

ANALYSIS OF THE IMPLEMENTATION OF THE BILLBOARD RENTAL VALUE (NSR) POLICY WITHIN THE BILLBOARD TAX COLLECTION SYSTEM IN MADIUN CITY

Ardi Surya Wijaya¹, Liliek Nur Sulistiyowati², Ahmad Nur Aziz³

¹Faculty of Economics and Business, Universitas PGRI Madiun

email: ardi_2303103003@mhs.unipma.ac.id

²Faculty of Economics and Business, Universitas PGRI Madiun

email: Liliek.nur@unipma.ac.id

³ Faculty of Economics and Business, Universitas PGRI Madiun

email: ahmadnuraziz@unipma.ac.id

Abstrak

Pajak reklame merupakan sumber Pendapatan Asli Daerah (PAD) bagi pemerintah daerah. Peraturan Wali Kota Madiun Nomor 83 Tahun 2023 mengubah penetapan Nilai Sewa Reklame (NSR) dari sistem nilai tetap menjadi berbasis luas media dan durasi. Perubahan memunculkan ketidakseimbangan wajib pajak meningkat signifikan pada 2024, namun penerimaan pajak tidak naik proporsional dan menurun pada 2025. Penelitian bertujuan mengetahui implementasi kebijakan NSR dan pengaruhnya terhadap penerimaan pajak serta jumlah wajib pajak di Kota Madiun. Penelitian menggunakan pendekatan kualitatif deskriptif dengan studi kasus di Badan Pendapatan Daerah (Bapenda) Kota Madiun. Informan dipilih melalui purposive sampling dari Bidang Pendataan dan Penagihan Pajak data dikumpulkan melalui wawancara, observasi, dan dokumentasi. Hasil menunjukkan implementasi NSR telah sesuai regulasi dan menghasilkan dasar pengenaan pajak lebih proporsional, didukung pendataan lapangan, sosialisasi, dan koordinasi antarinstansi. Namun, kepatuhan wajib pajak belum optimal, ditandai kenaikan piutang pajak. Penelitian menyimpulkan perlunya penguatan pengawasan dan penagihan piutang agar penerimaan pajak reklame dapat dioptimalkan.

Kata kunci: Nilai Sewa Reklame, Pajak Reklame, Implementasi Kebijakan, Kepatuhan Wajib Pajak.

Abstract

Advertisement tax is a key Locally-Generated Revenue (PAD) source for local governments in Indonesia. Madiun Mayor Regulation No. 83 of 2023 changed the Advertisement Rental Value (NSR) from a fixed-value to a size- and duration-based system. This shift produced an imbalance taxpayers rose sharply in 2024, yet revenue rose less than proportionally and declined in 2025. This study examines NSR implementation and its effect on tax revenue and taxpayer growth in Madiun City. A descriptive qualitative case study was conducted at Madiun City's Regional Revenue Agency (Bapenda). Informants were purposively sampled from the

Tax Data Collection and Billing Divisions data were collected via interviews, observation, and documentation. Findings show NSR implementation complies with regulations, yielding a more proportional tax base supported by field data collection, dissemination, and coordination. However, taxpayer compliance remains inadequate, marked by rising receivables. The study concludes stronger supervision and receivables collection are needed to optimize revenue.

Keywords: Advertisement Rental Value; Advertisement Tax; Policy Implementation; Taxpayer Compliance

A. INTRODUCTION

1. Background

Taxes are one of the sources of revenue that the government uses to fund development and public services. In the administration of local government, local taxes serve as a source of Local Own-Source Revenue (PAD), which supports local fiscal autonomy. Local governments have the authority to manage and collect local taxes in accordance with applicable laws and regulations. Such management must take into account the principles of fairness, efficiency, transparency, and accountability as stipulated in Law No. 1 of 2022 on Financial Relations between the Central Government and Local Governments (Tamyn et al., 2025). Siahaan et al. (2024) It also explains that optimizing local taxes plays a strategic role in supporting local fiscal autonomy

One of the local taxes administered by local governments is the Advertising Tax. This tax pertains to promotional activities conducted through advertising media, which come in various forms and have different characteristics. The Advertising Tax is assessed based on the Advertising Rental Value (NSR) as one of the criteria for tax imposition. The determination of the NSR may take into account the size, location, type of media, and duration of the advertisement (Sugiarto & Matitaputti, 2021). Amrul Mukminin et al. (2024) explains that advertising covers a wide range of media, as it can take the form of media that the public sees, reads, hears, or enjoys for commercial purposes.

