ARTIKEL SUBMIT

The Effect of Intensification and Extensification of Tax and Retribution on Local Own-Source Revenue

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ABSTRACT

Local own-source revenue is a significant element of the implementation of regional autonomy. The local own-source revenue of a region is impactful to the region's self-reliance in financing the development program for public needs. The present study is aimed to investigate the effect of intensification and extensification of retribution tax on local own-source revenue in Gorontalo city. A qualitative method and ex-post-facto approach were employed in this research. The results showed that the intensification and extensification of retribution tax are influential to the local own-source revenue. All in all, the research implications suggest for the regional development to optimize the regional finance potentials by the program of intensification and extensification. An increase in local own-source revenue will improve the region's capacity to implement governance and apply financial autonomy from the central government. The research findings are treated as the recommendation to the government, other related institutions, practitioners, and the community.

Keywords: Intensification, Extensification, Autonomy

INTRODUCTION

Regional autonomy is of paramount importance to a region's capacity to carry out development processes in an appropriate manner. A decentralization approach implemented in the governance conducts leads to the decentralization of the regional financial aspects. Such an approach implicates the demand for a region's capacity in funding the region's own needs[1]. One of the significant aspects of regional autonomy is financial autonomy regarding development and public service. A region's financial status is highly influential to the governance and public service conducts[2]. The state revenue is utilized to finance the public service activities[3]. In the meantime, the procurement of regional income comprises planning, management, reporting, responsibility-checking, and monitoring of regional finance. The effectiveness of regional financial management is indicated by the achievement of regional financial management objectives, comprising the activities of planning, implementation,

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[1] Iwan Suhasto, Nova Widodo, and Sundaru Wibowo, "Effectiveness and Contribution of Regional Taxes for Regional Original Income in Ex-Karesidenan Madiun," *Jurnal AKSI (Akuntansi Dan Sistem Informasi)* 5, no. 1 (May 7, 2020): 37–40, https://doi.org/10.32486/aksi.v5i1.432.

[2] Asep Kusdiman Jauhari, Wahyudin Wahyudin, and Kamal Alamsyah, "Regional Tax Service Quality Strategy Rights to Land and Building in The City of Bekasi," *Journal Sampurasun: Interdisciplinary Studies for Cultural Heritage* 7, no. 1 (2021): 33–48.

[3] Mario Bernandus Tonapa, Andi Kusumawati, and Sabir, "The Effect of Extensification, Intensification, and Tax Payer Compliance Towards Sharing Income Tax Fund With Economic Growth as Moderating Variable," *Global Scientific Journal (GSJ)* 9, no. 1 (2021): 1885–91.

administration, reporting, accountability, and monitoring conducted by the regional government[4].

As a key aspect to economic development, the fiscal decentralization of a region is measured by the region's ability to boost its local own-source revenue to increase its self-reliance and independence from the national government. A region's autonomy, as reflected in the Regional Budget, is highly associated with the region's autonomy in terms of local own-source revenue. A region's capacity to increase the source of income based on the local potentials is able to support the conduct of accommodation of the public interest without the interference of the national government's interest that is inappropriate with the public needs. On this ground, Nurdin Nara[5] pointed out that the local revenue is a strategic component that bears paramount significance to the structure of the Regional Budget. A region's extent of self-reliance indicates its capacity to finance its expenses without the need for aids from the national government; it is also reflected in the ratio of fiscal decentralization of the region's government.

A region's whole financial performance is reflected from the extent of fiscal decentralization used as an indicator to assess the contribution of local own-source revenue towards the total local revenue[6]. That said, a region with a low capacity for internal funding through local own-source revenue is highly dependent on the national government[7]. The local own-source revenue is different in each region. A region featured with industrial advancements and plentiful natural resources tends to have higher local own-source revenue compared to other regions, and vice versa. In this regard, the inequality of local own-source revenue in different regions might take place. Regions with higher local own-source revenue tend to have better financial stability, while those with lower revenue tend to be underdeveloped[8].

As the capital of Gorontalo province, the municipality of Gorontalo is the epicenter of industrial and service activities of the province. Compared to other regions in the province, the city has a relatively higher local own-source revenue. Table 1 presents the initial data of local own-source revenue in Gorontalo city.

Table 1. Data of Local Own-Source Revenue of Gorontalo City

Year	Local Own-Source Revenue Budget	Local Own-source Revenue Realization	Regional Revenue	Effectiveness Ratio	Growth Ratio	Autonomy Ratio
2016	113,086,216,899	82,377,903,786	466,150,650,159	72.85	15.63	17.67
2017	123,788,170,027	97,092,318,657	675,337,872,414	78.43	17.86	14.38
2018	126,689,843,712	124,732,780,260	754,961,985,637	98.46	28.47	16.52
2019	160,669,212,234	142,700,996,247	892,006,038,781	88.82	14.41	16.00

[4] Ismul Wahyu Riski and Imelda Dian Rahmawati, "Analysis Of Accounting Information For The Purchase Of Raw Materials And Inventory Of Raw Materials ," *Academia Open* 5, no. 0 SE-Business and Economics (August 23, 2021), https://doi.org/10.21070/acopen.5.2021.2167.

[5] Nurdin Nara, "Intensification and Extensification of Entertainment Taxes to Increase Own-Source Revenue (PAD) in Makassar City," *Turkish Journal of Computer and Mathematics Education (TURCOMAT)* 12, no. 11 (2021): 303–12.

[6] Purnama Sari et al., "Local Own Revenue, Decentralization and Local Financial Independent," *Jurnal Manajemen Indonesia* 19 (December 31, 2019): 250, https://doi.org/10.25124/jmi.v19i3.2413.

[7] Wachyu Hidayat, Soleh Suryadi, and Eddy Jusuf, "Strategy to Increase PAD from Rural and Urban Land and Building Tax in Ciamis Regency," *Review of International Geographical Education Online* 11, no. 6 (2021): 821–34.

[8] Alexander D Rothenberg et al., "Rethinking Indonesia's Informal Sector," *World Development* 80 (2016): 96–113, https://doi.org/https://doi.org/10.1016/j.worlddev.2015.11.005.

2020	158,646,907,164	172,315,775,595	948,313,978,857	108.62	20.75	18.17

Source: Finance Auditor Body of Gorontalo Municipality, 2021

As based on Table 1, the realization of local own-source revenue of Gorontalo city is significantly lower compared to the revenue obtained from the fiscal balance fund. Essentially, a regional government's dependence on the national government bears positive and negative impacts. The positive impact renders the establishment and maintenance of a good relationship with the national government. Such conduct will optimize the allocation of higher fiscal balance funds towards the region to support higher absorption of regional expenditure. On the other hand, a region's high level of dependence on the national government will lead to a lack of motivation and effort in increasing the region's local own-source revenue based on its potentials. As asserted from Table 1, the effectiveness and growth of local own-source revenue in Gorontalo city are considered less optimal. The city's revenue growth was rather unstable and fluctuated over the years. Less significant growth of local own-source revenue is caused by a region's incapability of formulating strategies of collecting and mapping the potentials of local own-source revenue[9].

Theoretically, Mardiasmo[10] argued that a region's level of revenue is directly proportional to the region's expenditure. In other words, an increase in revenue will lead to an increased level of expenditure. Such a condition might take place due to the larger fund available that is used in expenditure matters, such as Operating Expenditure and Development Expenditure. In addition to that, a region with greater local own-source revenue has a lack of dependence on the national government's grants or aids. This problem blames several factors. As stated by Halim[11] , the mobilization of local own-source revenue is carried out by intensification and extensification of the revenue, particularly on the local tax and retribution. Halim[12] argued that intensification of tax refers to the action or effort to enlarge the revenue so as to achieve the target actualization as expected. Meanwhile, the extensification of tax, according to Soemitro[13], is the effort to broaden the tax subject and object as well as to adjust the tariff. Moreover, Kamaluddin in Tunliu[14] stated that the intensification and extensification of the local tax and retribution collection can boost a region's local own-source revenue. Saleh[15] further added that the intensification of local tax and retribution is highly significant to be implemented on the improvement of both aspects. In this regard, the intensification of local tax and retribution is conducted to enlarge the local revenue. Henceforth, the notions above imply that intensification and extensification play a key role in the enhancement of local own-source revenue. The socialization of tax to the community, accompanied by the introduction of tax regulations and dissemination on the

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[9] Fernandes Simangunsong, "The Evaluation Study of the Determination of the Sub-District IMB Retribution Revenue in Bandung District," *Jurnal Ekonomi Dan Kebijakan* 8, no. 2 (2015): 183–99.

[10] Mardiasmo, *Autonomy and Regional Financial Management* (Yogyakarta: ANDI, 2002), page 3-4

[11] A Halim, *Regional Financial Management*, Seri Akuntansi Sektor Publik (Jakarta: Salemba Empat, 2002), https://books.google.co.id/books?id=53xTNgAACAAJ, page 75-76

[12] Abdul Halim, *Public Sector Accounting: Regional Financial Accounting* (Jakarta: Salemba Empat, 2007) , page 113

[13] Soemitro Rochmat, *Taxation Principles and Basics, PT. Eresco. Bandung*, 2011, page 88

[14] Jackson Jimmy Aryant Tunliu, "The Effect of Intensification and Extensification on Increasing Local Own-Source Revenue 138 to Achieve Regional Financial Independence (A Case Study in Local Government of Kupang City, NTT)" (Brawijaya University, 2010).

[15] Azhari A Samudra, *Taxation in Indonesia, Finance, Local Taxes and Regional Retribution* (PT. Gramedia Pustaka Utama, 1995) , page 66

importance of tax, is viewed as the necessary measures to be taken in raising public awareness on the significance of tax[16]. On top of that, the identification of strategic sources of regional income is essential to the implementation of a region's household affairs[17]. The government of Gorontalo Municipality has undertaken several intensification and extensification measures on the local tax and retribution enhancement. The intensification measures comprise improvement of tax administration, improvement of employee quality, recruitment of new tax collection officers, and improvement on tax policy. Additionally, the municipality government has implemented extensification policies that involve extension of tax subject and object, as well as tariff improvement. The intensification and extensification measures of the municipality government refer to at least 18 regional regulations, particularly regarding the collection of local tax and distribution. The regulations are presented in Table 2.

Table 2. Regulations concerning Local Tax and Retribution in Gorontalo Municipality

No	Number of Regulation	Year of Publication	Topic Discussed
1	18	2011	Retribution of Nuisance Permit
2	17	2011	Retribution of Market Service
3	16	2011	Retribution of Health and Sanitary Services in Gorontalo Municipality
4	15	2011	Retribution of Bus Station
5	14	2011	Retribution of Lavatory Procurement and/or Disposal
6	13	2011	Retribution of Commercial Vehicle Licensing
7	12	2011	Retribution of On-street Parking Services
8	11	2011	Retribution of Reimbursement of Printing Fee of Residential ID Card and Civil Registry Certificate
9	10	2011	Land and Building Title Transfer Fee
10	9	2011	Land and Building Tax of Rural and Urban Area
11	8	2011	Groundwater Tax
12	7	2011	Street Lighting Levy
13	6	2011	Tax on Non-metallic Minerals and Rocks
14	5	2011	Entertainment Tax
15	4	2011	Parking Tax
16	3	2011	Restaurant Tax
17	2	2011	Advertisement Tax
18	1	2011	Lodging Occupancy Tax

Source: Website of the Indonesian Ministry of Home Affairs, 2021

Table 2 indicates that the government of Gorontalo Municipality, through the Finance Auditor Body, pursued to optimize the tax collection to support its local own-source revenue. The region is required to be prepared and competent in managing the available resources in

[16] Arnold Putra Christover and Sintje Rondonuwu, "Understanding of Tax Payer Extensification and Intensification of Tax Toward The Perception of Tax Authorities About Tax ncome," *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis Dan Akuntansi* 4, no. 1 (2016): 1241–53.

[17] Kahar Haerah, "Strategy for Incerasing Real Regional Income From The Hotel Tax Sectors and Restaurants in Jember District," *POLITICO* 17, no. 2 (2017): 256–85.

the most efficient or effective way possible[18]. Despite that, issues on policy implementation remain to persist in the region. As reflected from the practices, the government's intensification measures lacked effectiveness due to the tax collection officers' inappropriate competence and commitment. Moreover, it is discovered that the extensification conducts in the region are relatively hard to implement. Since most businesses in Gorontalo City have homogenous nature, it is difficult to increase the tax tariff. Such problems suggest that the municipality lacks a universal intensification or extensification measure to be applied in all organizations in any given situation. Therefore, the study argues that intensification and extensification measures are essential to be implemented in nurturing the taxpayers' compliance and raising the community's awareness to pay their taxes[19]. Irianto[20] defined extensification as the activity conducted to increase the number of taxpayers. Meanwhile, intensification is viewed as the optimization of taxpayers through the activities of compliance raising and monitoring[21]. Extensification is the set of activities to broaden the tax subject and object basis, while intensification is the activity of increasing tax compliance and revenue[22]. Both approaches are dependent on the conditional factors that are present in an organization.

As based on the rationale above, the study aims to elaborate the following problems, whether 1) the intensification of local tax and retribution influences the local own-source revenue in Gorontalo Municipality; 2) the extensification of local tax and retribution influences the local own-source revenue in Gorontalo Municipality; 3) the intensification and extensification of local tax and retribution simultaneously influence the local own-source revenue in Gorontalo Municipality.

RESEARCH METHOD

The study was conducted at the Finance Auditor Body of Gorontalo Municipality. A quantitative method with an ex-post-facto approach was employed. The population comprised 87 state civil servants in the Finance Auditor Body. The data were collected by: 1) observation (to collect the initial data), 2) questionnaire (to collect the data of respondents' perception regarding the research topic), and 3) documentation (to obtain other supporting documents for the research result validation). The instruments were tested of the quality by validity and reliability tests. Prior to the analysis phase, the data were tested for the normality. It is to investigate whether or not the regression model, the dependent variable, and the independent variable are normally distributed.

Moreover, a multicollinearity test was conducted to identify the correlation between independent variables in the regression model. On top of that, the study employed a heteroscedasticity test to investigate any variance difference from the present data residuals in the regression. All data were analyzed by multiple linear regression to identify the correlation

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[18] Lucia Rita Indrawati, Endang Kartini Panggiarti, and Lorentino Togar Laut, "Perspective of Regional Taxes for Magelang City Original Revenue," *Jurnal REP (Riset Ekonomi Pembangunan)* 2, no. 1 (2017): 139–50.

[19] Aliah Ghina, "Tax Intensification in Income Tax Revenue for Corporate Taxpayers," *Jurnal Ilmiah MEA (Manajemen, Ekonomi, & Akuntansi)* 4, no. 3 (September 1, 2020): 63–73, https://doi.org/10.31955/mea.vol4.iss3.pp63-73.

[20] Edi Slamet Irianto, *Leadership, Tax, and the Future* (dreamlight apps, 2015), https://books.google.co.id/books/reader?id=PDLUBwAAQBAJ&printsec=frontcover&output=reader&pg=GBS.PP2.

[21] Nurul Afifah and Mahardian Hersanti, "Review of the Implementation of Tax Extensification and Intensification as an Effort to Increase Tax Revenue," *Jurnal Analisa Akuntansi Dan Perpajakan* 3, no. 2 (September 2, 2019): 58–70, https://doi.org/10.25139/jaap.v3i2.2192.

[22] Henny Yulsiati and Maulan Irwadi, "The Impact of Extensification and Intensification of Individual Taxpayers on Tax Revenues with Tax Audit Moderation," in *Prosiding Simposium Nasional Akuntansi Vokasi Ke*, vol. 2 (Bali: Politeknik Negeri Bali, 2013), 113.

of influence between one or more independent variable(s) (X) and the dependent variable (Y) presented in the form of a regression equation. The hypothesis test involved t-test, F-test, and determination coefficient test. The t-test aims to elaborate on the extent of influence of an independent variable in explaining the dependent variable individually. Meanwhile, the F-test identifies the influence of independent variables on the dependent variables simultaneously. If the probability rate is lower than the alpha value (0.05), the independent variables are deemed to simultaneously influence the dependent variable.

