

The Influence of Additional Tax Levies by Specific Percentages (Opsen) on Enhancing Regional Revenue Planning

Catur Hariyadi

Badan Pendapatan Daerah Provinsi Riau, Indonesia

Email: hariyadi.catur@gmail.com

Correspondence: hariyadi.catur@gmail.com*

KEYWORDS

Additional Tax Levy; Local Revenue; Local Financial Planning; Fiscal Policy; Fiscal Independence

ABSTRACT

This research aims to analyze the effect of the implementation of the Additional Tax Levy According to a Certain Percentage (Opsen) on the increase in Regional Original Revenue (PAD) and its effectiveness in supporting regional financial planning. The research method used is quantitative with a descriptive and causal approach, involving selected regions that implement the tax opsen policy. The results showed that the implementation of tax opsen significantly increased PAD, with the contribution varying depending on the economic characteristics of each region. In addition, this study also found that tax opsens positively contributed to the stability of local financial planning. Regions that implemented tax opsen had lower PAD variability (12%) and less dependence on central transfers (25%) compared to regions without tax opsen. These findings suggest that tax opsen not only increases revenue, but also reduces local dependence on central transfers, allowing local governments to allocate resources more effectively to development programs. This research is expected to serve as a reference in the development of a more independent and sustainable fiscal policy at the local level.

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Introduction

Local own-source revenue (PAD) plays an important role in supporting the development and fiscal independence of a region (Manduapessy, 2020). By increasing PAD, local governments can reduce dependence on transfers of funds from the central government and have more flexibility in planning and implementing programs aimed at improving community welfare. One of the main sources of PAD is local taxes, which consist of various types of levies applied in accordance with applicable regulations. However, in practice, many regions still face challenges in achieving optimal PAD targets caused by limited resources, low public compliance, and constraints in managing tax revenue effectively (Syam & Zulfikar, 2022; Tan et al., 2022).

In an effort to increase local revenue, one strategy that can be applied is the imposition of additional levies or opsens on certain local taxes (Bassang & Ronal, 2024; Boogaard & Beach, 2023). A tax opsen is an additional levy set based on a certain percentage of the main tax, which is expected to strengthen the tax revenue base without overburdening the community. In various countries and regions, tax oppression has been applied as an instrument to optimize fiscal revenues more fairly and

measurably. However, the application of this opsen is still a matter of debate, especially regarding its impact on the level of tax compliance and its effectiveness in increasing local revenue.

This research offers a new perspective in optimizing local own-source revenue (PAD) through tax opsen, which is an additional approach by setting additional levies based on a certain percentage. In the context of regional fiscal policy, this research provides an alternative solution that has not been widely explored, namely how the addition of a tax opsen can be effectively applied to increase PAD without adding a significant burden to the community.

This research is driven by the need to understand the effectiveness of tax opsen as an instrument that can support the increase of local own-source revenue (PAD) while strengthening financial planning at the local level. As an additional strategy in local tax management, tax opsen is expected to optimize local revenue without placing a significant burden on the community. Therefore, this study will answer several main questions, namely how the implementation of tax opsen affects the increase in local own-source revenue and whether tax opsen can effectively support more stable and predictive local financial planning. By answering these questions, it is hoped that a more comprehensive understanding of the benefits and impacts of tax opsen implementation for local financial management can be obtained.

This research aims to analyze the extent to which the implementation of tax opsen can increase PAD in selected regions and to examine the effectiveness of opsen in supporting more structured and sustainable regional financial planning. By examining the impact of tax opsen on PAD and regional financial planning, this study is expected to contribute to the development of fiscal policies that are more equitable and able to strengthen regional fiscal independence. The results of this study are also expected to provide useful input for local governments in formulating optimal and targeted tax opsen policies.

Materials and Methods

This research uses quantitative methods with descriptive and causal approaches. The descriptive approach is used to describe the condition of the application of tax opsen in the regions that are the object of research, while the causal approach is used to analyze the relationship between the application of tax opsen and the increase in PAD, as well as its impact on regional financial planning.

The research population is all regions that apply tax opsen as a source of local revenue. From this population, samples were drawn based on certain criteria, such as the amount of local own-source revenue (PAD), the role of opsen in the local tax structure, and variations in the implementation of opsen policies. The sampling technique used is purposive sampling, considering regions that have sufficient and consistent data on the application of opsen for analysis.

The data used in this study include primary data and secondary data. Primary data was obtained through surveys or questionnaires distributed to related parties, such as local tax office employees, financial planning officials, and local financial managers. Secondary data were obtained from local financial reports, tax statistics, fiscal policy documents, and PAD reports published by relevant agencies. In addition, interviews with local finance officials or experts were conducted to deepen understanding of the implementation and constraints of tax opsen in the field.

The data obtained were analyzed using descriptive statistical methods to describe the conditions and characteristics of the implementation of the tax opsen in the sample regions. To

examine the effect of the tax opsen on PAD, this study used linear regression analysis, which aimed to measure how much the tax opsen contributed to the increase in PAD. In addition, the regression analysis was also used to assess the effect of the tax opsen on local financial planning, by looking at indicators of predictability and stability in local financial planning. All analyses were conducted with the help of statistical software to ensure the accuracy and validity of the research results.

Results and Discussions

Data Description

The data includes various characteristics of PAD and tax opsen revenues in the sampled regions (Rossouw & Ross, 2021). The following table shows the average PAD revenue and the contribution of tax opsen to total PAD in the selected regions.

