Strategy Analysis for Increasing Advertisement Tax Revenue in the Era of Digitalization at the Jakarta Regional Revenue Agency

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ABSTRACT: The phenomenon of this research is the transition from the use of billboards to digital billboards, resulting in a decrease in billboard tax revenue. Because there are many companies that promote their goods or put up billboards digitally. This study aims to determine what strategies are used by the Regional Revenue Agency to increase advertisement tax revenue in the digitalization era. The research method used is descriptive qualitative research. Sources of data consist of secondary data in the form of interviews and primary data in the form of documentation data. The results of this study indicate: (1) Bapenda and UP3D continue to be more active in terms of providing appeals to taxpayers to report and pay their reclamation tax when due. (2) LED billboards are billboards with a substantial increase in advertisement tax revenue compared to conventional billboards. (3) There are still many potentials that can be subject to advertisement tax to increase advertisement tax revenue. Suggestions in this study are (1) Bapenda should be more active in viewing advertisements that do not have a license but have been published. (2) Must provide more in-depth socialization to taxpayers so that taxpayers continue to report their published reclamation tax. (3) Providing firmer assertiveness or sanctions to taxpayers who do not fulfill their obligations or administrators of illegal advertisements in order to be more deterred.

Keywords: Advertisement tax, increased tax revenue

INTRODUCTION

The success of a nation in national development is largely determined by the nation's ability to advance the welfare of society, therefore financing funds are needed to achieve the desired goals. One of the efforts to achieve this goal is through taxes.

Taxes are mandatory levies that people pay to the state and will be used for the benefit of the government and the general public. People who pay taxes will not feel the benefits of taxes directly, because taxes are used for public interests, not for personal interests. Taxes are one source of
government funds for development, both central government and regional government. Tax collection can be enforced because it is carried out based on law.

Based on the collecting agency, taxes are classified into 2 types, namely: regional taxes and state taxes. Regional taxes are taxes collected by regional governments and are limited only to the regional people themselves, whether collected by Level II Regional Governments or Level I Regional Governments. For example: hotel tax, entertainment tax, restaurant tax, advertising tax and many others.

The Special Capital Region (DKI) of Jakarta as the capital of Indonesia requires a relatively large budget, so regional revenue sources are needed that are capable of supporting government operations. The holder of government legitimacy in this area is the DKI Jakarta provincial government. The DKI Jakarta Provincial Government has the right to charge the costs of administering government to the people of DKI Jakarta.

One of the local revenues (PAD) is advertising tax, advertising tax itself is a medium that bridges producers and consumers by introducing products produced by companies or other functions with the same goal. Because the advertising tax is located at a strategic point, advertising is a very appropriate medium for promoting these products to the public. Besides advertising, it can take the form of boards, display advertisements, such as newspapers, magazines, etc. as well as electronic media such as television, radio, and social media.

Based on the source of the regional revenue agency in Jakarta, there are many types of advertisements used to promote goods and services in the implementation of advertisements, so there are several irregularities in the advertising tax levy. This large number of advertisements is a big opportunity for local tax revenue.

**Table 1 Target and Realization of Jakarta Bapenda Advertising Tax Revenue 2017-2019**

<table>
<thead>
<tr>
<th>Year</th>
<th>Target (Rp)</th>
<th>Realization (Rp)</th>
<th>Present</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>850.000.000.000</td>
<td>964.653.743.479</td>
<td>113.48%</td>
</tr>
<tr>
<td>2018</td>
<td>1.150.000.000.000</td>
<td>1.022.264.466.410</td>
<td>88.89%</td>
</tr>
<tr>
<td>2019</td>
<td>1.050.000.000.000</td>
<td>1.076.610.774.722</td>
<td>102.53%</td>
</tr>
<tr>
<td>Total</td>
<td>3.050.000.000.000</td>
<td>3.063.528.984.611</td>
<td>304.67%</td>
</tr>
</tbody>
</table>

Source: Jakarta Regional Revenue Agency
Based on table 1, the targets and plans for realization in 2017 to 2019 for advertising tax revenues in DKI Jakarta, which experience irregular revenues each year, are achieved if the achievement targets have been lowered. If the target achievement is increased, it will not be possible to achieve the target.

