THE EFFECT OF RESTAURANT, ENTERTAINMENT INDUSTRIES TAX AND HOTEL TAX TO SUSTAINABILITY OF LOCAL REVENUE

Brilliant Adin Rijjal[1*], Novi Dirgantari[2], Eko Hariyanto[3], Edi Joko Setyadi[4]

[1,2,3,4] Faculty of Economics and Business, Muhammadiyah University Purwokerto, Indonesia.

*E-mail Correspondence : novidirgantari@gmail.com

Abstract

The problems with regional financial sustainability in all of South Kalimantan Province's districts and cities are the driving force behind this research. The dependence of regional financial management on the mining sector makes the management of restaurant, entertainment and hotel taxes less than optimal as a source of Regional Original Revenue. The purpose of this study is to examine the effect of restaurant, entertainment and hotel taxes on Regional Original Revenue in all Regencies and Cities in South Kalimantan during 2019 to 2021. The sample used consisted of 13 districts and cities using saturated samples. The findings of the regression test demonstrate that although hotel taxes have positive impact on municipal income, taxes on restaurants and entertainment have no effect. Positive effects from local taxes are possible if they are backed by sufficient geographic and demographic considerations.

Keywords: *Local Revenue, Restaurants Tax, Enterntainment Tax, Hotel Tax*

Abstrak

Permasalahan keberlanjutan keuangan daerah di seluruh kabupaten dan kota di Provinsi Kalimantan Selatan menjadi pendorong dilakukannya penelitian ini. Ketergantungan pengelolaan keuangan daerah pada sektor pertambangan membuat pengelolaan pajak restoran, hiburan dan hotel menjadi kurang optimal sebagai sumber Pendapatan Asli Daerah. Tujuan dari penelitian ini adalah untuk menguji pengaruh pajak restoran, hiburan dan hotel terhadap Pendapatan Asli Daerah di seluruh Kabupaten dan Kota di Kalimantan Selatan selama tahun 2019 sampai dengan tahun 2021. Sampel yang digunakan terdiri dari 13 kabupaten dan kota dengan menggunakan sampel jenuh. Temuan dari uji regresi menunjukkan bahwa meskipun pajak hotel memiliki dampak positif terhadap pendapatan daerah, namun pajak restoran dan hiburan tidak berpengaruh. Efek positif dari pajak daerah dapat terjadi apabila didukung oleh pertimbangan geografis dan demografis yang memadai.

Kata Kunci: Pendapatan Daerah, Pajak Restoran, Pajak Hiburan, Pajak Hotel

INTRODUCTION

The main tenets of regional autonomy implementation are local taxes and levies, which provide the local funding required to maintain local government activities. Local Revenue refers to the financial resources that are the responsibility and right of local governments to manage and maximize. In accordance with the provisions of Law No. 28/2009, Local taxes are mandatory payments to the area made by individuals or legal entities that are legally collected, without receiving any direct benefits, and that are utilized for regional purposes to maximize community welfare (Indonesia, Law (UU) Number 28 of 2009 Concerning Regional Taxes and Retribution, 2009). Making an effort to maximize the source of local tax income is one way to boost local revenue. According to the Financial and Development Supervisory Agency of South Kalimantan Province, there are four local governments in the region that have recorded local tax realization achievements below 50% in 2022. The local governments in question are Barito Kuala, Hulu Sungai Tengah, Hulu Sungai Selatan, and Balangan districts and this means that the region is not yet independent and has a considerable dependence on the central government. This results in support for

the level of regional independence being small and ineffective (Pratiwi & Harahap Putra, 2024).

Information from the Directorate of Regional Financial Balance of the Ministry of Finance of the Republic of Indonesia shows that until 2023, Indonesia's share of regional own-source income will only reach 24.2% of overall regional revenues. Meanwhile, Revenue Sharing Funds from various sectors reached 66.1%, with the dominance of Income Tax from regions in Java and coal, nickel, petroleum and similar mines. This condition shows an imbalance in the sources of APBD financing, which can be a potential threat to the sustainability of development in the regions (Direktorat Jendral Perimbangan Keuangan, 2023). Local taxes are included in the local revenue element, and should be the largest contributor to local income. District/city taxes and province taxes are the two categories of local taxes. Quantity of local taxes may not always have a major effect on local revenue, which in turn may not be able to stimulate the local economy. For example, during the pandemic, where most regions in Indonesia experienced a decline in local tax revenue, thus threatening the financial structure of the affected regions (Hadiwardoyo, 2020).

