

## ***The Effect Of Hotel Taxes And Entertainment Taxes On Local Own-Source Revenue Of Yogyakarta City In 2020-2022***

### **Pengaruh Pajak Hotel Dan Pajak Hiburan Terhadap Pendapatan Asli Daerah Kota Yogyakarta Tahun 2020-2022**

Putri Arumsari<sup>1\*</sup>, Hasim As'ari<sup>2</sup>

Universitas Mercu Buana Yogyakarta<sup>1,2</sup>

[putrya.sary@gmail.com](mailto:putrya.sary@gmail.com)<sup>1</sup>, [hasimmercubuaana@gmail.com](mailto:hasimmercubuaana@gmail.com)<sup>2</sup>

\*Corresponding Author

---

#### **ABSTRACT**

*This research was conducted to determine the effect of hotel tax and entertainment tax on the local own-source revenue (PAD) of Yogyakarta City in 2020-2022. The research was conducted at BPKAD Yogyakarta City. The research method used is quantitative, using descriptive statistical data analysis techniques with IBM SPSS 26. The data used is secondary data in a monthly time series. The population in this research are reports of the realization of hotel tax revenue, entertainment tax, and the amount of local own-source revenue of Yogyakarta City. Samples were taken using a saturated sampling technique in the form of data from all reports on the realization of hotel taxes, entertainment taxes and local own-source revenue of Yogyakarta City, covering 36 months, from January 2020 to December 2022. Data analysis was carried out using the multiple linear regression analysis method. The results of the analysis show that partially, hotel tax with sig t (0.271) >  $\alpha$  (0.05) and entertainment tax with sig t (0.703) >  $\alpha$  (0.05) do not have a significant effect on the local own-source revenue (PAD) of Yogyakarta City in 2020-2022.*

**Keywords:** Hotel Tax, Entertainment Tax, Local Own-source Revenue.

#### **ABSTRAK**

Penelitian ini dilakukan untuk mengetahui pengaruh pajak hotel dan pajak hiburan terhadap Pendapatan Asli Daerah (PAD) Kota Yogyakarta tahun 2020-2022. Penelitian dilakukan pada BPKAD Kota Yogyakarta. Metode penelitian yang digunakan yaitu kuantitatif dengan menggunakan teknik analisis data statistik deskriptif dengan IBM SPSS 26. Data yang digunakan adalah data sekunder yang bersifat *time series* bulanan. Populasi dalam penelitian ini adalah laporan realisasi penerimaan pajak hotel, pajak hiburan, dan jumlah Pendapatan Asli Daerah Kota Yogyakarta. Sampel diambil dengan teknik sampling jenuh berupa data dari seluruh laporan realisasi pajak hotel, pajak hiburan, dan Pendapatan Asli Daerah Kota Yogyakarta yang mencakup total 36 bulan, dari Januari 2020 hingga Desember 2022. Analisis data dilakukan dengan menggunakan metode analisis regresi linier berganda. Hasil dari analisis menunjukkan secara parsial, pajak hotel dengan sig t (0,271) >  $\alpha$  (0,05) dan pajak hiburan dengan sig t (0,703) >  $\alpha$  (0,05) tidak berpengaruh signifikan terhadap Pendapatan Asli Daerah Kota Yogyakarta tahun 2020-2022.

**Kata Kunci:** Pajak Hotel, Pajak Hiburan, Pendapatan Asli Daerah.

#### **1. Introduction**

Taxes are one of the most significant contributors to the Indonesian state's income, as seen in the state budget and shopping reports each year. As the most significant income contributor, taxes play crucial role in a country's development. Development is a government effort to increase the well-being of its people. Governments seek to ensure that development occurs evenly throughout the area and can support growth in various sectors.

Indonesia is the largest island nation, comprising several provinces and districts/cities that implement the autonomy system, making it easier for the central government to manage each area so that it can be evenly built. With the autonomy decentralization of this area, every region in Indonesia has the authority to manage its potential resources. That is why the local government needs to prove to the central government that they can develop their local

economy. One of the indicators of the local government's ability to develop local economies is their ability to finance their local needs independently through their original income zones.

