Optimization of receiving tax and retribution in Ternate, North Maluku, Indonesia

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ABSTRACT

The need for optimal management of potential regional taxes and levies is an important problem in increasing local original revenue (PAD) in Ternate City. The real effect of this problem is the low achievement of Ternate City PAD which is only 68.89% per year in 2021. Specia in this matter focus on the need for more human resources for PAD managers, who have yet to utilize information technology to realize PAD, target setting, unprofessional PAD managers, and weak supervision of Ternate City PAD revenues. This study aims to map the Potential Taxes and Levies of the Ternate City Area from these factual conditions. The approach used in this study is Qualitative with an Integrative paradigm, Descriptive method, and SWOT Analysis. The key informant of this study is an individual who became and has been the manager of regional levies and BUMD in Ternate City. The results showed that the low achievement of the Ternate City PAD target was due to the Ternate City government needing an accountable database of Ternate City PAD potential. This is confirmed by the realization target of Ternate City PAD always experiencing declining changes in the main APBD with the shift in APBD. In addition to the organizational governance responsible for collecting PAD being less professional, the government of BUMD, which is the spearhead in improving PAD, is also unprofessional. This can be seen from the continued deterioration of BUMD’s performance in Ternate City.

Introduction

Regional Taxes and Regional Levies have been juridically promulgated in Law No. 28 of 2009 concerning Regional Taxes and Regional Levies. The types of taxes the Regions can collect must be by the stipulations in Law No. 28 of 2009 and Law No. 1 of 2022. As for Regional Retribution, with government regulations, opportunities are still open to be able to add types of levies other than those stipulated in the law as long as they meet the criteria that are also set. The opportunity to add the kind of levy with government regulations is also intended to anticipate the handover of service and licensing functions from the government to regions regulated by government regulations. In addition, the provision is also to increase regional creativity to increase its Regional Original Revenue (PAD).

With the arrangement and expansion of the Regional Tax and Regional Levy base, it is expected to increase PAD and, in turn, be able to finance regional expenditures. However, the fact is that revenues sourced from Regional Taxes, Regional Levies, Separated Regional Wealth Management Results, and Other Legal Local Original Revenues, many regions have not been optimal in managing them, especially in the current Ternate City government, which is facing the rapid development and progress towards the City of Trade and Services. This condition requires the city government to move quickly and responsively to arrange the direction of regional tax and levy policies to optimize the amount of revenue potential currently owned by Ternate City.

However, it cannot be denied that Ternate City is currently facing serious obstacles from regulatory aspects, such as implementation provisions governing functional coordination that can answer the optimal management of Regional Original Revenue (PAD), preparation of reliable and professional apparatus capabilities in the field of management and supervision of Regional
Taxation (Akbar, 2020; Azis et al., 2020; Fitra, 2020; Iranda, 2020; Irawan, 2020; Liana, 2020; Miftahudin, 2020; Niswah, n.d.; Pratiwi et al., 2020; Rohman et al., 2020; Satria & Isaac, n.d.; Cape, 2020; Yasa et al., 2020). In addition, facilities and infrastructure are also inadequate in supporting the operational activities of the apparatus by the burden of their duties and responsibilities. Likewise, data on potential sources of producing Regional Original Income (PAD) owned by Ternate City have not been well identified. Even the most necessary thing is that public awareness as taxpayers is still very lacking/low, so it is necessary to socialize various legal products which are the legal basis in the application of regional autonomy policies to the community as a whole (Devani, 2021; Effendi et al., 2021; Irianto et al., 2021a; Nuraeni, 2021; Nurbaitiy, 2021; Rahayu & Yusuf, 2022; Sakir, 2021; Triarda & Damayanti, 2021; Vashya, 2021; Vionalia, 2021).

Finally, the effect of these conditions in the 2019-2021 period, the achievement of Regional Retribution, and the management of separated regional wealth in Ternate City are far from the predetermined target.

**Literature Review**

**Local Taxes and Levies**

Regional Taxes and Regional Levies are juridically regulated in Law No. 28 of 2009. In this Law, Regional Tax is defined as a compulsory contribution to the Region owed by an individual or entity that is coercive under the Law, with no direct compensation, and used for Regional purposes for the greatest prosperity of the people. Meanwhile, Regional Retribution is a Regional levy as payment for certain services or permits specifically provided and granted by the Regional Government to benefit private persons or entities. That way, Regional Taxes and Levies are mandatory contributions collected by the regions based on tax regulations set by the regions (through PERDA) for the benefit of the Regions.