Table 1. Local Tax Revenue

Local Revenue	Transfer Income
78,44 %	21,23 %

Source: Kalsel, directorate general of treasury

On the other hand, based on the regional fiscal study of South Kalimantan province in 2021, the proportion of local revenue outside the mining sector amounted to IDR 1.01 trillion

with local taxes having the largest contribution reaching 634.38 billion. The taxes referred to are motor vehicle tax of 175.94 billion, motor vehicle title transfer fee (BBNKB) of Rp 94.56

billion, motor vehicle fuel tax of Rp 218.57 billion and surface water tax of Rp 1.21 billion. Meaning that most of the local revenue still comes from central government transfer funds (Directorate General of Treasury, 2021).

Similar to the provincial government, the South Kalimantan government constantly aims to become more independent and maximize local taxes in order to raise local income since it faces regional financial issues in the future. In determining the target (local revenue) is based on the potential that is actually owned. The South Kalimantan government has the authority to regulate its own region. The achievement of South Kalimantan Province's revenue amounted to Rp5.49 trillion or 21.60 percent. The South Kalimantan government received Central Government Transfer Revenue of 74.73% in the first quarter of 2020, thus illustrating that the regional financial structure is largely dependent on central government transfer funds (B. Saputra, 2022).

The South Kalimantan region is one of the regions in the country that is popular for its large coal mining sector. There are 13 districts where 8 districts have a mining area sector that contributes greatly to local revenue. The head of the South Kalimantan Financial and Development Supervisory Agency said in a statement, that realization local revenue in South Kalimantan province in 2022 there are 12 local governments that do not yet have fiscal independence. There are several local governments that have not been optimal in managing the potential of local taxes. In 2020, it was recorded that non-mining GRDP in South Kalimantan was only worth 18.29 percent, which means that other revenues are still dominated by the mining sector as the leading sector so that it creates regional dependence on mining revenue sharing, which can be stopped at any time because the mining concession period expires. The mineral and coal general mining sector is what produces the main and important revenue sharing funds in the regional financial structure. The revenue structure of the Revenue Sharing Fund, which comes from fixed fees and exploitation / exploration fees (royalties), is transferred to the regions with a certain percentage in a large enough amount, almost 70% more than the total revenue (Amalia, 2021).

Table 2. Realization of Regional Original Revenue (PAD) of Regency / City in South Kalimantan Province in 2022

District/City	Local Revenue (IDR Billion)				
	Regional Tax	Regional Retribution	results of management of separated regional assets	other valid own-source revenues	Total
Banjarmasin City	258,15	33,35	19,91	87,58	398,99
Banjarbaru City	165,64	11,46	7,68	108,95	293,73
Kota Baru District	123,38	6,54	10,98	76,61	217,51
Tanah Laut District	45,36	6,97	11,01	132,07	195,41
Hulu Sungai Tengah District	15,25	13,96	6,78	156,38	192,37
Hulu Sungai Selatan District	16,48	6,81	6,71	124,60	154,60
Banjar District	82,72	5,14	5,43	15,51	108,80

Tapin District	27,43	4,00	5,18	56,28	92,89
Hulu Sungai Utara District	11,22	5,73	10,10	61,45	88,54
Tabalong District	52,25	3,27	13,86	11,35	82,54
Tanah Bumbu District	65,20	3,27	0,00	8,72	77,19
Balangan District	11,30	1,71	13,57	49,81	76,39
Barito Kuala District	25,31	3,97	10,12	31,86	71,26

Source: Ministry of Finance Year 2022

Local revenue from local taxes includes routine revenue for each region, but different regions also differentiate how to explore tax potential. In regulating government and regional development, local revenue is a major source of income. Local levies and other lawful local revenue are among the several sources of local revenue, as stated in Law No. 23/2014 on Local Government. This provision provides a strong basis for local governments in an effort to provide improved services and independence in their regions (Syam & Zulfikar, 2022).