Local own-source revenue (PAD) is an acceptance of the local tax collection, of the original regional potential management activity both of the county tax collections, local levies, And the management of the county's wealth by the laws that apply and is a legitimate local revenue (Mardiasmo, 2011). This income is significant to support local government activities and development funding at the local level. Among all local own-source revenue (PAD), regional tax is one of the sources of Local own-source revenue (PAD) which has considerable potential, so it needs special attention in managing it.

Local taxes can come from various sources, and each region can have a different source of income. Yogyakarta is one of the tourist cities in Indonesia with many tourism potentials that can attract visitors. With the abundance of tourism potential, the Yogyakarta City government can capitalize on them to boost local revenue through local taxes from the tourism sector. This way, their local own-source revenue (PAD) can increase yearly, as indicated by Yogyakarta City's PAD target and realization data from 2020 to 2022.

**Table 1. Target And Realization Of Local Own Source Revenue (PAD) Of Yogyakarta City Fiscal Year 2020-2022**

Years	Target of Regional Original Income (Rp)	Realization of Original Regional Income (Rp)	Percentage
2020	476.918.678.411,89	563.174.371.396,88	118%
2021	515.007.357.172,00	598.121.885.337,87	116%
2022	634.171.754.454,00	725.577.542.997,58	114%

Source: BPKAD Yogyakarta City, 2023

Based on the data in Table 1, the target and realization of local own-source revenue (PAD) in Yogyakarta cities from 2020 to 2022 fluctuate and continually increase. It is because of the variables that affect it, one of them is a local tax. Some variables from local taxes that can affect the PAD are hotel tax and entertainment taxes. Hotel tax and entertainment taxes have great potential to increase the local own-source revenue of the Yogyakarta city (PAD) area because it is a famous tourist town with various inns, from a star hotel to a more straightforward inn. Yogyakarta city, also a centre of art and culture, has various entertainment events, like concerts, traditional art shows, and cultural festivals. Entertainment events are often a unique attraction to tourists. The city government of Yogyakarta can take advantage of the interest of tourists in these activities to attract more tourists and improve hotel residences as well as visits to entertainment sites to increase the income of hotel and entertainment entrepreneurs. Related to the phenomenon will be followed by an increase in the acceptance of hotel tax and entertainment taxes for Yogyakarta. By maximizing the potential of hotel taxes and entertainment taxes, the city government of Yogyakarta can collect revenue that can be used to fund development projects, improve infrastructure, and provide better public service. In addition, effective management of these types of taxes can support sustainable development and improve the welfare of local communities. Based on these descriptions, the author is interested in seeing the effect of hotel taxes and entertainment taxes on the local own-source revenue of Yogyakarta city from 2020 to 2022.

Many studies have been conducted on the Effect of hotel and entertainment tax on local revenue, but the results vary, and there are still differences in findings. One such study conducted by Setiawan et al. (2021) investigated the influence of hotel and entertainment tax on the realization of local revenue in the local government of Bandung Regency. The results indicated that, partially, hotel tax did not significantly affect the realization of local revenue. In contrast, the entertainment tax had a positive and significant impact on the realization of local revenue. Another study by Suci & Damayanti (2020) examined the influence of hotel tax,

restaurant tax, entertainment tax, and street lighting tax on local revenue for 2014-2017. The findings showed that hotel and entertainment taxes had a positive but insignificant impact on the local revenue of regencies/cities in Central Java Province.

From the above descriptions, the diverse results of these studies do not yet demonstrate consistency between each other, both in terms of research location and the studied time periods. The main difference between this study and the research conducted by Suci & Damayanti (2020) is the independent variables under investigation. In this study, the independent variables examined are only hotel tax and entertainment tax. Additionally, a significant difference lies in the location, as this study focuses on Yogyakarta City, and the period covered is from 2020 to 2022.

## **2. Literature Review**

### **Stewardship theory**

As explained by (Donaldson & Davis, 1991), Stewardship theory reflects management situations not motivated by individual goals but rather aimed at their primary target results for the organization's benefit. This theory underlines a close relationship between individual satisfaction and organisational success. In the framework of the stewardship theory, the government acts as a 'steward' or manager responsible for managing resources, while people act as 'principal' or resource owners. A deal is built between the government as steward and the people as principal, based on trust and shared goals that lead to the organisation's interests. The public sector organization primarily aims to provide community service (public) and should be accountable to that society. Therefore, stewardship theory is relevant in the context of the public sector organization, where the main focus is to provide community service and maintain trust and integrity in managing public resources.