**Tax Collection System**

When collecting taxes, of course, there are steps or systems in tax collection, including 1) Official Assessment System, which is a collection system that authorizes the government (fiscus) to determine the amount of tax owed by taxpayers. The characteristics of the authority to determine the amount of tax owed are in the Wajak Pajak itself; the taxpayer is passive, Tax debt arises after the issuance of a tax assessment letter by the fiscus; 2) Self Assessment system is a tax collection system that authorizes taxpayers to determine for themselves the amount of tax owed. The characteristics of the authority to determine the amount of tax owed are on the Taxpayer himself, active Taxpayers, starting from calculating, depositing, and self-reporting taxes owed, the Fiscus does not interfere and only supervises, and 3) Withholding system is a tax collection system that authorizes third parties (not the taxpayer, not the taxpayer) to determine the amount of tax owed by the taxpayer. Its characteristics include: the authority to determine the amount of tax owed lies with third parties, parties other than the fiscus, and taxpayers.

**Types of District / City Taxes**

Article 2 paragraph (2) of Law No. 28 of 2009 states the types of local taxes, including Hotel Tax; Restaurant Tax; Entertainment Tax; Billboard Tax; street lighting tax; tax on nonmetallic minerals and rocks; Parking Tax; groundwater tax; Swallow's Nest Tax; Land Tax on Rural and Urban Buildings; and Land and Building Rights Acquisition Duties.

**Research and Methodology**

This research was carried out in the Ternate City area. The scope of research studies in the administrative area of Ternate City. The object of this study is the Optimization of Regional Retribution and the management of segregated regional wealth in Ternate City in increasing the Local Original Income of Ternate City. The research method used in this study is qualitative / Descriptive Analysis, which is research to find facts with appropriate interpretation and to describe phenomena accurately, with the aim of deeper interpretation of relationships or to answer questions related to the subject under study, Nazir (2004: 105).

A SWOT Analysis is carried out with the following steps to compile a map of potential taxes and levies in the Ternate City area.

The first step is to determine the Weight by looking at the level of importance or urgency of handling on a scale of 1 to 5 (1 = not important, 5 = very important); The second step, calculate the dimensional weight of strength and the dimensional weight of weakness. Then the relative weight for each indicator in the strength and weakness dimensions is calculated, so the total weight value becomes 1 or 100%. The same is done when calculating weights and relative weights for the opportunity and threat dimensions.

The third step is to determine the rating value. Rating is our analysis of the likelihood that it will occur in the short term (e.g., one year into the future). The rating values for the Strength dimension are graded from 1 to 4. Given a value of 1 if the indicator may be declining performance compared to the main competitor. Given a value of 2 if the indicator performs the same as the main competitor. At the same time, given a value of 3 or 4 if the indicator is better than the main competitor. The higher the value, it means that the indicator’s performance next year will be better than the main competitors.

The fourth step, determining the Weakness dimension Rating value, is assigned a value of 1 to 4. Given a value of 1 if the indicator has more weaknesses than the main competitors. Conversely, it is given a value of 4 if the weakness of the indicator decreases
compared to the main competitors next year. This means that rating for weakness or threat is the opposite of rating for strength and opportunity.

The fifth step, determine the score value obtained based on the results of the weight value multiplied by the rating value. The total score for internal factors shows that the closer the score is to 1, the more internal weaknesses outweigh the strengths. While the closer the score is to 4, the more its strengths outweigh its weaknesses. So is the total score value for external factors. The closer the total score value is to 1, the more threats there are compared to the odds. Meanwhile, if the total score value is close to 4, there are more opportunities than threats. The combination of these two internal and external conditions is then included in the Internal External Matrix so that we know the competitive position that will occur in the organization, activity units, and the results of the activities we analyze. Based on this position, we can determine the right strategy to win the competition next year.

