

IMPLEMENTATION OF RURAL AND URBAN LAND AND BUILDING TAX DATA UPDATES TO IMPROVE LOCAL ORIGINAL REVENUE IN MADIUN CITY

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Abstract

This study aims to determine the strategy for updating Rural and Urban Land and Building Tax (PBB-P2) data to optimize Madiun City's Regional Tax revenue and the impact of updating Rural and Urban Land and Building Tax data on increasing Madiun City's Regional Original Income (PAD). This study uses a qualitative approach with descriptive methods, data collection techniques through interviews, observation, and documentation. One of the main sources of Madiun City's Regional Original Income is Rural and Urban Land and Building Tax, but the process of optimizing Rural and Urban Land and Building Tax revenue is often hampered by inaccurate tax object data. Therefore, to increase Madiun City's Regional Original Income, by updating Rural and Urban Land and Building Tax object data.

Keywords: *Updates, Rural and Urban Land and Building Tax, Regional Tax, Regional Original Income.*

1. INTRODUCTION

Regional Original Income (PAD) in Madiun City is a source of income obtained from Regional Taxes and Regional Levies (Juliarini, 2020). Regional Taxes in Madiun City are regulated based on Law No. 28 of 2009 concerning Regional Taxes and Regional Retributions, Madiun City Regional Regulation No. 9 of (2023) Article 6 states that the types of Taxes as referred to in Article 5 which are collected based on the Mayor's determination consist of: Rural and Urban Land and Building Tax (PBB-P2), Advertising Tax, Groundwater Tax (PAT), Motor Vehicle Tax Opsen (PKB), Motor Vehicle Transfer Fee Opsen (BBNKB). The types of Taxes as referred to in Article 5 which are collected based on the Taxpayer's own calculations consist of: Land and Building Rights Acquisition Fee (BPHTB), Certain Goods and Services Tax (PBJT).

To finance the autonomy and development of Madiun City, regional revenue can be increased through Rural and Urban Land and Building Tax (Waleleng et al., 2022). This is because Rural and Urban Land and Building Tax data must be updated through data collection activities related to Tax Subjects and Tax Objects. It is hoped that the results of this data collection will be beneficial for increasing Madiun City's Original Regional Revenue from Rural and Urban Land and Building Tax Objects. Rural and Urban Land and Building Tax (PBB-P2) is a tax imposed on the ownership or use of land and buildings. As elsewhere in Indonesia, this tax is included in the central tax, but most of the proceeds are channeled to regions, including Madiun City, through tax revenue sharing funds (Sartika & Krisnanda, 2020).

Currently, the Rural and Urban Land and Building Tax (PBB-P2) has begun to be transferred to the Regional Government (Regency/City) based on Law No. 1 of 2022 concerning Financial Relations between the Central and Regional Governments (HKPD) (Fithrina et al., 2024).

Table 1.1 Target and Realization of Rural and Urban Land and Building Tax (PBB-P2) in Madiun City

Year	Target	Realization	Percentage
2020	18.250.000.000	22.379.466.936	122%
2021	21.350.000.000	22.852.741.293	107%
2022	22.745.000.000	24.754.559.488	108%
2023	23.944.700.000	23.884.649.634	99%
2024	22.360.000.000	22.998.810.935	102%

Source: Madiun City Regional Revenue Agency 2024

Table 1.1 shows the data on Land and Building Tax (PBB-P2) revenue of Madiun City from 2020-2024. Based on the table above, the receipt of Regional Revenue from the PBB-P2 sector of Madiun City in 2020 shows that its realization exceeded the target set by the Madiun City Government, in 2021-2022 the target was increased from the initial 2020 amounting to IDR 18,250,000,000 to IDR 21,350,000,000 in 2021 and for 2022 amounting to IDR 22,745,000,000 and its realization also exceeded the target. In 2023 the target was increased to Rp23,944,700,000, the realization was Rp23,884,649,634, it was known that the realization had not reached the target set by the Madiun City Government, then in 2024 the target was lowered to Rp22,360,000,000 but the realization exceeded the target of Rp22,998,810,935.