### **Hotel Tax**

Hotel tax is a tax imposed on services received from hotel facilities, which covers a range of related services with the required paid collection. Hotels refer to a place that provides lodging and accommodation services, including various services related to payment. The hotel tax subject is the individual or entity that receives services from the hotel and is responsible for paying such tax to the individual or entity that owns the hotel business. Conversely, hotel taxpayers are individuals or entities operating or owning the hotel business. In this context, the tax subject (consumer) who enjoys the hotel services acts as the party who pays or bears the tax. Meanwhile, the owner or manager of the hotel, which is taxable, has the responsibility to collect taxes from consumers (taxable subjects) and carry out other applicable tax obligations.

### **Entertainment Tax**

Entertainment tax by Law of the Republic of Indonesia Number 28 of 2009 is a tax imposed on the implementation of entertainment activities. In this context, the entertainment includes all kinds of views, the show, the game, and/or the crowd is enjoyed for a fee. Entertainment tax aims to collect tax revenues from various types of entertainment organized commercially or by payment.

### **Local Own-Source Revenue (PAD)**

In Law Number 33 of 2004, it is explained that local own-source revenue (PAD) refers to income obtained by a region originating from several sources, such as regional taxes, regional levies, management of separated regional assets, and other legitimate local own-source revenue (PAD) to provide flexibility to regional governments in generating their revenues within the framework of regional autonomy and to support the principle of

decentralization, where regional governments have the authority to manage and fund various regional needs on their own.

### 3. Research Methods

Data collection methods in this study are performed using documentation techniques involving the collection of written materials, like a book, data, and reports relevant to the research objects. The data used is secondary data that is a monthly time series which covers the period from January 2020 to December 2022. This data includes hotel tax realization reports, tax of entertainment, and the local own-source revenue (PAD) of Yogyakarta City, which is obtained from the financial and asset management office (BPKAD) of Yogyakarta City.

This study's population consists of reports of hotel tax realization, entertainment tax, and the amount of local own-source revenue (PAD) in Yogyakarta city. Samples were taken using saturated sampling techniques, which means the entire population is taken as a sample. Therefore, the sample used was data from all the hotel tax realization reports, entertainment tax, and the local own-source revenue of Yogyakarta city in the 2020-2022 period, covering 36 months, from January 2020 to December 2022.

The collected data was analyzed using descriptive statistical analysis techniques and tested with classic assumption tests, including normality tests, autocorrelation tests, multicollinearity tests, heteroscedasticity tests, and hypothesis testing with multiple linear regression analysis and t-tests. This t-test tests the significance of individual regression coefficients in the regression model. The standard form of the model of regression equation used in this study is:

$$Y = a + b_1X_1 + b_2X_2 + e$$

Notes:

Y = Local own-source revenue (PAD)

a = Constant

b = Regression coefficient

X1 = Hotel tax

X2 = Entertainment tax

e = Estimated Standards (error)

### 4. Results and Discussions

#### Descriptive Statistical Analysis

**Table 2. Results of Descriptive Statistical Analysis**

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Hotel Tax	36	195220041	21873317005	9068514404.36	6188720794.736
Entertainment Tax	36	4683728	1700317126	448275403.64	394557727.837
PAD	36	21754658741	103280674718	52413161103.69	18932488625.939
Valid N (listwise)	36				

Source: Self-processed secondary data, 2023

A descriptive statistical analysis shows PAD (Y) has a minimum value of Rp 21.754.658.741, maximum value of Rp 103.280.674.718, average of 52.413.161.103,69 and standard deviation of Rp 18.932.488.625,939. Hotel tax (X1) has a minimum value of Rp 195.220.041, maximum value of Rp 21.873.317.005, average Rp 9.068.514.404,36 and standard deviation of Rp 6.128.720.794,736. Entertainment tax (X2) has a minimum value of Rp 4.683.728, maximum value of Rp 1.700.317.126, average of Rp 448.275.403,64 and standard deviation of Rp 394.557.727,837.

## Classic Assumption Test

**Table 3. Normality Test Results**  
**One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual
N		36
Normal Parameters <sup>a,b</sup>	Mean	-.0000049
	Std. Deviation	17199788097.61843500
Most Extreme Differences	Absolute	.181
	Positive	.181
	Negative	-.108
Test Statistic		.181
Asymp. Sig. (2-tailed)		.004 <sup>c</sup>
Monte Carlo Sig. (2-tailed)	Sig.	.166 <sup>d</sup>
	99% Confidence Interval	
	Lower Bound	.156
	Upper Bound	.175

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. Based on 10000 sampled tables with starting seed 2000000.