Determine a development strategy that includes:

i. The SO strategy is used to take advantage of opportunities available in the external environment. In other words, regional development organizers and managers must be able to seize all opportunities based on their strengths. Every opportunity must be seized based on consideration of the strengths, not just because of the opportunity.

ii. The WO strategy aims to correct internal weaknesses by taking advantage of opportunities from the environment that exists outside. Any opportunity that cannot be fulfilled because of the shortcomings possessed must be found a way out by utilizing other available strengths.

iii. ST strategies are used to avoid, at least minimize, the negative impact of threats or challenges from outside. If the threat cannot be overcome with internal forces or existing external forces, it is necessary to find a way out so that the threat will not have too big a negative impact.

iv. WT’s strategy maintains the conditions sought by minimizing internal weaknesses and avoiding external threats. In other words, if the future threat is stronger than the development effort, then the thing that needs to be done is to temporarily stop the development expansion effort, waiting for the incoming external threat to disappear or subside.

Finding and Discussion

This SWOT analysis is intended to determine the baseline position for optimizing Ternate City PAD revenue obtained through the SWOT matrix based on the weight of each element contained in the SWOT analysis. The following is a description of the SWOT analysis in question.

Identification of the Power of Optimizing Tax Revenue and Retribution in Ternate City

Ternate City Government's Commitment to Increasing PAD Revenue

Law No. 1 of 2022 is momentum for changes in the structure of regional financial independence. This is substantively Law No. 1 of 2022 requires the Province/District/City to be more credible in improving the PAD of each region for regional financial independence. This condition is certainly a whip for every region to compete to increase its PAD, including the same conditions in Ternate City. Currently, Ternate City, through BALITBANGDA Ternate City, is conducting a study on PAD Revenue Optimization. This is a quick response and commitment of the local government of Ternate City in responding to the presence of Law No. 1 of 2022.

The Potential of PAD Objects in Ternate City is Abundant

As an area that positions itself as a service city, Ternate City currently has a very abundant PAD potential ranging from:

i. Motor Vehicle Tax (PKB)
ii. Motor Vehicle Name Return Duty (BBNKB)
iii. Heavy Equipment Tax (PAB)
iv. Rural and Urban Land and Building Tax (PBB-P2)
v. Land and Building Rights Acquisition Duty (BPHTB)
vi. Motor Vehicle Fuel Tax (PBBKB)
vii. Certain Goods and Services Tax (PBJT)
viii. Billboard Tax
ix. Surface Water Tax (PAP)
x. Cigarette Tax
xi. Groundwater Tax (PAT)
xii. Nonmetallic Minerals and Rocks Tax (MBLB)
xiii. Swallow’s Nest Tax
xiv. Additional Tax Levies according to a certain percentage (Opsen) Motor Vehicle Tax (Opsen PKB)
xv. Additional Tax Levy according to a certain percentage (Opsen) Motor Vehicle Name Return Duty (Opsen BBNKB)
xvi. Additional Tax Levies according to a certain percentage (Opsen) Non-Metal and Rock Minerals Tax (Opsen Pajak MBLB)
Adequate Apparatus Power Supply

The number of apparatuses that handle PAD reception is quite adequate. However, there must be a clear division of tupoksi for PAD management officers, so that optimization of PAD acceptance can be achieved. Especially the apparatus in charge of determining the PAD target will be a reference in achieving Ternate City PAD revenue. That way, the targeted PAD can be an accurate and credible document to be a reference for achieving the target of PAD acceptance in Ternate City.

Inflation in Ternate City is relatively stable

In the 2019-2021 Period, Ternate City inflation is relatively stable; with stable inflation, the economic growth rate will be of quality, and of course, for business people, this condition is ideal for increasing business volume. Related to this, inflation conditions in 2019-2021 can be described as follows:

i. Inflation in the first quarter of 2020 was recorded at 2.08% (yoy), decreasing from inflation in the fourth quarter of 2019 at 2.24% (yoy). The largest contributor to inflation in the first quarter of 2020 was food, beverages, and tobacco which experienced inflation of 7.60% (yoy), higher than the previous quarter of 4.87% (yoy). Meanwhile, the only group that experienced deflation during the first quarter of 2020 was the transportation group, with deflation of up to 8.49% (yoy), in contrast to the previous quarter, which experienced inflation of 0.90% (yoy). Regarding commodities, the highest contributors to inflation in FWI 2020 were malalugis fish/ shirt fish, skipjack fish/scales, and preserved skipjack.