In accordance with research by Prasetyo et al (2023) in Central Java Province, various factors that influence growth on local revenue are (1). GRDP with the greatest influence means that developing the sector increases local revenue the ability to pay the community so that it has an effect on increasing taxes and increasing local revenue, (2). Government spending, the number of tourists and inflation significantly have a negative effect, (3). It turned out that the population had little bearing on municipal revenue (Prasetyo et al., 2024).

In contrast, research by Lestari (2024) in Tobelo City, The North Halmahera Regency demonstrates how local revenue is impacted simultaneously by groundwater taxes, land and construction taxes. Groundwater and billboard taxes do not have a negligible effect on local revenue. Local Revenue in this study is not efficient because the variables supporting Local Revenue are not optimal (Lis Lestari Sukartiningsih & Dahman Faisal, 2024).

On the other hand, research by Salsabila (2024) Regression analysis in DKI Jakarta demonstrates that local revenue is positively and significantly impacted by hotel and restaurant taxes, which means that it can be a potential source of Local Revenue if managed optimally. Furthermore, Local Revenue is adversely and significantly impacted by parking taxes. Thus, raising the parking charge might result in a drop in local revenue. (Zakia et al., 2024).

In accordance with this background, there are still differences between study results. Therefore, Reexamining the effects of hotel, entertainment, and restaurant taxes on local income is the goal of this research. The use of study objects that take mining regions large expanses with few populations distinguishes this research from earlier ones. This was carried out in order to support academic studies on extracting sources of local revenue outside of mining that have the potential to support financial sustainability and future development in South Kalimantan Province, for which there is still little scientific literature available.

LITERATURE REVIEW

In the context of (purchasing power parity (PPP) theory) , taking purchasing power from the households of the community to the households of the state, then channeling it back to the community with a view to maintaining the life of the community and to bring about a certain direction e.g. welfare (Mardiasmo, 2019). In other words, the main purpose of tax collection is to support the interests of society collectively, not just individuals or the state alone. Tax collection is based on the principle of social justice, where the interests of society as a whole are prioritized. This principle ensures that tax revenues are used to provide equitable benefits to all levels of society, with the intention of providing an increase in living standards and overall welfare (Halim & Dara, 2020). The purchasing power parity (PPP) theory is a concept that explains if the tax payment imposed by the state aims to maintain the welfare of the community. This theory also considers the relationship between people's economic capabilities and their interactions with other parties in the economy. Various factors that influence purchasing power include income levels, education levels, levels of need, consumption habits, prices of goods, and fashion trends. The advantages of the purchasing power theory are: Increases the relevance of economic data, Simplifies the identification of the direction of movement of currency exchange rates, Leads to increased relevance of purchasing power parity exchange rates by taking into account various factors that are important in exchange rate analysis. This theory has weaknesses such as not paying attention to the quality of goods, unrealistic, and inaccurate (Langen, 2024).
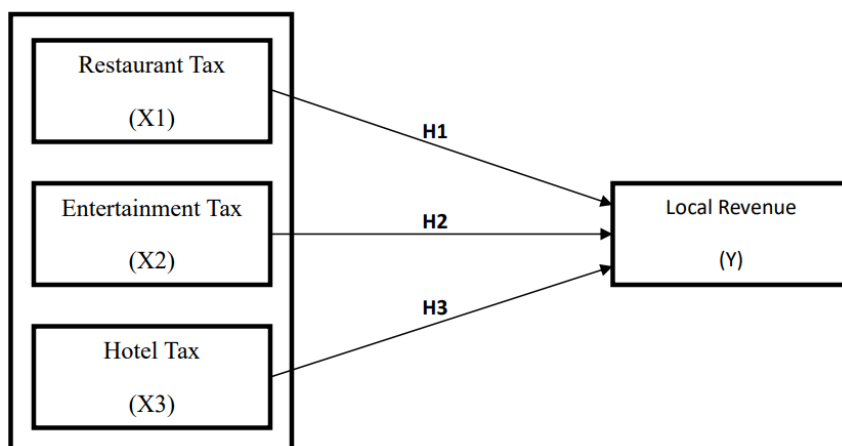

Figure 1. Conceptual Framework

As per the 2009 Restaurant Tax Law No. 28. A company that offers food and beverages for payment is subject to food and beverage tax. This includes cafeterias, restaurants, bars, stalls, canteens, and other establishments that offer food services or the supply of food services. Restaurant services are subject to the restaurant tax. The restaurant's services are the focus of the restaurant tax. The restaurant offers food and drinks for sale, which the customer can purchase and consume both within the establishment and outside of it.

