

The Relationship Between Power and Culture and the Increase in Local Tax Revenue in South Lampung Regency

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Article	Abstract
<p>Keywords: Power, Culture, Tax.</p> <p>History of Article Received: January 2025 Reviewed: January 2025 Accepted: January 2025 Published: January 2025</p>	<p>Public awareness in fulfilling their tax obligations has not yet reached the level expected by the government. This study aims to determine the extent of the influence of power and culture on increasing local revenue (PAD) from the tax sector in South Lampung Regency. This research employs a qualitative method by analyzing documents, with data obtained from the Central Bureau of Statistics of South Lampung Regency. Data collection techniques include observing the development of the value of local revenue derived from the tax sector, as well as conducting interviews with individuals involved in each tax sector. The data is then analyzed, reduced, and presented using a SWOT analysis. The results show positive realization, as South Lampung Regency has implemented various tax service conveniences and developed systems to enhance revenue from the tax sector.</p>

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1. INTRODUCTION

Tax compliance is a critical pillar for ensuring sustainable national development. It provides the necessary revenue for government expenditure, enabling investments in public infrastructure, education, healthcare, and social services. In Indonesia, Micro, Small, and Medium Enterprises (MSMEs) play an indispensable role in the national economy. According to the Ministry of Cooperatives and Small and Medium Enterprises (Kemenkop UKM), MSMEs contribute approximately 61% to the country's GDP and employ more than 97% of the workforce (Kemenkop UKM, 2023). Despite their significant economic contribution, many MSMEs face significant challenges in fulfilling their tax obligations, which hampers the government's ability to maximize tax revenue collection.

All aspects of life we experience are inevitably influenced by power and culture. Power affects the attitudes and actions taken by people through the presence of regulations and policies decided by authorities in a given area. In line with the statement that power is the ability of an individual or group to influence the behavior of other individuals or groups according to their wishes (Budiardjo, Miriam: July 2023), power is also inseparable from culture, which is consistently practiced by the general public. This includes culture in attitudes, culinary traditions, and aspects of daily life.

Tax, on the other hand, is the contribution of citizens to the state treasury, mandated by law, without receiving a direct reciprocal benefit that can be shown and used to fund public expenditures (Hisar Pangaribuan, 2021). Taxation is one form of a nation or state's independence in financing development by leveraging domestic potential. Public awareness in fulfilling their tax obligations has not yet reached the level expected by the government. Generally, people still have little trust in taxation, perceiving it as akin to tribute, burdensome in payment, and complicated due to a lack of understanding of the processes involved, including what taxes are and how they work. Tax calculations and reporting are also considered difficult.

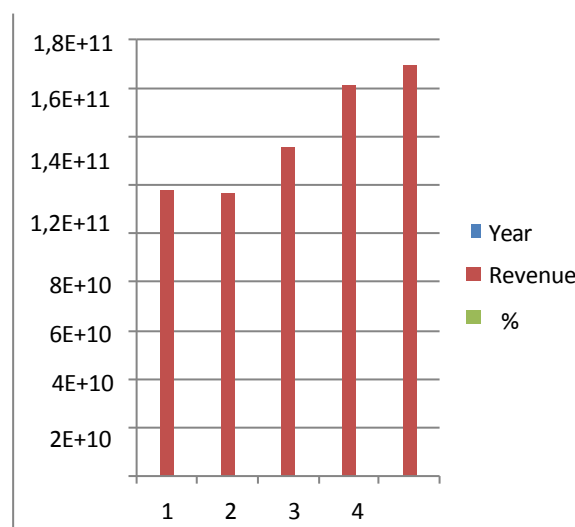
However, efforts must be made to ensure that society becomes fully aware of their tax obligations. When public awareness is achieved, tax obligations will be fulfilled voluntarily rather than as a compulsion (pajak.go.id). One of the government's steps to increase taxpayer compliance is modernizing the tax administration system. This system aims to simplify the process for taxpayers to report their tax obligations. Modern tax administration through e-systems (e-registration, e-SPT, e-filing, e-billing) is expected to improve control and reporting mechanisms more effectively. Tax reporting through this e-system is also expected to make it easier for taxpayers to fulfill their obligations.