ii. In the second quarter of 2020, inflation in Ternate City was recorded at 1.09% (yoy), decreasing compared to the first quarter of 2020 of 2.08% (yoy). On this occasion, the largest contributor to inflation during the second quarter of 2020 was personal care and other services, which experienced inflation of 5.06% (yoy). Meanwhile, information, communication, and financial services experienced the lowest deflation at 0.49% (yoy). The highest contributors to inflation during the second quarter of 2020 were shallots, filtered clove cigarettes, bottled water, gold jewelry, and sugar. According to Bank Indonesia, inflation during the current quarter is not expected to increase compared to the previous quarter, in line with the projection of an adequate supply of strategic food ingredients and the absence of sentiment driving price increases in the current quarter. However, the potential for rising prices can occur if local governments realize a large regional budget to stimulate the economy in the third quarter of 2020.

iii. In TW III, inflation in Ternate City was recorded at 0.76% (yoy), decreasing compared to the second quarter of 2020 of 1.09% (yoy). The largest contributor to inflation during the third quarter of 2020 was personal care and other services, which experienced inflation of 5.90% (yoy). Meanwhile, transportation experienced the lowest deflation of 7.56% (yoy). Regarding commodities, the highest contributors to inflation during the third quarter of 2020 were filtered clove cigarettes, gold jewelry, malalugis/sori fish, shallots, and kale.

iv. Inflation in the fourth quarter of 2020 was relatively stable. Bank Indonesia’s records show that inflation was recorded at 2.13% (yoy) in the fourth quarter of 2020, up slightly from 0.76% (yoy) in the third quarter of 2020. The largest contributor to inflation during the fourth quarter of 2020 was Food, Beverages, and Tobacco, which experienced inflation of 7.39% (yoy). Meanwhile, transportation experienced the lowest deflation at 5.81% (yoy). In addition, the highest contributors to inflation during the fourth quarter of 2020 were cayenne pepper, kangkong, selar/tude fish, red chili, and shallots.

v. Inflation was recorded at 1.37% (yoy) in the first quarter of 2021, down from 2.13% (yoy) in the fourth quarter of 2020. The largest contributor to inflation during the first quarter of 2021 was the Food, Beverage, and Tobacco group which experienced inflation of 1.79% (yoy). Meanwhile, transportation experienced the lowest deflation of 0.62% (yoy). Regarding commodities, the highest contributors to inflation during the first quarter of 2021 were cayenne pepper, skipjack fish/scales, tomatoes, kale, and preserved skipjack jacks.

vi. North Maluku inflation in this period was recorded at 1.18% (yoy), lower than the first quarter of 2021 of 1.37% (yoy). The largest contributor to inflation during the second quarter of 2021 was Food, Beverages, and Tobacco, which experienced inflation of 2.21% (yoy). Meanwhile, transportation experienced the highest deflation of 1.31% (yoy). In addition, the highest contributors to inflation during the second quarter of 2021 were malalugis fish, skipjack fish, preserved skipjack, kale, and filtered clove cigarettes.

vii. Ternate City inflation in TW III was 2.20% (yoy). Inflation in this period increased compared to the second quarter of 2021 by 1.18% (yoy). However, the difference in numbers is still very small. The largest contributor to inflation during the third quarter of 2021 remained the same: the Food, Beverage, and Tobacco group, which experienced inflation of 2.23% (yoy). Meanwhile, transportation experienced the highest deflation of 0.19% (yoy). In addition, the increase in inflation in this period was attributed to skipjack fish, preserved skipjack fish, tomatoes, malalugis fish, and filter clove cigarettes.

viii. Ternate City recorded inflation in the fourth quarter of 2021 at 2.38% (yoy), up from 2.20% (yoy) in the third quarter of 2021. The largest contributor to inflation during the fourth quarter of 2021 remained the same as in previous periods, namely the Food, Beverage, and Tobacco Group, which experienced inflation of 2.26% (yoy). Meanwhile, transportation experienced the highest deflation of 0.05% (yoy). In addition, cayenne pepper, malalugis fish, red chili, air transportation, and cooking oil still contribute to inflation in Ternate City.
BUMD productivity is improving

This study found that until 2019 only PT. BPRS Bahari Berkesan, which conducts annual Financial Audits. While the Regional Company is the place of Capital Participation of the Ternate City Government in addition to PT. BPRS Bahari Berkesan Never Conducted a Financial Statement Audit, especially PT. Ternate Bermemmemem, PT. Kastela algae, PDAM, PD Citra Gamalama. In addition to these findings, this study also found that until 2019 based on the analysis of the Liquidity, Profitability, and Solvency Ratios showed that only PT. BPRS Bahari Berkesan, which shows positive financial performance. At the same time, other regional companies are always negative. However, from the Business Potential study, all Regional Companies each have enormous business potential to be developed. Therefore, this study recommends to the Ternate City Regional government, namely:

i. Divest share ownership in Regional Companies that do not contribute to PAD and that continue to lose money;
ii. Email non-operating Regional Companies;
iii. Increasing Capital Participation in PT. BPRS Bahari Berkesan
iv. The Regional Government of Ternate City can maintain and develop the Business Potential of loss-making Regional Companies by conducting a Company Financial Audit and Overhauling the Total Management of the Company that will develop its business potential.

