

Analysis of The Potential of Advertisement Tax Revenue Installed on People Crossing Bridge (JPO) in Bandung 2016-2017

Mas Rasmini
Business Administration Science Departement,
Padjadjaran University

— *Review of* —
**Integrative
Business &
Economics**
— *Research* —

Ratih Purbasari*
Business Administration Science Departement, Padjadjaran University

ABSTRACT

This study aims to determine the Potential of Advertisement Tax Revenue installed on People Crossing Bridge (JPO) in Bandung (West Java, Indonesia), Supervision and Punishment of Local Governments to the advertisement taxpayer. This paper used a qualitative method with in-depth interviews and non-participant observation. Data analysis techniques used the data reduction, data display and then made conclusions. The result showed that the Potential of Advertisement Tax Revenue is Rp 721 523 250 with the effectiveness level is 42.51%, which means that advertisement tax revenue at JPO has not been effective. Supervision and Punishment imposed for violations of the Advertisement Tax is good enough. This study contributes to the concept development of the potential of tax revenue, advertisement tax, and supervision and punishment in taxation research field.

Keywords: Potential of Tax Revenue, Advertisement Tax, JPO

1. INTRODUCTION

1.1 Background Research

Tax is already known as the largest regional cash receipts in the state's budget like Bandung. Based on data which come from Service tax office (Disyanjak) in Bandung, tax revenue (per December 10, 2015) from 9 (nine) types of taxes, has reached 1,364,821,756,781 IDR or 85.41 % of the target 1.598 billion IDR. The 9 (nine) types of taxes are the realization of the largest tax revenues which are advertisement taxes and restaurants. The lowest realization is from parking tax. These data indicate the potential of taxes which are not included or can not be collected by Bandung Government.

Based on preliminary observations which are obtained information that one target tax revenue is not achieved. The target was advertisement tax revenue.

It is stated by the Head of the Indonesia Supreme Audit Agency (BPK) West Java representative, a few years ago, Cornell Syarief Prawiradinigrat, many things become the findings for BPK when examining the Report Examination Results (LHP) which is generally have an impact on less optimal Advertisement tax revenue in Bandung.

The implementation (installation) advertisements that have not advertisement taxes, advertisement taxes which are less set and collected.

(<http://www.galamedianews.com/index.php?menu=bandung-raja&id=16926&judul=bpk-jabar-merinci-temuan-kurangnya-pendapatan-reklame-di-kota-bandung>).

It obtained the information from the same source which have weak coordination between government offices (SKPD) which is involved in the management of advertisement taxes, as well as inadequate control in the process of issuing licenses to billboards advertisement acceptance in the local treasury, weaknesses in the administration and reporting tax management billboard as well as the preparation of advertisement tax revenue targets that are not based on careful calculations.

1.2 Problems Formulations:

1. How many potential revenue of Advertisement Tax which is attached to Crossing Bridge People (JPO) In Bandung City.
2. How the supervision and sanction made by the Local Government on advertisement tax payer.

2. LITERATURE REVIEW

2.1 The concept of advertisement tax

The authority of the local government, whether city or province, to collect fees from the community is basically regulated in regulation no. 28/2009 which concerning Local Taxes and Levies ("Law 28/2009"). The position of this regulation is as a basis for regional authority in limiting regional authority in collecting fees from the public. Meanwhile, the amount of fees and technical procedures of collection are further regulated by the Regional Regulations ("Perda") in their respective regions.

There are 2 (two) types of charges by the local government to the community within its jurisdiction. **First**, the local tax. Local tax is a compulsory contribution to an area owed by an individual or a coercive body under the Act, not being directly rewarded and used for regional purposes for the greatest possible prosperity of the

people. In Article 2 of Law 28/2009, limitatively, no other tax may be quoted other than the taxation types mentioned herein.

Second, that is retribution. Law 28/2009 has determined the type and classification of the required levies. However, in contrast to taxes that are of a limitative nature, under Article 150 of Law 28/2009, local governments are given discretion to quote and add new types of levies outside of the levies set forth in this law. So even though the law does not mention land rent fees, but the local government can make a type of land rent levy within the law.