Further, the determination coefficient (R^2) test measures the extent of a model's ability to explain the variation of the dependent variable. The determination coefficient value is between zero and one. A smaller R^2 value indicates that the ability of independent variables to explain the variation of the dependent variable is very limited.

RESULTS AND DISCUSSION

Data Analysis Results

Data analysis results are the depiction of the results of the hypothesis, regression equation, and determinant coefficient test. All of these are presented in Table 7.

Table 3. Multiple Linear Regression Results

No.	Test Type	Statistics	Intensification	Extensification
1	Multiple regression	Alpha (α)	10.758	
		Beta (β)	0.265	0.580
2	T-test (Partial)	t_{count}	2.481	5.391
		p-Value	0.015	0.000
3	F-Test (Simultaneous)	F_{count}	27.796	
		p-Value	0.000	
4	Determinant coefficient	R^2	0.398	
		Adj. R^2	0.384	

Source: Processed data, 2021

Table 3 shows the results of the hypothesis, regression equation, and determinant coefficient test. The multiple regression results are to determine the impact of independent variables on the dependent variables. Following the classical assumption test and after confirming the prerequisites were met, data modeling was performed using the multiple regression method. The result of this analysis is in the following formula.

$$\hat{Y} = 10.758 + 0.265X_1 + 0.580X_2 + e$$

Hypothesis testing was conducted once the regression equation model was obtained. The results revealed that the t_{count} represented the variable of intensification and extensification of Local Tax and Retribution. The determination of the value of t_{table} was carried out before finding out whether or not Ho is accepted. The t_{table} value depends on the df value or degree of freedom and the significance level. According to the observation data on 87 respondents, the t_{table} value arrived at 1.989, where the significance was measured at 5%, and the df value was n-k-1 = 87-2-1 = 84 (the test was two-way since the proposition of the hypothesis did not indicate whether the impact of independent variables on dependent variables was positive or negative).

Sarwono[23] roposed that the positive or negative impact represents the direction, rather than the amount. On this ground, interpreting the comparison between t_{count} and t_{table} does not take into account the negative value as the amount of t_{count}. Below are the results of the test of the impact of intensification and extensification of regional retribution tax on the local own-source revenue of Gorontalo Municipality.

The Impact of Intensification and Extensification of Regional Retribution Tax on the Local Own-source Revenue of Gorontalo Municipality

Based on the analysis results, the t_{count} representing the variable of intensification of Local Tax and Retribution is 2.481. Compared to the t_{table} value of 1.989, the t_{count} is greater than the value of the t_{table}. The significance value of the intensification of Local Tax and Retribution is lower than the probability value of 0.05 (0.015 < 0.05). For this reason, the Ha_1 claiming that the intensification of Local Tax and Retribution contributes to the local own-source revenue of Gorontalo City is accepted. Thereby, intensification of Local Tax and Retribution significantly contributes to the local own-source revenue of Gorontalo Municipality. The regression coefficient for the first hypothesis testing was positive. A positive t value reveals a linear correlation between intensification of Local Tax and Retribution with the local own-source revenue based on information from the Finance Auditor Body of Gorontalo Municipality.

The Impact of Extensification and Regional Retribution Tax on the Local Own-source Revenue of Gorontalo Municipality

As seen in the analysis results, the t_{count} representing the variable of extensification of Local Tax and Retribution got 5.391. Compared to the t_{table} value of 1.989, the t_{count} is greater than the value of the t_{table}. The significance value of extensification of Local Tax and Retribution is lower than the probability value 0.05 (0.000 < 0.05). For this reason, the Ha_1 claiming that the extensification of Local Tax and Retribution contributed to the local own-source revenue of Gorontalo Municipality is accepted.

Thus, the extensification of Local Tax and Retribution significantly contributes to the local own-source revenue of Gorontalo Municipality. The coefficient of the regression for the second hypothesis testing was positive. A positive t value shows a linear correlation between extensification of Local Tax and Retribution with the local own-source revenue of Gorontalo Municipality.

Results of F-test

Table 3 reveals that the value of F_{count} gets 27.796. The F_{table}, at a significance of 5% and df1 of k = 2 and df2 of N-k-1 = 87-2-1=84, is measured at 3.105. If both F values are compared, the value of F_{count} surpasses F_{table}, meaning that Ho is refuted and H1 is accepted. To put it another way, the independent variables (intensification and extensification of Local Tax and Retribution) simultaneously and significantly contributes to the dependent variable (local own-source revenue of Gorontalo Municipality).

Coefficient of Determination

From the analysis results of the coefficient of determination, the value of adjusted R-squared was measured at 0.384. This indicates that 38.40% of the variability of the local own-source revenue is determined by the intensification and extensification of Local Tax and Retribution. Other determining factors excluded from the research of 61.60% involve intern

[23] Jonathan Sarwono, *Path Analysis for Business Research with SPSS* (Yogyakarta: Andi Offset, 2007) , page 21

supervision, investment, profit sharing between the provincial government, and integrating information of proof of tax payment and retribution of people of Gorontalo Municipality to private services.

Discussion

The Impact of Intensification and Regional Retribution on the Local Own-source Revenue of Gorontalo Municipality

The results of the descriptive analysis show that the lowest score of Tax Intensification (IP) and Regional Retribution (RD) is 53.00 and the highest is 94.00. The mean and standard deviation were measured at 75.85 and 11.56, respectively. Furthermore, the score for both of them is 75.85% which is included in the sufficient category. These results confirm that the intensification carried out by the Gorontalo City Government has been carried out with reference to the efforts regulated in the law. However, several things need improvement related to the many overlapping amendments that consider the regulation unfair to local taxpayers and levies.

Based on the regression analysis for the first hypothesis test, intensification of Local Tax and Retribution significantly contributes to the local own-source revenue of Gorontalo Municipality. The coefficient of the positive regression shows a linear correlation between intensification of Local Tax and Retribution with the local own-source revenue based on information from the Finance Auditor Body of Gorontalo Municipality. With that in mind, the Finance Auditor Body should focus on educational improvement and conduct more training for its employees, specifically technical training in optimizing the local own-source revenue for regional independence.

The result confirming the positive and significant impact of intensification of Local Tax and Retribution on the local own-source revenue of Gorontalo Municipality corresponds to the study by Rajali[24] reporting several aspects that should be considered by the regional government in tax sector management, including conducting SOT focusing on the department or body serving as the mainstay for the local own-source management, especially the tax sector.

The Impact of Extensification and Regional Retribution Tax on the Local Own-source Revenue of Gorontalo Municipality

Based on the respondent's answers, the lowest extensification score for regional taxes and levies is 41.00 and the highest is 93.00. The mean and standard deviation scores were measured at 74.76 and 11.55, respectively. The achievement motivation variable is categorized as sufficient with a percentage of 74.76%. Extensification of the two variables has been carried out through various approaches, especially cooperation, to create a deterrent effect and increase taxpayer compliance. However, there are several aspects that need to be improved, such as expanding the classification of taxpayers through optimizing incoming investment.

The test results showed that the Local Tax and Retribution extensification significantly contributes to the local own-source revenue. This notion discloses a linear correlation between the extensification of Local Tax and Retribution with the local own-source revenue. The extensification is of paramount importance since it serves as an approach to increase the number of taxpayers and or registered taxable employers and to calculate the amount of income tax installments in the current year and tax payment within a tax period.

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[24] Rajali, "Strategy for Increasing Local Own-Source Revenue in the Context of Implementing Regional Autonomy (A Study on Strategies for Increasing Tax Sector Revenue in Aceh Tenggara Regency," *Public Administration Journal* 2, no. 2 (2012): 234–86.

The positive and significant impact of Local Tax and Retribution intensification is in line with Soemitro[25] contending that tax intensification is the approach to increase tax subjects and objects, and to adjust the amount of tax. The government of Gorontalo Municipality has attempted multiple approaches to increase Local Tax and Retribution through intensification, such as improving tax administration, the quality of employees and increasing tax collectors, and improving tax laws. The extensification approaches involve expansion of the classification of taxpayers, improvement of tariffs, and expansion of the classification of tax objects.

The Impact of Intensification and Extensification of Local Tax and Retribution othe Local Own-source Revenue of Gorontalo Municipality

The results of the descriptive analysis revealed that the lowest value of local revenue (PAD) was 52.00, and the highest was at 950.00. The mean and standard deviation scores were measured at 77.53 and 11.59, respectively. The PAD score in Gorontalo City of 77.53% is included in the sufficient category. From these results, the PAD of Gorontalo City basically experiences an increasing trend every year. Some aspects seen from the percentage increase, however, tend to be less stable, with varying effectiveness values. This indicates that the target was not achieved effectively. An important approach that must be actualized is the optimization of taxes and levies through more concrete intensification, as well as extensification and strengthening of supervision over the revenue and use of taxes and levies.

According to the simultaneous test, the independent variables (intensification and extensification of Local Tax and Retribution) simultaneously and significantly contributes to the dependent variable (local own-source revenue of Gorontalo Municipality).

The adjusted value of R-squared was measured at 0.384. This shows that 38.40% of the variability of PAD is determined by the intensification and extensification of regional taxes and levies. Other determinants excluded from the study, which amounted to 61.60%, involved internal control, investment, profit sharing between the provincial government, and the integration of information on proof of payment for the people of Gorontalo City into private services.

Such a result confirming the positive and significant impact of intensification and extensification of Local Tax and Retribution on the local own-source revenue echoes the results seen in Tunliu[26], stating that the instrument capable of increasing local own-source revenue is tax intensification and extensification and regional retribution. Saleh[27] further emphasized the necessity of conducting intensification approaches (in terms of Local Tax and Retribution). One approach that should be applied in increasing the local own-source revenue is the intensification of Local Tax and Retribution. From the above discussion, it is clear that the intensification and extensification are impactful on the rise in local own-source revenue.

CONCLUSION

As presented in the previous discussion, this study draws up several conclusions. The intensification of Local Tax and Retribution positively and significantly contributes to the local own-source revenue of Gorontalo Municipality. The coefficient of the positive regression indicates that the more optimum the tax intensification by the Finance Auditor Body of Gorontalo Municipality, the higher the accumulation of the local own-source

[25] Rochmat, *Taxation Principles and Basics*, page 88

[26] Tunliu, "The Effect of Intensification and Extensification on Increasing Local Own-Source Revenue 138 to Achieve Regional Financial Independence (A Case Study in Local Government of Kupang City, NTT)."

[27] Samudra, *Taxation in Indonesia, Finance, Local Taxes and Regional Retribution*, page 66

revenue. The extensification of Local Tax and Retribution positively and significantly contributes to the local own-source revenue of Gorontalo Municipality. The coefficient of the positive regression indicates that the more optimum the tax extensification by the Finance Auditor Body of Gorontalo Municipality, the higher the local own-source revenue will be accumulated. The independent variables (intensification and extensification of intensification of Local Tax and Retribution) simultaneously and significantly contribute to the dependent variable (local own-source revenue of Gorontalo Municipality). The value of the adjusted R-squared was measured at 0.384 indicating that 38.40% of the variability of the local own-source revenue is determined by the intensification and extensification of Local Tax and Retribution and 61.60% of other determining factors excluded from the research, such as intern supervision, investment, profit sharing between the provincial government, and integrating information of proof of tax payment and retribution to private services.

From the above conclusions, we formulate several recommendations. The Finance Auditor Body of Gorontalo Municipality should continuously develop its employees' skills and commitment, particularly field officers, for better tax collection processes. They also should intensively cooperate with several institutions. Further research is expected to fill the gap of the present study by expanding other variables that theoretically strengthen both independent and dependent variables.

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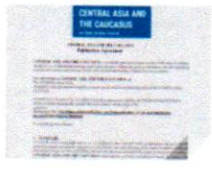

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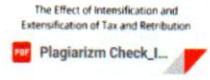

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Items	**Grade**
Overall evaluation on the paper	
1. Contribution to existing knowledge	4
2. Appropriate formatting and structure	4.0
3. Readability	3.0
4. Soundness of methodology	4.5
5. Evidence supports conclusion	4.5
6. Adequacy of literature review	4.5
❖ **Strengths**	
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5=Excellent 4=Good 3=Average 2=Below Average 1=Poor n/a=Not Applicable

Items	Grade
Overall evaluation on the paper	
1. Contribution to existing knowledge	4
2. Appropriate formatting and structure	4.0
3. Readability	3.0
4. Soundness of methodology	4.5
5. Evidence supports conclusion	4.5
6. Adequacy of literature review	4.5

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The Effect of Intensification and Extensification of Tax and Retribution on Local Own-Source Revenue

Ismet Sulila

Study Program ~~Study Program of~~ Public Administration, Gorontalo State University~~Universitas Negeri Gorontalo~~~~Universitas Negeri Gorontalo~~, Indonesia
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ABSTRACT

Local own-source revenue is a significant element of the implementation of regional autonomy. The local own-source revenue of a region is impactful to the region's self-reliance in financing the development program for public needs. The present study is aimed to investigate the effect of intensification and extensification of retribution tax on local own-source revenue in Gorontalo city. A qualitative method and ex-post-facto approach were employed in this research. The results showed that the intensification and extensification of retribution tax are influential to the local own-source revenue. All in all, the research implications suggest for the regional development to optimize the regional finance potentials by the program of intensification and extensification. An increase in local own-source revenue will improve the region's capacity to implement governance and apply financial autonomy from the central government. The research findings are treated as the recommendation to the government, other related institutions, practitioners, and the community.

Keywords: Intensification, Extensification, Autonomy

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INTRODUCTION

Regional autonomy is of ~~a~~ paramount importance to a region's capacity to carry out development processes in an appropriate manner. A decentralization approach implemented in the governance conducts leads to the decentralization of the regional financial aspects. Such an approach implicates ~~in~~ the demand for a region's capacity in funding the region's own needs[1] ~~(Afni~~Nooraini ~~& Yahya,: 2018)~~. One of the significant aspects of regional autonomy is financial autonomy regarding development and public service. A region's financial status is highly influential to the governance and public service conducts[2] ~~(Mumuh~~Muksin ~~& Engkus, : 2019)~~. The state revenue is utilized to finance the public service activities[3] ~~(Mistaul~~Amaliyah ~~& Murtin,: 2010)~~. In the meantime, the procurement of regional income comprises planning, management, reporting, responsibility-checking, and monitoring

[1] Iwan Suhasto, Nova Widodo, and Sundaru Wibowo, "Effectiveness and Contribution of Regional Taxes for Regional Original Income in Ex-Karesidenan Madiun," *Jurnal AKSI (Akuntansi Dan Sistem Informasi)* 5, no. 1 (May 7, 2020): 37–40, https://doi.org/10.32486/aksi.v5i1.432.

[2] Asep Kusdiman Jauhari, Wahyudin Wahyudin, and Kamal Alamsyah, "Regional~~EGIONAL~~ Tax~~AX~~ Service~~ERVICE~~ Quality~~UALITY~~ Strategy~~TRATEGY~~ Rights~~IGHTS~~ to~~TO~~ Land~~AND~~ and~~AND~~ Building~~UILDING~~ in~~IN~~ The~~HE~~ City~~ITY~~ of~~OF~~ Bekasi~~EKASI~~," *Journal Sampurasun: Interdisciplinary Studies for Cultural Heritage* 7, no. 1 (2021): 33–48.

[3] Mario Bernandus Tonapa, Andi Kusumawati, and Sabir, "The~~HE~~ Effect~~FFECT~~ of~~OF~~ Extensification~~EXTENSIFICATION~~, Intensification~~INTENSIFICATION~~, and ~~AND~~ Tax~~AX~~ Payer~~AYER~~ Compliance~~OMPLIANCE~~ Towards~~TOWARDS~~ Sharing~~HARING~~ Income~~NCOME~~ Tax~~AX~~ Fund~~UND~~ With~~ITH~~ Economic~~ECONOMIC~~ Growth~~ROWTH~~ a~~A~~s~~S~~ Moderating~~ODERATING~~ Variable~~VARIABLE~~," *Global Scientific Journal (GSJ)* 9, no. 1 (2021): 1885–91.

