

## **IMPACT OF CHANGES IN LOCAL TAX LAW AND LEVIES FINANCIAL CAPABILITY OF DISTRICT / CITY IN JAVA**

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### **ABSTRACT**

The implementation of regional autonomy that has been running for ten years still shows degree of dependence of local government district / city government against pusat so intense that the average contribution of local revenues to total revenues of the district / city is less than 10%. Birth of law number 28 of 2009 on local taxes and levies with effect from January 1, 2010 which includes the expansion and upgrading source of local revenue from local taxes and levies diharapkan able to increase the financial capacity of the district / city so that the degree of independence of the area increases, This research aims to analyze the effectiveness of the changes in tax laws and local levies to the financial capacity of districts / cities in Java. The population of this study included all regencies / cities in Java, except the province of special areas of the capital Jakarta, with the consideration that the district / city in Jakarta is not an autonomous region but only the administrative area. The number of districts / cities in this study 114 districts / cities which consists of 8 districts / cities in Banten province, 28 districts / cities in West Java province, five districts / cities in the province of Yogyakarta Special Region, 35 districts / cities in Central Java province and 38 districts / cities in East Java province. The observation period from 2010 to 2013. The data used are secondary data obtained from the Central Bureau of Statistics (various publications). Data analysis method used was descriptive by describing phenomena. This study failed to find that the financial capacity of districts / cities in Java, as measured by the average contribution of local revenues to total local revenue showed a rising trend with the details: Banten Province in 2010 of 13.13%, in 2011 amounted to 18.69% , in 2012 amounted to 20.60% and in 2013 amounted to 22.04%; West Java in 2010 amounted to 10.60%, in 2011 amounted to 13.00%, in 2012 amounted to 14.74% and in 2013 amounted to 16.18%; Central Java in 2010 of 10.03%, in 2011 amounted to 9.82%, in 2012 11.03% and in 2013 amounted to 12.35%; East Java in 2010 amounted to 8.63%, in 2011 amounted to 9.94%, in 2012 amounted to 11.19% and in 2013 amounted to 12.29%; Yogyakarta Special Region in 2010 amounted to 11.63%, in 2011 amounted to 12.94%, in 2012 amounted to 15.05% and in 2013 amounted to 16.79%. The results showed that the change in local tax laws and levies effectively able to improve the financial capacity of districts / cities in Java.

### **INTRODUCTION**

Implementation of regional autonomy in Indonesia, which is based on Law Number 22 of 1999 on Regional Government, since 2001 has implications for changes in the system of decision-making concerning the allocation of resources in local government budgets. Previous approaches allocation determination refers more to the realization of the previous year's budget with a slight increase (incremental) without changing the type or expenditure (line-item). Approach or the system is referred to as the traditional budget system (line-item and incremental budgeting). After the regional autonomy, precisely in 2003, the budget approach used is performance-based budgeting (performance-based budgeting).

Government Regulation (PP) No. 105/2000 and Decree of the Minister of the Internal Affairs No. 29/2002 as the elaboration of Law No. 22/1999 confirms that the area has the authority to determine the allocation of resources to the expenditures with the principles of propriety, needs, and capabilities of the region. The local government, in cooperation with the Regional Representatives Council (DPRD) as a legislative body, first determine the general policy direction (AKU) and budget priorities as guidance in the allocation of resources in the budget. AKU and budget priorities is a synthesis of the results of people's aspirations in order to obtain enough picture about the policy short-term (annual) and long-term policies (five-year) related to financial management policies. In line changes and developments in the laws and regulations that underlie the local financial management by the amendment of Law No. 22/1999 32/2004 which was followed by an amendment to the PP 105/2000 with PP Then the Decree No. 58/2005 29/2002 also amended with Regulation No. 13/2006. These regulatory changes are intended to be the shortcomings of the earlier regulations can be avoided and can accommodate the interests of both central and local government.

Implementation of governmental functions wider local government has to be supported by sufficient financial resources. It is recognized that the sources of revenues between one region to another is very diverse. There are some areas that have the fiscal capacity is quite high, but there are some areas that are minimal regional financial

capability. The birth of the Law on Local Taxes and Levies The new course will also affect the reception area particularly original income. In the Act contains the type and levies as well as limit local tax rates and levies.