Advertising tax is the tax that the authority to collect it is granted to the city / county. This is regulated in Articles 43 through Article 51 of Law 28/2009. Under this law, the tariffs, payment and payment arrangements are regulated in the respective local regulation. So from the above explanation, it is clear that this local tax position is very clear and legitimate under the law.

The basis for imposition of advertisement tax is NSR (Rental Rent Value). Tax rates applied based on Bylaw no. 8 Year 2003 is set at 25% and indoor NSR is set at 75% of Outdoor Advertising Rental Value.

Tariffs imposed for each applicant of the bill, for the standard cost of service in the management of various licenses have been regulated and the applicable provisions are "Special applicants are not at all wearing tariffs to apply for licensing, although every applicant is obligated to pay taxes," (Head of Agency Integrated Licensing Service (BPPT) Bandung, H. Ema in <http://www.galamedianews.com/bandung-raya/16935/s-least-5279-reklame-di-kota-bandung-tidak-berizin.html>)

Objects of advertisement tax according to the Bandung City Local Regulation No. 20 of 2011 on Regional Tax Article 18 Paragraph 2 and 3 shall be all the administration of advertisements, consisting of:

1. billboard / billboard / videotron / megatron billboards and the like;
2. cloth billboards;
3. embedded billboard or sticker;
4. flyer billboards;
5. walking billboard included on vehicle;
6. air billboards;
7. film billboards / slides;
8. display billboards; and
9. wall / wall billboard

Whereas in Article 19 stated that:

1. Subject of Advertisement Tax is an individual or an agency that uses a billboard.
2. An advertisement taxpayer is an individual or a body that hosts a billboard
3. In the event that the advertisement itself is held directly by an individual or entity, the advertisement tax shall be an individual or entity.
4. In the event that the advertisement is maintained through a third party, the third party becomes an advertisement taxpayer.

Related to the objection of bill paying tax bill, Article 103 of Law Number 28 Year 2009 stipulates that the tax subject may file an objection or appeal. However, such objections are limited to Notary Tax Returns, Local Tax Assessment Letters, Local Tax Underpayment Letters, Additional Taxpayer Additional Tax Assessments, Local Tax Assessment Letters, Regional Tax Overpayment Letters, or to withholding or Collecting by a third party submitted by the taxpayer..

Every Taxpayer as stipulated in Regional Regulation of Bandung Number 8 of 2003 on advertisement tax, which is not or less paid after a maximum of 30 (thirty) days since receipt of SKPD as intended in Article 12, shall be liable to administrative sanction in the form of interest of 2 % (Two percent) per month of taxes which are not, less or late paid for a period of 24 (twenty four) months from the time the tax becomes due. The imposition of administrative fines in the amount referred to shall be billed by issuing STP.

2.2 TAX SANCTIONS

As for sanctions in the implementation of unlicensed tax as stated in article 29, the billboard will be disciplined / unloaded without prior notice / warning / reprimand to the advertiser of advertisement:

- A. Implementation of Advertising has expired without further renewal;
- B. Implementation of Advertising is done without obtaining written permission in advance in accordance with applicable provisions;
- C. Implementation of Advertising is not in accordance with the provisions of written permission that is not applicable;
- D. The tax payment is less than it should have paid and / or has not been paid tax.

Pengertiban or dismantling done by the Civil Service Police Unit in accordance with article 29 paragraph 4 of the guardian no 213 of 2012.

In addition to billboards on the JPO that already has a permit will be revoked if permission

1. have not carried out the development and / or filled the billboard script until the maximum period of 6 months.

2. If the owner / holder of the license is in violation of the provisions of the billboard administration, prior to the revocation of the license to the holder / permit holder is given a warning letter / warning first in order to fulfill the obligation with 7 .
3. If the deadline in the warning letter / warning concerned does not fulfill its obligation, it will issue a Decision to Revoke the Permit and simultaneously dismantle the bill.