Regional Tax and Regional Retribution Revenue which is a special fee or permit granted by the Regional Government to individuals or organizations, should be able to assist regional expenditure in managing regional development with the aim of improving and distributing the social welfare economy, significantly influencing the increase in Regional Original Income (Sudarmana & Sudiarta, 2020). Retribution is closely related to the level of socio-economic intensity of the community in a region, in other words, the more developed and advanced the level of socio-economic activity of the community in the region, the more payment opportunities are obtained, thus it can be concluded that the more received from Regional Taxes and Regional Retributions, thus the greater the Regional Original Income and vice versa the less received from Regional Taxes and Regional Retributions, thus the lower the Regional Original Income (Mukhtar et al., 2023).

2. METHOD

A qualitative descriptive approach is used in this study to describe, explain, and provide an objective picture of the actual condition of the research object. According to Safarudin et al., (2023) this qualitative research method emphasizes more on observing phenomena and more on examining what the power of words and sentences used means is greatly influenced by the analysis and sharpness of qualitative research. That qualitative research concentrates on the process and how the results can be interpreted, qualitative research tries to understand events, behaviors, or phenomena by focusing on human elements, objects and institutions, as well as the relationships or interactions between these elements.

The author chose this method because the research aims to understand how the phenomenon of the Implementation of Updating Rural and Urban Land and Building Tax Data in Increasing the Original Regional Income of Madiun City, this study uses primary data through observation, interviews, library research, and documentation. Before data analysis can be carried out, data collection must be carried out correctly, data collection techniques are methods or approaches used to collect research data that need to be analyzed. According to Wahyudinata (2024) this research data was obtained through observation, interviews, and documentation as follows:

a. Observation

Observation is the activity of directly observing a research object (Pakpahan et al., 2021). This study used participatory observation because the author assisted the Madiun City Regional Revenue Agency (BAPENDA) in updating Rural and Urban Land and Building Tax (PBB-P2) data in Kuncen Village for approximately three weeks.

b. Interviews

According to Fadhallah (2021), an interview is a conversation between two or more people, where one party acts as the interviewer and the other party is interviewed for a specific purpose, to obtain information or collect data for research. The author conducted interviews with research subjects to obtain further information about the research object being studied regarding Rural and Urban Land and Building Tax. One of the parties involved in this research was an employee of the Madiun City Regional Revenue Agency who works in the field of taxpayer registration and determination.

c. Documentation

The data collection method known as documentation examines various research documents to analyze their relationship to the research phenomenon (Daruhadi & Sopiati, 2024). For this research, the tax documents used included the number of registered Taxable Objects and the amount of Rural and Urban Land and Building Tax revenue.

Research data sources are used to determine whether the research findings are valid or not (Latifah et al., 2021). According to Mustafa et al., (2022), in their book entitled "Qualitative and Quantitative Research Methodology," the data collected in this study came from two sources:

1) Primary Data

Data obtained directly from observations and interviews is called primary data. This study collected primary data through interviews and field observations at the Madiun City Regional Revenue Agency (BAPENDA).

2) Secondary Data

Secondary data is data or information obtained from existing sources. The secondary data in this study were obtained from the number of registered Taxable Objects, the amount of Rural and Urban Land and Building Tax revenue, and Regional Original Revenue from 2020 to 2024 at the Madiun City Regional Revenue Agency (BAPENDA).

3. RESULTS AND DISCUSSIONS

1. Results

a. Implementation of PBB-P2 Data Updates

To increase Regional Original Revenue (PAD) from Rural and Urban Land and Building Tax (PBB-P2), the Madiun City Regional Revenue Agency (BAPENDA) updated its Rural and Urban Land and Building Tax data. Regional Original Revenue (PAD) is heavily influenced by Regional Taxes. Taxes collected by the Regional Government are then used for regional development, enabling the smooth implementation of regional autonomy. Madiun City has a significant Regional Original Revenue (PAD) and sets annual tax revenue targets to enhance regional development and community welfare. The following table shows the realization of Madiun City's Regional Original Revenue targets and revenues for 2020-2024:

Table 1.2 Targets and Realization of PAD for Madiun City 2020-2024
Regional Original Income (PAD)

