

**INTENSIFICATION AND EXTENSIFICATION STRATEGIES IN
OPTIMIZING TAXPAYERS (PARKING SECTOR AND ARTS OR
ENTERTAINMENT SERVICES TO INCREASE REGIONAL TAX
REVENUE)****Ari Endy Yudi Karyoko¹⁾, Liliek Nur Sulistyowati²⁾, Aliffianti Safiria Ayu Ditta³⁾**¹Fakultas Ekonomi dan Bisnis, Universitas PGRI Madiune-mail: ariandy2626@gmail.com²Fakultas Ekonomi dan Bisnis, Universitas PGRI Madiune-mail: Liliek.nur@gmail.com³Fakultas Ekonomi dan Bisnis, Universitas PGRI Madiune-mail: aliffiantiditta@unipma.ac.id***Abstract***

This study aims to analyze the implementation of intensification and extensification strategies by the Madiun City Regional Revenue Agency in optimizing the number and compliance of taxpayers, as well as assessing the extent to which intensification and extensification strategies contribute to the growth of local tax revenues, especially from the Parking Services and Arts or Entertainment Services sectors. This research uses a qualitative approach with descriptive methods. The results showed that the intensification strategy was carried out through increased supervision, control, taxpayer services, and digitization of the collection system. Meanwhile, the extensification strategy focuses on expanding the tax base through data collection of new taxpayers and increased socialization. Although the level of taxpayer compliance is quite high, the number of registered taxpayers has not fully reached the target. Specific Goods and Services Tax (PBJT) revenue from both sectors is still in the low range of 0.16% to 0.98% of Regional Original Revenue (PAD). Therefore, innovation in intensification and extensification strategies is needed so that the potential of this sector can be maximized to increase Madiun City's PAD.

Keywords: *Intensification, Extensification, Local Tax, Specific Goods and Services Tax, Parking Services Sector, Arts or Entertainment Services Sector*

A. INTRODUCTION

Local tax is one of the main sources of Regional Original Revenue (PAD) which plays an important role in supporting development and providing public services. PAD itself includes revenue from local taxes, local levies, the results of local property management, and other legal sources based on statutory provisions (Pupe & Budi, 2021). Local taxes have a strategic

function in strengthening regional fiscal independence and ensuring development sustainability (Fahani et al., 2024). Law Number 1 Year 2022 on Financial Relations between the Central and Regional Governments regulates Specific Goods and Services Tax (PBJT) as one of the important instruments. This policy aims to simplify collection administration and improve local fiscal effectiveness through the integration of several types of consumption taxes, including restaurant, entertainment, hotel, parking, and street lighting taxes (Andi, 2022). Local tax is defined as a mandatory contribution without direct reward paid by individuals or entities, the proceeds of which are used to finance local interests and improve the welfare of the community (Hamidah, 2022).

The contribution of revenue from certain goods and services tax on parking services and arts and entertainment services to local revenue in Madiun City in 2020 - 2024.

Table 1.1 Contribution of PBJT Revenue for Parking Services to Local Original Revenue

Tahun	Penerimaan Asli Daerah (PAD)		Persen-tase	Kontribusi Jasa Parkir		SELISIH (Rp)	Persen-tasi
	Anggaran (Rp)	Realisasi PAD (Rp)		Target (Rp)	Realisasi (Rp)		
2020	222.765.833	248.944.404	112%	750.000	808.361	58.361	0,32%
2021	243.364.192	265.920.295	109%	700.000	664.012	-35.987	0,25%
2022	242.244.567	264.212.229	109%	1.150.000	1.434.441	284.441	0,54%
2023	261.815.342	255.554.493	98%	1.530.000	1.683.862	153.862	0,66%
2024	262.282.977	279.229.358	106%	900.000	1.123.769	223.769	0,40%

Source: Badan Pendapatan Asli Daerah Kota Madiun

Table 2 Contribution of Entertainment Services PBJT Revenue to Local Original Revenue