If a region has a high GRDP, which is supported by the high level of trade, one of which is driven by the high level of purchasing power of the community, then the potential for restaurant tax as a supporter of increasing local revenue can be positive (Purwanto et al., 2022). This indicates that if the purchasing power in the area is strong, the restaurant tax will have a beneficial impact on municipal income, and the number of visitors is also sufficient to contribute to restaurant tax. In accordance with the theory of purchasing power, people who have high purchasing power will carry out many tertiary activities, because there is residual income that can be used to choose entertainment, one of which is by eating at restaurants, cafes, and so on (Long et al., 2021). This is what can later produce a domino effect on increasing restaurant taxes so that it contributes positively to local revenue.

Previous research conducted by (Kautsar, 2020) in Garut Regency, with observation years from 2021 to 2023, found that there was a positive effect of restaurant tax on local revenue. Similar results were also found in the research of (Antoro et al., 2023), which used Yogyakarta City as a research area, with the consideration that it is a bustling tourist area, there are many visitors and many tourists who have more than enough purchasing power, It was discovered that the restaurant tax increased local income. Six percent of the whole PAD is generated by the restaurant tax.

H_1 : Restaurant tax has a positive impact on local revenue

Law No. 28/2009 states that PDRD is a vital source of local income for funding the execution of local government initiatives. Local Tax , Levy is divided into two main types, namely Provincial Taxes which include 5 types of taxes and Regency / City Taxes which include 11 types of taxes, including Entertainment Tax. Entertainment Tax can have a positive impact on increasing local revenue, determined by several factors, including the number of entertainment events, the number of visitors, the selling price of admission tickets related to the purchasing power of the community as users of entertainment venues (Dede et al., 2021). In areas where there are many entertainment venues such as tourist areas that organize many shows, cinemas, and so on, and the interest of visitors is quite high, then the area has a high chance of getting a flow of local revenue originating from entertainment tax and conversely.

This is consistent with the notion of buying power (Mardiasmo, 2019) where the amount of tax flowed to the government depends on the ability of the community or household to make payments. The higher the purchasing power of the community, the more they will be able to carry out tertiary activities, such as filling their spare time by watching movies in theaters, seeing paid music performances, and so on, which in turn will flow local revenue through entertainment tax collection (Park & Song, 2018). The aforementioned rationale is supported by a number of earlier studies, which demonstrate that the entertainment tax significantly

increases local income. Among others, it is supported by research (Ngadiman, 2021), which conducted research in Bangka Belitung, and also supported by research from (Suha Bahmid & Wahyudi, 2018), which conducted research in Medan City. Both areas are areas that are classified as crowded with visitors and there are many performance events.

H_2 : Entertainment tax has a positive impact on local revenue

(Damayanti & Muthaher, 2020), who conducted research on the effect of hotel taxes in the Central Java Region, found that the number of hotels in various districts in Central Java had a noteworthy and favorable effect on local income. Contribution made by hotel tax from the number of hotels helps increase local revenue. This phenomenon can be explained by the high awareness of taxpayers, where hotel owners are aware of their obligation to pay taxes to support the development and sustainability of the country. Conversely, this awareness also motivates hotel owners to pay taxes in a timely and responsible manner, which in turn helps achieve the region's local revenue target. This study is consistent with (Jomaki & Pratomo, 2023) Hotel tax has been proven to have a positive impact on local revenue. Various factors such as the stable growth in the number of hotels each year, the increase in occupancy rates, and the fairly good purchasing power in the Greater Malang area have contributed. This phenomenon indicates that the development of the hotel industry, together with a rise in the number of guests staying overnight, will boost hotel tax income.

Stated differently, the expansion of hotels will have a substantial impact on local revenue, indicating a favorable correlation between the growth of the hotel sector and local income.