Source: Self-processed secondary data, 2023

Normality test results in Table 3 Using Collmogorov-smirnov through significant values on Monte Carlo Sig (2-tailed) shows significance (sig) by 0,166 (larger than 0,05), which means data in this normality test can be considered normal distribution.

**Table 4. Autocorrelation Test Results**

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.418 <sup>a</sup>	.175	.125	17713327349.514	2.025

a. Predictors: (Constant), Pajak Hiburan, Pajak Hotel

b. Dependent Variable: Pendapatan Asli Daerah

Source: Self-processed secondary data, 2023

By Table 4, the known Durbin-Watson value (d) is 2,025 while of the dw table with the significance of 0,05 and the number of independent variables (k = 2) and the number of data samples (n = 36), then (k; n) = (2; 36), get dL value of 1,353 and a dU value of 1,587. Durbin-Watson value (d) is 2,025 greater than the dU limit of 1,587 and less than (4 - dU) 4 1,587 = 2,413. It can be concluded that there are no problems or symptoms of autocorrelation.

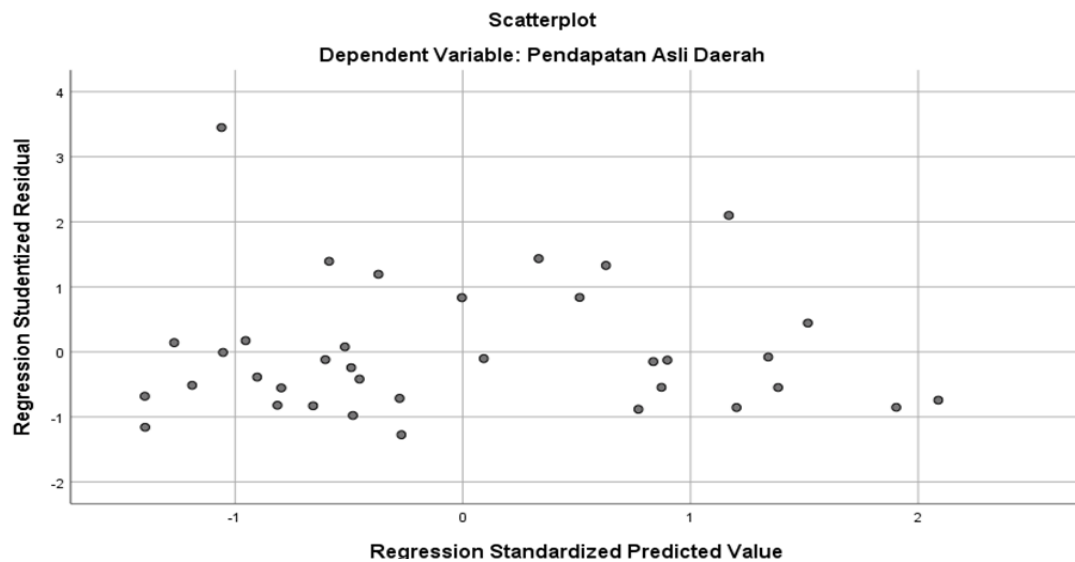
**Table 5. Multicollinearity Test Results**

Coefficients <sup>a</sup>							
Model	Unstandardized Coefficients			Standardized Coefficients	Collinearity Statistics		
	B	Std. Error		Beta	t	Sig.	Tolerance VIF
1	(Constant)	41122651439.002	5309016231.791		7.746	.000	
	Pajak Hotel	.984	.878	.322	1.120	.271	.304 3.293
	Pajak Hiburan	5.289	13.770	.110	.384	.703	.304 3.293

a. Dependent Variable: Pendapatan Asli Daerah

Source: Self-processed secondary data, 2023

The multicollinearity test is employed to determine whether a significant correlation exists among the independent variables in the regression model. Multicollinearity occurs when two or more independent variables in a regression model are correlated with each other. Based on the test results from Table 5, it is evident that the hotel tax variable has a tolerance value of 0.304, and the entertainment tax also exhibits a tolerance value of 0.304. Meanwhile, the VIF value for the hotel tax is 3.293, and the entertainment tax also has a VIF value of 3.293. This test reveals that the tolerance value for the independent variable is greater than 0.01, and the Variance Inflation Factor (VIF) value is less than 10. Therefore, it can be concluded that in the regression model used in this research, there is no multicollinearity problem among the independent variables.