Year	Target	Realization	Percentage
2020	222.765.833.426	248.944.404.487	112%
2021	243.364.192.996	265.920.295.216	109%
2022	242.244.567.044	264.212.229.517	109%
2023	261.815.342.908	255.554.493.407	98%
2024	262.282.977.933	279.229.358.932	106%

Source: Madiun City Regional Revenue Agency 2024

Table 1.2 shows the target and realization of Madiun City's Original Regional Revenue (PAD) for 2020-2024. The realization of PAD in 2020 was Rp248,944,404,487, exceeding the target of Rp222,765,833,426 with a percentage of 112%, in 2021 the realization reached the target, the realization increased from the previous year of Rp265,920,295,216 and the target increased from the previous year

of Rp243,364,192,996 with a percentage of 109%, in 2022 the realization reached the target, but the realization decreased from the previous year of Rp264,212,229,517 and the target decreased from the previous year of Rp242,244,567,044 with a percentage of 109%.

In 2023 the realization has not reached the target, the realization decreased from the previous year by Rp255,554,493,407 and the target increased from the previous year by Rp261,815,342,908 with a percentage of 98%, in 2024 the realization reached the target, the realization increased from the previous year by Rp279,229,358,932 and the target increased from the previous year by Rp262,282,977,933 with a percentage of 106%.

Table 1.3 Targets and Realization of PBB-P2 for Madiun City 2020-2024
PBB-P2

Year	Target	Realization	Percentage
2020	18.250.000.000	22.379.466.936	122%
2021	21.350.000.000	22.852.741.293	107%
2022	22.745.000.000	24.754.559.488	108%
2023	23.944.700.000	23.884.649.634	99%
2024	22.360.000.000	22.998.810.935	102%

Source: Madiun City Regional Revenue Agency 2024

Table 1.3 shows the target and realization of Rural and Urban Land and Building Tax (PBB-P2) of Madiun City for 2020-2024. The realization of PBB-P2 in 2020 was Rp22,379,466,936, exceeding the target of Rp18,250,000,000 by 122%, in 2021 the realization exceeded the target, the realization increased from the previous year by Rp22,852,741,293 and the target increased from the previous year by Rp21,350,000,000 by 107%.

In 2022 the realization exceeded the target, the realization increased from the previous year by Rp24,754,559,488 and the target increased from the previous year by Rp22,745,000,000 with a percentage of 108%, in 2023 the realization had not reached the target, the realization decreased from the previous year by Rp23,884,649,634 but the target increased from the previous year by Rp23,944,700,000 with a percentage of 99%, in 2024 the realization exceeded the

target, the realization decreased from the previous year by Rp22,998,810,935 and the target decreased from the previous year by Rp22,360,000,000.

Table 1.4 Update of PBB-P2 Data for Kuncen Village in 2024

Subdistrict	Ward	Tax Object	Not Yet In The Data	Completed Data Collection	Data Collection Process
Taman	Kuncen	441	194	220	27

Source: Madiun City Regional Revenue Agency 2024

2. Discussion

a. Challenges Faced in Updating Land and Building Tax (PBB-P2) Data

The challenges faced by the Madiun City Regional Revenue Agency (BAPENDA) in updating Rural and Urban Land and Building Tax (PBB-P2) data (Nurhani et al., 2024) in Kuncen Village, Madiun City, as identified during research and interviews, are as follows:

a. Inaccurate or Out-of-Date PBB-P2 Data

Data on Rural and Urban Land and Building Tax Objects does not reflect current conditions due to changes in ownership, building structure, or land use changes.

b. Lack of Public Awareness and Participation

Due to ignorance or indifference, taxpayers fail to report changes in Tax Object data, such as changes in ownership or building area. Public resistance to updating Rural and Urban Land and Building Tax data is perceived as increasing their tax value.

c. Limited Resources

Due to the large number of Tax Objects, the data collection process takes a long time.

b. On-the-ground Impact of Updating Land and Building Tax (PBB-P2) Data

The impacts faced by the Madiun City Regional Revenue Agency (BAPENDA) in updating Rural and Urban Land and Building Tax data in Madiun City (Putri & Candradewini, 2025). The following findings were found during research and interviews:

1. Improved Accuracy of Taxable Object Data

Example: Before updating land data in Kuncen Village, the land area was 500 m². However, after re-measurement, the area was reduced to 600 m² due to building expansion. By ensuring the NJOP (Value-Based Property Tax) matches the actual conditions, the updated data resulted in fairer tax payments.