In theory, the Purchasing Power Principle asserts that tax collection must be based on the economic capacity of the community. Furthermore, the state will use the funds collected from taxes to return them to the community in the form of programs or services aimed at maintaining the welfare of the community as a whole. With this principle, the interests of all levels of society are prioritized, because the income obtained from taxes is directed back to them to improve the quality of life and welfare fairly and equitably (Mardiasmo, 2019). So, if the community has a high purchasing power, the potential for tax revenue collected from the community will be higher and can positively impact the flow of income in the community. In conditions where the community has a high purchasing power, followed by a large number of residents, the potential for tax revenue obtained from the tertiary sector will also be higher (Damigos, 2023). People characterized by high income, will have the willingness to pay more to enjoy recreational facilities, including one of them is a star hotel which tends to include tax-paid hotels. With the flexibility of existing financial conditions, the purchasing power to carry out high-priced hotel payments and pay taxes to get luxury facilities, will be higher than people with low purchasing power. If it happens in a large enough proportion of the population, it will have an impact on the acquisition of hotel

taxes so that it can have a significant impact on local revenue (Cetin et al., 2017)

H_3 : Hotel tax has an impact on Local Revenue

RESEARCH METHODOLOGY

The data collection method in this study is to use a quantitative approach using secondary data from regional government financial reports (LKPD) of all 13 districts and 2 cities in South Kalimantan from 2019 to 2021. One of the reasons for using data only up to 2021, is because there are changes in the rules regarding the governance of regional own-source revenue regulated by Law no 1/2022 concerning the financial relations between the central and regional governments. In the rules of Law no 1/2022, there is an expansion of the extraction of local revenue, which if forced to use data after 2021, it will result in incomplete data.This area was chosen because the south kalimatan province has a large mining area and it is interesting to know the proportion of local finance to local revenue where there is an estimate that mining reserves will run out. Secondary data obtained from the BPK Representative of South Kalimantan. The population as well as the sample used is all SKPDs that have duties as local tax managers in all regencies as well as South Kalimantan Province cities. This study's sampling strategy uses the saturated sample method with multiple linear regression analysis, where all SKPDs managing local taxes are taken as research samples (Abdullah et al., 2022).

In this study there are three independent variables including restaurant tax X_1, entertainment tax X_2, and hotel tax X_3 which influence the dependent variable, namely Local Revenue. Independent variable X1: article 1 of Law No. 28 of 2009 defines restaurant tax as a tax that is levied on services provided in restaurants and is calculated by measuring the amount of money that local governments really receive from restaurant taxes.

Independent variable X2: The entertainment tax is a tax levied on the entertainment organization in accordance with Law No. 28 of 2009 Article 42. This entertainment includes various types of spectacles, games, performances, and crowded events that are seen by paying. This entertainment tax measurement is carried out using rupiah units in accordance with the realization of entertainment tax revenue.

Independent variable X3: Taxes levied on services rendered by hotels are included in hotel tax, according Law No. 28 of 2009 Article 32. The Hotel Tax object includes all services provided by the hotel with payment, including supporting services that are part of the hotel facilities that provide comfort and convenience to guests, such as sports and entertainment facilities. This tax is measured according to the amount of payment made by the hotel to the local treasury, or the amount that should be paid by the hotel to the local treasury.

Is the outcome of the independent variable's effect (Sugiyono, 2015). In this context, the dependent variable is Local Revenue, as disclosed in Law No. 1 of 2022 Article 1, where Local Revenue is included as

regional revenue. Local Revenue measurement is carried out by using the total amount of Local Revenue recorded in Local Government Financial Reporting (LKPD). The following is the equation for multiple linear regression.

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Description:

Y = Regional Original Revenue

a   = Constant

$\beta_{1,2,3}$= Regression Coefficient

X1 = Restaurant Tax

X2 = Entertainment Tax

X3 = Hotel Tax

E = Confounding Variable/error.

RESULT AND DISCUSSION

Statistics Descriptive

Table 2. Test Results of Descriptive Statistical Analysis

	N	Minimum	Maximum	Mean	Std. Deviation
Restaurant Tax X1	39	20.28	24.73	22.3595	1.15937
Entertainment Tax X2	36	13.65	23.59	17.9665	2.70755
Hotel Tax X3	39	15.86	23.71	19.7718	2.10095
Local Revenue Y	39	25.03	26.56	25.8056	.40124
Valid N (listwise)	39				

Source: SPSS Vers 29 output, data processed (2024)