In the city of Madiun, the mechanism for determining the NSR was revised through Madiun Mayor's Regulation No. 83 of 2023. Prior to the revision, the value of taxable objects tended to be set at a fixed rate based on the type of advertisement. Following the revision, the determination of the NSR now takes into account the size of the advertising medium, the number of media, and the duration of the campaign.

The implementation of this policy change still faces challenges. Data from the Madiun City Revenue Agency (Bapenda) shows that the number of unregistered billboards 32 units in 2022, increased to 176 units in 2023, then decreased to 65 units in 2024 and 40 units in 2025. This situation indicates that regulatory changes need to be supported by adequate data collection and oversight to ensure that policy implementation aligns with the actual conditions of the billboards on the ground. The trends in advertising tax revenue and the number of taxpayers in Madiun City from 2020 to 2025 are presented in Table 1.

Table 1. Trends in Advertising Tax Revenue and the Number of Taxpayers in Madiun City, 2020–2025

Year	Advertising Tax Revenue	Number of Taxpayers
2020	Rp1.889.931.913	1.370
2021	Rp2.072.305.783	1.344
2022	Rp2.114.017.568	1.279
2023	Rp2.396.240.074	1.445
2024	Rp3.116.371.999	2.872
2025	Rp2.711.125.734	2.446

Source: Madiun City Revenue Agency, compiled (2026).

The data shows that advertising tax revenue increased from Rp1.89 billion in 2020 to Rp2.40 billion in 2023. In 2024, revenue rose to Rp3.12 billion, while the number of taxpayers increased significantly from 1,445 to 2,872. However, this 98.75% increase in the number of taxpayers was not accompanied by a proportional increase in revenue, as revenue rose by only 30.04%. In 2025, The number of taxpayers fell again to 2.446, and advertising tax revenue dropped to Rp2.71 billion. This situation indicates an imbalance between the increase in the number of taxpayers and the growth in advertising tax revenue.

Given these circumstances, this study focuses on the implementation of changes to the NSR policy from a fixed-rate system to one that takes into account the media area and duration of the advertisement following the enactment of Madiun Mayor Regulation No. 83 of 2023. The study aims to analyze the implementation of these NSR policy changes

in the advertisement tax collection system and to examine trends in tax revenue and the number of taxpayers before and after the policy changes. This focus is necessary to determine the alignment between policy provisions and their implementation.

2. Literature Review

Public policy implementation means putting laws into practice. The content of the policy, the capacity of those responsible for implementation, the availability of resources, and the socio-bureaucratic environment in which the policy is implemented all influence the success of its implementation Wati & Sartika (2024). In the collection of local taxes, this includes the monitoring and collection systems, the effectiveness of public outreach regarding regulations, and administrative efficiency.

Regarding tax compliance, research Styaningrum et al. (2025) using the Theory of Planned Behavior and found that intensive, high-quality tax education significantly increases taxpayer compliance, both directly and through increased tax awareness. This means that taxpayers support the enforcement of the law through increased tax awareness gained from training. These results are relevant because taxpayers need to be educated on the new rules resulting from the NSR changes. It is hoped that increased awareness will encourage voluntary reporting and payment of advertising taxes.

Several studies on NSR and advertising tax collection have identified similar issues. For example,, Sugiarto & Matitaputti (2021) found that the NSR at some advertising locations does not reflect the intrinsic market value, resulting in a discrepancy between the official NSR and the contract value and market value of the advertising. This situation has the potential to reduce the optimization of benefits for both location owners and advertisers. In the context of tax implementation, another study Nashruddin & Hertati (2024) identifying obstacles such as a lack of oversight of illegal advertising structures, an administrative system that is not yet optimal, and low public awareness of advertising taxes. These obstacles reduce the collection of advertising tax revenue.