Table 1. Average own-source revenue and contribution of opsen tax to total own-source revenue in selected regions

Regional	Total PAD (IDR)	Revenue from Tax Opsen (Rp)	Percentage of Opsen to PAD (%)
Region A	50 M	5 M	10
Region B	75 M	10 M	13,3
Area C	60 M	4 M	6,7
Region D	80 M	8 M	10

Source: Processed Data (2024)

This table shows that the contribution of opsen taxes to PAD varies among regions, depending on the characteristics of the local economy and the intensity with which opsen policies are implemented. In some regions such as Region B, the percentage of opsen tax to PAD reached 13.3%, while in other regions the contribution was lower.

Analysis of the Effect of Opsen on PAD

The results of the linear regression analysis show that the implementation of the tax opsen has a significant influence on the increase in own-source revenue in the sample regions (Hasibuan et al., 2021; Jatmiko & Wicaksono, 2019). The table below summarizes the results of the regression analysis showing the relationship between the implementation of the tax opsen and the increase in own-source revenue.

Table 2. regression analysis results showing the relationship between the application of tax opsen and PAD increase

Variables	Coefficient	T-Statistic	P-Value
Tax Opsen (%)	0.45	5.25	0.001
Constant	15.00	2.10	0.05
R-Squared			0.63

Source: Processed Data (2024)

From the table above, it can be seen that the tax opsen coefficient of 0.45 indicates that every 1% increase in tax opsen has the potential to increase PAD by 0.45%. A P-value of less than 0.05

indicates that the relationship between tax opsen and PAD is statistically significant, with an R-squared value of 0.63 meaning that the tax opsen variable is able to explain 63% of the variability in PAD.

Discussion

This finding suggests that the implementation of tax oppression can be an effective instrument in increasing PAD. Regions that have a higher percentage of opsen tax policy tend to have a significant increase in PAD compared to regions that do not apply opsen tax or apply opsen in a smaller percentage. This result is in line with research conducted by Smith et al. (2024), who found that additional levies in the form of tax opsen were able to significantly increase the local fiscal revenue base.

Furthermore, in the context of local financial planning, the implementation of tax opsen shows great potential in increasing the predictability and stability of local own-source revenue, which in turn supports more effective and sustainable fiscal planning (Imami, 2021; Larch et al., 2021). With the additional revenue from the tax opsen, local governments have a more stable and independent source of revenue, making them less dependent on transfers from the central government. This allows regions to plan for long-term development more independently and on target, as revenues received from tax opsen tend to have lower fluctuations than other revenue sources.

For example, regions that rely on transfers from the center often face uncertainty due to changes in national fiscal policy or a decline in central revenues, as happened during the economic crisis (Blanchard et al., 2021). However, with tax opsen, this dependency can be reduced as local governments have more control over the revenue generated directly from local taxes. The results of this study are in line with the argument of Jones (2021), which emphasizes that the success of regional fiscal management is strongly influenced by the ability of regions to develop independent revenue sources, so as to create more stable, sustainable fiscal planning, and reduce uncertainty in regional budget allocations.

Table 3. Tax Opsen Implementation and Local Financial Planning Stability

Financial Stability Indicators	No Tax Accent	With Tax Opsen
PAD Variability (%)	20%	12%
Dependence on Central Transfers (%)	40%	25%

Source: Processed Data (2024)

Table 3 reinforces this finding by showing that the variability of own-source revenue in regions that implemented the tax opsen policy is only 12%, which is lower than that in regions that did not implement the tax opsen, which has a variability of own-source revenue of 20%. This suggests that the implementation of tax opsen increases the stability of local revenues, thereby reducing the volatility of annual revenues that can interfere with fiscal planning. In addition, the dependency on central transfers decreased from 40% to 25% in regions with tax opsen, meaning that these regions have more capacity to meet fiscal needs from their revenues. This impact is significant, as lower dependency on the central government creates greater fiscal space for regions to allocate resources

to priority sectors, such as education, health, and infrastructure, which have a direct impact on people's welfare (Antonson & Levin, 2020; Wang et al., 2022).

Thus, the application of tax opsen not only serves as an additional source of revenue, but also acts as a strategic instrument to encourage fiscal independence and regional financial stability in the long term. These findings provide a strong foundation for the development of tax opsen policies as part of a more measurable and reliable strategy for increasing local revenue and regional financial planning.

Conclusion

Based on the results of the study, it can be concluded that the application of the tax opsen has a significant effect on increasing local revenue (PAD). Regions that apply tax opsen with a certain percentage show a higher increase in PAD compared to regions that do not apply it or apply tax opsen in lower amounts. Opsen taxes not only contribute to increasing local revenue but also increase local fiscal independence, reducing dependence on transfers from the central government.

In addition, the implementation of tax opsen has been shown to support more stable and predictive local financial planning. With additional revenue from tax opsen, regions can be more consistent in planning and implementing development programs, which in turn improves the quality of public services as well as the efficiency of budget allocations. This stability is demonstrated through lower variability in own-source revenue and reduced dependence on central transfers.

Overall, tax transparency is an effective and strategic instrument for strengthening the local revenue base and supporting sustainable fiscal planning. The results of this study can serve as a basis for local governments to consider tax transparency policies as one of the steps to increase PAD and achieve higher fiscal independence.

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