**Figure 1. Heteroscedasticity Test Results**

Source: Self-processed secondary data, 2023

The results of the heteroscedasticity test show that the plot points on the scatterplot graph spread randomly and do not form a particular pattern, so the heteroscedasticity assumption is considered fulfilled. Heteroscedasticity is the non-uniformity of a regression model's error variability (residual) regarding the independent variables. In this context, if the points are spread out randomly and do not form a particular pattern, the error variability is unlikely to increase or decrease systematically as the independent values change.

**Table 6. Test Results of Multiple Linear Regression Analysis and t Test**

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1					
	(Constant)	41122651439.002	5309016231.791	7.746	.000
	Pajak Hotel	.984	.878	.322	.271
	Pajak Hiburan	5.289	13.770	.110	.703

a. Dependent Variable: Pendapatan Asli Daerah

Source: Self-processed secondary data, 2023

The regression equation obtained based on Table 6 is:

$$Y = 41122651439,002 + 0,984X_1 + 5,289X_2$$

From the above equation, it is known that:

1. The constant of 4112651439,002 means the average local own-source revenue is worth 4112651439,002 if there is no independent variable.
2. The hotel tax regression coefficient (X1) is 0,984, which means that every hotel tax increase of 1 % or 0,01 will be followed by a local own-source revenue increase of 0,984 with the assumption that another variable remains (constant).
3. The entertainment tax regression coefficient (X2) is 5,289, which means every entertainment tax increase of 1 % or 0,01 will be followed by a local own-source revenue increase of 5,289, assuming that another variable remains (constant).
4. The significance value for hotel tax (X1) is 0,271, which means  $\text{sig } t (0,271) > \alpha (0,05)$ ; then,  $h_1$  is rejected, so it can be concluded that hotel taxes do not affect the local own-source revenue.
5. The significance value for entertainment tax (X2) is 0,703, which means  $\text{sig } t (0,703) > \alpha (0,05)$ ; then,  $h_2$  is rejected, so it is concluded that the entertainment tax does not affect the local own-source revenue.

## Discussions

### The Effect of hotel taxes on Local Own-Source Revenue of the Yogyakarta city

Based on the test results in Table 6, hotel taxes do not significantly impact the local own-source revenue of Yogyakarta city with a greater significance value than 0,05. Hotel tax does not affect the local own-source revenue of Yogyakarta city due to the incentive of the hotel's tax reduction due to the COVID-19 pandemic that has hit and the Large-Scale Social Restrictions Policy (PSBB) or Implementation of Community Activity Restrictions (PPKM) which requires hotels to do room restrictions so that hotel tax receipts hit the lowest point by mid-2020 to 2021. The existence of restrictions on hotel rooms directly impacts the income generated by hotels, and these restrictions cause a significant decrease in occupancy or room rates, so the contribution of hotel taxes to local own-source revenue (PAD) is reduced. In addition, in COVID-19 pandemic restrictions, where travel is severely restricted, tourist visits and hotel room usage rates have decreased drastically. That matter affects the income generated by hotels and automatically impacts hotel tax revenues by local governments. In other words, the condition of limiting hotel rooms is one of the factors that explains why hotel taxes did not have a significant effect on local own-source revenue (PAD) during that period. It shows that the results of this research are different from research conducted by Priyanti et al. (2017), which states that hotel taxes have a positive and significant influence on local own-source revenue (PAD).

### The Effect of entertainment taxes on Local Own-Source Revenue of the Yogyakarta city

Based on the test results in Table 6, entertainment tax has no significant effect on the local own-source revenue of Yogyakarta city with a significance value greater than 0.05. There is no effect of entertainment tax on the local own-source revenue of Yogyakarta city due to the Large-Scale Social Restrictions (PSBB) policy or the Implementation of Community Activity Restrictions (PPKM) due to the COVID-19 pandemic which limits people's mobility for outdoor activities—and even closed entertainment venues for specific periods. With the closure of entertainment venues and restrictions on people's mobility, entertainment activities have experienced a significant decline or even been non-existent for some time. That matter directly impacts income taxes from the entertainment sector, so entertainment tax revenues in 2020 and 2021 are meager. In other words, the condition of closing entertainment venues or eliminating entertainment activities is one of the factors that explains why entertainment tax did not have a significant effect on PAD during that period. It shows that the results of this research are not in line with research conducted by Yulia (2020), which states that entertainment tax influences local own-source revenue (PAD).