Referring to the results of the study in 2020, Ternate City BUMD has enormous potential to realize the optimization of Ternate City PAD revenue; therefore, if the Ternate City government followed up on the research recommendations, it should immediately form a BUMD to increase Ternate City PAD.

Identify Weaknesses in Optimizing Tax and Retribution Revenue in Ternate City

Inadequate Facilities and Infrastructure

In general, facilities and infrastructure related to PAD collection in Ternate City are still inadequate. The availability of voting technology facilities and supervision of PAD collection is not yet available in all PAD object spots. In the financial aspect, there has been no connectivity between the object of PAD and banking. Therefore, PAD collection must be implemented with a digital system to optimize PAD acceptance.

The PAD object database is not yet digitally based

In addition to facilities and infrastructure that have not used a digital system, another weakness of PAD collection in Ternate City is the database of PAD objects that are not digital-based. This condition is very difficult for employees who collect PAD. As a result of a database that has not been digital-based, it is difficult to identify PAD objects that have complied with and those that have not complied with the provisions that have been regulated in the regulations regarding PAD. Therefore, the digitization of PAD objects in the future is mandatory. This is to facilitate the optimization of PAD reception in Ternate City.

The PAD Voting System is still Manual

Until this research was conducted in 2022, almost all PAD voting systems in Ternate City still used manual systems and have not involved information technology systems for PAD collection operations. This condition is certainly not good for optimizing Ternate City PAD receipts; there are many weaknesses in the manual system, especially related to aspects of real-time reports on the results of PAD receipts. As a result, supervision of the results of PAD receipts becomes real-time as well. This condition certainly provides room for potential fraud in receiving PAD. For this reason, the Ternate City government must implement a digital-based PAD collection system to report PAD receipts.

PAD Target Setting is always Changing

The target setting of Ternate City PAD always changes between the Main APBD and the Change Budget. This condition certainly gives a bad image of the performance of optimizing PAD revenue in Ternate City. The change in the PAD target indicates that the Ternate City Government does not have data on potential Taxes and Levies. Hence, the accuracy related to the PAD revenue target is doubtful. As a result, target changes are always carried out in response to changes in the object of Taxes and Levies. Even though the PAD target is very important as a guideline for achieving PAD acceptance, updating PAD object data in Ternate City must be carried out in this case.

Low PAD achievement performance

The PAD target is always changing in the Main and Change Budget. However, the Tax and Retribution revenue achievement in Ternate City in the sampling period 2019-2021 shows that its achievement is always below the target. This illustrates that the professionalism of employees with functions and duties in tax and levy revenue must be addressed. This effort is to optimize achieving Taxes and Levies in Ternate City.
Identify Opportunities for Optimizing Tax and Levy Revenue in Ternate City

Law No. 1 of 2022

Law No. 1 of 2022 allows Ternate City to optimize Tax and levy revenue. This opportunity is more because this regulation increases District / City PDRD revenue by up to 48.98% nationally. In addition, the change in mindset of central and regional financial balance regulated in this law provides more benefits for the Regency / City Regional Government. It can be seen that the District / City gets more portion of the tax and levy collection activities.

Ternate City is a Satellite City Area in North Maluku Province

Another opportunity for optimizing Regional Taxes and Levies is that Ternate City is currently the entrance of the flow of goods and people or is a Satellite City Area in North Maluku Province. With this position, it is advantageous for the Ternate City government to optimize Ternate City Regional Tax and Retribution revenue.

Identification of Threats to Optimizing Taxes and Levies in Ternate City

There is no Regional Regulation that is derived from Law No. 1 of 2022

Law No. 1 of 2022 has substantially changed the governance of PAD in Indonesia. This change in PAD governance must certainly be immediately followed up by the Regional Government regarding PAD as a quick response to the issuance of the new regulation. However, until now, regional regulations related to PAD based on Law No. 1 of 2022 have not been issued. Although Law No. 1 of 2022 provides a great opportunity for local governments to obtain greater PAD, if regional regulations on PAD do not yet exist, it will threaten to optimize PAD revenue.