Impact: There were no longer any complaints from taxpayers about the mismatch between the tax value and the condition of their property.

2. Optimizing Locally-Owned Revenue

Example: The realization of Rural and Urban Land and Building Tax (PBB-P2) in Kuncen Village increased by 15% after the update due to adjustments to the Taxable Object Sales Value (NJOP) and the addition of taxable objects. The PBB-P2 contribution to Madiun City's Locally-Owned Revenue (PAD) increased annually from 8% to 10%.

Impact: The PBB-P2 contribution to Madiun City's PAD increased from 8% to 10% in one year.

3. Resolving Ownership Disputes

Example: After the data update, five cases of land with duplicate certificates were identified in Kuncen Village. The relevant parties were asked to complete legal documentation for verification.

Impact: Reducing social disagreements while ensuring that taxpayers are fully accountable.

c. PBB-P2 Data Update Strategy

1. Registration of New Taxable Objects:

Changes in ownership, land area, or building area must be reported by taxpayers through a Tax Object Notification Letter (SPOP).

2. Field Verification:

To ensure that the data reflects the actual situation, the Regional Revenue Agency (BAPENDA) team directly identifies and measures taxable objects.

3. Outreach:

The Regional Revenue Agency collaborates with the Village Office to educate the public about the importance of reporting changes to taxable object data to avoid sanctions and ensure tax fairness.

4. CONCLUSIONS

This study was conducted to determine the increase in Madiun City's Locally-Owned Revenue (PAD) from the Rural and Urban Land and Building Tax sector after data updating. Based on the research results and discussions, the following conclusions can be drawn:

a. Implementation of PBB-P2 Data Updating

The implementation of Rural and Urban Land and Building Tax (PBB-P2) data updating in Madiun City has been implemented in accordance with applicable regulations. However, this data updating has not been optimal due to differences in the Tax Object data from the Regional Revenue Agency (BAPENDA) and the Taxpayer, for example, changes in ownership, increases in land and building area, and changes in land use.

b. Challenges in Updating Rural and Urban Land and Building Tax (PBB-P2) Data

Updating Rural and Urban Land and Building Tax (PBB-P2) data in Madiun City faces numerous obstacles, including unreported changes in land or building ownership, unresolved ownership disputes, duplicate or unregistered land certificates, inherited land that has not been legally divided, and a lack of understanding of the importance of data updating.

Therefore, efforts are needed to address these issues. To address this issue, the Madiun City Regional Revenue Agency (BAPENDA) in collaboration with the Villages (Kelurahan) conducted outreach on the importance of updating Rural and Urban Land and Building Tax (PBB-P2) data. This data updating is crucial for several reasons, including ensuring that tax

values reflect actual conditions and avoiding underpayment or overpayment of taxes due to inaccurate Taxable Object Sales Values (NJOP).

c. Impact of Updating PBB-P2 Data

Following the updating of Rural and Urban Land and Building Tax data, there has been an increase in Regional Tax revenue, and the tax administration process has become clearer due to the centralized database, facilitating oversight.

5. SUGGESTIONS

Based on the research results, the following points can be used as evaluation material:

1. Organization:

1. The Regional Revenue Agency (BAPENDA) needs to increase public awareness about the importance of updating Rural and Urban Land and Building Tax (PBB-P2) data, for example through digital media such as social media and websites, collaboration with neighborhood associations (RT/RW), or door-to-door activities.
2. Form a special data collection team involving students or volunteers to expedite the updating process.

2. Further Research:

1. Comparatively examine the effectiveness of updating Rural and Urban Land and Building Tax (PBB-P2) data in Madiun City with other regions that have successfully optimized Regional Original Revenue (PAD).
2. Evaluate the impact of data updating on taxpayer compliance and local economic growth.

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