Tahun	Penerimaan Asli Daerah (PAD)		Persen- tase	Kontribusi Jasa Hiburan		SELISIH (Rp)	Persen- tasi
	Anggaran (Rp)	Realisasi PAD (Rp)		Target (Rp)	Realisasi (Rp)		
	2020	222.765.833		248.944.404	112%		
2021	243.364.192	265.920.295	109%	308.000	416.770	108.770	0,16%
2022	242.244.567	264.212.229	109%	1.593.500	1.638.210	44.710	0,62%
2023	261.815.342	255.554.493	98%	1.612.500	1.845.737	233.237	0,72%
2024	262.282.977	279.229.358	106%	2.321.426	2.749.095	427.669	0,98%

Source: Badan Pendapatan Asli Daerah Kota Madiun

Review of tables 1.1 and 1.2 The contribution of Specific Goods and Services Tax on the parking services sector and arts or entertainment services in Madiun City has great potential in increasing PAD. However, its contribution to PAD in the 2020-2024 period is still relatively low, ranging from 0.16% to 0.98%. Although the compliance rate of registered taxpayers is quite high (93% in the parking sector and 97% in the entertainment sector), the number of taxpayers recorded has not reached the target. This low realization is due to limited taxpayer awareness, weak supervision, and low understanding of tax regulations by business actors (Watusoke & Pangemanan, 2016). In addition, the implementation of a self-assessment system that requires taxpayers to calculate, deposit, and report their own tax obligations also faces obstacles. These obstacles include lack of understanding, low participation of business actors, and limited policy socialization (Permatasari, 2024). This shows the phenomenon between the available tax potential and the realization of revenue obtained by the region.

The Madiun City Regional Revenue Agency (Bapenda) has implemented intensification and extensification strategies. Intensification is directed at improving supervision, taxpayer services, and digitalization of collection. Meanwhile, extensification is focused on collecting new taxpayer data, expanding the tax base, and intensive socialization to business actors (Fahani et al., 2024). However, the effectiveness of these strategies still needs to be

strengthened in order to significantly increase local tax contributions. Therefore, this study was conducted to analyze the implementation of intensification and extensification strategies in the parking and arts or entertainment services sector in Madiun City, and evaluate their impact on local tax revenue. This research is expected to contribute to formulating fiscal policies that are more innovative, adaptive, and sustainable.

The previous research is in accordance with the research on intensification and extensification strategies in optimizing local tax revenue, according to research by Sahdiah et al. (2024) in increasing Local Revenue through Arts and Entertainment Services Tax in Palangkaaya City through intensification and extensification. The intensification strategy increases tax revenue by maximizing collection from existing tax subjects and objects by means of law enforcement and certainty of sanctions, tariff refinement, direct supervision of all entertainment tax objects. The tax extensification strategy is an effort to expand the scope of tax subjects and objects by conducting data collection and direct field surveys. This step also involves socialization and giving appeals to business actors in the entertainment sector regarding tax obligations.

Previous study findings by Sri Yaumi et al. (2024) show that the parking tax intensification strategy is a concrete step by improving the service system, increasing supervision and inspection in tax reporting. In the parking tax extensification strategy, the efforts made by the government are to conduct socialization related to tax obligations and establish communication with business actors. Both strategies have an effect on PAD, but still need to strengthen aspects of effectiveness and taxpayer awareness.