While the tax collection procedure will be conducted in accordance with article 24, namely:

- (1) The Tax Payment shall be made after the approval of the license is issued.
- (2) A fully paid billboard shall be marked in full / time period of the advertisement permit.
- (3) If within the period of 15 (fifteen) working days the taxpayer does not also fulfill the obligation to pay the Tax and / or the permit and the fines already taken into account, then on the organizer of all types of advertisements, the Letter of Force shall be issued.
- (4) If within 7 (seven) working days after the Letter of Force is received, the taxpayer also fails to fulfill the obligation as referred to in paragraph (3), will be issued the Order of Forfeiture Order.
- (5) If within 7 (seven) working days after the Order of Forfeiture is received, the taxpayer does not fulfill the obligation as referred to in paragraph (3), there shall be an auction on the seized goods.

2.3 Effectiveness

In the calculation of effectiveness according to Abdul Halim (2008: 234) if achieved at least one or 100% then the effectiveness ratio the better, meaning the more effective tax billboard. Similarly, the smaller the percentage of effectiveness indicating billboards tax revenues are increasingly ineffective. To measure the effectiveness value in more detail used Criteria based Kepmendagri No.690.900.327 in 1996 about the guidelines of assessment and financial performance.

3. RESEARCH METHODS

The research method used is qualitative method with data collection technique through in-depth interview, non participant observation and documentation. Data analysis that is with data reduction, data display then withdrawal conclusion. While testing is done with triangulation of data and discussion with members of research team.

4. RESULTS

4.1 Potential of Advertisement Tax at JPO

To calculate the amount of potential advertisement tax revenue installed on the JPO must be submitted / known in advance the number of JPOs in Bandung and who is responsible for the development of the JPO. The results of interviews with some informants from BPPT, Disyanjak, Bapeda and Diskamtam obtained similar informaasi that the making of JPO as the fulfillment of the needs of the community, is entirely the responsibility of local government and in the previous regulation on the Crossing Bridge People (JPO) can not be posted, considerations to safeguard the safety and security of the person passing through the JPO from crimes such as muggings or robberies.

The factual condition of Bandung City Government according to the informants have very limited budget for regional development, including in building JPO, whereas for certain locations have been very needed. The limited budget condition encourages the Bandung City Government to establish cooperation with third parties in this case private companies to build JPOs with compensation allowed to install a billboard on the JPO it is built.

The mechanism / procedure of making the JPO by a third party / advertiser propagation company in JPO is very long, according to the informant from Bapeda that the proposer must make a principal license addressed to the mayor with one of the requirements of the principle permit is recommendation from several offices Related to Diskamtam, which is recommendation of acceptable text and sizes of billboards, BPPT recommends for its establishment permit, Bina Marga recommends for pile and construction technical, as well as letter of statement from the public if they need JPO at their location. The principle permit is granted for 5 years in accordance with Perwal no 213 of 2012 for the management and maintenance of JPO by the managing company / organizer with compensation may install advertisements. If it has reached the limit of 5 years may be extended or if not renewed it will be submitted to the local government and belong to the local government.

The results of interviews with the informants and completed with the results of observations to the locations in the city of Bandung obtained a total of JPO in Bandung as much as 23 JPO. JPO conditions vary, there are attached billboards, there are empty (just the billboard), and there are only written no. HP that can be contacted for the installation of advertisements. In addition there are 1 JPO whose condition is not maintained and less safe to cross, namely JPO on the Kosambi Street.

The advertisements attached to the official JPO have permission from BPPT

only 14 billboards out of 23 existing JPOs. Then JPO is not installed billboard but there is framework reklamnya as much as 6 JPO, so it is known there are 3 advertisement that mounted on JPO but not authorized by BPPT. Once confirmed to BPPT and Disyanjak indeed that 9 JPO is not registered in BPPT and also there is no data received by Disyanjak from BPPT. In fact based on advertisement tax data input on JPO which have paid and officially registered in Disyanjak only 14 billboard.

The amount of advertisement tax attached to the JPO realized in 2016 amounted to Rp 306,730,875. Meanwhile, based on the results of interviews with informants from Disyanjak advertisement tax target installed in JPO for the year 2016 is Rp. 2 billion per year. These conditions indicate that the advertisement tax attached to the JPO is very far from the achievement of the target set.