Considering the previously mentioned descriptive statistics, it shows that the sample used amounted to 39 research data. The mean value, highest value, lowest value and standard deviation are as follows:

a. In the restaurant tax variable (X1) the minimum value is 20.28 Rupiah and the maximum value is 24.73 Rupiah. Meanwhile, the average value is 22.3295 Rupiah with a standard deviation of 1.15937 Rupiah. The results of the descriptive statistics show that the average value is greater than the std. deviation value, therefore it can be interpreted that the data distribution on the restaurant tax variable is good.

b. In the entertainment tax variable (X2), the minimum value is 13.65 Rupiah and the maximum value is 23.59 Rupiah, while the average value is 17.9665 Rupiah with a standard deviation of 2.70755 Rupiah. The results of the descriptive statistical test which show evidence of a higher average value than the std. deviation value, can represent if the distribution of data on the entertainment tax variable is good.2.1 Headings, tables and figures.

c. In the hotel tax variable (X3) the minimum value is 15.86 Rupiah and the maximum value is 23.71 Rupiah while the average value is 19.7718 Rupiah with a standard deviation of 2.10095 Rupiah. Judging from the comparison of the mean value with the standard deviation, it is evident that the mean value is higher than the standard deviation value, therefore it can be interpreted that the data distribution on the hotel tax variable is good.

d. In the Local Revenue variable (Y), the minimum value is 25.03 Rupiah and the maximum value is 26.56 Rupiah, while the average value is 25.8056 Rupiah with a standard deviation of 0.40124 Rupiah. Comparison between the mean value and standard deviation shows that if the mean value is higher than the standard deviation, it can be concluded that the distribution of data on the Local Revenue variable is good.

Analiysis Multiple Regression

Table 3. Multiple Regression Analysis Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	21.654	1.151		18.806	<.001
Restoran Tax X1	.080	.067	.212	1.188	.244
Hiburan Tax X2	.024	.038	.156	.625	.536
Hotel Tax X3	.098	.041	.511	2.416	.022

Source: Output SPSS Vers 29, data Processed (2024)

Based on table 3. Then the multiple linear regression analysis equation in this study is as follows:

a. Score Constant

The constant value obtained is 21.654 Rupiah, so it can be interpreted that if the independent variable (X_1, X_2, X_3) has a value of 0 (constant), the dependent variable Local Revenue has a value of 21.654 rupiah.

b. The effect of X1 Restaurant Tax on Local Revenue Y

The coefficient of regression variable X_1 worth 0.080 indicates that every increase in restaurant tax worth 1 rupiah will increase Local Revenue worth 0.080 rupiah.

c. Effect of Entertainment Tax X2 on Local Revenue Y

The coefficient value of regression variable X_2 worth 0.024 indicates that every increase in restaurant tax worth 1 rupiah will increase Local Revenue worth 0.024 rupiah.

d. Effect of Hotel Tax X3 on Local Revenue Y

The regression coefficient value of variable X_2 worth 0.98 indicates that every increase in hotel tax worth 1 rupiah will increase Local Revenue worth 0.98 rupiah.

Coefficient Determination (Adjusted R2)

Tabel 4. Result Coefficient Determination (Adjusted R2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.829[a]	.688	.659	.24113

Source: *Output* SPSS Vers 29, data processed (2024)

The coefficient of determination test result is 0.659, which shows the ability of restaurant tax, entertainment tax, and hotel tax in explaining the local revenue variable by 65.9%, the remaining 34.1% is explained by variables outside this study such as land and building tax, parking tax, etc.

Test Model Fit (Test Statistic F)

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Tabel 5. Result Statistic F

ANOVAᵃ

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	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.104	3	1.368	23.528	<.001ᵇ
	Residual	1.861	32	.058		
	Total	5.965	35			

a. Dependent Variable: LN_Y
b. Predictors: (Constant), LN_X3, LN_X1, LN_X2
Source: *Output* SPSS Vers 29, data processed (2024)

The value of f count 23.528> and the sign value of 0.001 <0.05 According to F table 2.92, the regression model in use satisfies the requirements of the standard goodness of fit test.