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of regional finance. The effectiveness of regional financial management is indicated by the achievement of regional financial management objectives, comprising the activities of planning, implementation, administration, reporting, accountability, and monitoring conducted by the regional government[4] ~~(Mulyadi, 2010, p.: 17)~~.

As a key aspect to ~~the~~ economic development, the fiscal decentralization of a region is measured by the region's ability to boost its local own-source revenue to increase its self-reliance and independence from the national government. A region's autonomy, as reflected in the Regional Budget, is highly associated with the region's autonomy in terms of local own-source revenue. A region's capacity to increase the source of income based on the local potentials is able to support the conduct of accommodation of the public interest without the interference of the national government's interest that is inappropriate with the public needs. On this ground, ~~Nursafitra~~Nurdin Nara[5] ~~M, Nursadik, and Yunus (2019)~~ pointsed out that the local revenue is a strategic component that bears paramount significance to the structure of the Regional Budget. A region's extent of self-reliance indicates ~~the region's~~ its capacity to finance its ~~own~~ expenses without the need for aids from the national government; it is also reflected in the ratio of fiscal decentralization of the region's government ~~(Soekarwo, 2003, p.: 95)~~.

A region's whole financial performance is reflected from the extent of fiscal decentralization used as an indicator to assess the contribution of local own-source revenue towards the total local revenue[6] ~~(Setiawan, 2010)~~. That said, a region with a low capacity ~~of~~ for internal funding through local own-source revenue is highly dependent on the national government[7] ~~(Meiske~~Wenno,~~: 2017)~~. The local own-source revenue is different in each region. A region featured with industrial advancements and plentiful natural resources tends to have higher local own-source revenue compared to other regions, and vice versa. In this regard, the inequality of local own-source revenue in different regions might take place. Regions with higher local own-source revenue tend to have better financial stability, while those with lower revenue tend to be underdeveloped[8] ~~(Hardiyansyah, 2013)~~.

As the capital of Gorontalo province, the municipality of Gorontalo is the epicenter of industrial and service activities of the province. Compared to other regions in the province, the city has a relatively higher local own-source revenue. Table 1 presents the initial data of local own-source revenue in Gorontalo city. ~~is presented in the following table:~~

Table 1. Data of Local Own-Source Revenue of Gorontalo City

Year	Local Own-Source Revenue Budget	Local Own-source Revenue Realization	Regional Revenue	Effectiveness Ratio	Growth Ratio	Autonomy Ratio
2016	113,086,216,899	82,377,903,786	466,150,650,159	72.85	15.63	17.67

[4] Ismul Wahyu Riski and Imelda Dian Rahmawati, "Analysis Of Accounting Information For The Purchase Of Raw Materials And Inventory Of Raw Materials ," *Academia Open* 5, no. 0 SE-Business and Economics (August 23, 2021), https://doi.org/10.21070/acopen.5.2021.2167.

[5] Nurdin Nara, "Intensification and Extensification of Entertainment Taxes to Increase Own-Source Revenue (PAD) in Makassar City," *Turkish Journal of Computer and Mathematics Education (TURCOMAT)* 12, no. 11 (2021): 303–12.

[6] Purnama Sari et al., "Local~~OCAL~~ Own~~WN~~ Revenue~~EVENUE~~, Decentra~~ECENTRA~~lization~~LIZATION~~ and~~AND~~ Local~~OCAL~~ Financial~~INANCIAL~~ Independent~~NDEPENDENT~~," *Jurnal Manajemen Indonesia* 19 (December 31, 2019): 250, https://doi.org/10.25124/jmi.v19i3.2413.

[7] Wachyu Hidayat, Soleh Suryadi, and Eddy Jusuf, "Strategy to Increase PAD from Rural and Urban Land and Building Tax in Ciamis Regency," *Review of International Geographical Education Online* 11, no. 6 (2021): 821–34.

[8] Alexander D Rothenberg et al., "Rethinking Indonesia's Informal Sector," *World Development* 80 (2016): 96–113, https://doi.org/https://doi.org/10.1016/j.worlddev.2015.11.005.

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2017	123,788,170,027	97,092,318,657	675,337,872,414	78.43	17.86	14.38
2018	126,689,843,712	124,732,780,260	754,961,985,637	98.46	28.47	16.52
2019	160,669,212,234	142,700,996,247	892,006,038,781	88.82	14.41	16.00
2020	158,646,907,164	172,315,775,595	948,313,978,857	108.62	20.75	18.17

Source: Finance Auditor Body of Gorontalo Municipality, 2021

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As based on ~~the above~~ Table 1, the realization of local own-source revenue of Gorontalo city is significantly lower compared to the revenue obtained from the fiscal balance fund. Essentially, a regional government's dependence on the national government bears positive and negative impacts. The positive impact ~~of a region's dependence on the national government~~ renders the establishment and maintenance of a good relationship with the national government. Such conduct will optimize the allocation of higher fiscal balance funds towards the region to support higher absorption of regional expenditure. On the other hand, a region's high level of dependence on the national government will lead to a lack of motivation and effort in increasing the region's local own-source revenue based on its potentials. As asserted from ~~the~~ Table 1~~above~~, the effectiveness and growth of local own-source revenue in Gorontalo city are considered less optimal. The city's revenue growth was rather unstable and fluctuated over the years. Less significant growth of local own-source revenue is caused by a region's incapability of formulating strategies of collecting and mapping the potentials of local own-source revenue[9] ~~(Ayu~~Puspita~~,: 2016)~~.

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Theoretically, Mardiasmo[10] ~~(2002, pp.: 3-4)~~ ~~argues~~ argued that a region's level of revenue is directly proportional to the region's expenditure. In other words, an increase in revenue will lead to an increased level of expenditure. Such a condition might take place due to the larger fund available that is used in expenditure matters, such as Operating Expenditure and Development Expenditure. In addition to that, a region with greater local own-source revenue ~~have~~ has a lack of dependence on the national government's grants or aids. This problem blames several factors. As stated by Halim[11] ~~(2002, pp.: 75-76)~~, the mobilization of local own-source revenue is carried out by intensification and extensification of the revenue, particularly on the local tax and retribution. Halim[12] ~~(2007, p.: 113)~~ argueds that intensification of tax refers to the action or effort to enlarge the revenue so as to achieve the target actualization as expected. Meanwhile, the extensification of tax, according to Soemitro[13] ~~(2010, p.: 88)~~, is the effort to broaden the tax subject and object as well as to adjust the tariff. Moreover, Kamaluddin in Tunliu[14] ~~(2010)~~ ~~points out~~ stated that the intensification and extensification of the local tax and retribution collection ~~are able to~~can boost a region's local own-source revenue. Saleh~~. Saleh~~ [15]~~(2009, p.: 66)~~ further ~~adds~~ added

[9] Fernandes Simangunsong, "The Evaluation Study of the Determination of the Sub-District IMB Retribution Revenue in Bandung District," *Jurnal Ekonomi Dan Kebijakan* 8, no. 2 (2015): 183–99.

[10] Mardiasmo, *Autonomy and Regional Financial Management* (Yogyakarta: ANDI, 2002), page 3-4.

[11] A Halim, *Regional Financial Management*, Seri Akuntansi Sektor Publik (Jakarta: Salemba Empat, 2002), https://books.google.co.id/books?id=53xTNgAACAAJ, page 75-76.

[12] Abdul Halim, *Public Sector Accounting: Regional Financial Accounting* (Jakarta: Salemba Empat, 2007), page 113.

[13] Soemitro Rochmat, *Taxation Principles and Basics, PT. Eresco. Bandung*, 2011, page 88.

[14] Jackson Jimmy Aryant Tunliu, "The Effect of Intensification and Extensification on Increasing Local Own-Source Revenue 138 to Achieve Regional Financial Independence (A Case Study in Local Government of Kupang City, NTT)" (Brawijaya University, 2010).

[15] Azhari A Samudra, *Taxation in Indonesia, Finance, Local Taxes and Regional Retribution* (PT. Gramedia Pustaka Utama, 1995), page 66.

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that the intensification of local tax and retribution is highly significant to be implemented on the improvement of both aspects. In this regard, the intensification of local tax and retribution is conducted to enlarge the local revenue. Henceforth, the notions above imply that ~~the~~ intensification and extensification play a key role in the enhancement of local own-source revenue. The socialization of tax to the community, accompanied by the introduction of tax regulations and dissemination on the importance of tax, is viewed as the necessary measures to be taken in raising public awareness on the significance of tax[16] ~~(Christover & Rondonuwu, Arnold: 2016)~~. On top of that, the identification of strategic sources of regional income is essential to the implementation of a region's household affairs[17] ~~(Kahar Haerah,: 2017)~~. The government of Gorontalo Municipality has undertaken several intensification and extensification measures on the local tax and retribution enhancement. The ~~government~~ intensification measures comprise improvement of tax administration, improvement of employee quality, recruitment of new tax collection officers, and improvement on tax policy. ~~In addition to that~~Additionally, the municipality government has implemented extensification policies that involve~~:~~ extension of tax subject and object, as well as tariff improvement. ~~As cited in the http://jdih.setjen.kemendagri.go.id/semua.php?KWil=7571.~~ Tthe intensification and extensification measures of the municipality government refer to at least 18 regional regulations, particularly regarding the collection of local tax and distribution. The regulations are presented in ~~the following~~ Table 2.

Table 2. Regulations concerning Local Tax and Retribution in Gorontalo Municipality

No	Number of Regulation	Year of Publication	Topic Discussed
1	18	2011	Retribution of Nuisance Permit
2	17	2011	Retribution of Market Service
3	16	2011	Retribution of Health and Sanitary Services in Gorontalo Municipality
4	15	2011	Retribution of Bus Station
5	14	2011	Retribution of Lavatory Procurement and/or Disposal
6	13	2011	Retribution of Commercial Vehicle Licensing
7	12	2011	Retribution of On-street Parking Services
8	11	2011	Retribution of Reimbursement of Printing Fee of Residential ID Card and Civil Registry Certificate
9	10	2011	Land and Building Title Transfer Fee
10	9	2011	Land and Building Tax of Rural and Urban Area
11	8	2011	Groundwater Tax
12	7	2011	Street Lighting Levy
13	6	2011	Tax on Non-metallic Minerals and Rocks
14	5	2011	Entertainment Tax
15	4	2011	Parking Tax
16	3	2011	Restaurant Tax

[16] Arnold Putra Christover and Sintje Rondonuwu, "Understanding~~NDERSTANDING~~ of~~OF~~ Tax~~AX~~ Payer~~AYER~~ Exten~~XTEN~~sification~~SIFICATION~~ and~~AND~~ Intensification~~NTENSIFICATION~~ of~~OF~~ Tax~~AX~~ Toward~~OWARD~~ The~~HE~~ Perception~~ERCEPTION~~ of~~OF~~ Tax~~AX~~ Author~~UTHORities~~ITIES~~ About~~ABOUT~~ Tax~~AX~~ ncome~~INCOME~~," *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis Dan Akuntansi* 4, no. 1 (2016): 1241–53.

[17] Kahar Haerah, "Strategy for Incerasing Real Regional Income From The Hotel Tax Sectors and Restaurants in Jember District," *POLITICO* 17, no. 2 (2017): 256–85.

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17	2	2011	Advertisement Tax
18	1	2011	Lodging Occupancy Tax

Source: Website of the Indonesian Ministry of Home Affairs, 2021

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~~As based on the previous table,~~ Table 2 indicates that the government of Gorontalo Municipality, through the Finance Auditor Body, ~~has worked~~ pursued to optimize the tax collection to support ~~the~~ its local own-source revenue ~~in the city~~. The region is required to be prepared and competent in managing the available resources in the most efficient or effective way possible[18] ~~2017 (Lucia~~Indrawati,~~: 2017)~~. Despite that, ~~problems of~~ issues on policy implementation ~~still~~ remain to persist in the region. As reflected from the practices, the government's intensification measures lacked effectiveness due to the tax collection officers' inappropriate competence and ~~lack of~~ commitment. Moreover, it is discovered that the extensification conducts in the region ~~is~~ are relatively hard to implement. Since most businesses in Gorontalo City have homogenous nature, it is difficult to increase the tax tariff. Such problems suggest that the municipality lacks a universal intensification or extensification measure to be applied in all organizations in any given situation. Therefore, the study argues that intensification and extensification measures are essential to be implemented in nurturing the taxpayers' compliance and raising the community's awareness to pay their taxes[19] ~~(Aliah~~Ghina,~~: 2020)~~. Irianto[20] ~~(2015, p.: 171)~~ ~~defines~~ defined extensification as the activity conducted to increase the number of taxpayers. Meanwhile, intensification is viewed as the optimization of taxpayers through the activities of compliance raising and monitoring[21] ~~(Nurul~~Afifah, ~~: 2019)~~. Extensification is the set of activities to broaden the tax subject and object basis, while intensification is the activity of increasing tax compliance and revenue[22] ~~(Henny Yulsiati & and Maulan Irwadi, : 2013)~~. Both approaches are dependent on the conditional factors that are present in an organization.

As based on the rationale above, the study aims to elaborate the following problems, whether ~~or not:~~ 1) the intensification of local tax and retribution influences the local own-source revenue in Gorontalo Municipality; 2) the extensification of local tax and retribution influences the local own-source revenue in Gorontalo Municipality; 3) the intensification and extensification of local tax and retribution simultaneously influence the local own-source revenue in Gorontalo Municipality.

RESEARCH METHOD

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The study was conducted at the Finance Auditor Body of Gorontalo Municipality. A quantitative method with an ex-post-facto approach was employed ~~in the study~~. The

[18] Lucia Rita Indrawati, Endang Kartini Panggiarti, and Lorentino Togar Laut, "Perspective of Regional Taxes for Magelang City Original Revenue," *Jurnal REP (Riset Ekonomi Pembangunan)* 2, no. 1 (2017): 139–50.

[19] Aliah Ghina, "Tax Intensification in Income Tax Revenue for Corporate Taxpayers," *Jurnal Ilmiah MEA (Manajemen, Ekonomi, & Akuntansi)* 4, no. 3 (September 1, 2020): 63–73, https://doi.org/10.31955/mea.vol4.iss3.pp63-73.

[20] Edi Slamet Irianto, *Leadership, Tax, and the Future* (dreamlight apps, 2015), https://books.google.co.id/books/reader?id=PDLUBwAAQBAJ&printsec=frontcover&output=reader&pg=GBS.PP2.

[21] Nurul Afifah and Mahardian Hersanti, "Review of the Implementation of Tax Extensification and Intensification as an Effort to Increase Tax Revenue," *Jurnal Analisa Akuntansi Dan Perpajakan* 3, no. 2 (September 2, 2019): 58–70, https://doi.org/10.25139/jaap.v3i2.2192.

[22] Henny Yulsiati and Maulan Irwadi, "The Impact of Extensification and Intensification of Individual Taxpayers on Tax Revenues with Tax Audit Moderation," in *Prosiding Simposium Nasional Akuntansi Vokasi Ke*, vol. 2 (Bali: Politeknik Negeri Bali, 2013), 113.

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population comprised 87 state civil servants in the Finance Auditor Body ~~of Gorontalo Municipality~~. The data were collected by ~~steps as follows~~: 1) observation (to collect the initial data), 2) questionnaire (to collect the data of respondents' perception regarding the research topic), and 3) documentation (to obtain other supporting documents ~~in validating~~ for the research result validations). The instruments were tested of the quality by validity and reliability tests. Prior to the analysis phase, the data were tested ~~of~~ for the normality. ~~The normality test aimed~~ It is to investigate whether or not the regression model, the dependent variable, and the independent variable are normally distributed.