The demand for excellent service for PAD Objects

As a form of appreciation for the object of PAD that complies with existing regulations, local governments must provide excellent service in serving local taxpayers and levies when they make payments of regional taxes and regional levies. To ensure the local government must provide excellent service, various excellent service facilities.

Based on the results of identifying these strengths, weaknesses, opportunities, and threats, it will then be presented in the table of internal and external strategic factors, which can be seen in the following table.

Table 1: Internal Strategic Factors

<table>
<thead>
<tr>
<th>Category</th>
<th>Analysis</th>
<th>Weight</th>
<th>Rating</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strength</td>
<td>Ternate City Government's Commitment to Increasing PAD Revenue</td>
<td>0,20</td>
<td>3</td>
<td>0,60</td>
</tr>
<tr>
<td></td>
<td>The Potential of PAD Objects in Ternate City is Abundant</td>
<td>0,25</td>
<td>5</td>
<td>1,25</td>
</tr>
<tr>
<td></td>
<td>Adequate Apparatus Power Sumder</td>
<td>0,14</td>
<td>5</td>
<td>0,70</td>
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<tr>
<td></td>
<td>Inflation in Ternate City is relatively stable</td>
<td>0,17</td>
<td>3</td>
<td>0,51</td>
</tr>
<tr>
<td></td>
<td>BUMD productivity is improving</td>
<td>0,09</td>
<td>3</td>
<td>0,27</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>0,85</td>
<td>19</td>
<td>3,33</td>
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<td></td>
<td>Average</td>
<td>0,17</td>
<td>3,8</td>
<td>0,67</td>
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<td>Weaknesses</td>
<td>Inadequate Facilities and Infrastructure</td>
<td>0,04</td>
<td>-1</td>
<td>-0,04</td>
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<tr>
<td></td>
<td>The PAD object database is not yet digitally based</td>
<td>0,02</td>
<td>-1</td>
<td>-0,02</td>
</tr>
<tr>
<td></td>
<td>The PAD Voting System is still a Manual</td>
<td>0,02</td>
<td>-1</td>
<td>-0,02</td>
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<tr>
<td></td>
<td>PAD Target Setting is always Changing</td>
<td>0,04</td>
<td>-2</td>
<td>-0,08</td>
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<td></td>
<td>Low PAD achievement performance</td>
<td>0,03</td>
<td>-2</td>
<td>-0,06</td>
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<td></td>
<td>Total</td>
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<td>-5</td>
<td>-0,16</td>
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<td></td>
<td>Average</td>
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<td></td>
<td></td>
<td>1,00</td>
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<td></td>
<td></td>
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<td>MS</td>
<td>2,80</td>
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Source: Processed Data, 2023
### Table 2: External Strategic Factors

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<th>Analysis</th>
<th>Weight</th>
<th>Rating</th>
<th>Score</th>
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<tbody>
<tr>
<td>Opportunitas</td>
<td>Law No. 1 of 2022</td>
<td>0,50</td>
<td>2</td>
<td>1,00</td>
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<tr>
<td></td>
<td>Ternate City is a Satellite City Area in North Maluku Province</td>
<td>0,30</td>
<td>2</td>
<td>0,60</td>
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<tr>
<td></td>
<td>Total</td>
<td>0,80</td>
<td>4</td>
<td>1,60</td>
</tr>
<tr>
<td></td>
<td>Average</td>
<td>0,08</td>
<td>0,4</td>
<td>0,16</td>
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<tr>
<td>Threats</td>
<td>There is no Regional Regulation that is derived from Law No. 1 of 2022</td>
<td>0,10</td>
<td>-1</td>
<td>-0,10</td>
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<td></td>
<td>Demands for excellent service by PAD Objects</td>
<td>0,10</td>
<td>-4</td>
<td>-0,40</td>
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<tr>
<td></td>
<td>Total</td>
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<tr>
<td></td>
<td>Average</td>
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<td>-1</td>
<td>-0,10</td>
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<td>1,00</td>
<td>IE</td>
<td>1,10</td>
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<tr>
<td></td>
<td></td>
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<td>MS</td>
<td>-0,60</td>
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</table>