Test Significance Parameter Individual (Test Statistic T)

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Tabel 6. Result Test Significance Parameter Individual (Test Statistic T)

Coefficientsᵃ

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Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	21.654	1.151		18.806	<.001
Restaurant Tax X1	.080	.067	.212	1.188	.244
Entertainment Tax X2	.024	.038	.156	.625	.536
Hotel Tax X3	.098	.041	.511	2.416	.022

a. Dependent Variable : PAD
Source : *Output* SPSS Vers 29, data processed (2024)

The test results are as follows:

a. X1 sig 0.244 > 0.05 and T count 1.188 < t table 2.028 H1 is rejected there is no impact of X1 on Local Revenue.

b. X2 sig 0.536 > 0.05 and T count 0.625 < 2.028 T table H2 is rejected and there is no effect of X2 on Local Revenue.

c. X3 sig 0.022 < 0.05 and t count 2.416 > t table 2.028 H3 is accepted and there is an influence of X3 on Local Revenue.

In accordance with table 3 Among the outcomes of the Multiple Regression test, the findings obtained a significance value of 0.244 or> 0.05 and t count 1.188 or < t table 2.028. Therefore, if H1 is denied, it may be inferred that the restaurant tax has no effect on local revenue. This study is in accordance with the study (Suwarsa & Hasibuan, 2021), which claims that the restaurant tax has no impact on local revenue. The reason there is no impact is because there are not many supporting facilities

for tax revenue. The number of restaurant growth in South Kalimantan has relatively increased significantly, but is only centered in certain areas. Furthermore, there was no discernible rise in restaurant patronage to match the development in the number of eateries, meaning that the increase in the restaurant tax contribution to local revenue was not greatly affected. This is due to several factors, such as the relatively low and uneven population growth, where more people live in rural areas far from places to eat, the purchasing power of the community is quite low, and there is still low awareness of the owners of catering services, restaurants and similar industries to become taxpayers (Badan Pusat Statistik, 2021b).

The distribution of the population in rural areas, the number of restaurants and catering services as taxpayers and the purchasing power of the community in all districts and cities in Kalimantan as a result of the 2011-2020 BPS survey can be described in average values as follows:

Table 7. Purchasing Power of South Kalimantan People

No.	District/City	Percentage of population in Rural Areas	Number of Restaurant Taxpayers	purchasing power < Rp.1.500.000/month
1.	Banjarmasin	2,02%	754	55,35%
2.	Banjarbaru	0%	209	45,87%
3.	Tanah Laut	76,29%	15	81,32%
4.	Hulu Sungai Selatan	75.3%	212	82,14%
5.	Hulu Sungai Utara	-		90%
6.	Barito Kuala	78,76%		72,67%
7.	Tapin	85,92%	11	72,25%
8.	Tabalong	74%	354	59,8%
9.	Balangan	90%	50	80,32%
10.	Kotabaru	76,34%		74,64%
11.	Hulu Sungai Tengah	81,18%		82,92%
12.	Tanah Bumbu	-		71,53%
13.	Banjar	68,78%		75,12%

Source : BPS South Kalimantan , 2011- 2023 (processed)

South Kalimantan with a population of 2,086,503 people, has an uneven distribution of domiciles, more than 60% of the population lives in rural areas far from the reach of catering and entertainment facilities. The same applies to purchasing power. Almost 60% of the population has a purchasing power of <Rp 1,500,000 per month, with a purchasing power that is quite low, on average far below the provincial minimum wage of Rp 2,906,473.32 (in 2022). This has an impact on people's ability to carry out activities in the secondary and tertiary sectors, such as recreation, staying in hotels, eating in restaurants, and so on (Herwin, 2022). Herwin's research, which uses Riau Province as the object of research with an observation time span of 10 years, from 2008 to 2019, found that the low purchasing power of the community and the relatively small population had an impact on the achievement of the amount of Local Revenue, especially taxes related to the tourism sector. These taxes include restaurant tax. Potential investors in areas that are categorized as quiet, tend to be

reluctant to develop restaurant business investment in the region, because it is seen as not prospective.

This is also supported by research (Yulida & Nailiah, 2022) in 2020 in Banjarmasin Regency, where during the pandemic, per capita income / GDP per capita experienced a sharp decline, which was 66.02%, which directly impacted revenue generation from restaurant taxes. The research is also supported by (Lintong et al., 2023), which shows that the number of tourist visits has an impact on increasing restaurant taxes. In accordance with South Kalimantan data in 2022 per capita income of 46.71 million / year while the consumer price index which shows if the average income in South Kalimantan is low when compared to the cost of living that should be incurred worth Rp 12,038,769 / month / KK, thus showing the inability of the average person to eat in restaurants because if people can afford to eat in restaurants if their income is high (Viva Budy Kusnandar, 2022).