Moreover, a multicollinearity test was conducted to identify the correlation between independent variables in the regression model. On top of that, the study employed a heteroscedasticity test to investigate any variance difference from the present data residuals in the regression. All data were analyzed by multiple linear regression to identify the correlation of influence between one or more independent variable(s) (X) and the dependent variable (Y) presented in the form of a regression equation. The hypothesis test involved t-test, F-test, and determination coefficient test. The t-test aims to elaborate on the extent of influence of an independent variable in explaining the dependent variable individually. Meanwhile, the F-test identifies the influence of independent variables on the dependent variables simultaneously. If the probability rate is lower than the alpha value (0.05), the independent variables are deemed to simultaneously influence the dependent variable.

Further, the determination coefficient (R^2) test measures the extent of a model's ability to explain the variation of the dependent variable. The determination coefficient value is between zero and one. A smaller R^2 value indicates that the ability of independent variables to explain the variation of the dependent variable is very limited.

RESULTS AND DISCUSSION

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~~Validity Test~~

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~~The research collects the data by distributing questionnaires to the respondent that fulfilled the sample criteria as priorly established by the researcher. A validity test was employed to measure the questionnaire's validity. The validity test results of each variable are presented as follows:~~

~~1) Variable of local tax and retribution intensification (X_1)~~

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~~The instruments used to determine the influence of local tax and retribution intensification comprise 20 statement items to the 30 respondents (n=30). The following Figure 1 displays the validity test results of the X_1 variable.~~

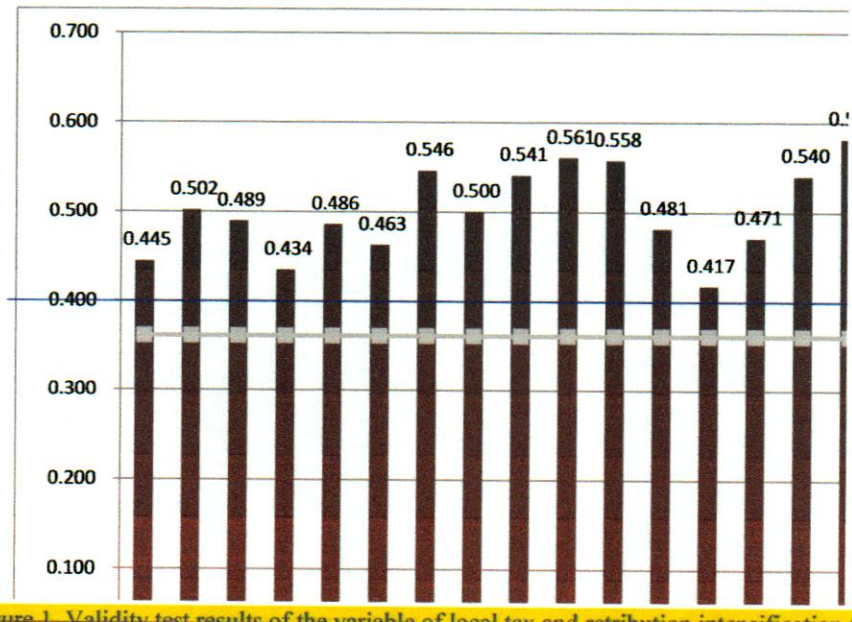

Figure 1. Validity test results of the variable of local tax and retribution intensification (X_1)

A statement item is deemed as valid if the r_{count} is greater than the r_{table}. As based on the rho table, where n = 30 and the degree of significance = 5%, the r_{table} value arrives at 0.3610. The number indicates that all 20 statement items used to measure the influence of variable of local tax and retribution intensification have a greater r_{count} value than the r_{table} value of 0.3610. Henceforth, the variable is considered as valid and proper to be used in collecting the data.

2) Variable of local tax and retribution extensification (X_2)

The instruments used to determine the influence of local tax and retribution extensification consist of 20 statement items to the 30 respondents (**n=30**). The following Figure 2 displays the validity test results of the X_2 variable.

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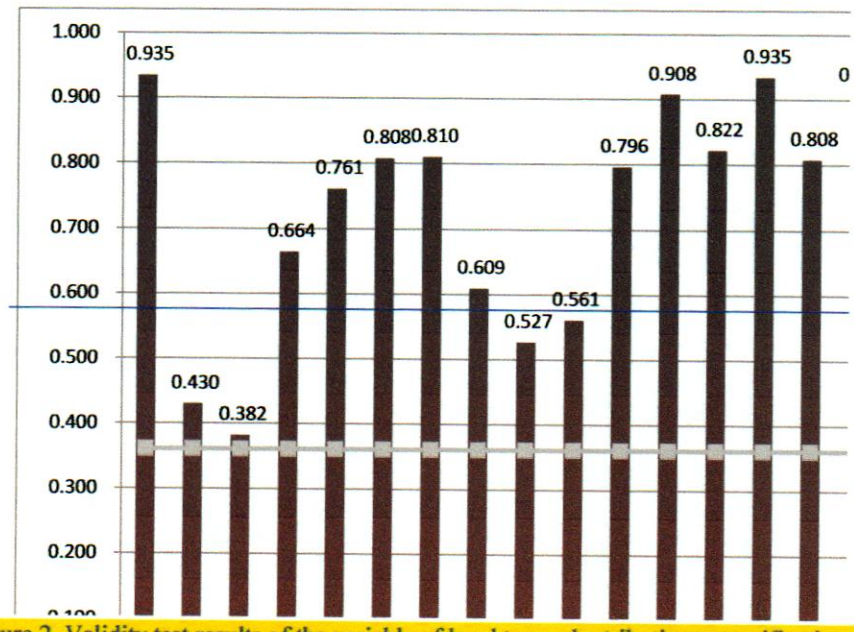

Figure 2. Validity test results of the variable of local tax and retribution extensification (X_2)

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In the validity test, a statement is deemed as valid if the r_{count} is greater than the r_{table}. As based on the rho table, where n = 30 and the degree of significance = 5%, the r_{table} value arrives at 0.3610. This indicates that all of the 20 statement items used to measure the influence of variable of local tax and retribution intensification have a greater r_{count} value than the r_{table} value of 0.3610. Henceforth, the variable is considered as valid and proper to be used in collecting the data.

3) Variable of Local Own-source Revenue (Y)

The instruments used to measure the variable of local own-source revenue consist of 20 statement items to the 30 respondents (n=30). Figure 3 displays the validity test results of the Y variable as follows.

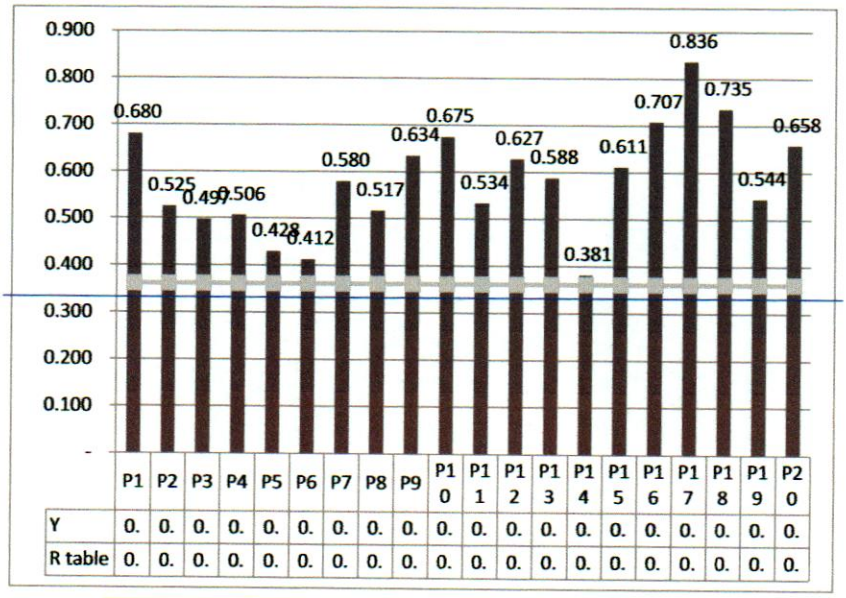

Figure 3. Validity test of local own-source revenue variable (Y)

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In the validity test, a statement is deemed as valid if the r_{count} is greater than the r_{table}. As based on the previous table, the r_{table} value is at 0.3610. The number indicates that all 20 statement items used to measure variable of local own-source revenue have a greater r_{count} value than the r_{table} value of 0.3610. Henceforth, the variable is considered as valid and proper to be used in collecting the data.

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Reliability Test

A variable statement is considered reliable if the decision-making process as based on Cronbach's alpha exceeds or equals to 0.6[23] (Ghozali, 2005). The reliability test results are elaborated as follows:

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1) Variable of local tax and retribution intensification (X_1)

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The reliability test of statements of local tax and retribution intensification is presented in the following Table 3.

Table 3. Reliability test results of the variable of local tax and retribution intensification (X_1)

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Variable	Coefficient Reliability	Reference Value	Description	Status
intensification of local tax and	0.841	0.6	0.841 > 0.6	Reliable

Source: Data processed by SPSS 21, 2021

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[23] Imam Ghozali, *Multivariate Analysis Application with SPSS Program* (Badan Penebit Universtas Diponogoro, 2006).

As based on the analysis result using Cronbach's alpha technique in the previous Table 3, the reliability coefficient value of the variable is 0.841. Given that the value is greater than the reference value of 0.6, it is indicated that the instrument of local tax and retribution intensification is deemed as reliable and proper for further use.

2) Variable of local tax and retribution extensification (X_2)

The reliability test of statements of local tax and retribution intensification is presented in the following Table 4.

Table 4. Reliability test results of local tax and retribution extensification

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Variable	Coefficient Reliability	Reference Value	Description	Status
Extensification of local tax and retribution	0.932	0.6	0.932 - 0.6	Reliable

Source: Data processed by SPSS 21, 2021

As based on the analysis result in the table above, Table 4 shows that the reliability coefficient value of the variable of local tax and retribution extensification arrives at 0.932. Given that As the value is greater than the reference value of 0.6, it is indicatesd that the instrument of local tax and retribution extensification is deemed as reliable and proper for further use.

3) Local Own-source Revenue Variable (Y)

Provided in Table 5 is the result of the reliability testing for the local own-source revenue.

Table 5. Results of Reliability Test of Local Own-source Revenue Variable

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Variable	Coefficient Reliability	Reference Value	Description	Status
Regional Income	0.844	0.6	0.844 > 0.6	Reliable

Source: Processed Data SPSS 21, 2021

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The Cronbach's Alpha analysis results seen in the above Table 4.35 report signify that the reliability coefficient value of the local own-source revenue arrives at 0.844. The value is greater than the determined reference value of 0.6. In other words, the instrument of the local own-source revenue in the present work is reliable and, thereby, proper to be used in future research.

1. Descriptive Statistics Analysis

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The score interpretation criteria based on the respondents' answers are determined from the questionnaire's score (of 1 is the (minimum) , and to 5 is the (maximum score). Further, the scale range is identified by multiplying the highest score by the number of the respondents and multiplying the lowest score by the number of respondents.

The descriptive analysis results of each research variable are listed belowin Table 6.

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Table 6. Descriptive Analysis Results

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No.	Descriptive	Intensification	Extensification	Local Own-source Revenue
1	Min.	53.00	41.00	52.00
2	Max.	94.00	93.00	95.00
3	Mean	75.85	74.76	77.53
4	Std. Dev.	11.56	11.55	11.59
5	% of Variable Score	75.85%	74.76%	77.53%
6	Score Criteria	Fair	Fair	Fair

Source: Processed Data, 2021

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a. Variable of Intensification of Local Tax and Retribution

Based on Table 6, we can see that the lowest score of the intensification of Local Tax and Retribution arrives at 53.00, and the highest reaches 94.00. The mean and standard deviation score is measured at 75.85 and 11.56, respectively. It is shown that the score of intensification of Local Tax and Retribution is at 75.85%, fair category. Such results confirm that the intensification by the government of Gorontalo Municipality has been implemented by referring to the efforts stipulated in the law. Nevertheless, there are some areas thatsome areas need improvement regarding the law amendment; the laws are still overlapping and considered as unfair for taxpayers and regional retribution.

b. Variable of Extensification of Local Tax and Retribution

Based on Table 6 also indicates , the lowest score of the intensification of Local Tax and Retribution is 41.00, and the highest gets is 93.00. The mean and standard deviation score arrives at 74.76 and 11.55, respectively. The variable of achievement motivation is categorized fair with a score of 74.76%. Simply put, the extensification aimed at improving Local Tax and Retribution in Gorontalo Municipality has been carried out through various approaches, specifically cooperation, to trigger deterrent effects and promote compliance of taxpayers and retribution payers. There are, however, several aspects that need improvement, such as expanding the classification of taxpayers through the optimization of incoming investment in Gorontalo Municipality.

c. Local Own-source Revenue Variable (Y)

Based on Table 6, it is revealed that the lowest score of the local own-source revenue gets is 52.00, and the highest reaches 950.00. The mean and standard deviation score is measured at 77.53 and 11.59, respectively. The score of the local own-source revenue in Gorontalo Municipality arrives at 77.53%, which falls into the fair category. From These results , imply the local own-source revenue of Gorontalo Municipality basically sees upward trends every year. Some aspects viewed from the rise in the percentage, however, tend to be less stable, with varied effectiveness values. This indicates that the target is not attained effectively. The fundamental approaches that should be implemented are optimizing tax and retribution through more concrete intensification and extensification and strengthening supervision of the revenue and use of taxes and retributions.

2. Data Transformation

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The foremost requirement to meet in performing a regression analysis (parametric) is ensuring that the data must have an interval scale. In this study, the data are ordinal data presented in the form of a Likert scale. On that ground, all research data were converted into interval scales using the MSI method (Method of Successive Interval).

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3. Classical Assumption Test

~~Analysis prerequisites should be met in a parametric test, particularly the multiple linear regression analysis. The results of the data normality, multicollinearity, and heteroscedasticity test are provided below:~~

~~a. Data Normality~~

~~The results revealed that, : 1) first, the probability or the significance value of tax intensification was greater than 0.05, meaning that the Ho is accepted or, in the context of the present work, meets the requirement of the normality test. 2) Second, the probability or the significance value of tax and retribution extensification was greater than 0.05, meaning that the Ho is accepted or, in the context of the present work, meets the normality test requirement. Third, 3) the probability score of the local own-source revenue arrived at 0.295, . The score which was greater than 0.05, signifying that the Ho is accepted or, in the context of the present work, meets the requirement of the normality test.~~

~~b. Data Multicollinearity Test~~

~~All independent variables, based on Table 4.5 below, have a VIF value below 10. The VIF value of the intensification and extensification of Local Tax and Retribution is at 1.203 (< 10). By that, there are no multicollinearity assumptions among the independent variables.~~

~~c. Data Heteroscedasticity Test~~

~~According to the data analysis results shown in Table 4.5, the significance value of all variables is greater than the alpha value of 0.05 (0.097 and 0.086). This concludes that the regression model has no heteroscedasticity problems. Simply put, the regression model is not heteroscedastic. To further strengthen the results, a Glesjer test was performed.~~

4. Data Analysis Results

Data analysis results are the depiction of the results of the hypothesis, regression equation, and determinant coefficient test. All of these are ~~displayed~~ presented in ~~the following~~ Table 7.