Law No. 32 of 2004 on the National Development Program, confirmed that the Setup program financial management professional, efficient, transparent, and accountable. Targets to be achieved is the increasing proportion of revenue (PAD) in the financing for development activities and community service. Based on Law No. 32 of 2004 Article 157 of the Local Government, steady source of income used to finance various activities Autonomous Region consists of:

1. Local Revenue
2. Balance Fund
3. Other Income, Legitimate

Sources of Local Revenue is a regional financial sources excavated from within the region concerned. The proportion of regional revenue in the entire reception area is still low when compared with the reception of central government assistance. This resulted in the need to expand the effort to explore the potential of local finance in increased local revenues. Importance of Local Revenue in supporting fixed income used to finance various activities of local governments is recognized by the local government. Similarly, alternatives to maximize regional revenue was also considered by the central government. Based on Law No. 33 of 2004 on Financial Balance between Central and Local Government, Local Revenue consists of:

1. Local Tax
2. Levies
3. Results of Regional Wealth Management The Separated,
4. Other Local Revenue .

Law number 33 of 2004 on the financial balance between central and local government, said that the sources of local revenue in relation to the implementation of regional autonomy is from local revenues, equalization funds, borrowing and other legitimate income areas. Local Revenue (PAD) is revenue from own area consisting of the results of local taxes, levies, companies owned by regional and area properties management are separated, and other local revenue legitimate, is expected to provide a buffer in the implementation of the activities local government. With more and more areas need to be financed by revenue (PAD), the higher the level of quality of regional autonomy, and also increasingly financially independent regions.

On August 18, 2009, the House of Representatives of the Republic of Indonesia has approved and endorsed the Draft Law on Local Taxes and Levies (Bill PDRD) into Act No. 28 of 2009 in lieu of Law No. 18 of 1997 and Act No. 34 2000. Ratification of the Law on Regional Tax and Retribution (UU PDRD) is very strategic and fundamental in the field of fiscal decentralization, because there is a fairly fundamental policy changes in the realignment of the financial relationship between central and regional governments. This Act came into force on January 1, 2010. With the change in the new Act of Law No. 34 of 2000 into Law No. 28 of 2009 led to the expansion of the tax object of the districts and cities and the expansion of the levies that if the implementation of such laws are effective is expected to improve the financial capability of the district / city.

## **THEORETICAL FRAMEWORK**

### **Definition Of Region Autonomy**

Here are presented several definitions of autonomy :

- a. According to Law No. 32 Year 2004 on Regional Government Article 1, paragraph 5.  
"Regional autonomy rights, authorities, and obligations of autonomous regions to set up and manage their own affairs and interests of local communities in accordance with the legislation." (Law on Regional Autonomy 2004: 4).
- b. According to Webster's Third New International Dictionary  
The word autonomy comes from the Greek (Greek), ie from *Autonomia* said, which means:  
The quality or state being independent, free, and self-directing. Or the degree of self-determination or political control possessed by a minority group, or political territorial division unit in its relations to the state or political community of the which it forms a part and extending from local to full independence.  
(Saragih, 2003: 39 and 40).
- c. According to the Encyclopedia of Social Science  
In the original sense, autonomy is the legal self sufficiency of social body and its actual independence (Yani, 2002: 5).
- d. According to Black's Law Dictionary  
Define autonomy is the political independence of a nation, the right (and condition) of the power of self-government. The negation of a state of political influence from without or from foreign powers (Ibid: 5).  
In implementing fiscal decentralization, the principle of money should follow function is one of the principles that must be observed and implemented. That principle means that every conveyance or transfer of functions of

government have consequences on the budget necessary to exercise these powers (Saragih, Op cit: 83). Equalization Fund for central and local derivatives of decentralization policy. That is, the more authority delegated, the tendency of the greater costs required by the region.

### **Definition Decentralization**

According to Law No. 32 of 2004 on Regional Government Article 1, paragraph 7, and Law No. 33 on Fiscal Balance between Central and Regional Government Article 1, paragraph 8, "Decentralization is the devolution of government power by the Government to autonomous regions to set up and administer governmental affairs in the system of State Unitary Republic of Indonesia." (Law of Regional Autonomy in 2004: 4 and 220)

### **Definition Of Fiscal Decentralization**

Fiscal decentralization can be briefly defined as a process of distribution of the budget of the higher levels of government to lower governmental, to support the functions or duties of government and public services in accordance with the number of areas of government delegated authority (Saragih, Op cit: 83)

### **Regional Financial Performance**

Performance or financial capacity of the area is one measure that can be used to look at the ability of carrying out local autonomy (Halim, 2004: 24).