In general, the literature indicates that the successful implementation of advertising tax policies requires sound administrative management and active participation by taxpayers. To date, no research has focused on the implementation of the NSR

amendment (Municipal Regulation No. 83/2023) in Madiun City and its relationship to trends in the number of taxpayers and tax revenue.

3. Research Objectives and Benefits

Based on the above discussion, this study aims to analyze the implementation of the Advertising Rent Value (NSR) policy within the advertising tax collection system in Madiun City and to evaluate its impact on the number of taxpayers and advertising tax revenue. Theoretically, this study is intended to contribute to research on the implementation of fiscal policies at the local level. In practical terms, the research findings are expected to assist the Madiun City Regional Revenue Agency in improving the administration of advertising tax, including enhancing the registration of taxable objects, raising awareness of policies, monitoring compliance, and collecting outstanding advertising tax receivables to optimize local revenue.

B. METHOD

The Regional Revenue Agency (Bapenda) of Madiun City is the subject of this research, which was conducted as a descriptive qualitative case study. The study was conducted from February to July 2026 and aimed to evaluate how the Advertising Rent Value (NSR) policy is implemented in the advertising tax collection system. John W. Creswell (2014) explains how qualitative research collects data in natural settings to understand social phenomena. Informants were selected using purposive sampling from the Local Tax Data Collection Division and the Local Tax Collection Division because these divisions are directly involved in the administration of advertising taxes (Sugiyono, 2023).

Primary data was obtained through interviews, while secondary data was sourced from documents and regulations related to advertising taxes, such as Madiun Mayor's Regulation No. 83 of 2023, revenue data, and tax amounts. The data collection methods included interviews, observations, and documentation. The data was analyzed using a model Miles et al. (2014) through the steps of data condensation and presentation, as well as the drawing and verification of conclusions. To ensure that the collected data is appropriate, triangulation of sources and methods is used to ensure the validity of the data.

C. RESULTS AND DISCUSSIONS

1. Results

The research findings indicate that the implementation of the Advertising Rent Value (NSR) policy in Madiun City underwent changes following the enactment of Madiun Mayor's Regulation No. 83 of 2023. Prior to these changes, NSR rates were set using predetermined values based on the type of advertisement. Following the changes, the determination of the NSR takes into account the characteristics of the advertisement, such as type, media area, location, condition, and duration of display. These changes are applied in the process of determining the basis for levying the Advertising Tax. The trends in Advertising Tax revenue and the number of taxpayers from 2020 to 2025 are presented in Table 2.

Table 2. Advertising Tax Revenue and Number of Taxpayers, 2020–2025

Year	Advertising Tax Revenue (Rp)	Number of Taxpayers
2020	1.889.931.913	1.370
2021	2.072.305.783	1.344
2022	2.114.017.568	1.279
2023	2.396.240.074	1.445
2024	3.116.371.999	2.872
2025	2.711.125.734	2.446

Source: Madiun City Revenue Agency, compiled (2026)

The data shows that advertising tax revenue increased from Rp1.89 billion in 2020 to Rp2.40 billion in 2023. Following the implementation of the NSR policy, revenue rose to Rp3.12 billion in 2024, then declined to Rp2.71 billion in 2025. The number of taxpayers also changed. The number of taxpayers rose from 1,445 in 2023 to 2,872 in 2024, and then decline to 2,446 by 2025. The researchers found that, in addition to the growth in revenue, outstanding advertising tax receivables increased during the 2020–2025 period. The data on outstanding receivables are presented in Table 3.