Table 37. Multiple Linear Regression Results

No.	Test Type	Statistics	Intensification	Extensification
1	Multiple regression	Alpha (α)	10.758	
		Beta (β)	0.265	0.580
2	T-test (Partial)	t_{count}	2.481	5.391
		p-Value	0.015	0.000
3	F-Test (Simultaneous)	F_{count}	27.796	
		p-Value	0.000	
4	Determinant coefficient	R^2	0.398	
		Adj. R^2	0.384	

Source: Processed data, 2021

~~The above~~ Table 37 ~~presents~~ shows the results of the hypothesis, regression equation, and determinant coefficient test. The multiple regression results ~~function~~ are to determine the impact of independent variables on the dependent variables. Following the classical assumption test and after confirming ~~that~~ the prerequisites were met, data modeling was performed using the multiple regression method. The result of this analysis is in the following formula.

$$\hat{Y} = 10.758 + 0.265X_1 + 0.580X_2 + e$$

Hypothesis testing was conducted once the regression equation model was obtained. The results revealed that the t_{count} represented the variable of intensification and

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extensification of Local Tax and Retribution. The determination of the value of t_{table} was carried out before finding out whether or not Ho is accepted. The t_{table} value depends on the df value ~~of df~~ or degree of freedom and the significance level. According to the observation data on 87 respondents, the t_{table} value arrived at 1.989, where the significance was measured at 5%, and the df value was n-k-1 = 87-2-1 = 84 (the test was two-way since the proposition of the hypothesis did not indicate whether the impact of independent variables on dependent variables was positive or negative).

Sarwono[24] ~~ono (2007, p.: 21) points out~~ proposed that the positive or negative impact represents the direction, ~~not~~ rather than the amount. On this ground, interpreting the comparison between t_{count} and t_{table} does not take into account the negative value as the amount of t_{count}. Below are the results of the test of the impact of intensification and extensification of regional retribution tax on the local own-source revenue of Gorontalo Municipality.~~:~~

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~~1)~~ **The Impact of Intensification and Extensification of Regional Retribution Tax on the Local Own-source Revenue of Gorontalo Municipality**

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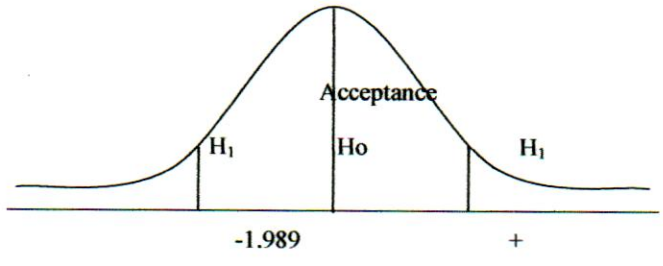
Based on the analysis results, the t_{count} representing the variable of intensification of Local Tax and Retribution is ~~got~~ 2.481. Compared to the t_{table} value of 1.989, the t_{count} is greater than the value of the t_{table}. The significance value of the intensification of Local Tax and Retribution is lower than the probability value of 0.05 (0.015 < 0.05). For this reason, the Ha_1 claiming that the intensification of Local Tax and Retribution contributes~~d~~ to the local own-source revenue of Gorontalo City is accepted. Thereby, intensification of Local Tax and Retribution significantly contributes to the local own-source revenue of Gorontalo Municipality. The regression~~'s~~ coefficient for the first hypothesis testing was positive. A positive t value reveals a linear correlation between intensification of Local Tax and Retribution with the local own-source revenue based on information from the Finance Auditor Body of Gorontalo Municipality.

~~Provided in the following Figure 4 is the acceptance and rejection of the hypothesis curve.~~



~~Figure 4. Acceptance and Rejection of Ha1~~

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~~2)~~ **The Impact of Extensification and Regional Retribution Tax on the Local Own-source Revenue of Gorontalo Municipality**

As seen in the analysis results, the t_{count} representing the variable of extensification of Local Tax and Retribution got 5.391. Compared to the t_{table} value of 1.989, the t_{count} is greater than the value of the t_{table}. The significance value of extensification of Local Tax and Retribution is lower than the probability value 0.05 (0.000 < 0.05). For this reason, the Ha_1

[24] Jonathan Sarwono, *Path Analysis for Business Research with SPSS* (Yogyakarta: Andi Offset, 2007) ~~,~~ page 21

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claiming that the extensification of Local Tax and Retribution contributed to the local own-source revenue of Gorontalo Municipality is accepted.

Thus, the extensification of Local Tax and Retribution significantly contributes to the local own-source revenue of Gorontalo Municipality. The coefficient of the regression for the second hypothesis testing was positive. A positive t value shows a linear correlation between extensification of Local Tax and Retribution with the local own-source revenue of Gorontalo Municipality.

~~Provided in the following Figure 5 is the acceptance and rejection of the hypothesis curve.~~

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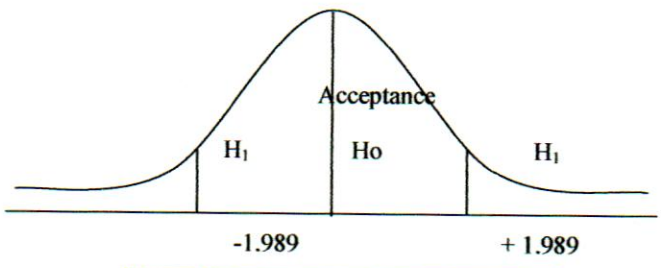

~~Figure 5. Acceptance and Rejection of Ha2~~

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~~a.~~ **Results of F-test**

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Table ~~3~~4.6 reveals that the value of F_{count} gets 27.796. The F_{table}, at a significance of 5% and df1 of k = 2 and df2 of N-k-1 = 87-2-1=84, is measured at 3.105. If both F values are compared, the value of F_{count} surpasses F_{table}, meaning that Ho is refuted and H1 is accepted. To put it another way, the independent variables (intensification and extensification of Local Tax and Retribution) simultaneously and significantly contributes to the dependent variable (local own-source revenue of Gorontalo Municipality).

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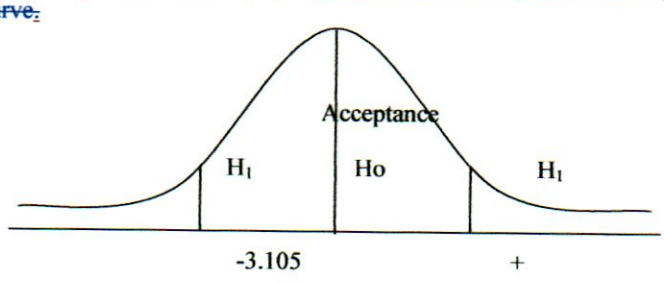
~~The following Figure 6 displays illustrates the acceptance and rejection of the hypothesis curve.~~



~~Figure 6. Acceptance and Rejection of Ha3~~

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~~5.~~ **Coefficient of Determination**

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From the analysis results of the coefficient of determination, the value of adjusted R-squared was measured at 0.384. ~~The value~~ This indicates that 38.40% of the variability of the local own-source revenue ~~in Gorontalo Municipality~~ is determined by the intensification and extensification of Local Tax and Retribution. Other determining factors excluded from the

research~~, accounting for~~ of 61.60%~~,~~ involve intern supervision, investment, profit sharing between the provincial government, and integrating information of proof of tax payment and retribution of people of Gorontalo Municipality to private services.

Discussion

~~1.~~ The Impact of Intensification and Regional Retribution on the Local Own-source Revenue of Gorontalo Municipality

~~Descriptive analysis results revealed that the lowest score of the intensification of Local Tax and Retribution is 53.00, and the highest reaches 94.00. The mean and standard deviation score is measured at 75.85 and 11.56, respectively. Further, the score of intensification of Local Tax and Retribution is 75.85%, falling under the fair category. Such results confirm that the intensification by the government of Gorontalo Municipality has been implemented by referring to the efforts stipulated in the law. Nevertheless, some areas need improvement regarding the overlapping law amendment; many consider that the law is unfair for taxpayers and regional retribution.~~The results of the descriptive analysis show that the lowest score of Tax Intensification (IP) and Regional Retribution (RD) is 53.00 and the highest is 94.00. The mean and standard deviation were measured at 75.85 and 11.56, respectively. Furthermore, the score for both of them is 75.85% which is included in the sufficient category. These results confirm that the intensification carried out by the Gorontalo City Government has been carried out with reference to the efforts regulated in the law. However, several things need improvement related to the many overlapping amendments that consider the regulation unfair to local taxpayers and levies.

Based on the regression analysis for the first hypothesis test, intensification of Local Tax and Retribution significantly contributes to the local own-source revenue of Gorontalo Municipality. The coefficient of the positive regression ~~reveals~~ shows a linear correlation between intensification of Local Tax and Retribution with the local own-source revenue based on information from the Finance Auditor Body of Gorontalo Municipality. With that in mind, the Finance Auditor Body ~~of Gorontalo Municipality~~ should focus on educational improvement and conduct more training for its employees, specifically technical training in optimizing the local own-source revenue for regional independence.

The result confirming the positive and significant impact of intensification of Local Tax and Retribution on the local own-source revenue of Gorontalo Municipality corresponds to the study by Rajali[25] ~~(2015) . Rajali~~ reportsing several aspects that should be considered by the regional government in tax sector management, including ~~. Among the changes for bettering tax management is~~ conducting SOT focusing on the department or body serving as the mainstay for the local own-source management, especially the tax sector.

~~2.~~ The Impact of Extensification and Regional Retribution Tax on the Local Own-source Revenue of Gorontalo Municipality

~~Based on the respondents' answers, the lowest score of the extensification of Local Tax and Retribution is 41.00, and the highest reaches 93.00. The mean and standard deviation score is measured at 74.76 and 11.55, respectively. The variable of achievement motivation is categorized fair with a percentage of 74.76%. Simply put, The extensification aimed at to improveing Local Tax and Retribution in Gorontalo Municipality has been carried out through various approaches, specifically cooperation, to trigger deterrent effects and promote~~

[25] Rajali, "Strategy for Increasing Local Own-Source Revenue in the Context of Implementing Regional Autonomy (A Study on Strategies for Increasing Tax Sector Revenue in Aceh Tenggara Regency," *Public Administration Journal* 2, no. 2 (2012): 234–86.

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~~compliance of taxpayers and retribution payers. However, there are several aspects thatseveral aspects need require improvement, such as expanding the classification of taxpayers through the optimization of incoming investment in Gorontalo Municipality.~~.Based on the respondent's answers, the lowest extensification score for regional taxes and levies is 41.00 and the highest is 93.00. The mean and standard deviation scores were measured at 74.76 and 11.55, respectively. The achievement motivation variable is categorized as sufficient with a percentage of 74.76%. Extensification of the two variables has been carried out through various approaches, especially cooperation, to create a deterrent effect and increase taxpayer compliance. However, there are several aspects that need to be improved, such as expanding the classification of taxpayers through optimizing incoming investment.

The test results showed that ~~extensification of~~ the Local Tax and Retribution extensification significantly contributes to the local own-source revenue ~~of Gorontalo Municipality~~. This notion discloses a linear correlation between the extensification of Local Tax and Retribution with the local own-source revenue ~~of Gorontalo Municipality~~. The extensification is of paramount importance since it serves as an approach to increase the number of taxpayers and or registered taxable employers and to calculate the amount of income tax installments in the current year and tax payment within a tax period.

The ~~result that the~~ positive and significant impact of ~~intensification of~~ Local Tax and Retribution intensification ~~on the local own-source revenue of Gorontalo Municipality~~ is in line with ~~the study by~~ Soemitro[26] ~~(2010, p.: 88)~~ . ~~Soemitro explains~~ contending that tax intensification is the approach to increase tax subjects and objects, and to adjust the amount of tax. The government of Gorontalo Municipality has attempted multiple approaches to increase Local Tax and Retribution through intensification, such as improving tax administration, ~~improving~~ the quality of employees and increasing tax collectors, and improving tax laws. The extensification approaches involve expansion of the classification of taxpayers, improvement of tariffs, and expansion of the classification of tax objects.

~~3.~~ The Impact of Intensification and Extensification of Local Tax and Retribution o~~n~~ the Local Own-source Revenue of Gorontalo Municipality

~~Our descriptive analysis results revealed that the lowest score of the local own-source revenue is 52.00, and the highest peak at 950.00. The mean and standard deviation score is measured at 77.53 and 11.59, respectively. The score of the local own-source revenue in Gorontalo Municipality is measured at 77.53%, falling under the fair category. From these results, the local own-source revenue of Gorontalo Municipality basically sees upward trends every year. Some aspects viewed from the rise in the percentage, however, tend to be less stable, with varied effectiveness values. This indicates that the target is not attained effectively. The important approaches that should be actualized are the optimization of tax and retribution through more concrete intensification, as well as extensification and strengthening supervision of the revenue and use of taxes and retributions.~~The results of the descriptive analysis revealed that the lowest value of local revenue (PAD) was 52.00, and the highest was at 950.00. The mean and standard deviation scores were measured at 77.53 and 11.59, respectively. The PAD score in Gorontalo City of 77.53% is included in the sufficient category. From these results, the PAD of Gorontalo City basically experiences an increasing trend every year. Some aspects seen from the percentage increase, however, tend to be less stable, with varying effectiveness values. This indicates that the target was not achieved effectively. An important approach that must be actualized is the optimization of taxes and levies through more concrete intensification, as well as extensification and strengthening of supervision over the revenue and use of taxes and levies.

[26] Rochmat, *Taxation Principles and Basics*., page 88

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According to the simultaneous test, the independent variables (intensification and extensification of Local Tax and Retribution) simultaneously and significantly contributes to the dependent variable (local own-source revenue of Gorontalo Municipality). ~~The value of the adjusted R-squared was measured at 0.384. This indicates that 38.40% of the variability of the local own-source revenue in Gorontalo Municipality is determined by the intensification and extensification of Local Tax and Retribution. Other determining factors excluded from the research, accounting for 61.60%, involve intern supervision, investment, profit sharing between the provincial government, and integrating information of proof of tax payment and retribution of people of Gorontalo Municipality to private services.~~

The adjusted value of R-squared was measured at 0.384. This shows that 38.40% of the variability of PAD is determined by the intensification and extensification of regional taxes and levies. Other determinants excluded from the study, which amounted to 61.60%, involved internal control, investment, profit sharing between the provincial government, and the integration of information on proof of payment for the people of Gorontalo City into private services.

Such a result confirming the positive and significant impact of intensification and extensification of Local Tax and Retribution on the local own-source revenue ~~of Gorontalo Municipality~~ echoes the results seen in Tunliu[27] ~~Kamaluddin (as cited in Tunliu, 2010), . Kamaludin mentions~~ stating that the instrument capable of increasing local own-source revenue is tax intensification and extensification and regional retribution. Saleh[28] ~~(2009, p.: 66)~~ further emphasize~~sd~~ the necessity of conducting intensification approaches (in terms of Local Tax and Retribution). One approach that should be applied in increasing the local own-source revenue is the intensification of Local Tax and Retribution. From the above discussion, it is clear that the intensification and extensification are impactful on the rise in local own-source revenue.

CONCLUSION

As presented in the previous discussion, this study draws up several conclusions ~~as follows~~. The ~~: 1)~~ intensification of Local Tax and Retribution positively and significantly contributes to the local own-source revenue of Gorontalo Municipality. The coefficient of the positive regression indicates that the more optimum the tax intensification by the Finance Auditor Body of Gorontalo Municipality, the higher the accumulation of the local own-source revenue. ~~2)~~The ~~–~~extensification of Local Tax and Retribution positively and significantly contributes to the local own-source revenue of Gorontalo Municipality. The coefficient of the positive regression indicates that the more optimum the tax extensification by the Finance Auditor Body of Gorontalo Municipality, the higher the local own-source revenue will be accumulated. ~~3)~~ The independent variables (intensification and extensification of intensification of Local Tax and Retribution) simultaneously and significantly contribute to the dependent variable (local own-source revenue of Gorontalo Municipality). The value of the adjusted R-squared was measured at 0.384 ~~. The value indicates~~ indicating that 38.40% of the variability of the local own-source revenue ~~in Gorontalo Municipality~~ is determined by the intensification and extensification of Local Tax and Retribution and 61.60% of ~~.~~ other determining factors excluded from the research, ~~accounting for 61.60%, involve~~ such as intern supervision, investment, profit sharing

[27] Tunliu, "The Effect of Intensification and Extensification on Increasing Local Own-Source Revenue 138 to Achieve Regional Financial Independence (A Case Study in Local Government of Kupang City, NTT).".