## 5. Conclusion

This research was done to test and determine the effect of hotel taxes and entertainment taxes on the local own-source revenue (PAD) of Yogyakarta city in 2020-2022. According to the research results, hotel taxes did not significantly affect the local own-source revenue of Yogyakarta city in 2020-2022. The entertainment tax also has no significant effect on the local own-source revenue of the Yogyakarta city in 2020-2022. It means both hotel taxes and entertainment taxes have had no significant effect on the local own-source revenue of Yogyakarta city during the 2020-2022 period.

From the results of a well-explained study, there are some suggestions to increase the local own-source revenue of Yogyakarta city. First, taxpayers, both individuals and entities, must increase awareness of their tax obligations following applicable regulations. There needs to be an effective education and communication campaign about tax obligations and the benefits of paying taxes to help increase taxpayer compliance. The Yogyakarta city government needs to optimize the potential for hotel tax and entertainment tax, and conduct audits and reviews of taxpayers to ensure that they are included in the appropriate hotel and entertainment tax category. It will help collect taxes that may have yet to be noticed by taxpayers. It is hoped that the Department of Tourism and Culture of Yogyakarta City can maximize the tourism and promotion potential of the City of Yogyakarta so that it can attract more tourists to visit, which will ultimately increase the number of hotel occupancies and visits to entertainment venues, which can increase Yogyakarta City regional tax revenue. It is recommended that future researchers deepen their understanding of the factors that influence local own-source revenue (PAD) and identify the more dominant variables; adding time and variables can yield more comprehensive insight into the relationship between taxes, income, and other factors.

## References

- Donaldson, L., & Davis, J. H. (1991). Stewardship Theory or Agency Theory: CEO Governance and Shareholder Returns. *Australian Journal of Management*, pp. 16, 49–64. Retrieved from <https://api.semanticscholar.org/CorpusID:15324853>
- Indonesia, R. (2004). Undang-Undang Republik Indonesia Nomor 33 Tahun 2004 tentang perimbangan keuangan antara pemerintah pusat dan pemerintahan daerah. Jakarta: Sekretariat Negara
- Indonesia, R. (2009). Undang-Undang Republik Indonesia Nomor 28 Tahun 2009 tentang tentang Pajak Daerah Dan Retribusi Daerah. Jakarta: Sekretariat Negara
- Mardiasmo. (2011). *Perpajakan*. Yogyakarta: Andi.
- Priyanti, T., Hanum, A. N., & Wibowo, E. (2017). Analisis Pengaruh Penerimaan Pajak Hotel, Pajak Reklame Dan Pajak Parkir Terhadap Pendapata Asli Daerah (Pad) (Studi Empiris Pada Kabupaten/Kota Di Provinsi Jawa Tengah Tahun 2009-2016). 9, 36–47.
- Setiawan, D., Priatna, H., & Rohimah, A. D. (2021). *Pengaruh Pajak Hotel Dan Pajak Hiburan Terhadap Realisasi Penerimaan Pendapatan Asli Daerah Pada Pemerintah Daerah Kabupaten Bandung*. 12, 1–12.
- Suci, W., & Damayanti, R. (2020). *PENGARUH PAJAK HOTEL, PAJAK RESTORAN, PAJAK HIBURAN DAN PAJAK PENERANGAN JALAN TERHADAP PENDAPATAN ASLI DAERAH*.
- Sugiyono. (2010). *Metode Penelitian Bisnis*. Bandung: Alfabeta.
- Yulia, I. A. (2020). Pengaruh Pajak Hiburan Dan Pajak Reklame Terhadap Pendapatan Asli Daerah: Studi Kasus Pada Bapenda Kota Bogor. *Jurnal Ilmiah Akuntansi Kesatuan*, 8(3), 333–338. Retrieved from <https://doi.org/10.37641/jiakes.v8i3.385>