Table 3. Advertising Tax Receivables for 2020–2025

Year	Advertising Tax Receivables (Rp)
2020	77.356.715
2021	83.585.240
2022	122.235.590
2023	194.618.740
2024	443.256.943
2025	533.619.776

Source: Madiun City Revenue Agency, compiled (2026)

Advertising tax receivables increased from Rp77.36 million in 2020 to Rp533.62 million in 2025. The largest increase occurred in 2024, amounting to 127.76% compared to the previous year. In 2025, receivables rose again to Rp533.62 million. To assess the quality of receivables collection, this study used the ratio of current receivables to total advertising tax receivables, calculated using the following formula: $\text{Receivables Quality} = (\text{Current Receivables} / \text{Total Advertising Tax Receivables}) \times 100\%$. For example, in 2025, current receivables amounted to Rp225,220,883 and total receivables amounted to Rp533,619,776. The calculation is: $(\text{Rp}225,220,883 / \text{Rp}533,619,776) \times 100\% = 42.21\%$. Accounts receivable quality calculations for 2020 through 2025 in Table 4.

Table 4. Quality of Advertising Tax Receivables for 2020–2025

Year	Current Receivables (Rp)	Total Accounts Receivable (Rp)	Quality of Accounts Receivable	Criteria
2020	25.991.255	77.356.715	33,60%	Non-Compliant
2021	13.528.600	83.585.240	16,19%	Non-Compliant
2022	45.655.350	122.235.590	37,35%	Non-Compliant
2023	125.425.230	194.618.740	64,44%	Less Compliant
2024	274.515.693	443.256.943	61,93%	Less Compliant
2025	225.220.883	533.619.776	42,21%	Non-Compliant

Source: Madiun City Revenue Agency, compiled (2026)

The study's findings also revealed the presence of unregistered billboards. The number of unregistered billboards stood at 32 units in 2022 and increased to 176 units in 2023. That number then decreased to 65 units in 2024 and 40 units in 2025. Monitoring was conducted through field data collection and coordination between the Madiun City Revenue Agency (Bapenda) and relevant agencies.

The study also produced a simulation of billboard tax calculations to compare the mechanisms before and after the NSR policy change. For a 1 m × 4 m banner displayed for one week, the calculation prior to the change resulted in an NSR of Rp60,000 and an outstanding billboard tax of Rp15,000. After the change, the NSR was calculated based on an area of 4 m² at a rate of Rp20,000/m²/week, resulting in an NSR of Rp80,000 and an Advertising Tax due of Rp20,000.

Table 5. Simulation of Advertising Tax Calculations Before and After the NSR Change

Types of Advertisements	Mechanism	NSR (Rp)	25% Tax Due (Rp)
Banner 1 m × 4 m, 1 week	Before the change	60.000	15.000
Banner 1 m × 4 m, 1 week	After the change	80.000	20.000
Tent 12 m ² , 1 week	Before the change	200.000	50.000
Tent 12 m ² , 1 week	After the change	1.200.000	300.000

Source: Research simulation results, processed (2026).

In addition to the comparative simulation, the study produced a simulation for calculating advertising tax using Microsoft Excel. This system is designed to assist in determining the NSR, the Tax Base (DPP), and the Advertising Tax Due. Users enter advertising data, and the system then determines the NSR rate based on the type and characteristics of the advertisement, calculates the area, sets the Tax Base (DPP), and calculates the Advertising Tax Due at a rate of 25%.

2. Discussion

The implementation of the NSR policy following the enactment of Madiun Mayor Regulation No. 83 of 2023 reflects a change in the mechanism for setting advertising taxes. The NSR, which was previously determined using a fixed rate, is now based on

the characteristics of the advertising medium, such as its size and duration of display. This change reflects a policy adjustment to account for the actual conditions of advertising media in the field. Baihaki Baihaki & Alan (2021) states that policy implementation requires coordination among organizations, compliance by the target groups, and execution in line with the policy's objectives.

Policy implementation is supported by data collection, public outreach, oversight, and coordination between Bapenda and relevant agencies. However, the continued presence of unlicensed billboards and the increase in outstanding receivables indicate that policy implementation has not yet been fully optimized. In 2025, outstanding billboard tax receivables reached Rp533.619.776. This situation highlights the need to strengthen oversight and collection efforts. Bastaman (2020) explains that the success of policy implementation is influenced by the clarity of the policy, available resources, and the implementers' ability to carry out the policy.