Partially, The processed data analysis results show the Entertainment Tax Variable (X2) and a significant value of 0.536, which is larger than 0.05. Additionally, the computed t value of 0.625 is less than the 2.028 t table value. Furthermore, with a positive regression coefficient of 0.024, it can be concluded that hypothesis H2 is rejected. This indicates that Entertainment tax does not have a significant impact on Local Revenue. This study supports previous studies (Nuralifah et al., 2024), This demonstrates that the entertainment tax has no effect on local revenue. Other local revenue sectors also exist, but they are not related to this

study so they have no effect. The cause of the absence of influence is because there are not many supporting facilities for the emergence of entertainment tax revenues in each region in 13 districts of South Kalimantan Province such as cinemas and events and entertainment tax categories for karaoke businesses, playgrounds, futsal, billiards and SPA places. In the South Kalimantan regional fiscal study for the third quarter of 2019, Banjarbaru city became the largest entertainment tax producer with a realization figure of IDR 4.453 billion with a number according to BPS data of 262,719 residents so that there is little potential in tax payments. Tourism visits in 2021 reached 3,428,923 with the highest number in Tabalong Regency worth 1,156,925 and the lowest number of tourist visits 9,558 in the Regencies of Hulu Sungai Utara and Balangan, demonstrating that the quantity of tourist visits significantly influences the entertainment tax (Dinas Pariwisata Kalimantan Selatan, 2023).

According to the data analysis that has been carried out, it is concluded that partially the Hotel Tax Variable (X3) has a sig level of 0.022, which is <0.05. In addition, the calculated t value of 2.416 also exceeds the t table value of 2.028. Furthermore, with a positive regression coefficient of 0.098, the conclusion that can be drawn is if hypothesis H3 is accepted. This indicates that hotel taxes significantly increase local revenue. This study is in line with research (Sabu & Tang, 2023) It claims that the hotel tax significantly affects local revenue. The reason for the influence is because according to BPS South Kalimantan data, in 2021 there were 440 businesses with

the number of available rooms reached 11,010 rooms with 61 star hotel units with 4,847 rooms and 379 non-star hotels with 6,163 rooms. In accordance with the data from BPK South Kalimantan in 2021, hotel tax with a realization of 55.11% is a type of tax that supports South Kalimantan Local Revenue because the realization has reached 50% despite the pandemic. In terms of hotel occupancy rates, according to BPS sources, the occupancy rate of star-rated hotel rooms in 2021 in South Kalimantan reached 497.51%, This amount affects hotel taxes, which in turn has a big impact on local revenue (Badan Pusat Statistik, 2021a). The results of Bank Indonesia's fiscal review of the South Kalimantan region in the 3rd quarter of 2021, the dominance of hotel visitors whose average origin is from business visits and work related to the coal mining business, makes the PAD originating from this Hotel Tax can have revenue stability (Ministry of Finance Directorate General of Treasury, 2021).

CONCLUSION AND SUGGESTION

Based on the information presented above, it can be said that South Kalimantan's local revenue is unaffected by the restaurant and entertainment taxes. In contrast, there is a positive impact of Hotel Tax Variables on Local Revenue in South Kalimantan. One of the limitations of this study is that it only looked at three types of municipal tax factors: entertainment, hotel, and restaurant taxes. It did not take into account moderating or intervening variables like income levels, demographics, or geographic location.

However, if sufficient demographic and geographic conditions are in place, local taxes should be able to have a favorable effect, according to relevant research and theories. In the case of several districts in South Kalimantan Province, the total population in 2021 is only 2,086,503 and spread in rural areas, which is an obstacle to generating entertainment and restaurant tax revenues that are studied so that they can have a positive impact on Local Revenue. Meanwhile, for hotel tax, the Geographical factor of South Kalimantan is supported by the mining area which brings in workers mostly from outside Kalimantan, thus increasing temporary accommodation which in turn has a positive impact on increasing hotel tax on (Sulaimansyah, 2021). Suggestions for future research can involve other variables outside the tax component, such as macroeconomic, demographic and geographic variables as intervening or moderating variables to improve the results of future studies.

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