**Source:** Processed Data, 2023

### Table 3: Competitive Strategy Matrix by Using the power of utilizing Opportunities to Optimization of Regional Tax and Retribution Revenue in Ternate City

<table>
<thead>
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<th>Opportunity</th>
<th>Threat</th>
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<tbody>
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<td>Law No. 1 of 2022</td>
<td>There is no Regional Regulation that is derived from Law No. 1 of 2022</td>
</tr>
<tr>
<td>Ternate City is a Satellite City Area in North Maluku Province</td>
<td>Demands for excellent service by PAD Objects</td>
</tr>
</tbody>
</table>

**Strength**

- Ternate City Government's Commitment to Increasing PAD Revenue
- The Potential of PAD Objects in Ternate City is Abundant
- Adequate Apparatus Resources
- Inflasi di Kota Ternate relatif stabil
- BUMD productivity is improving

**SO Strategy and WO Strategy:**

- Conducting Socialization and Optimization Training based on Law No. 1 of 2022
- Identifying and Updating PAD Object data
- Conducting PAD Revenue Audit for 2020-2021
- BUMD Revitalization and Additional Capital Participation in Productive BUMDs

**ST Strategy and WT Strategy:**

- Drafting Regional Regulations (PERDA) Derived from Law No. 1 of 2022
- Completing Facilities and Infrastructure related to PAD governance
- Digitizing the PAD Database
- Digitization of PAD Voting

**Weakness**

- Inadequate Facilities and Infrastructure
- The PAD object database is not yet digitally based
- The PAD Voting System is still Manual
- PAD Target Setting is always Changing
- Low PAD achievement performance

**Source:** Processed Data, 2023

Furthermore, for the implementation of the Ternate City Tax and Retribution Optimization strategy, it will be described in the program policies and indicators as follows:
Table 4: Program Strategies, Policies, and Indicators Optimization of Tax and Retribution Revenue in Ternate City

<table>
<thead>
<tr>
<th>Strategy and WO Strategy:</th>
<th>Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conducting Socialization and Optimization Training based on Law No. 1 of 2022</td>
<td>Socializing Types of Regional Taxes and Regional Levies Based on Law No. 1 of 2022</td>
</tr>
<tr>
<td>Identifying and Updating PAD Object data BUMD Revitalization and Additional Capital Participation in Productive BUMDs</td>
<td>Conduct training on the PAD management apparatus regarding the Regional Tax Collection and Regional Retribution system based on Law No. 1 of 2022</td>
</tr>
<tr>
<td>ST Strategy and WT Strategy:</td>
<td>ST Policy and WT Policy:</td>
</tr>
<tr>
<td>Drafting Regional Regulations (PERDA) Derived from Law No. 1 of 2022</td>
<td>Issuing PERDA on PAD Collection in Ternate City</td>
</tr>
<tr>
<td>Completing Facilities and Infrastructure related to PAD governance</td>
<td>Development of a Digital-based PAD Object Database</td>
</tr>
<tr>
<td>PAD Database Digitization</td>
<td>Development of a Digital-based PAD acceptance system</td>
</tr>
<tr>
<td>Digitization of PAD Voting</td>
<td>Improved Infrastructure to Support PAD Revenue</td>
</tr>
<tr>
<td>The establishment of UPTD PAD revenue offices in each sub-district accompanied by office facilities, competent staff placement, and an integrated PAD reception system with Banking</td>
<td></td>
</tr>
</tbody>
</table>

Source: Processed Data, 2023

Conclusions

The presence of Law No. 1 of 2022 is a strategic momentum for the Ternate City Government to optimize PAD revenue. With this new regulation, the Ternate City government can optimize revenue from the Regional Tax and Regional Retribution and the regional profit-sharing sectors to get a profit-sharing allocation of up to 70% from the Provincial Government. Of course, this must be followed by up-to-date and credible PAD object data. Therefore, Ternate City has abundant PAD potential as a satellite city. However, it is necessary to optimize the acceptance of the abundance of PAD potential; the Ternate City Government needs a large commitment in terms of strengthening PAD governance in the form of digitizing all PAD object data updating activities, collecting PAD to the PAD realization report in Ternate City. that way the practice of the real-time of receipt and realization reports of PAD receipts can be monitored properly. In addition, applying a digital system in PAD governance activities makes it easier for the Ternate City Government to supervise the optimization of PAD revenues.

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Conflicts of Interest: The authors declare no conflict of interest.

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