Grand Theory

1. Theory of Planned Behavior

Ajzen (1991) explains that individual behavior is influenced by intentions formed from attitudes towards action, subjective norms, and behavioral control. In the context of taxation, taxpayers' intention to comply is largely determined by a positive view of the

benefits of taxes, social pressure from the environment, and the ease of carrying out obligations. Thus, the intensification strategy can strengthen positive attitudes and subjective norms of taxpayers, while the extensification strategy helps reduce behavioral barriers for new taxpayers (Putri & Wibowo, 2021). The following is a thinking flow scheme of the Theory of Planned Behavior linkage to the phenomenon in this study:

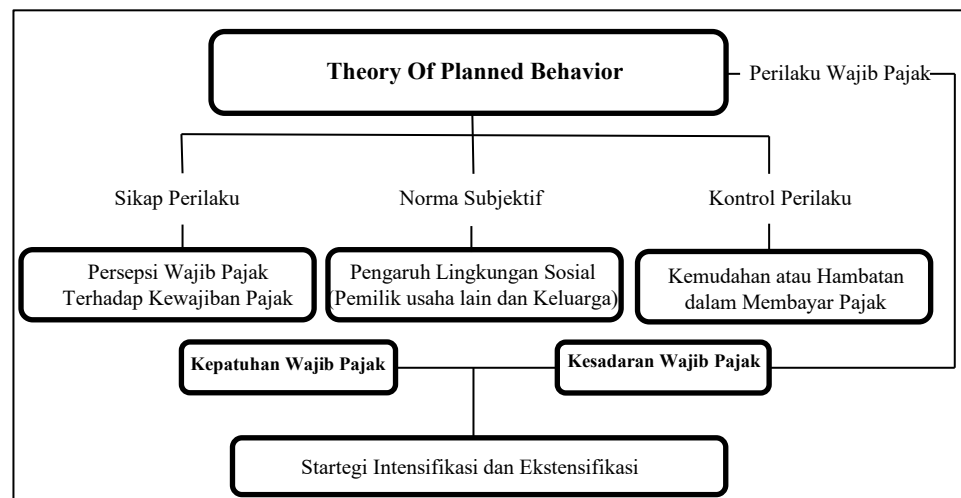


Figure 1 Theory of Planned Behavior thinking flow scheme on the phenomenon of

2. Tax Compliance Theory

The theory developed by Allingham & Sandmo (1972) asserts that taxpayers naturally tend to be reluctant to pay taxes voluntarily. Compliance arises due to the influence of sanctions, supervision, legal certainty, and tax moral awareness. taxpayer compliance can be defined as a voluntary contribution made by individuals based on existing regulations, which aims to finance the expenditure of the State Budget (APBN) or Regional Government Budget (APBD), without any direct reward for services (Zaikin et al., 2022).

The criteria for taxpayer compliance are regulated in the Minister of Finance Regulation Number: 74 / PMK.03 / 2012 in Putri & Wibowo's research (2022) which states that taxpayers are said to be obedient if they meet the following conditions: (1) On

time in submitting the Annual Tax Return (SPT), (2) Do not have tax arrears unless they have received permission to install or postpone paying taxes, (3) The financial statements are audited by a public accountant or government financial supervision institution, (4) Taxpayers have never been convicted of a tax crime based on a court decision within the last five years.

B. METHOD

This research uses a qualitative descriptive method with a case study approach at the Madiun City Regional Revenue Agency (BAPENDA). The low contribution of the parking service sector and arts or entertainment services is due to the limited number of registered taxpayers, the low level of awareness of business actors in fulfilling their tax obligations, and weak supervision and data collection. Primary data obtained through in-depth interviews with Bapenda officials and related business actors. Secondary data obtained from tax revenue reports, data on the number of taxpayers, laws and regulations, and official documents of Bapenda Madiun City.

The data collection process is carried out through observation studies, documentation, structured interviews. The data analysis stage according to Murdiyanto (2020) in his book *Qualitative Methods* is carried out using qualitative descriptive methods through three stages, namely: (1) data reduction to filter relevant information, (2) data presentation in the form of descriptive narratives, and (3) conclusion drawing supported by verification of the analyzed data.