To view the financial performance areas, can be done by analyzing

- a. The degree of fiscal decentralization (local independence level)
- b. Needs Fiscal (fiscal need)
- c. Fiscal capacity (fiscal capacity)
- d. Fiscal measures (tax effort)
  1. The degree of fiscal decentralization  
The degree of fiscal decentralization is the degree of independence to fund its own regional needs without reliance by the central government (Ibid: 27)
  2. The need for fiscal  
According to Law No. 33 of 2004 Article 28, paragraph 1, "Local Fiscal need is the funding needs of the region in basic public services." (Local Autonomy Law 2004: 236).
  3. Fiscal Capacity  
According to Law No. 33 of 2004 Article 28, paragraph 3, "Local Fiscal capacity is a local funding source coming from the PAD, and revenue sharing." (Ibid: 236).
  4. Fiscal Efforts  
Fiscal effort is the coefficient of elasticity of revenue (PAD) to the Gross Regional Domestic Product (GRDP).
  5. Fiscal Needs Standards (SKF)  
Standard fiscal needs is the average fiscal needs of a region Standards (Halim, 2004: 29)
  6. Fiscal Capacity Standard (KFS)  
Fiscal Capacity Standard (KFS) is the average fiscal capacity of a local standard (Ibid: 29)
  7. The higher the income of (PAD), the stronger is the degree of fiscal decentralization (the level of independence of the region). The lower revenue (PAD), the less well the degree of fiscal decentralization (the level of independence).
  8. The higher the Tax Sharing and Non-Tax (BHPBP), the stronger is the degree of fiscal decentralization (the level of independence of the region). The lower the Tax Sharing and Non-Tax (PHPBP), then the weaker degree of fiscal decentralization (the level of independence of the region).
  9. The higher the Regional Contribution (SB) then the weak degree of fiscal decentralization (the level of independence of the region). The lower the Regional Contribution (SB), the stronger the degree of fiscal decentralization (the level of independence).
  10. The higher the index Public Services Per Capita (IPPP), the greater the need for fiscal (fiscal need). The lower the index Public Services (IPPP), the less need for fiscal (fiscal need)
  11. The more elastic revenue (PAD) an area, then the structure of revenue (PAD) of the area the better. The more inelastic revenue (PAD) an area, then the structure of revenue (PAD) of the area is getting worse.

## **RESEARCH METHODS**

### **Object of research**

The object of this research is the realization of the budget revenues and expenditures that include realization of revenue from the district / city, the realization of revenue of the district / city, the tax revenue of the district / city, and the realization of revenue from levies district / city.

### **Population and Year Observations**

The population in this study are all districts / cities in Java yng covering Banten 8 districts / cities in West Java 28

districts / cities in Central Java's 35 districts / cities in East Java 38 districts / cities and Yogyakarta 5 regencies / cities that the total number of 114 districts / cities. The Jakarta regional excluded from the population for the city / county has status as an autonomous region but administrative area. The period of observation in this study is from 2010 to 2013.

### **Types and Data Collection Techniques**

The type of data used in this research is secondary data obtained from the Central Bureau of Statistics (various publications).

#### **Data analysis technique**

Data analysis technique used in this research is descriptive analysis.

#### **Regional Revenue Growth**

To measure the growth of regional revenue used formula:

$$\text{Growth PAD} = (\text{PADt} - \text{PADt-1}) / \text{PADt-1}$$

Notes :

PADt = Local Revenue in year t

PADt-1 = Local Revenue in year t-1

Figures regional revenue growth demonstrated high performance good growth while the growth rate is lower regional revenue shows growth performance was not good. So the higher the rate of growth showed regional revenue performance is good otherwise the lower number means the Local Revenue pertubuhan shows regional revenue performance was not good.

#### **Contributions Regional Income to Total Revenue Regions**

To measure the contribution of the Regional First Pandapatan against Total Revenue Regions use the formula:

$$\text{Contributions PAD} = \text{PADt} / \text{TPDt}$$

Notes :

PADt = Local Revenue in year t

TPDt = Total Revenue Region in year t

Figures contribution of local revenues to total local revenue shows local independence in financing the regional administration. The greater the contribution rate pandapatan native of total regional revenue showed a high level of kemandirian while the lower contribution of local revenues to total local revenue shows the level of regional fiscal autonomy is low.