This shows that the level of effectiveness of advertisement tax revenue installed on the JPO in Bandung is not good. Effectiveness is the ratio or ratio between receipts with advertisement tax targets set each year based on real potential.

In the calculation of effectiveness according to Abdul Halim (2008: 234) if achieved at least one or 100% then the effectiveness ratio the better, meaning the more effective tax billboard. Similarly, the smaller the percentage of effectiveness indicating billboards tax revenues are increasingly ineffective.

The following can be seen how the percentage of advertisement tax advertisement effectiveness in JPO when compared with the target tax advertisement installed on the JPO in the city of Bandung set 2016:

$$\begin{aligned} \text{Advertisement Tax effectivity} &= (306.730.875 \text{ IDR} / 2.000.000.000 \text{ IDR}) \times 100\% \\ &= 15,34\% \end{aligned}$$

The amount of effectiveness of advertisement tax revenue that is small, that is 15.34% means that advertisement tax revenue installed on JPO in Bandung City is not / **has not been effective** yet.

In accordance with the advertisement tax phenomenon of 2013 which has been described in the preliminary study, the information obtained from the interviews with informants also stated the same thing is the ineffectiveness of advertisement tax revenue caused by several factors, including the institutional aspects, governance and tax management resources Advertisements that are not yet adequately supported by organizational structure, management regulations, resources and infrastructure. In addition, according to informants is not an impossible thing is also caused by the supervision that has not been maximized from the relevant authorities such as BPPT, Diskamtam, and Disyanjak.

Potential calculated is the maximum potential that can be taxed. Next to calculate the potential of advertisement tax revenue installed in the city of Bandung in

addition to the number of its JPO must be known also some other factors that is

1. Tariff of advertisement tax based on Mayor of Bandung Regulation no. 1149 of 2013 on the calculation of rented rent value is 25%,

2. Type of advertisement.

The types of advertisements that are allowed to be installed on JPO are Billboard and Videotron Type. But throughout the year 2016, billboard-installed billboard only.

3. Space Function

Spatial function is divided into 3: Free area with score 10, Selective area with score 9 and general area with score 8. Space function has weight 60%.

4. Road Function

Road function is divided into 4, which is toll road with score 10, national / primary artery road with score 9, provincial / secondary artery road with score 8 and Local / Environment with score 6. Road function has 15% weight.

5. Viewpoint

The angle of view is divided into 4 ie 4 directions with a score of 10, 3 directions with a score of 8, 2 directions with a score of 4, and 1 direction with a score of 2. Viewpoint has a weight of 25%

6. Advertising Size

Potential calculated is the maximum potential that can be received tax, so that the size of the bill that is calculated the maximum size of billboards that can be installed on the JPO-JPO. The maximum size is based on the street view point, if one way street then the maximum size of advertisement in JPO allowed by local regulation based on the result of interview is 4x8 m², while the 2 way street maximum of the allowed advertisement size is 4x14 m². Billboard type basic price for Billboard type for size 0-9.99 m² for 915.000 IDR, for size 10-50 m² 1.220.000 IDR and for size above 50 m² for 1,525,000 IDR.

7. Elevation.

The average height is taken for both one-way and 2-way streets with a height of 12 m. Billboard floor height for Billboard type is 122.000 IDR.

8. Strategic Value of Advertisement Installation.

The basic price of the Signature Advertising Value for smaller size equals 2.99 m² of 240,000 IDR for the size of 3-9.99 m² for 610,000 IDR, for the size of 10-50 m² for 1.220.000 IDR and for the size of 50 m² and above Amounting to 3.050.000 IDR.

The above formula shows that before calculating the amount of tax bill first must be known how the Basic Tax Imposition. Still in Bandung Mayor's Regulation

no. 1149 of 2013 on the Calculation of Rental Rent Value which is the basis for the imposition of advertisement tax is the rent billboard value. Here are the steps in calculating the amount of advertisement tax based on the Perwal:

After the value of advertisement rent is obtained, then the value of advertisement tax bill to be paid will be known. The above tax advertisement calculation based on Article 3 Paragraph (3) shall be valid for 1 (one) side only, if it consists of 2 (two) sides then multiplied by two.