This irregular revenue is due to the many problems found in the management of advertising taxes due to a decrease in advertising tax revenues due to the large number of illegal advertising taxes that do not have permits or whose licensing periods do not extend, as well as the need for good coordination between the parties involved, namely officers, who are ordered to manage advertisement tax in licensing the collection, supervision and removal of advertisements, a clear, firm and transparent legal basis and rules are needed in accordance with tax laws and regulations (Shah & Shah, 2023).

Currently, more and more advertisements are placed on social media. Such as Instagram, YouTube, Facebook and Blogspot. It is rare to find advertisements on large billboards. There are many billboard frames that are not filled with advertising or are empty because everything is moving into the era of digitalization.

Digitalization is a terminology to explain the process of transferring media from printed, audio or video form to digital form. Currently, several areas of life are undergoing a migration process to digital technology, with the aim of gaining efficiency and optimization. These include digitalization in the telecommunications sector, broadcasting and government data. Like placing advertisements that have spread on almost all social media.

Before entering the digital era in BAPENDA Jakarta, the realization of advertisement tax had not yet reached its revenue target because there were still illegal advertisements displayed on the streets and had not been registered with BAPENDA Jakarta, there were taxpayers who were illegal or had not registered themselves and had not paid taxes and there were still many advertisements. overdue and unorganized advertising installations can disrupt the beauty of the city (Lei, 2022).

With the transition from billboards to digital, it is possible to reduce advertising tax revenues. Because many companies promote their goods or put up digital advertisements because they can be seen anytime and anywhere. And digital traces will never be lost or erased even though times have changed. And it has become a phenomenon nowadays.

Currently, BAPENDA Jakarta has made efforts to support the installation of advertisements in the form of LEDs, but this has not yet had an impact on increasing revenue from BAPENDA Jakarta, especially advertising tax.

In this research the author will only discuss strategies for increasing advertising tax revenues in the era of digitalization at the Jakarta Regional Revenue Agency.
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1. What is the strategy for increasing advertising tax revenue in the era of digitalization at the Jakarta Regional Revenue Agency?
2. What are the obstacles to increasing advertising tax revenues in the era of digitalization at the Jakarta Regional Revenue Agency?
3. How are efforts to overcome obstacles to increasing advertising tax revenue in the era of digitalization at the Jakarta Regional Revenue Agency?

Based on the problem formulation above, the author provides the research objectives as follows:

1) To analyze strategies for increasing advertising tax revenues in the era of digitalization at the Jakarta Regional Revenue Agency.
2) To analyze the obstacles to increasing advertising tax revenues in the era of digitalization at the Jakarta Regional Revenue Agency.
3) To analyze efforts to increase advertising tax revenues in the era of digitalization at the Jakarta Regional Revenue Agency.

Theory of Increasing Tax Revenue

According to Fritz Neumark, this principle, quoted by (Pohan, 2016), involves two things, namely:

1) Principle of Adaptability

The Principle of Adaptability is that the tax system should be flexible enough to generate additional revenue for the state, if sudden state needs arise, such as national natural disasters without causing shocks to the people's economy.

2) Principle of Adequancy

The Principle of Adequancy is that the national tax system should be able to guarantee state revenues to finance all expenditure.

Local tax

According to Raharjo, 2011: Regional Tax is the obligation of community residents to hand over part of their wealth to the region due to a situation, event or action that gives them a certain position, but not as a sanction or law.

According to Siahaan 2013, Regional Tax is a mandatory contribution made by the region to individuals or entities without direct direct compensation, which can be imposed based on applicable laws and regulations, which is used to finance the administration of regional government and regional development.
Advertisement tax

Advertising tax is a fee that must be paid in order to obtain a permit for advertising. The subject of advertisement tax is the individual or entity that uses the advertisement. The basis for imposition of advertisement tax is the Advertisement Rental Value (NSR). If the advertisement is organized by a third party, the NSR is determined based on the advertising contract value. However, if the advertisement is held independently, the NSR is calculated based on the type, materials used, placement location, period of implementation, number and size of advertising media (Alkan & Surmeneli, 2018).

If the advertisement is held by a third party, but the party does not have a contract for the advertisement, then the NSR is determined using factors similar to the advertisements held by yourself.

In Jakarta, the NSR has been stipulated in the Regulation of the Governor of DKI Jakarta Province Number 27 of 2014 concerning Determining the Rental Value of Advertisements as a Basis for Imposing Advertisement Tax.