C. RESULTS AND DISCUSSION

Research Results

The implementation of intensification and extensification strategies is a concrete step taken by the Regional Government through increasing taxpayer compliance and expanding taxpayer potential. The implementation of the policy, namely:

a. Implementation of intensification strategies

Optimizing taxes from registered taxpayers shows the local government's efforts to increase compliance and revenue contributions through intensification strategies and continuous supervision. This was conveyed by an informant with the initials AS in the Regional Tax Intensification and Extensification Division, he said that:

“In implementing this intensification strategy, we are serious about improving taxpayer compliance, the efforts we make such as increasing supervision and inspection, utilizing information systems, creating communicative relationships.” (Informant initials AS, interview on June 30, 2025)

From the results of these interviews, it shows that through the intensification strategy, the Madiun City Government seeks to maximize the contribution of the parking service sector and arts or entertainment services to PAD by encouraging the compliance of registered taxpayers, improving the quality of supervision, and making optimal use of information technology.

b. Implementation of extensification strategies

Optimization of new or unregistered taxpayers is carried out through an extensification strategy that aims to expand the local tax base and increase the potential for tax revenue. This was conveyed by an informant with the initials AS in the Regional Tax Intensification and Extensification Division, he said that :

"Through the extensification strategy, this effort is carried out by re-collecting data on parking locations and entertainment venues that have not been registered as tax objects, providing an understanding of local tax obligations for business actors who do not know the rules of parking or entertainment services tax, taking action against illegal parking and entertainment services

businesses that operate without a license or do not have an NPWD (Regional Taxpayer Identification Number), developing applications or digital systems for online taxpayer registration, so that it is easier to reach new business actors through the Madiun City Regional Tax Information System (SIMPADAMA)" (Informant initials AS, interview on June 30, 2025)

From the results of these interviews, it shows that the application of this extensification strategy aims to increase the number of taxpayers, tax revenue, and awareness of parking and arts or entertainment service businesses through an educative, repressive approach, and the use of technology.

Discussion

1. Implementation of Intensification and Extensification Strategies

Optimizing taxpayers from the parking and arts or entertainment services sector through the implementation of intensification and extensification strategies is an effort aimed at increasing local tax revenue in Madiun City, the strategic role of the Madiun City Regional Revenue Agency (BAPENDA) is very important in supporting planning that can increase local tax revenue (Sufi, 2020).

The intensification strategy is to increase the compliance of tax subjects that have been registered, the steps to carry out tax subject compliance carried out by Bapenda Madiun City are: 1) Strict Supervision and Inspection by deploying field officers in supervision of taxpayers aims to minimize fraud in paying or reporting their taxes by conducting a structured collection system. 2) Utilization of Information Technology by developing information technology through the Madiun City Regional Tax Information System (SIMPADAMA) aims to facilitate taxpayers in making payments and reporting their tax obligations. 3) Creating a communicative relationship through establishing communication with taxpayers through WhatsApp Group to make it easier for taxpayers to receive information regarding the due date of the tax period payment, so as to optimize taxpayer compliance and increase local tax revenue.

Therefore, there are several implementation efforts that can be carried out by the Madiun City Regional Revenue Agency by: 1) Updating and validating taxpayer data through can increase the effectiveness of supervision and collection of taxes owed. In addition, the function of updating and validating taxpayer data can help update taxpayer subjects and objects. knowing the age of the business against business actors in the parking and arts or entertainment services sector. 2) Installation of E-Parking and Tapping Box technology through the installation of digital technology such as E-Parking and Tapping Box is one of the strategies in increasing efficiency and transparency in local tax collection, especially from the parking and arts or entertainment services sector. 3) Providing incentives or awards to taxpayers who are obedient and disciplined in perfecting their fiscal obligations is a strategy to increase tax awareness and compliance voluntarily and on time before payment is due.