#### **Growth in Local Tax**

To measure the growth of regional revenue used formula:

$$\text{Growth PD} = (\text{PDT} - \text{PDT-1}) / \text{PDT-1}$$

Notes :

PDT = Local Taxes in t

PDT-1 = Local Taxes in year t-1

The growth rate of local taxes can be used as an indicator of the performance of local taxes for a certain area. The higher the growth rate of local taxes showed good performance of local taxes while the lower growth in the local tax means performing local tax which is not good.

#### **Growth Levies**

To measure the growth of regional revenue used formula:

$$\text{Growth RD} = (\text{RDT} - \text{RDT-1}) / \text{RDT-1}$$

Notes :

RDT = Levies in t

RDT-1 = Levies in year t-1

The growth rate levies as one measure outcomes on a regional administration in managing the financial district. The growth rate higher levies, showed a good performance while the growth of levies low indicates poor performance.

#### **Local Tax contribution to the Regional Revenue**

To measure the contribution of the Regional First Pandapatan against Total Revenue Regions use the formula:

$$\text{Contributions PD} = \text{PDT} / \text{PADt}$$

Notes :

PDT = Local Taxes in t

$PAD_t = \text{Local Revenue in year } t$

Figures local tax contributions to local revenues showed how strong role in the formation of local taxes for local revenues is an indicator of local financial independence. The higher contribution of local taxes on revenue shows that local taxes have an important role badi local revenues while the contribution of lower local taxes on revenue showed a less important role on the local taxes.

### **Contributions Levies on Local Revenue**

To measure the contribution of the Regional First Pandapatan against Total Revenue Regions use the formula:

$\text{Contributions RD} = \text{RDT} / \text{PAD}_t$

Notes :

$\text{RDT} = \text{Levies in } t$

$\text{PAD}_t = \text{Local Revenue in year } t$

The contribution rate levy on revenue indicates how big a role levies to the formation of local revenue. The greater the contribution levies on revenue bertarti the levy role for local revenues are high and when the contribution levies to lower local revenues demonstrate the role of levies low.

## **RESULTS AND DISCUSSION**

### **REVENUE GROWTH**

On the average income of the districts and cities in Java from 2010 to 2013 has increased. In 2011 compared to 2010, the average growth in revenue districts / cities in Java, Banten province grew at an average 98.86%, 46.28%, West Java, Central Java, 22.83%, 34.45% in East Java and DIY 32.62%. In 2012 compared to 2011 local revenue grew 26.62% Banten, West Java, 31.68%, 29.76% in Central Java, East Java DIY 32.63% and 34.19%. Growth of revenue districts / cities in Java in 2013 compared to 2012 in Banten average of 27.32%, 27.73%, West Java, Central Java, 26.12%, 25.69% in East Java and Yogyakarta 30 19%.

Reception revenue districts / cities in Java from 2010 to 2013 by an average of all increased. The amount of local revenue receipts in 2010 in Banten average of 141 132 358 thousand rupiah, 140 022 671 thousand rupiah West Java, Central Java 86,990,232 thousand rupiah, East Java rupah 98,727,310 thousand, and DIY 109 049 763 thousand rupiah. In 2011 revenues of the district / city in Jaw average 280 785 972 thousand rupiah in Banten, West Java 225 419 458 thousand rupiah, Central Java 106 525 882 thousand rupiah, East Java 133 786 507 thousand rupiah, and DIY 138 533 596 thousand rupiah. Banten in 2012 in the average revenue of the district / city of 359 736 385 thousand rupiah, 304 212 843 thousand rupiah West Java, Central Java 139 605 472 thousand rupiah, East Java 191 456 851 thousand rupiah, and DIY 189 517 274 thousand rupiah , Derah revenue districts / cities in Java in 2013, on average 469 421 184 thousand rupiah Banten, West Java 392 330 677 thousand rupiah, Central Java 174 684 787 thousand rupiah, East Java 238 234 761 thousand rupiah. And DIY 247 187 854 thousand rupiah.

Growth of revenue districts / cities in Java indicates an increased financial capacity of the district / city for local revenue is a revenue component of the district / city. With the increase in local revenues course will also increase total government revenue district / city that can be used in the financing of government that the ultimate objective to improve the welfare of society. So we can conclude that the changes in the law on local taxes and levies have an impact on the financial ability of districts / cities in Java that indicated the growth of local revenues sources include local taxes and levies.