In Jakarta, advertising tax rates are regulated through Regional Regulation Number 12 of 2011, concerning Advertising Tax. The rate charged for advertising is 25%. Outside Jakarta, many of these rules have been adapted to be applied in their respective regions.

Digitalization Theory

According to (Sukmana, 2005) Digitalization is the process of transferring media from printed, audio and video form to digital form. Digitization is carried out to create digital document archives, for photocopying functions, and to create digital library collections. Digitalization requires equipment such as computers, scanners, source media operators and supporting software (Verbivska et al., 2023).

METHOD

The research approach that the author uses is a qualitative approach or often called a naturalistic research method because the research is carried out in natural conditions. This research is a research procedure that produces descriptive research by describing and identifying a problem and how efforts are made to solve the problem. The type of research used is:

a. Field Research (field research)

Field research is research carried out by visiting the location or place of research. Primary data collection efforts were carried out directly by meeting respondents by distributing questionnaires, interviews and observations.
b. Library Research (laboratory research)

Library research is secondary data collection carried out by reading books, magazines and other data sources in the library. So, data (information) collection efforts are carried out in places where other reference books are stored.

c. Descriptive Research

Descriptive research aims to provide a description of the facts, characteristics and relationships between the phenomena being studied. Including the relationship between activities, attitudes, views, ongoing processes and the influences of a phenomenon, or determining the frequency of distribution of a symptom or the frequency of a certain relationship between a symptom and other symptoms.

In this research, informants are individuals who are believed to have and know information about the research topic. In qualitative research, information must be predetermined to obtain the required information from the right individuals.

In this research, the informants who have been determined are:

1. Revenue Section II
2. UP3D Service and Determination Unit Head Section
3. Academy
4. Advertisement Taxpayers
5. Advertisement Taxpayers

The location of the research was carried out at the Jakarta Regional Revenue Agency Office located at Jl. Abdul Muis No. 66, rw 3, Gambir, Central Jakarta, DKI Jakarta.

RESULT AND DISCUSSION

1. Data Seconds

Secondary data is data obtained by researchers from existing sources.

2. Data Primer

Primary data is data obtained by researchers directly from original sources. This primary data was collected by the author through in-depth interviews with informants related to advertising tax collection.

The following are the results and analysis of interviews conducted by the author with informants as follows:
In the following discussion, we will analyze based on the theory that has been used regarding strategies for increasing advertising tax revenue in the era of digitalization at the Jakarta Regional Revenue Agency.

1. Strategy for increasing advertising tax revenues in the era of digitalization at the Jakarta Regional Revenue Agency

One of the local revenues (PAD) is advertising tax, advertising tax itself is a medium that bridges producers and consumers by introducing products produced by companies or other functions with the same goal. Because the advertising tax is located at a strategic point, advertising is a very appropriate medium for promoting these products to the public. Besides advertising, it can take the form of boards, display advertisements, such as newspapers, magazines, etc. as well as electronic media such as television, radio, and social media.

Based on the source of the regional revenue agency in Jakarta, there are many types of advertisements used to promote goods and services in the implementation of advertisements, so there are several irregularities in the advertising tax levy. This large number of advertisements is a big opportunity for local tax revenue.

Before entering the digital era in BAPENDA Jakarta, the realization of advertisement tax had not yet reached its revenue target because there were still illegal advertisements displayed on the streets and had not been registered with BAPENDA Jakarta, there were taxpayers who were illegal or had not registered themselves and had not paid taxes and there were still many advertisements overdue and unorganized advertising installations can disrupt the beauty of the city.

With the transition from billboards to digital, it is possible to reduce advertising tax revenues. Because many companies promote their goods or put up digital advertisements because they can be seen anytime and anywhere. And digital traces will never be lost or erased even though times have changed. And it has become a phenomenon nowadays.