[28] Samudra, *Taxation in Indonesia, Finance, Local Taxes and Regional Retribution*, page 66

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between the provincial government, and integrating information of proof of tax payment and retribution ~~of people of Gorontalo Municipality~~ to private services.

From the above conclusions, ~~the study~~ we formulate~~s~~ several recommendations ~~as, follows: 1)~~ The Finance Auditor Body of Gorontalo Municipality should continuously develop its employees' skills and commitment, particularly field officers, for better tax collection processes. ~~2) The Finance Auditor Body of Gorontalo Municipality~~ They also should intensively cooperate with several institutions. ~~3)~~ Further research is expected to fill the gap of the present study by expanding other variables that theoretically strengthen both independent and dependent variables.

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PERBAIKAN/REVISI ARTIKEL

The Effect of Intensification and Extensification of Tax and Retribution on Local Own-Source Revenue

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ABSTRACT

Local own-source revenue is a significant element of the implementation of regional autonomy. The local own-source revenue of a region is impactful to the region's self-reliance in financing the development program for public needs. The present study is aimed to investigate the effect of intensification and extensification of retribution tax on local own-source revenue in Gorontalo city. A qualitative method and ex-post-facto approach were employed in this research. The results showed that the intensification and extensification of retribution tax are influential to the local own-source revenue. All in all, the research implications suggest for the regional development to optimize the regional finance potentials by the program of intensification and extensification. An increase in local own-source revenue will improve the region's capacity to implement governance and apply financial autonomy from the central government. The research findings are treated as the recommendation to the government, other related institutions, practitioners, and the community.

Keywords: *Intensification, Extensification, Autonomy*

INTRODUCTION

Regional autonomy is of paramount importance to a region's capacity to carry out development processes in an appropriate manner. A decentralization approach implemented in the governance conducts leads to the decentralization of the regional financial aspects. Such an approach implicates the demand for a region's capacity in funding the region's own needs[1]. One of the significant aspects of regional autonomy is financial autonomy regarding development and public service. A region's financial status is highly influential to the governance and public service conducts[2]. The state revenue is utilized to finance the public service activities[3]. In the meantime, the procurement of regional income comprises planning, management, reporting, responsibility-checking, and monitoring of regional finance. The effectiveness of regional financial management is indicated by the achievement of regional financial management objectives, comprising the activities of planning, implementation,

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[1] Iwan Suhasto, Nova Widodo, and Sundaru Wibowo, "Effectiveness and Contribution of Regional Taxes for Regional Original Income in Ex-Karesidenan Madiun," *Jurnal AKSI (Akuntansi Dan Sistem Informasi)* 5, no. 1 (May 7, 2020): 37–40, https://doi.org/10.32486/aksi.v5i1.432.

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administration, reporting, accountability, and monitoring conducted by the regional government[4].

As a key aspect to economic development, the fiscal decentralization of a region is measured by the region's ability to boost its local own-source revenue to increase its self-reliance and independence from the national government. A region's autonomy, as reflected in the Regional Budget, is highly associated with the region's autonomy in terms of local own-source revenue. A region's capacity to increase the source of income based on the local potentials is able to support the conduct of accommodation of the public interest without the interference of the national government's interest that is inappropriate with the public needs. On this ground, Nurdin Nara[5] pointed out that the local revenue is a strategic component that bears paramount significance to the structure of the Regional Budget. A region's extent of self-reliance indicates its capacity to finance its expenses without the need for aids from the national government; it is also reflected in the ratio of fiscal decentralization of the region's government.

A region's whole financial performance is reflected from the extent of fiscal decentralization used as an indicator to assess the contribution of local own-source revenue towards the total local revenue[6]. That said, a region with a low capacity for internal funding through local own-source revenue is highly dependent on the national government[7]. The local own-source revenue is different in each region. A region featured with industrial advancements and plentiful natural resources tends to have higher local own-source revenue compared to other regions, and vice versa. In this regard, the inequality of local own-source revenue in different regions might take place. Regions with higher local own-source revenue tend to have better financial stability, while those with lower revenue tend to be underdeveloped[8].

As the capital of Gorontalo province, the municipality of Gorontalo is the epicenter of industrial and service activities of the province. Compared to other regions in the province, the city has a relatively higher local own-source revenue. Table 1 presents the initial data of local own-source revenue in Gorontalo city.

Table 1. Data of Local Own-Source Revenue of Gorontalo City

Year	Local Own-Source Revenue Budget	Local Own-source Revenue Realization	Regional Revenue	Effectiveness Ratio	Growth Ratio	Autonomy Ratio
2016	113,086,216,899	82,377,903,786	466,150,650,159	72.85	15.63	17.67
2017	123,788,170,027	97,092,318,657	675,337,872,414	78.43	17.86	14.38
2018	126,689,843,712	124,732,780,260	754,961,985,637	98.46	28.47	16.52
2019	160,669,212,234	142,700,996,247	892,006,038,781	88.82	14.41	16.00

[4] Ismul Wahyu Riski and Imelda Dian Rahmawati, "Analysis Of Accounting Information For The Purchase Of Raw Materials And Inventory Of Raw Materials ," *Academia Open* 5, no. 0 SE-Business and Economics (August 23, 2021), https://doi.org/10.21070/acopen.5.2021.2167.

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2020	158,646,907,164	172,315,775,595	948,313,978,857	108.62	20.75	18.17

Source: Finance Auditor Body of Gorontalo Municipality 2021[9]

As based on Table 1, the realization of local own-source revenue of Gorontalo city is significantly lower compared to the revenue obtained from the fiscal balance fund. Essentially, a regional government's dependence on the national government bears positive and negative impacts. The positive impact renders the establishment and maintenance of a good relationship with the national government. Such conduct will optimize the allocation of higher fiscal balance funds towards the region to support higher absorption of regional expenditure. On the other hand, a region's high level of dependence on the national government will lead to a lack of motivation and effort in increasing the region's local own-source revenue based on its potentials. As asserted from Table 1, the effectiveness and growth of local own-source revenue in Gorontalo city are considered less optimal. The city's revenue growth was rather unstable and fluctuated over the years. Less significant growth of local own-source revenue is caused by a region's incapability of formulating strategies of collecting and mapping the potentials of local own-source revenue[10].

Theoretically, Mardiasmo[11] argued that a region's level of revenue is directly proportional to the region's expenditure. In other words, an increase in revenue will lead to an increased level of expenditure. Such a condition might take place due to the larger fund available that is used in expenditure matters, such as Operating Expenditure and Development Expenditure. In addition to that, a region with greater local own-source revenue has a lack of dependence on the national government's grants or aids. This problem blames several factors. As stated by Halim[12] , the mobilization of local own-source revenue is carried out by intensification and extensification of the revenue, particularly on the local tax and retribution. Halim[13] argued that intensification of tax refers to the action or effort to enlarge the revenue so as to achieve the target actualization as expected. Meanwhile, the extensification of tax, according to Soemitro[14], is the effort to broaden the tax subject and object as well as to adjust the tariff. Moreover, Kamaluddin in Tunliu[15] stated that the intensification and extensification of the local tax and retribution collection can boost a region's local own-source revenue. Saleh[16] further added that the intensification of local tax and retribution is highly significant to be implemented on the improvement of both aspects. In this regard, the intensification of local tax and retribution is conducted to enlarge the local revenue. Henceforth, the notions above imply that intensification and extensification play a key role in the enhancement of local own-source revenue. The socialization of tax to the community, accompanied by the introduction of tax regulations and dissemination on the

[9] Finance Auditor Body of Gorontalo Municipality 2021, "Local Own-Source Revenue of Gorontalo City," 2021, https://gorontalo.bpk.go.id/.

[10] Fernandes Simangunsong, "The Evaluation Study of the Determination of the Sub-District IMB Retribution Revenue in Bandung District," *Jurnal Ekonomi Dan Kebijakan* 8, no. 2 (2015): 183–99.

[11] Mardiasmo, *Autonomy and Regional Financial Management* (Yogyakarta: ANDI, 2002), page 3-4

[12] A Halim, *Regional Financial Management*, Seri Akuntansi Sektor Publik (Jakarta: Salemba Empat, 2002), https://books.google.co.id/books?id=53xTNgAACAAJ, page 75-76

[13] Abdul Halim, *Public Sector Accounting: Regional Financial Accounting* (Jakarta: Salemba Empat, 2007) , page 113

[14] Soemitro Rochmat, *Taxation Principles and Basics, PT. Eresco. Bandung*, 2011, page 88

[15] Jackson Jimmy Aryant Tunliu, "The Effect of Intensification and Extensification on Increasing Local Own-Source Revenue 138 to Achieve Regional Financial Independence (A Case Study in Local Government of Kupang City, NTT)" (Brawijaya University, 2010).

[16] Azhari A Samudra, *Taxation in Indonesia, Finance, Local Taxes and Regional Retribution* (PT. Gramedia Pustaka Utama, 1995) , page 66

importance of tax, is viewed as the necessary measures to be taken in raising public awareness on the significance of tax[17]. On top of that, the identification of strategic sources of regional income is essential to the implementation of a region's household affairs[18]. The government of Gorontalo Municipality has undertaken several intensification and extensification measures on the local tax and retribution enhancement. The intensification measures comprise improvement of tax administration, improvement of employee quality, recruitment of new tax collection officers, and improvement on tax policy. Additionally, the municipality government has implemented extensification policies that involve extension of tax subject and object, as well as tariff improvement. The intensification and extensification measures of the municipality government refer to at least 18 regional regulations, particularly regarding the collection of local tax and distribution. The regulations are presented in Table 2.

Table 2. Regulations concerning Local Tax and Retribution in Gorontalo Municipality

No	Number of Regulation	Year of Publication	Topic Discussed
1	18	2011	Retribution of Nuisance Permit
2	17	2011	Retribution of Market Service
3	16	2011	Retribution of Health and Sanitary Services in Gorontalo Municipality
4	15	2011	Retribution of Bus Station
5	14	2011	Retribution of Lavatory Procurement and/or Disposal
6	13	2011	Retribution of Commercial Vehicle Licensing
7	12	2011	Retribution of On-street Parking Services
8	11	2011	Retribution of Reimbursement of Printing Fee of Residential ID Card and Civil Registry Certificate
9	10	2011	Land and Building Title Transfer Fee
10	9	2011	Land and Building Tax of Rural and Urban Area
11	8	2011	Groundwater Tax
12	7	2011	Street Lighting Levy
13	6	2011	Tax on Non-metallic Minerals and Rocks
14	5	2011	Entertainment Tax
15	4	2011	Parking Tax
16	3	2011	Restaurant Tax
17	2	2011	Advertisement Tax
18	1	2011	Lodging Occupancy Tax

Source: Website of the Indonesian Ministry of Home Affairs, 2021[19]

Table 2 indicates that the government of Gorontalo Municipality, through the Finance Auditor Body, pursued to optimize the tax collection to support its local own-source revenue.

[17] Arnold Putra Christover and Sintje Rondonuwu, "Understanding of Tax Payer Extensification and Intensification of Tax Toward The Perception of Tax Authorities About Tax ncome," *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis Dan Akuntansi* 4, no. 1 (2016): 1241–53.

[18] Kahar Haerah, "Strategy for Incerasing Real Regional Income From The Hotel Tax Sectors and Restaurants in Jember District," *POLITICO* 17, no. 2 (2017): 256–85.

[19] Indonesian Ministry of Home Affairs, "Regulations Concerning Local Tax and Retribution in Gorontalo Municipality," 2021, https://www.kemendagri.go.id/.

The region is required to be prepared and competent in managing the available resources in the most efficient or effective way possible[20]. Despite that, issues on policy implementation remain to persist in the region. As reflected from the practices, the government's intensification measures lacked effectiveness due to the tax collection officers' inappropriate competence and commitment. Moreover, it is discovered that the extensification conducts in the region are relatively hard to implement. Since most businesses in Gorontalo City have homogenous nature, it is difficult to increase the tax tariff. Such problems suggest that the municipality lacks a universal intensification or extensification measure to be applied in all organizations in any given situation. Therefore, the study argues that intensification and extensification measures are essential to be implemented in nurturing the taxpayers' compliance and raising the community's awareness to pay their taxes[21]. Irianto[22] defined extensification as the activity conducted to increase the number of taxpayers. Meanwhile, intensification is viewed as the optimization of taxpayers through the activities of compliance raising and monitoring[23]. Extensification is the set of activities to broaden the tax subject and object basis, while intensification is the activity of increasing tax compliance and revenue[24]. Both approaches are dependent on the conditional factors that are present in an organization.

As based on the rationale above, the study aims to elaborate the following problems, whether 1) the intensification of local tax and retribution influences the local own-source revenue in Gorontalo Municipality; 2) the extensification of local tax and retribution influences the local own-source revenue in Gorontalo Municipality; 3) the intensification and extensification of local tax and retribution simultaneously influence the local own-source revenue in Gorontalo Municipality.

RESEARCH METHOD

The study was conducted at the Finance Auditor Body of Gorontalo Municipality. A quantitative method with an ex-post-facto approach was employed. The population comprised 87 state civil servants in the Finance Auditor Body. The data were collected by: 1) observation (to collect the initial data), 2) questionnaire (to collect the data of respondents' perception regarding the research topic), and 3) documentation (to obtain other supporting documents for the research result validation). The instruments were tested of the quality by validity and reliability tests. Prior to the analysis phase, the data were tested for the normality. It is to investigate whether or not the regression model, the dependent variable, and the independent variable are normally distributed.

Moreover, a multicollinearity test was conducted to identify the correlation between independent variables in the regression model. On top of that, the study employed a heteroscedasticity test to investigate any variance difference from the present data residuals in

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[20] Lucia Rita Indrawati, Endang Kartini Panggiarti, and Lorentino Togar Laut, "Perspective of Regional Taxes for Magelang City Original Revenue," *Jurnal REP (Riset Ekonomi Pembangunan)* 2, no. 1 (2017): 139–50.

[21] Aliah Ghina, "Tax Intensification in Income Tax Revenue for Corporate Taxpayers," *Jurnal Ilmiah MEA (Manajemen, Ekonomi, & Akuntansi)* 4, no. 3 (September 1, 2020): 63–73, https://doi.org/10.31955/mea.vol4.iss3.pp63-73.

[22] Edi Slamet Irianto, *Leadership, Tax, and the Future* (dreamlight apps, 2015), https://books.google.co.id/books/reader?id=PDLUBwAAQBAJ&printsec=frontcover&output=reader&pg=GBS.PP2.

[23] Nurul Afifah and Mahardian Hersanti, "Review of the Implementation of Tax Extensification and Intensification as an Effort to Increase Tax Revenue," *Jurnal Analisa Akuntansi Dan Perpajakan* 3, no. 2 (September 2, 2019): 58–70, https://doi.org/10.25139/jaap.v3i2.2192.

[24] Henny Yulsiati and Maulan Irwadi, "The Impact of Extensification and Intensification of Individual Taxpayers on Tax Revenues with Tax Audit Moderation," in *Prosiding Simposium Nasional Akuntansi Vokasi Ke*, vol. 2 (Bali: Politeknik Negeri Bali, 2013), 113.

the regression. All data were analyzed by multiple linear regression to identify the correlation of influence between one or more independent variable(s) (X) and the dependent variable (Y) presented in the form of a regression equation. The hypothesis test involved t-test, F-test, and determination coefficient test. The t-test aims to elaborate on the extent of influence of an independent variable in explaining the dependent variable individually. Meanwhile, the F-test identifies the influence of independent variables on the dependent variables simultaneously. If the probability rate is lower than the alpha value (0.05), the independent variables are deemed to simultaneously influence the dependent variable.

Further, the determination coefficient (R^2) test measures the extent of a model's ability to explain the variation of the dependent variable. The determination coefficient value is between zero and one. A smaller R^2 value indicates that the ability of independent variables to explain the variation of the dependent variable is very limited.

RESULTS AND DISCUSSION

Data Analysis Results

Data analysis results are the depiction of the results of the hypothesis, regression equation, and determinant coefficient test. All of these are presented in Table 7.