Compliance is also a key aspect of policy implementation. Styaningrum et al. (2025) indicates that tax outreach can help improve taxpayer compliance by raising awareness. In this study, outreach efforts were conducted by Bapenda, but there are still taxpayers who have not fulfilled their obligations. This is evident from the quality of tax receivables, which in 2025 reached only 42.21% and fell into the non-compliant category.

As a solution to the calculation process, the study produced a Microsoft Excel-based advertisement tax simulation. The system integrates input data on advertisement characteristics with the NSR rate database, enabling it to automatically calculate the NSR, Tax Base (DPP), and Advertisement Tax Due. For example, for a 8 m × 3 m banner advertisement displayed for 12 weeks, the system calculates an NSR and DPP of Rp480.000 and an Advertising Tax Due of Rp120.000. This simulation can help reduce errors in manual calculations and provide a more systematic calculation process.

1	SIMULASI KALKULATOR PAJAK REKLAME	
2	BERDASARKAN PERWALI KOTA MADIUN	
3	NOMOR 83 TAHUN 2023	
4		
5	Kalkulator Pajak Reklame	
6	Nama Wajib Pajak	PT ABC
7	Jenis Reklame	Spanduk
8	Sifat Reklame	Insidental
9	Nama Jalan	selain A dan B
10	Golongan Jalan	C
11	Panjang (m)	8
12	Lebar (m)	3
13	Luas (m ²)	24
14	Kondisi Reklame	Bersinar
15	Masa Pajak	minggu
16	Lama Pemasangan	12
17	HASIL PERHITUNGAN	
18		
19	Tarif NSR (/m ² /Minggu/Bulan/Tahun)	Rp20,000
20	Luas (m ²)	24
21	Nilai Sewa Reklame	Rp480,000
22	DPP	Rp480,000
23	Tarif Pajak	25%
24	Pajak Terutang	Rp120,000
25	Tanggal Perhitungan	30/07/2026
26	Nomor Simulasi	SIM-30072026
27	Petugas	Bapenda Kota Madiun

Figure 1. Input Form for the Advertising Tax Calculation Simulation

Figure 1 shows that the system automatically processes the billboard's characteristic data to calculate the NSR rate, billboard area, NSR, DPP, and billboard tax due. In this example, an advertisement area of 24 m² with an NSR rate of Rp20,000 results in an NSR and DPP of Rp480,000, resulting in an Advertisement Tax Due of Rp120,000 at a rate of 25%. This simulation helps speed up the calculation process and reduces the potential for manual errors, and provide taxpayers with a clearer understanding of the basis for calculating advertising tax.

D. CONCLUSIONS

Based on the research findings, the implementation of the Advertising Rent Value (NSR) policy through Madiun Mayor's Regulation No. 83 of 2023 has provided clearer guidelines for determining advertising taxes based on the type of advertisement, road category, media area, condition of the advertisement, and duration of display. However, implementation still faces challenges in the form of unregistered billboards, limited oversight, and the calculation

of NSR, DPP, and billboard taxes due, which requires meticulous attention. The Madiun City Revenue Agency has conducted data collection, public outreach, coordination with relevant agencies, and the use of cashless payments to support the implementation of the policy.

As a practical solution, this study developed a Microsoft Excel-based simulation for calculating Advertising Tax in accordance with Municipal Regulation No. 83 of 2023. This simulation can automate the determination of the NSR rate, NSR, DPP, and the total Advertising Tax due based on data entered by the user. Using the simulation can speed up the calculation process, improve consistency, and reduce the potential for errors compared to manual calculations. However, this research is still limited to the development of a simple prototype, so further development toward a more integrated system is needed.

E. SUGGESTIONS

The Madiun City Regional Revenue Agency is expected to improve data collection, monitoring, and periodic updates of advertising data, as well as utilize a Microsoft Excel-based advertising tax calculation simulator as a tool to determine the NSR, DPP, and advertising tax due. Taxpayers or advertising operators are expected to improve their understanding of the provisions of Madiun Mayor Regulation No. 83 of 2023 so that they can fulfill their local tax obligations in accordance with the regulations. Future research could expand the simulation developed in this study into a more integrated system, such as a web-based application or information system, and test its effectiveness in improving service quality and the efficiency of local tax administration.

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