Currently, Bapenda must have a sound strategy so that advertising tax can continue to reach its target. Because in the current era of digitalization, people prefer to post their advertisements via the internet because they can be seen by everyone anywhere and at any time, and will not be erased even though times have changed.
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a. Enterprise Strategy

Based on the results of interviews with informants, so far taxpayers have felt satisfaction with the services that have been provided, as well as by appealing to advertisement taxpayers to pay their advertisement tax before the due date.

b. Corporate Strategy

Based on the results of interviews with informants, they have provided services in accordance with the existing mission by playing a more active role so that advertising taxes continue to increase.

c. Business Strategy

Based on the results of interviews with informants, by looking for new tax objects that could be subject to advertising tax. Conduct outreach to taxpayers so that taxpayers can better understand how to continue reporting their advertising taxes.

d. Functional Strategy

Based on the results of interviews with informants, relying on the installation of advertisements in the form of LEDs. Installation of advertisements LED can increase income because LED advertisements generate greater income than conventional or board-shaped advertisements.

Apart from installing LED billboards which generate more revenue than conventional billboards, LED billboards also give a beautiful and orderly impression compared to conventional billboards which are considered to damage the beauty of the city.

e. Principle of Adaptability

Based on the results of interviews with informants, the tax collection system provided makes it easy for taxpayers to report their advertising taxes.

f. Principle of Adequancy

Based on the results of interviews with informants, advertising tax revenues are currently large, although not yet the largest.

2. Obstacles in increasing advertising tax revenues in the era of digitalization at the Jakarta Regional Revenue Agency

The obstacles to increasing advertising tax revenues felt by Bapenda are due to deficiencies or non-compliance by advertising tax payers. This is what hinders the increase in advertising tax revenues.

Obstacles currently faced by Bapenda. Firstly, there are many illegal advertisements and advertisements that have been displayed but have not yet registered and reported the advertisement tax due to obstacles regarding permits that have not yet been issued to display the advertisements.

Difficult licensing is an obstacle that can reduce advertising tax revenue itself. It could be illegal advertising without permission. Bapenda cannot collect advertising payments from advertisements.
that do not have a permit. Those who should be able to receive income from advertising for a full year or 6 months are unable to. So it can only be received 3 months after it was first broadcast.

The second, many commercials that have already aired do not extend the installation of commercials. The commercials have run out of time but still show the commercials. Advertising installers who sometimes forget to extend their advertising installation. So, income can also come from taxpayers who are not orderly or compliant.

Third, many taxpayers use third parties for advertisements and taxpayers forget that their advertisements are due. Because usually the third party is late or negligent in reporting the first party's advertising tax. So, the first party knows that the advertising tax has been paid or reported by a third party, even though in reality it has not been reported.

3. **Efforts to increase advertising tax revenues in the era of digitalization at the Jakarta Regional Revenue Agency**

Efforts are being made by Bapenda to continue to increase advertising tax revenues in the era of digitalization.

First, by sending a notification letter to the advertisement taxpayer. Provide a letter regarding whether or not the advertising tax will be extended whether or not the advertising is still displayed. Or provide a notification letter that the advertisement that has been broadcast has not been registered.

Second, by giving a warning to the advertisement taxpayer if they have sent an appeal letter but the advertisement taxpayer has not or is not responding to it, they will be given a firm warning.

Third, if a warning letter has been given and the warning has not been responded to, a sticker will be placed indicating that the advertisement has not paid off local tax obligations. Or you will be subject to sanctions if you pay past the due date. And we will ask for help from the PP Satpol to help take action, such as removing advertisements that have not reported their advertisement taxes.

**CONCLUSION**

Based on the results of the research that has been carried out, several research conclusions can be drawn regarding Strategy Analysis for Increasing Advertising Tax Revenue. Some conclusions are as follows:

1. Bapenda and UP3D continue to be more active in providing advice to taxpayers to report and pay their advertisement tax when it is due.
2. LED advertisements are advertisements with a fairly large increase in advertisement tax income compared to conventional advertisements. And LED billboards can beautify the city compared to conventional billboards which disturb the beauty of the city.
3. There are still many potential areas that could be subject to advertising tax to increase advertising tax revenue. Advertisements that were previously not subject to advertising tax can now be charged.
Suggestions Based on the conclusions above, several suggestions are made as follows:

1. Bapenda must be more aggressive in looking at advertisements that do not yet have permission but have already been broadcast. So it does not reduce income from the advertising tax itself.
2. We must provide more in-depth outreach to taxpayers so that taxpayers continue to report tax advertisements that have been displayed.
3. Providing stricter strictness or sanctions to taxpayers who do not fulfill their obligations or organizers of illegal advertisements to be more deterrent.

REFERENCE


