2009 as big as 82,33%.

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