### **Revenue Contribution To Regional Total Revenue**

The results of this study found that the financial capacity of the districts / cities in Java increased from 2010 to 2013 as indicated by the increasing contribution of local revenues to total revenues. Contributions revenue districts / cities in Banten in 2010 of 13.13%, in 2011 amounted to 18.69%, in 2012 amounted to 20.60% and in 2013 amounted to 22.04%. In West Java, the local revenue contribution to total revenue in 2010 was 10.60%, in 2011 amounted to 13.00%, in 2012 amounted to 14.74% and in 2013 amounted to 16.18%. In Central Java, in 2010 the contribution of local revenue to total revenue was 10.03%, in 2011 amounted to 9.82%, in 2012 was 11.03% and in 2013 amounted to 12.35%. Districts / cities in East Java source revenue contribution to total revenues in 2010 of 8.63%, in 2011 amounted to 9.94%, in 2012 amounted to 11.19% and in 2013 amounted to 12.29%. DIY contribution of local revenues to total revenues was in 2010 amounted to 11.63%, in 2011 amounted to 12.94%, in 2012 amounted to 15.09% and in 2013 amounted to 16.79%.

Although the average fiscal capacity as measured by the contribution of local revenues to total revenues of less than 20%, but in fact there are districts / cities that contribute local revenues to total local revenue has reached that is considered ideal that the above figures 20%. In 2013 in Banten there are five of the eight districts / cities, or as much as 62.5%, contribution to local revenue above 20%; In West Java, there are 9 out of 26 districts / cities in Central Java, there are only three cities of Surakarta, Semarang and Tegal are above 20%; in East Java regencies / cities that have numbers of local revenue contribution to total revenues of over 20% which is 4 of 38 covering the district of

Sidoarjo, Gresik, Malang and Surabaya; for DIY are two of five districts / cities that the contribution of local revenues to total revenues of more than 20% with the districts of Sleman and Yogyakarta.

Increasing financial capability districts / cities in Java, as measured by the percentage of local revenue contribution to total revenue reflects an increase in fiscal regions autonomy district / city. The increase in fiscal capacity increasing, can reduce the level ketergantungan local government district / city against the central government. The success of the district / city in local revenues increase not apart of potential regional and managerial ability of local governments to optimize revenues of local revenue through various efforts.

### **Regional Tax Growth**

The results of this study indicate a growth in revenues from local taxes are quite high in all provinces in Java. Next is data growth tax districts / cities in Java from 2010 until 2013 as follows: in Banten in 2011 grew 44.26%; West Java regional tax rate growth average in 2011 was 118.28%, in 2012 grew 38.77% and in 2013 grew 39.83%; Central Java tax growth districts / cities on average in 2011 grew 40.41%, in 2012 grew 22.28% and in 2013 grew 61.84%; East Java in 2011 compared 2010 tax districts / cities experienced an average growth of 50.42%, in 2012 grew 26.77% and in 2013 grew 43.35%; DIY tax growth districts / cities on average in 2011 compared to the previous year was 63.09%, in 2012 grew 44.30% and in 2013 grew 28.52%.

The growth of local tax districts / cities in Java, which is high enough is of course within the meaning of changes in the law on local taxes and levies in the form of expansion of types of taxes to the district / city that includes land and building tax, Ground Water Tax, Tax Non Metallic Minerals and Customs Acquisition Rights to Land and Buildings. Although the law number 28 of 2009 on local taxes and levies are applicable from 1 January 2010 but for a new start in 2011 implementation applied. This is because to be able to implement the necessary legislation in the form of regulations implementing local regulations that require time in discussion. For example the city of Semarang in 2011 had done collecting fees for acquisition of land and buildings with tremendous results even greater than tax receipts of street lighting which has been a source of local tax revenues are the largest. Then in 2012 a new conduct its own poll on property taxes while some districts / cities do recently in 2014.

### **Regional Tax Contribution To Pad**

Contribution of local tax revenue to local revenue shows the degree of contribution given by the local tax on revenue. The greater the contribution of local taxes on the local revenue showed that the more important the local tax to revenue. Conversely the smaller the contribution of local taxes on revenue, the role of local taxes to finance the overall area becomes too small. With the growth of local tax revenues are high enough to encourage contributions tax districts / cities on revenue is also high.