Calculation results with the above formulas obtained that the potential of advertisement tax installed on the JPO in Bandung maximum Rp 721.523.250. This means that Bandung City Government can only get advertisement tax revenues in 2016 amounting to 721,523,250 IDR with the amount of JPO of 23 JPO, and assuming all JPOs in good condition to be installed billboard with maximum size. From the data of potential magnitude of advertisement tax obtained will be known the effectiveness of tax revenue from the potential. Here can be seen how the percent effectiveness of advertisement tax revenue on JPO when compared with the potential tax advertisement installed on the JPO in Bandung:

The amount of effectiveness of advertisement tax revenue obtained by 42.51%, this condition is much better than the effectiveness taken from the target set by the government of 2 billion IDR / year. Indeed, if berdasarkan on the number of JPO in the city of Bandung with the maximum ability of billboards that can be installed on the JPO-JPO is the potential only 721.523.250 IDR, this gives the argument that the target of 2 billion IDR / year for current JPO conditions Is too big. So the number of achievements that are realized with the targeted number of the difference is too far at 1.693.269.125 IDR. Meanwhile, although seen from the number Potential advertisement tax revenue on the JPO in the city of Bandung with the realized number is still not reached 50% at least the difference is much less than the target of 2 billion ie 414.792.375 IDR and Bandung City Government can realistically achieve these potential numbers by maximizing their efforts by increasing / encouraging entrepreneurs to put billboards on JPO.

The acceptance of advertisement tax attached to the JPO in Bandung City both compared with the target set as well as with acceptable potential, still not efektif. This happens because of several things, namely:

1. The existence of some companies has not or does not extend the life of the JPO, or is applying for an extension but the permit has not been issued (on proses).
2. The existence of companies that install advertisements on the JPO by not getting permission from BPPT, so even if the JPO installed billboard but the tax can not be accepted by the government.

3. There is one JPO whose condition can not be installed billboard because it must be repaired first.

4.2 Supervision And Sanctions

The parties in charge of overseeing the implementation of advertisements installed on the JPO in the city of Bandung that is :

1. The funeral and landscaping service (Diskamtam) oversees the aesthetic, script and size aspects. They watched directly to the JPO locations where the advertisements were posted. Then make an official report of the results of the examination to be coordinated with other agencies related to supervision of the Department of Tax Service, DGH and the Civil Service Police Unit. With direct survey of spaciousness / location JPO built in addition to watching from the above three aspects will also make it easy to know which licensed billboards and which unlicensed billboards. If the licensed billboards within 6 months have not been built or filled with billboards then the permit will be revoked, while for unlicensed billboards will be recommended to the Satpol PP to dismantle the reclamation without prior notice to the advertiser.

2. Tax Service Office (Disyanjak) and Revenue Service

The Tax Service Office and the Revenue Service oversee the tax aspects. Supervision is done through monitoring and inspection of tax administration billboard that is from data / information given by other related Office such as advertisement size and height of advertisement, location or road where JPO is built already according to what not yet contained in permit as base for calculating The amount of tax base. Checking the advertisement tax period to determine whether the taxpayer is time to pay taxes or not, if not pay tax within 15 working days then will be billed Surat Suratsa. If it has been issued a forced letter within 7 working days is still not paid then will be issued a warrant foreclosure later if within 7 working days after the letter of foreclosure is accepted but the taxpayer has not fulfilled his taxpayer obligations it will be auctioned the seized goods.

3. Department of Highways

Supervision made by the Office of Highways is in the aspects of construction, from the start pile, bridge body, billboard. They have been monitoring since the commencement of the construction of the JPO with direct supervision to the location where JPO was built.

The results of supervision from the three agencies if proven there is a violation of the advertisers will be given and recommended to Satpol PP for follow-up with the

application of sanctions in accordance with applicable rules.