Table 1. Tax Revenue in South Lampung Regency

Year	Revenue	%
2019	Rp 117.851.364.598	
2020	Rp 116.024.528.577	98,43
2021	Rp 135.103.960.649	116,44
2022	Rp 160.860.967.712	119,06
2023	Rp 169.393.265.643	105,30

Source: Central Bureau of Statistics, 2024

Figure 1. Tax Revenue in South Lampung Regency



Source: Central Bureau of Statistics, 2024.

2. METHODS

The research method used in this study is descriptive qualitative, utilizing secondary data from books, journals, articles, and internet sources. This method employs a qualitative approach, where the researcher acts as the primary research instrument by conducting direct investigations, interviews, and collecting various materials or data related to potential opportunities and obstacles for tourist attractions. These are then analyzed using SWOT analysis.

The data processing involves several activities, including data collection, interviews, documentation, and data analysis. The workflow of this study involves directly visiting the research location, seeking sources to be interviewed, and subsequently analyzing the findings (Iskandar, 2020).

3. ANALYSIS AND DISCUSSION

In this study, the findings can be summarized in the following SWOT analysis:

A. MSME Sector

Strengths: This sector serves as the pillar of a people-oriented economy. With free licensing fees for business permits, the sector has grown and contributes significantly to tax revenue. **Weaknesses:** The community has not yet optimally managed resources independently and on a household scale. **Opportunities:** Many natural products remain underutilized, providing opportunities for MSMEs to grow. The digital era allows businesses to conduct long-distance transactions with customers. **Threats:** In the digital era, MSME players must adapt to market demands. Knowledge of technology becomes a key factor for success, and a lack of technological understanding creates disadvantages for MSME players.

In this sector, the potential is strong due to the regulation on free business permit fees. However, resource management is not yet optimal. Therefore, the government is expected to support MSME players by maximizing all available resources, such as through training and workshops. These initiatives could focus on processing, packaging, and marketing products, both conventionally and digitally.

B. Tourism Sector

Strengths: The regional regulation on waiving fines for late tax payments encourages taxpayers to fulfill their obligations more timely as part of vehicle ownership responsibilities. **Weaknesses:** Many tourist attractions remain underdeveloped, causing slow growth in this sector. **Opportunities:** Investment opportunities are widely open for investors due to many strategic but neglected locations. The digital era also allows influencers to promote South Lampung's tourist attractions. **Threats:** Service quality must be a special focus for tourism sector players. Those involved in the sector need adequate knowledge of tourist services. Local culture must also be aligned with the needs of the sector.

In the tourism sector, accessibility should serve as a catalyst for accelerating development. Properly managed potential attractions could attract investors. However, tourism efforts should not solely showcase natural beauty but also pro-

vide excellent service to tourists. It is hoped that the government facilitates the development of both soft skills and hard skills to enhance service quality in this sector.

C. Vehicle Tax Sector

Strengths: The regional regulation on waiving fines for late tax payments encourages taxpayers to fulfill their obligations more timely as part of vehicle ownership responsibilities. Weaknesses: Public awareness of the obligation to pay vehicle taxes for the nation's development is still low. Opportunities: Online tax payment programs provide convenience for taxpayers to fulfill their obligations without having to visit payment offices. Threats: Issues of tax officer misconduct pose a fundamental threat, weakening taxpayer interest in fulfilling their tax obligations.

The vehicle tax sector serves as one source of regional revenue. Although it is managed by the provincial government, the district government also receives a percentage of the taxes paid into the state treasury. In this context, it is crucial for local governments to socialize and increase convenience for taxpayers in fulfilling their vehicle tax obligations.

This study aligns with (Margianto, 2023), which shows that in Bapenda Bulungan Regency, the authority of tax officials, perceptions of fairness, public trust, and tax policies collectively have a significant influence or strong relationship with tax compliance.

4. CONCLUSION

Based on the SWOT analysis and the research described earlier regarding the influence of power and culture on tax revenue in South Lampung Regency, it can be concluded that to increase tax revenue, it is essential to identify and analyze internal and external factors that can contribute to the enhancement of tax collection. Furthermore, utilizing advancements in communication and information technology is crucial for optimizing tax revenue collection. This can be achieved through measured intensification and extensification efforts, aligned with economic growth, to boost Regional Original Revenue (PAD) from the tax sector. It is recommended that the South Lampung Regional Government consistently improve the quality of human resources through training programs to ensure continuous improvement in service functions.

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