The study found that the average contribution of local taxes on revenue districts / cities in Java Banten in 2010 amounted to 40.84%, 55.53% 2011 biggest year, the year 2012 amounted to 53.19% and in 2013 by 56, 66%. In West Java, the average contribution of local taxes to local original income in 2010: 30.43%, 2011: 41.85%, 2012: 43.89%, and the year 2013: 46.41%. In Central Java, in 2010 the average contribution local tax on revenue is 23.72%, 2011: 26.66%, 2012: 25.66% and in 2013 was 30.95%. In East Java, the average contribution of local taxes on revenue is the year 2010: 26.70%, 2011: 29.85%, 2012: 29.54% and in 2013: 32.40%. Special Region of Yogyakarta average local tax contributions to local revenues is the year 2010: 27.23%, 2011: 33.72%, 2012: 35.81% and in 2013: 36.31%.

The contribution of data above shows the tendency to increase from year to year, which means that the role of local taxes for local government districts / cities in Java has increased. Increasing the contribution of local taxes is in line with my growth area tax also increased from year to year. Expansion of the types of local taxes for local government districts / cities are supported by local tax potential and the ability of local governments to increase local tax revenues demonstrated success in implementing the law on local taxes and levies.

### **Growth Levies**

Realization of revenue from levies districts / cities in Java also experienced growth as local tax revenues. However, when compared with the growth of local taxes, levies revenue growth in Java is even lower in Central Java in 2011 experienced a negative growth of -2.10% and even the Yogyakarta Special Region experienced negative growth of -15.03%. This negative growth levies should be assumed the reclassification reception area which was originally classified in levies changed its classification into other revenue. It can be found in the local government of Semarang possible other districts / municipalities also follow the same.

Growth in revenue realization levy districts / cities in Java, more can be explained as follows: Banten 2011 grew 25.93%, growth of 9.56% in 2012, and in 2013 grew 87.36%. West Java levies growth on average in 2011: 5.96%, 2012: 14.46% and in 2013: 25.87%. In Central Java levy growth of the district / city average in 2011 grew -2m10%, growth of 3.22% in 2012 and in 2013 grew 15.72%. East Java retribution growing realization of the district / city average in 2011 grew 13.73%, in 2012 grew 17.56% and in 2013 grew 9.77%. Special Region of Yogyakarta average growth retribution district / city in 2011 grew -15.03%, in 2012 grew 28.36% and in 2013 grew 26.49%.

### **Levies Contributions To The Revenue Region**

Contributions levy districts / cities on revenue in Java based on the average per province showed as follows: Banten in 2010: 34.46%, 2011: 28.34%, 2012: 18.24% and 2013 : 29.81%. West Java average revenue contribution levies to pendapatan native to the area is the year 2010: 24.64%, 2011: 18.52%, 2012: 12.25%, and the year 2013: 12.94%. In Central Java, the average contribution levies on revenue in 2010: 38.28%, 2011: 27.65%, 2012: 17.72% and in 2013: 15.02%. In East Java, the average contribution levy districts / cities on revenue in 2010: 33.16%, 2011: 24.84%, 2012: 21.55% and in 2013: 17.73%. Special Region of Yogyakarta lift contribution levy districts / cities on revenue on average in 2010: 29.85%, 2011: 16.02%, 2012: 16.94% and in 2013: 15.78%.

The decline in the contribution levies on revenue districts / cities in Java from 2010 to 2013 shows that the role of levies as a component of revenue districts / cities in Central Java decrease proportionally, but not in the numbers absolute where the levy district / city experience rise. It is of course strongly opposed to the fact that government spending districts / cities in Central Java in particular and the whole of Indonesia has increased pendapatan would require resources and the increase also in order to finance its expenditures. To be able to increase the financial independence of local government district / city demanded to be able to explore the potential areas to increase their income, especially that sourced from local revenue that one of its components is levies.

### **CONCLUSION**

From the discussion of the results of research in above can be concluded that:

1. There is a rise receipt of revenue districts / cities in Java from 2010 to 2013.
2. There is a rise contribution of local revenues to total revenue districts / cities in Java from 2010 to 2013 ,.
3. Tax revenue districts / cities in Java from 2010 to 2013 is likely to increase.
4. Contributions of local taxes on revenue districts / cities in Java in 2010 to 2013 is likely to increase.
5. There was a tendency to increase revenue from the levy districts / cities in Java from 2010 to 2013.
6. Contributions levies on revenue districts / cities in Java from 2010 to 2013 showed a declining trend.

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