Until now, according to informants from BPPT and Disyanjak and Bapeda supervision has not been done well, this is because there is still a lack of personnel / human resources who can directly monitor to JPO locations with a regular intensity. As was done the dismantling of billboards on certain days, but because it is not monitored continuously a few days later it is installed again. This indicates the existence of certain elements in terms of the administration of advertisements that are still "naughty / stubborn" do not want to be subject to the rules that apply.

On the other hand informant from the advertisers of advertisement (licensed) convey that actually supervision has been done well, and its implementation very tight. Actually, from the procedure of applying for permission to the installation of the advertisement script is already a supervision, and this is very realistic because it relates to the safety and security of all parties, especially those who cross the JPO. Proven according to the informant that the infringing advertisement must be sanctioned from being given a warning to the maximum sanction of billboard dismantling.

5. CONCLUSION

The conclusion of the research results are:

1. Potential Acceptance of Advertisement Tax that is installed on the Crossing Bridge People (JPO) In Bandung by calculating the various elements known for Rp 721,523,250. While the new realized amounting to Rp Rp 306,730,875. The effectiveness achieved from the new existing potential is 42.51%.
2. Supervision and sanctions made by Local Government to the advertisement taxpayers have been relatively well done.

6. RECOMMENDATION

Recommendations that can be submitted are:

1. From the amount of potential obtained above, it is recommended that the potential becomes a reference in determining the advertisement tax revenue target per year. Given the 2016 tax target set at 2 billion, this will incriminate the relevant agencies in achieving it considering the potential of the advertisements on the existing JPO to reach just under 1 billion.
2. Maximize the use of JPO for the installation of advertisements. With the JPO that must be fixed then calculate the cost used with the tax that will enter per year

whether still positive difference or not, if obtained positive difference then JPO should be repaired and rented for commercial billboards (not governance billboard). If the difference is not positive then the JPO should be dismantled with consequences the potential will be reduced so that the targeting must be lowered.

APPENDIX

A. Location of Bridge Crossing People with Licensed Advertising in the City of Bandung

- 1) Sukajadi in front of PVJ
- 2) Pasirkaliki front RSHS
- 3) Jl. Dr. Setiabudhi
- 4) Jl. Gatot Subroto
- 5) Jl. Dr. Djunjunan No. 143 and 180
- 6) Jl. Asia Africa
- 7) Jl. Independent
- 8) Jl. Otto Iskandardinata No. 92/103
- 9) Jl. Ir.H.Juanda No. 160

2. Advertising bureau companies that place advertisements on pedestrian bridges in the city of Bandung

- 1) PT. Ganesha Vector
- 2) PT. Media Indra Buana
- 3) PT. Global Media
- 4) PT. Neonlite
- 5) PT. Colorful Media
- 6) CV. Internusa Infrastructure

ACKNOWLEDGEMENTS

On this occasion we say thank you very much to all parties who have been involved in this research for good cooperation in the implementation of research that researchers do, so it goes well until in the end this research can be completed properly. Hope we hope the results of this study can be useful for improvement in achieving the effectiveness of advertisement tax revenue in the city of Bandung

REFERENCES

- [1] Abdul Halim. 2004. *Manajemen Keuangan Daerah*. Yogyakarta: (UPP) AMP YKPN.

- [2] Abdul Halim. 2004. *Akuntansi Keuangan Daerah*. Jakarta: Salemba Empat.
- [3] Ahmad Yani. 2004. *Hubungan Keuangan antara Pemerintah Pusat dan Daerah di Indonesia*. Jakarta :PT. Raja Grafindo Persada.
- [4] Keputusan Menteri Dalam Negeri Nomor .690.900.327 tahun 1996 tentang pedoman penilaian dan kinerja keuangan.
- [5] Peraturan Daerah Kota Bandung Nomor 20 Tahun 2011 tentang Pajak Daerah.
- [6] Peraturan Daerah Kota Bandung Nomor 8 Tahun 2003 Tentang Pajak Reklame.
- [7] Peraturan Wali Kota Bandung Nomor 213 Tahun 2012 Tentang Petunjuk Pelaksanaan Penyelenggaraan Reklame.