Table 3. Multiple Linear Regression Results

No.	Test Type	Statistics	Intensification	Extensification
1	Multiple regression	Alpha (α)	10.758	
		Beta (β)	0.265	0.580
2	T-test (Partial)	t_{count}	2.481	5.391
		p-Value	0.015	0.000
3	F-Test (Simultaneous)	F_{count}	27.796	
		p-Value	0.000	
4	Determinant coefficient	R^2	0.398	
		Adj. R^2	0.384	

Source: Processed data, 2021

Table 3 shows the results of the hypothesis, regression equation, and determinant coefficient test. The multiple regression results are to determine the impact of independent variables on the dependent variables. Following the classical assumption test and after confirming the prerequisites were met, data modeling was performed using the multiple regression method. The result of this analysis is in the following formula.

$$\hat{Y} = 10.758 + 0.265X_1 + 0.580X_2 + e$$

Hypothesis testing was conducted once the regression equation model was obtained. The results revealed that the t_{count} represented the variable of intensification and extensification of Local Tax and Retribution. The determination of the value of t_{table} was carried out before finding out whether or not Ho is accepted. The t_{table} value depends on the df value or degree of freedom and the significance level. According to the observation data on 87 respondents, the t_{table} value arrived at 1.989, where the significance was measured at 5%, and the df value was n-k-1 = 87-2-1 = 84 (the test was two-way since the proposition of the hypothesis did not indicate whether the impact of independent variables on dependent variables was positive or negative).

Sarwono[25] roposed that the positive or negative impact represents the direction, rather than the amount. On this ground, interpreting the comparison between t_{count} and t_{table} does not take into account the negative value as the amount of t_{count}. Below are the results of the test of the impact of intensification and extensification of regional retribution tax on the local own-source revenue of Gorontalo Municipality.

The Impact of Intensification and Extensification of Regional Retribution Tax on the Local Own-source Revenue of Gorontalo Municipality

Based on the analysis results, the t_{count} representing the variable of intensification of Local Tax and Retribution is 2.481. Compared to the t_{table} value of 1.989, the t_{count} is greater than the value of the t_{table}. The significance value of the intensification of Local Tax and Retribution is lower than the probability value of 0.05 (0.015 < 0.05). For this reason, the Ha_1 claiming that the intensification of Local Tax and Retribution contributes to the local own-source revenue of Gorontalo City is accepted. Thereby, intensification of Local Tax and Retribution significantly contributes to the local own-source revenue of Gorontalo Municipality. The regression coefficient for the first hypothesis testing was positive. A positive t value reveals a linear correlation between intensification of Local Tax and Retribution with the local own-source revenue based on information from the Finance Auditor Body of Gorontalo Municipality.

The Impact of Extensification and Regional Retribution Tax on the Local Own-source Revenue of Gorontalo Municipality

As seen in the analysis results, the t_{count} representing the variable of extensification of Local Tax and Retribution got 5.391. Compared to the t_{table} value of 1.989, the t_{count} is greater than the value of the t_{table}. The significance value of extensification of Local Tax and Retribution is lower than the probability value 0.05 (0.000 < 0.05). For this reason, the Ha_1 claiming that the extensification of Local Tax and Retribution contributed to the local own-source revenue of Gorontalo Municipality is accepted.

Thus, the extensification of Local Tax and Retribution significantly contributes to the local own-source revenue of Gorontalo Municipality. The coefficient of the regression for the second hypothesis testing was positive. A positive t value shows a linear correlation between extensification of Local Tax and Retribution with the local own-source revenue of Gorontalo Municipality.

Results of F-test

Table 3 reveals that the value of F_{count} gets 27.796. The F_{table}, at a significance of 5% and df1 of k = 2 and df2 of N-k-1 = 87-2-1=84, is measured at 3.105. If both F values are compared, the value of F_{count} surpasses F_{table}, meaning that Ho is refuted and H1 is accepted. To put it another way, the independent variables (intensification and extensification of Local Tax and Retribution) simultaneously and significantly contributes to the dependent variable (local own-source revenue of Gorontalo Municipality).

Coefficient of Determination

From the analysis results of the coefficient of determination, the value of adjusted R-squared was measured at 0.384. This indicates that 38.40% of the variability of the local own-source revenue is determined by the intensification and extensification of Local Tax and Retribution. Other determining factors excluded from the research of 61.60% involve intern

[25] Jonathan Sarwono, *Path Analysis for Business Research with SPSS* (Yogyakarta: Andi Offset, 2007) , page 21

supervision, investment, profit sharing between the provincial government, and integrating information of proof of tax payment and retribution of people of Gorontalo Municipality to private services.

Discussion

The Impact of Intensification and Regional Retribution on the Local Own-source Revenue of Gorontalo Municipality

The results of the descriptive analysis show that the lowest score of Tax Intensification (IP) and Regional Retribution (RD) is 53.00 and the highest is 94.00. The mean and standard deviation were measured at 75.85 and 11.56, respectively. Furthermore, the score for both of them is 75.85% which is included in the sufficient category. These results confirm that the intensification carried out by the Gorontalo City Government has been carried out with reference to the efforts regulated in the law. However, several things need improvement related to the many overlapping amendments that consider the regulation unfair to local taxpayers and levies.

Based on the regression analysis for the first hypothesis test, intensification of Local Tax and Retribution significantly contributes to the local own-source revenue of Gorontalo Municipality. The coefficient of the positive regression shows a linear correlation between intensification of Local Tax and Retribution with the local own-source revenue based on information from the Finance Auditor Body of Gorontalo Municipality. With that in mind, the Finance Auditor Body should focus on educational improvement and conduct more training for its employees, specifically technical training in optimizing the local own-source revenue for regional independence.

The result confirming the positive and significant impact of intensification of Local Tax and Retribution on the local own-source revenue of Gorontalo Municipality corresponds to the study by Rajali[26] reporting several aspects that should be considered by the regional government in tax sector management, including conducting SOT focusing on the department or body serving as the mainstay for the local own-source management, especially the tax sector.

The Impact of Extensification and Regional Retribution Tax on the Local Own-source Revenue of Gorontalo Municipality

Based on the respondent's answers, the lowest extensification score for regional taxes and levies is 41.00 and the highest is 93.00. The mean and standard deviation scores were measured at 74.76 and 11.55, respectively. The achievement motivation variable is categorized as sufficient with a percentage of 74.76%. Extensification of the two variables has been carried out through various approaches, especially cooperation, to create a deterrent effect and increase taxpayer compliance. However, there are several aspects that need to be improved, such as expanding the classification of taxpayers through optimizing incoming investment.

The test results showed that the Local Tax and Retribution extensification significantly contributes to the local own-source revenue. This notion discloses a linear correlation between the extensification of Local Tax and Retribution with the local own-source revenue. The extensification is of paramount importance since it serves as an approach to increase the number of taxpayers and or registered taxable employers and to calculate the amount of income tax installments in the current year and tax payment within a tax period.

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[26] Rajali, "Strategy for Increasing Local Own-Source Revenue in the Context of Implementing Regional Autonomy (A Study on Strategies for Increasing Tax Sector Revenue in Aceh Tenggara Regency," *Public Administration Journal* 2, no. 2 (2012): 234–86.

The positive and significant impact of Local Tax and Retribution intensification is in line with Soemitro[27] contending that tax intensification is the approach to increase tax subjects and objects, and to adjust the amount of tax. The government of Gorontalo Municipality has attempted multiple approaches to increase Local Tax and Retribution through intensification, such as improving tax administration, the quality of employees and increasing tax collectors, and improving tax laws. The extensification approaches involve expansion of the classification of taxpayers, improvement of tariffs, and expansion of the classification of tax objects.

The Impact of Intensification and Extensification of Local Tax and Retribution othe Local Own-source Revenue of Gorontalo Municipality

The results of the descriptive analysis revealed that the lowest value of local revenue (PAD) was 52.00, and the highest was at 950.00. The mean and standard deviation scores were measured at 77.53 and 11.59, respectively. The PAD score in Gorontalo City of 77.53% is included in the sufficient category. From these results, the PAD of Gorontalo City basically experiences an increasing trend every year. Some aspects seen from the percentage increase, however, tend to be less stable, with varying effectiveness values. This indicates that the target was not achieved effectively. An important approach that must be actualized is the optimization of taxes and levies through more concrete intensification, as well as extensification and strengthening of supervision over the revenue and use of taxes and levies.

According to the simultaneous test, the independent variables (intensification and extensification of Local Tax and Retribution) simultaneously and significantly contributes to the dependent variable (local own-source revenue of Gorontalo Municipality).

The adjusted value of R-squared was measured at 0.384. This shows that 38.40% of the variability of PAD is determined by the intensification and extensification of regional taxes and levies. Other determinants excluded from the study, which amounted to 61.60%, involved internal control, investment, profit sharing between the provincial government, and the integration of information on proof of payment for the people of Gorontalo City into private services.

Such a result confirming the positive and significant impact of intensification and extensification of Local Tax and Retribution on the local own-source revenue echoes the results seen in Tunliu[28], stating that the instrument capable of increasing local own-source revenue is tax intensification and extensification and regional retribution. Saleh[29] further emphasized the necessity of conducting intensification approaches (in terms of Local Tax and Retribution). One approach that should be applied in increasing the local own-source revenue is the intensification of Local Tax and Retribution. From the above discussion, it is clear that the intensification and extensification are impactful on the rise in local own-source revenue.

CONCLUSION

As presented in the previous discussion, this study draws up several conclusions. The intensification of Local Tax and Retribution positively and significantly contributes to the local own-source revenue of Gorontalo Municipality. The coefficient of the positive regression indicates that the more optimum the tax intensification by the Finance Auditor Body of Gorontalo Municipality, the higher the accumulation of the local own-source

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[27] Rochmat, *Taxation Principles and Basics*, page 88

[28] Tunliu, "The Effect of Intensification and Extensification on Increasing Local Own-Source Revenue 138 to Achieve Regional Financial Independence (A Case Study in Local Government of Kupang City, NTT)."

[29] Samudra, *Taxation in Indonesia, Finance, Local Taxes and Regional Retribution*, page 66

revenue. The extensification of Local Tax and Retribution positively and significantly contributes to the local own-source revenue of Gorontalo Municipality. The coefficient of the positive regression indicates that the more optimum the tax extensification by the Finance Auditor Body of Gorontalo Municipality, the higher the local own-source revenue will be accumulated. The independent variables (intensification and extensification of intensification of Local Tax and Retribution) simultaneously and significantly contribute to the dependent variable (local own-source revenue of Gorontalo Municipality). The value of the adjusted R-squared was measured at 0.384 indicating that 38.40% of the variability of the local own-source revenue is determined by the intensification and extensification of Local Tax and Retribution and 61.60% of other determining factors excluded from the research, such as intern supervision, investment, profit sharing between the provincial government, and integrating information of proof of tax payment and retribution to private services.

From the above conclusions, we formulate several recommendations. The Finance Auditor Body of Gorontalo Municipality should continuously develop its employees' skills and commitment, particularly field officers, for better tax collection processes. They also should intensively cooperate with several institutions. Further research is expected to fill the gap of the present study by expanding other variables that theoretically strengthen both independent and dependent variables.

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CENTRAL ASIA AND THE CAUCASUS

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The Effect of Intensification and Extensification of Tax and Retribution on Local Own-Source Revenue

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ABSTRACT

Local own-source revenue is a significant element of the implementation of regional autonomy. The local own-source revenue of a region is impactful to the region's self-reliance in financing the development program for public needs. The present study is aimed to investigate the effect of intensification and extensification of retribution tax on local own-source revenue in Gorontalo city. A qualitative method and ex-post-facto approach were employed in this research. The results showed that the intensification and extensification of retribution tax are influential to the local own-source revenue. All in all, the research implications suggest for the regional development to optimize the regional finance potentials by the program of intensification and extensification. An increase in local own-source revenue will improve the region's capacity to implement governance and apply financial autonomy from the central government. The research findings are treated as the recommendation to the government, other related institutions, practitioners, and the community.

Keywords: Intensification, Extensification, Autonomy

INTRODUCTION

Regional autonomy is of paramount importance to a region's capacity to carry out development processes in an appropriate manner. A decentralization approach implemented in the governance conducts leads to the decentralization of the regional financial aspects. Such an approach implicates the demand for a region's capacity in funding the region's own needs . One of the significant aspects of regional autonomy is financial autonomy regarding development and public service. A region's financial status is highly influential to the governance and public service conducts . The state revenue is utilized to finance the public service activitie . In the meantime, the procurement of regional income comprises planning, management, reporting, responsibility-checking, and monitoring of regional finance. The effectiveness of regional financial management is indicated by the achievement of regional financial management objectives, comprising the activities of planning, implementation, administration, reporting, accountability, and monitoring conducted by the regional government .

As a key aspect to economic development, the fiscal decentralization of a region is measured by the region's ability to boost its local own-source revenue to increase its self-reliance and independence from the national government. A region's autonomy, as reflected in the Regional Budget, is highly associated with the region's autonomy in terms of local own-source revenue. A region's capacity to increase the source of income based on the local potentials is able to support the conduct of accommodation of the public interest without the interference of the national

government's interest that is inappropriate with the public needs. On this ground, Nurdin Nara pointed out that the local revenue is a strategic component that bears paramount significance to the structure of the Regional Budget. A region's extent of self-reliance indicates its capacity to finance its expenses without the need for aids from the national government; it is also reflected in the ratio of fiscal decentralization of the region's government.

A region's whole financial performance is reflected from the extent of fiscal decentralization used as an indicator to assess the contribution of local own-source revenue towards the total local revenue . That said, a region with a low capacity for internal funding through local own-source revenue is highly dependent on the national government . The local own-source revenue is different in each region. A region featured with industrial advancements and plentiful natural resources tends to have higher local own-source revenue compared to other regions, and vice versa. In this regard, the inequality of local own-source revenue in different regions might take place. Regions with higher local own-source revenue tend to have better financial stability, while those with lower revenue tend to be underdeveloped .

As the capital of Gorontalo province, the municipality of Gorontalo is the epicenter of industrial and service activities of the province. Compared to other regions in the province, the city has a relatively higher local own-source revenue. Table 1 presents the initial data of local own-source revenue in Gorontalo city.

Table 1

Data of Local Own-Source Revenue of Gorontalo City

2016	113,086,216,899	82,377,903,786	466,150,650,159	72.85	15.63	17.67
2017	123,788,170,027	97,092,318,657	675,337,872,414	78.43	17.86	14.38
2018	126,689,843,712	124,732,780,260	754,961,985,637	98.46	28.47	16.52
2019	160,669,212,234	142,700,996,247	892,006,038,781	88.82	14.41	16.00
2020	158,646,907,164	172,315,775,595	948,313,978,857	108.62	20.75	18.17

Source: Finance Auditor Body of Gorontalo Municipality 2021

As based on Table 1, the realization of local own-source revenue of Gorontalo city is significantly lower compared to the revenue obtained from the fiscal balance fund. Essentially, a regional government's dependence on the national government bears positive and negative impacts. The positive impact renders the establishment and maintenance of a good relationship with the national government. Such conduct will optimize the allocation of higher fiscal balance funds towards the region to support higher absorption of regional expenditure. On the other hand, a region's high level of dependence on the national government will lead to a lack of motivation and effort in increasing the region's local own-source revenue based on its potentials. As asserted from Table 1, the effectiveness and growth of local own-source revenue in Gorontalo city are considered less optimal. The city's revenue growth was rather unstable and fluctuated over the years. Less significant growth of local own-source revenue is caused by a region's incapability of formulating strategies of collecting and mapping the potentials of local own-source revenue .