The extensification policy strategy is to increase awareness of the potential of taxpayers, steps to carry out awareness of the potential of taxpayers carried out by Bapenda Madiun City, namely by efforts: 1) Carry out data collection and registration of new taxpayers for parking lots and entertainment venues that have not been registered as objects to ensure that all tax potential can be reached and officially recorded. In this implementation, the Madiun City Regional Revenue Agency carries out a ball pick-up to the business location in offering tax collection information and taxpayer registration assistance. 2) Providing an understanding of local tax obligations for business actors who do not know the rules of parking or entertainment services tax, this action aims to increase awareness of applicable regulations. 3) The Madiun City Regional Revenue Agency is committed to taking action against illegal parking and arts or entertainment service businesses that operate without a license or do not yet have a Regional Taxpayer Identification Number (NPWP) as part of tax enforcement and fairness. In addition, Bapenda Madiun City also cooperates with the One-Stop Integrated Service and

Investment Office (DPMPTSP), the Civil Service Police Unit (Satpol PP), and the Madiun City Village to find new businesses that have not been registered and support strict enforcement of business actors. 4) Development of a digital application or system for online taxpayer registration, making it easier to reach new businesses through the Madiun City Regional Tax Information System (SIMPADAMA).

Some of these efforts are applications made by the Madiun City Bapenda to increase awareness of the potential of new taxpayers, besides that, what can be done by the Madiun City Regional Revenue Agency in the effort of extensification strategy by: 1) The Madiun City Government cooperates with the private sector and regional companies in investment policy. This cooperation involves the utilization of local government assets or unused land to be developed into business areas related to parking and entertainment. 2) The application of licensing integration with the Regional Taxpayer Identification Number is automatically carried out by the One-Stop Integrated Services and Investment Office (DPMPTSP) in collaboration with the Madiun City Regional Revenue Agency by means of business actors applying for business licenses through DPMPTSP after which they are automatically directed to register new taxpayers to increase awareness of parking and arts or entertainment business actors.

2. Impact of Intensification and Extensification Strategies

The impact of policy implementation is in accordance with the implementation of the intensification and extensification strategy policies that: 1) Taxpayer reporting compliance increases, this matter shows that the strategy carried out has succeeded in fostering obedient behavior, which is in line with the Theory of Planned Behavior approach and Taxpayer Compliance Theory, where perceived control, subjective norms, and taxpayer attitudes towards taxes affect the level of compliance. This means that the impact of implementing this strategy shows that it is able to encourage taxpayers to be

more compliant in reporting the Annual Local Tax Return (SPTPD) in a timely manner and in accordance with local tax collection.

2) The number of taxpayers increases, that the strategy of recollecting data and identifying potential new taxpayers reflects effectively, especially in reaching business actors who have not registered as taxpayers. This means that as the number of taxpayers increases, the potential revenue of certain goods and services taxes on the parking and arts or entertainment services sector has also directly increased significantly. 3) The amount of revenue increases, this is the implementation of an increase between the intensification strategy and the extensification strategy in growth makes a positive contribution to increasing the amount of local tax revenue from the parking and arts or entertainment services sector. This impact is an indicator of the success of the Madiun City Regional Revenue Agency's policy strategy in optimizing the potential for local tax revenue through a systematic, efficient and data-based approach.

D. CONCLUSION

This study shows that intensification and extensification strategies have an important role in increasing the revenue of Specific Goods and Services Tax (PBJT) in the parking service sector and arts and entertainment in Madiun City. The implementation of intensification through optimizing supervision, improving the quality of data collection, and utilizing information technology can improve taxpayer compliance. Meanwhile, extensification through expanding the tax base and increasing the number of new taxpayers contributes to increasing the potential for local revenue. Thus, the application of the two strategies complements each other to encourage the optimization of Regional Original Revenue (PAD).

E. Saran

This research has limitations on the scope of analysis that focuses on the parking services sector and arts or entertainment services in Madiun City. So, further research is recommended to 1) expand the object of research not only limited to these two sectors, but also includes other types of Specific Goods and Services Tax. 2) The analysis period is more than five years, so the trend of tax revenue can be analyzed more accurately and reflects the dynamics of regional economic conditions. 3) Comparison between regions can conduct comparative studies between regions or cities to identify optimal strategies in accordance with regional characteristics.

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