Theoretically, Mardiasmo argued that a region's level of revenue is directly proportional to the region's expenditure. In other words, an increase in revenue will lead to an increased level of expenditure. Such a condition might take place due to the larger fund available that is used in expenditure matters, such as Operating Expenditure and Development Expenditure. In addition to that, a region with greater local own-source revenue has a lack of dependence on the national government's grants or aids. This problem blames several factors. As stated by Halim , the

mobilization of local own-source revenue is carried out by intensification and extensification of the revenue, particularly on the local tax and retribution. Halim argued that intensification of tax refers to the action or effort to enlarge the revenue so as to achieve the target actualization as expected. Meanwhile, the extensification of tax, according to , is the effort to broaden the tax subject and object as well as to adjust the tariff. Moreover, stated that the intensification and extensification of the local tax and retribution collection can boost a region's local own-source revenue. Saleh further added that the intensification of local tax and retribution is highly significant to be implemented on the improvement of both aspects. In this regard, the intensification of local tax and retribution is conducted to enlarge the local revenue. Henceforth, the notions above imply that intensification and extensification play a key role in the enhancement of local own-source revenue. The socialization of tax to the community, accompanied by the introduction of tax regulations and dissemination on the importance of tax, is viewed as the necessary measures to be taken in raising public awareness on the significance of tax . On top of that, the identification of strategic sources of regional income is essential to the implementation of a region's household affairs . The government of Gorontalo Municipality has undertaken several intensification and extensification measures on the local tax and retribution enhancement. The intensification measures comprise improvement of tax administration, improvement of employee quality, recruitment of new tax collection officers, and improvement on tax policy. Additionally, the municipality government has implemented extensification policies that involve extension of tax subject and object, as well as tariff improvement. The intensification and extensification measures of the municipality government refer to at least 18 regional regulations, particularly regarding the collection of local tax and distribution.

Table 2

Regulations concerning Local Tax and Retribution in Gorontalo Municipality

1	18	2011	Retribution of Nuisance Permit
2	17	2011	Retribution of Market Service
3	16	2011	Retribution of Health and Sanitary Services in Gorontalo Municipality
4	15	2011	Retribution of Bus Station
5	14	2011	Retribution of Lavatory Procurement and/or Disposal
6	13	2011	Retribution of Commercial Vehicle Licensing
7	12	2011	Retribution of On-street Parking Services
8	11	2011	Retribution of Reimbursement of Printing Fee of Residential ID Card and Civil Registry Certificate
9	10	2011	Land and Building Title Transfer Fee
10	9	2011	Land and Building Tax of Rural and Urban Area
11	8	2011	Groundwater Tax
12	7	2011	Street Lighting Levy
13	6	2011	Tax on Non-metallic Minerals and Rocks
14	5	2011	Entertainment Tax
15	4	2011	Parking Tax
16	3	2011	Restaurant Tax
17	2	2011	Advertisement Tax
18	1	2011	Lodging Occupancy Tax

Source: Website of the Indonesian Ministry of Home Affairs, 2021

Table 2 indicates that the government of Gorontalo Municipality, through the Finance Auditor Body, pursued to optimize the tax collection to support its local own-source revenue. The region is required to be prepared and competent in managing the available resources in the most efficient or effective way possible . Despite that, issues on policy implementation remain to persist in the region. As reflected from the practices, the government's intensification measures lacked effectiveness due to the tax collection officers' inappropriate competence and commitment. Moreover, it is discovered that the extensification conducts in the region are relatively hard to implement. Since most businesses in Gorontalo City have homogenous nature, it is difficult to increase the tax tariff. Such problems suggest that the municipality lacks a universal intensification or extensification measure to be applied in all organizations in any given situation. Therefore, the study argues that intensification and extensification measures are essential to be implemented in nurturing the taxpayers' compliance and raising the community's awareness to pay their taxes . defined extensification as the activity conducted to increase the number of taxpayers. Meanwhile, intensification is viewed as the optimization of taxpayers through the activities of compliance raising and monitoring . Extensification is the set of activities to broaden the tax subject and object basis, while intensification is the activity of increasing tax compliance and revenue . Both approaches are dependent on the conditional factors that are present in an organization.

As based on the rationale above, the study aims to elaborate the following problems, whether 1) the intensification of local tax and retribution influences the local own-source revenue in Gorontalo Municipality; 2) the extensification of local tax and retribution influences the local own-source revenue in Gorontalo Municipality; 3) the intensification and extensification of local tax and retribution simultaneously influence the local own-source revenue in Gorontalo Municipality.

RESEARCH METHOD

The study was conducted at the Finance Auditor Body of Gorontalo Municipality. A quantitative method with an ex-post-facto approach was employed. The population comprised 87 state civil servants in the Finance Auditor Body. The data were collected by: 1) observation (to collect the initial data), 2) questionnaire (to collect the data of respondents' perception regarding the research topic), and 3) documentation (to obtain other supporting documents for the research result validation). The instruments were tested of the quality by validity and reliability tests. Prior to the analysis phase, the data were tested for the normality. It is to investigate whether or not the regression model, the dependent variable, and the independent variable are normally distributed.

Moreover, a multicollinearity test was conducted to identify the correlation between independent variables in the regression model. On top of that, the study employed a heteroscedasticity test to investigate any variance difference from the present data residuals in the regression. All data were analyzed by multiple linear regression to identify the correlation of influence between one or more independent variable(s) (X) and the dependent variable (Y) presented in the form of a regression equation. The hypothesis test involved t-test, F-test, and determination coefficient test. The t-test aims to elaborate on the extent of influence of an independent variable in explaining the dependent variable individually. Meanwhile, the F-test identifies the influence of independent variables on the dependent variables simultaneously. If the probability rate is lower than the alpha value (0.05), the independent variables are deemed to simultaneously influence the dependent variable.

Further, the determination coefficient (R^2) test measures the extent of a model's ability to explain the variation of the dependent variable. The determination coefficient value is between zero and one. A smaller R^2 value indicates that the

ability of independent variables to explain the variation of the dependent variable is very limited.

RESULTS AND DISCUSSION

Data Analysis Results

Data analysis results are the depiction of the results of the hypothesis, regression equation, and determinant coefficient test. All of these are presented in Table 7.

Table 3

Multiple Linear Regression Results

1	Multiple regression	Alpha (α)	10.758	
		Beta (β)	0.265	0.580
2	T-test (Partial)	t_{count}	2.481	5.391
		p-Value	0.015	0.000
3	F-Test (Simultaneous)	F_{count}	27.796	
		p-Value	0.000	
4	Determinant coefficient	R^2	0.398	
		Adj. R^2	0.384	

Source: Processed data, 2021

Table 3 shows the results of the hypothesis, regression equation, and determinant coefficient test. The multiple regression results are to determine the impact of independent variables on the dependent variables. Following the classical assumption test and after confirming the prerequisites were met, data modeling was performed using the multiple regression method. The result of this analysis is in the following formula.

$$\hat{Y} = 10.758 + 0.265X_1 + 0.580X_2 + e$$

Hypothesis testing was conducted once the regression equation model was obtained. The results revealed that the t_{count} represented the variable of intensification and extensification of Local Tax and Retribution. The determination of the value of t_{table} was carried out before finding out whether or not Ho is accepted. The t_{table} value depends on the df value or degree of freedom and the significance level. According to the observation data on 87 respondents, the t_{table} value arrived at 1.989, where the significance was measured at 5%, and the df value was n-k-1 = 87-2-1 = 84 (the test was two-way since the proposition of the hypothesis did not indicate whether the impact of independent variables on dependent variables was positive or negative).

roposed that the positive or negative impact represents the direction, rather than the amount. On this ground, interpreting the comparison between t_{count} and t_{table} does not take into account the negative value as the amount of t_{count}. Below are the results of the test of the impact of intensification and extensification of regional retribution tax on the local own-source revenue of Gorontalo Municipality.

The Impact of Intensification and Extensification of Regional Retribution Tax on the Local Own-source Revenue of Gorontalo Municipality

Based on the analysis results, the t_{count} representing the variable of intensification of Local Tax and Retribution is 2.481. Compared to the t_{table} value of 1.989, the t_{count} is greater than the value of the t_{table}. The significance value of the intensification of Local Tax and Retribution is lower than the probability value of 0.05 (0.015 < 0.05). For this reason, the Ha_1 claiming that the intensification of Local Tax and Retribution contributes to the local own-source revenue of Gorontalo City is accepted. Thereby, intensification of Local Tax and Retribution significantly contributes to the local own-source revenue of Gorontalo Municipality. The regression coefficient for the first

hypothesis testing was positive. A positive t value reveals a linear correlation between intensification of Local Tax and Retribution with the local own-source revenue based on information from the Finance Auditor Body of Gorontalo Municipality.

The Impact of Extensification and Regional Retribution Tax on the Local Own-source Revenue of Gorontalo Municipality

As seen in the analysis results, the t_{count} representing the variable of extensification of Local Tax and Retribution got 5.391. Compared to the t_{table} value of 1.989, the t_{count} is greater than the value of the t_{table}. The significance value of extensification of Local Tax and Retribution is lower than the probability value 0.05 (0.000 < 0.05). For this reason, the Ha_1 claiming that the extensification of Local Tax and Retribution contributed to the local own-source revenue of Gorontalo Municipality is accepted.

Thus, the extensification of Local Tax and Retribution significantly contributes to the local own-source revenue of Gorontalo Municipality. The coefficient of the regression for the second hypothesis testing was positive. A positive t value shows a linear correlation between extensification of Local Tax and Retribution with the local own-source revenue of Gorontalo Municipality.

Results of F-test

Table 3 reveals that the value of F_{count} gets 27.796. The F_{table}, at a significance of 5% and df1 of k = 2 and df2 of N-k-1 = 87-2-1=84, is measured at 3.105. If both F values are compared, the value of F_{count} surpasses F_{table}, meaning that Ho is refuted and H1 is accepted. To put it another way, the independent variables (intensification and extensification of Local Tax and Retribution) simultaneously and significantly contributes to the dependent variable (local own-source revenue of Gorontalo Municipality).

Coefficient of Determination

From the analysis results of the coefficient of determination, the value of adjusted R-squared was measured at 0.384. This indicates that 38.40% of the variability of the local own-source revenue is determined by the intensification and extensification of Local Tax and Retribution. Other determining factors excluded from the research of 61.60% involve intern supervision, investment, profit sharing between the provincial government, and integrating information of proof of tax payment and retribution of people of Gorontalo Municipality to private services.

Discussion

The Impact of Intensification and Regional Retribution on the Local Own-source Revenue of Gorontalo Municipality

The results of the descriptive analysis show that the lowest score of Tax Intensification (IP) and Regional Retribution (RD) is 53.00 and the highest is 94.00. The mean and standard deviation were measured at 75.85 and 11.56, respectively. Furthermore, the score for both of them is 75.85% which is included in the sufficient category. These results confirm that the intensification carried out by the Gorontalo City Government has been carried out with reference to the efforts regulated in the law. However, several things need improvement related to the many overlapping amendments that consider the regulation unfair to local taxpayers and levies.

Based on the regression analysis for the first hypothesis test, intensification of Local Tax and Retribution significantly contributes to the local own-source revenue of Gorontalo Municipality. The coefficient of the positive regression shows a linear correlation between intensification of Local Tax and Retribution with the local own-source revenue based on information from the Finance Auditor Body of Gorontalo

Municipality. With that in mind, the Finance Auditor Body should focus on educational improvement and conduct more training for its employees, specifically technical training in optimizing the local own-source revenue for regional independence.

The result confirming the positive and significant impact of intensification of Local Tax and Retribution on the local own-source revenue of Gorontalo Municipality corresponds to the study by reporting several aspects that should be considered by the regional government in tax sector management, including conducting SOT focusing on the department or body serving as the mainstay for the local own-source management, especially the tax sector.

The Impact of Extensification and Regional Retribution Tax on the Local Own-source Revenue of Gorontalo Municipality

Based on the respondent's answers, the lowest extensification score for regional taxes and levies is 41.00 and the highest is 93.00. The mean and standard deviation scores were measured at 74.76 and 11.55, respectively. The achievement motivation variable is categorized as sufficient with a percentage of 74.76%. Extensification of the two variables has been carried out through various approaches, especially cooperation, to create a deterrent effect and increase taxpayer compliance. However, there are several aspects that need to be improved, such as expanding the classification of taxpayers through optimizing incoming investment.

The test results showed that the Local Tax and Retribution extensification significantly contributes to the local own-source revenue. This notion discloses a linear correlation between the extensification of Local Tax and Retribution with the local own-source revenue. The extensification is of paramount importance since it serves as an approach to increase the number of taxpayers and or registered taxable employers and to calculate the amount of income tax installments in the current year and tax payment within a tax period.

The positive and significant impact of Local Tax and Retribution intensification is in line with contending that tax intensification is the approach to increase tax subjects and objects, and to adjust the amount of tax. The government of Gorontalo Municipality has attempted multiple approaches to increase Local Tax and Retribution through intensification, such as improving tax administration, the quality of employees and increasing tax collectors, and improving tax laws. The extensification approaches involve expansion of the classification of taxpayers, improvement of tariffs, and expansion of the classification of tax objects.

The Impact of Intensification and Extensification of Local Tax and Retribution othe Local Own-source Revenue of Gorontalo Municipality

The results of the descriptive analysis revealed that the lowest value of local revenue (PAD) was 52.00, and the highest was at 950.00. The mean and standard deviation scores were measured at 77.53 and 11.59, respectively. The PAD score in Gorontalo City of 77.53% is included in the sufficient category. From these results, the PAD of Gorontalo City basically experiences an increasing trend every year. Some aspects seen from the percentage increase, however, tend to be less stable, with varying effectiveness values. This indicates that the target was not achieved effectively. An important approach that must be actualized is the optimization of taxes and levies through more concrete intensification, as well as extensification and strengthening of supervision over the revenue and use of taxes and levies.

According to the simultaneous test, the independent variables (intensification and extensification of Local Tax and Retribution) simultaneously and significantly contributes to the dependent variable (local own-source revenue of Gorontalo Municipality).

The adjusted value of R-squared was measured at 0.384. This shows that 38.40% of the variability of PAD is determined by the intensification and extensification of regional taxes and levies. Other determinants excluded from the study, which amounted to 61.60%, involved internal control, investment, profit sharing between the provincial government, and the integration of information on proof of payment for the people of Gorontalo City into private services.

Such a result confirming the positive and significant impact of intensification and extensification of Local Tax and Retribution on the local own-source revenue echoes the results seen in , stating that the instrument capable of increasing local own-source revenue is tax intensification and extensification and regional retribution. further emphasized the necessity of conducting intensification approaches (in terms of Local Tax and Retribution). One approach that should be applied in increasing the local own-source revenue is the intensification of Local Tax and Retribution. From the above discussion, it is clear that the intensification and extensification are impactful on the rise in local own-source revenue.

CONCLUSION

As presented in the previous discussion, this study draws up several conclusions. The intensification of Local Tax and Retribution positively and significantly contributes to the local own-source revenue of Gorontalo Municipality. The coefficient of the positive regression indicates that the more optimum the tax intensification by the Finance Auditor Body of Gorontalo Municipality, the higher the accumulation of the local own-source revenue. The extensification of Local Tax and Retribution positively and significantly contributes to the local own-source revenue of Gorontalo Municipality. The coefficient of the positive regression indicates that the more optimum the tax extensification by the Finance Auditor Body of Gorontalo Municipality, the higher the local own-source revenue will be accumulated. The independent variables (intensification and extensification of intensification of Local Tax and Retribution) simultaneously and significantly contribute to the dependent variable (local own-source revenue of Gorontalo Municipality). The value of the adjusted R-squared was measured at 0.384 indicating that 38.40% of the variability of the local own-source revenue is determined by the intensification and extensification of Local Tax and Retribution and 61.60% of other determining factors excluded from the research, such as intern supervision, investment, profit sharing between the provincial government, and integrating information of proof of tax payment and retribution to private services.

From the above conclusions, we formulate several recommendations. The Finance Auditor Body of Gorontalo Municipality should continuously develop its employees' skills and commitment, particularly field officers, for better tax collection processes. They also should intensively cooperate with several institutions. Further research is expected to fill the gap of the present study by expanding other variables that theoretically strengthen both independent and dependent variables.

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