

The Effect of Regional Taxes and Regional Retribution on Regional Expenditures with Regional Original Revenues as Intervening Variabels in Indonesia in 2017-2022



Maslihatul Masfufah¹, Indah Yuliana²

¹ Master of Sharia Economic - Universitas Islam Negeri Maulana Malik Ibrahim Malang-Indonesia

² Lecturer of Management - Universitas Islam Negeri Maulana Malik Ibrahim Malang-Indonesia

ABSTRACT: This study aims to provide empirical evidence and test and determine the effect of Regional Taxes and Regional Levies on Regional Expenditure with Regional Original Revenue as an intervening variable in all provinces in Indonesia. The analytical method used is quantitative, using an associative research approach. Data collection techniques were obtained from the Central Bureau of Statistics (BPS) for all provinces in Indonesia in the form of time series data from 2017 to 2022 using the IBM SPSS Statistics 25 test tool. The results of this study indicate that Regional Taxes have a significant effect on Regional Expenditure with a significance of $0.000 < 0.05$; regional Retribution has no significant effect on Regional Expenditure due to the significant value of $0.060 > 0.05$. At the same time, Regional Original Income shows a significant effect due to a significance value of $0.000 < 0.05$. Furthermore, Regional Taxes significantly affect Regional Original Income with a significance value of $0.000 < 0.05$; Regional Levies show no effect on Regional Original Revenues because the significance value is $0.511 > 0.05$. Regional taxes on regional spending are mediated by the unemployment rate, which has a positive effect and can mediate because the indirect effect of 0.894 is greater than the direct effect of 0.730. While Regional Retribution is known that the value of the direct effect is 0.072 and the indirect effect is 0.08; this shows that the value of the indirect effect is greater than the value of the direct influence so that Regional Original Revenue can mediate Regional Retribution on Regional Expenditures.

KEYWORDS: Local Tax, Regional Retribution, Regional Expenditure, and Regional Original Revenue

I. INTRODUCTION

Given the importance of enforcing Indonesian government reforms, thus causing increasingly solid demands for transparency and accountability, these two aspects of state and regional financial management, it is essential to do so. The system of government in Indonesia was marked by the signing and revision several times, up to the latest Law No. 23 of 2014 concerning Regional Government. The law explains that all regional government affairs and the Regional People's Representative Council are based on the principle of autonomy and the mandate of participation, focusing on broad freedom within the system and regulations of the Unitary State of the Republic of Indonesia (Aldy Andean, 2022).

Simanjuntak & Ginting (2019) stated that the problems faced by local governments in public sector organizations are regarding budget allocations. Budget allocation is the total allocation of funds for each program. With limited resources, local governments must be able to allocate the revenue they receive for productive regional expenditures, which is supported by Olurankinse Felix (2012), who states that provincial governments should be able to give higher regional expenditures than routine expenditures. Regional expenditure is an estimate of the burden of regional expenditure, which is allocated fairly and evenly so that it can be relatively enjoyed by all groups of people without exception, especially in the provision of public services (Halim, 2007).

Through the explanation above, it is necessary to improve related to budget allocation to make governance and development of a region better so that efforts are needed to increase one's financial capacity, one of which is by increasing the receipt of Regional Original Revenue, namely by expanding the receipt of regional original income sources by existing provisions and taking into account the conditions and economic potential of a particular area (Lily Sintia, 2019). With an increase in revenue from Regional Original Revenue, it is hoped to reduce the level of dependence of local governments on the central government. In this case, Regional Original Revenue (PAD), one of which comes from Regional Taxes and Regional Retribution (Febriani, 2021).

The Effect of Regional Taxes and Regional Retribution on Regional Expenditures with Regional Original Revenues as Intervening Variabels in Indonesia in 2017-2022

Regional Tax is considered to have explicit nature and characteristics and the various imposition of a tax object. So that the provincial government can maximize the collection of regional taxes to increase the receipt of original regional income. Of course, also based on the orderly community, will pay regional taxes regularly (Febriani, 2021). Therefore, the tax is considered one that has more significant potential as a source of local revenue (Melas, 2017). Decentralization or regional autonomy gives the regions greater authority in managing their household affairs. This requires provincial governments to be wiser in collecting regional taxes and levies. In addition, regional governments are also required to be able to allocate the results of regional tax revenues and regional levies to achieve a just, prosperous, and equitable society based on Pancasila and the 1945 Constitution of the Republic of Indonesia (Reggie W. Mononimbar, Een N. Walewangko, 2017).

Febriani (2021) states that the addition through Regional Retribution is no less critical. By Law No. 28 of 2009, as a whole, 30 types of fees can be collected by regions which are grouped into three groups. The government imposes costs for specific services provided directly. In contrast, the reason for the decision to charge a service is the existence of private goods, namely goods or services that not everyone can own or enjoy the benefits of, but someone must pay for them first. Meanwhile, another reason is the existence of public goods, which can be held or enjoyed by everyone who is not restricted in their use.

Government expenditures, a solution is needed regarding this matter. Previously researched by Febriani (2021) and Reggie W. Mononimbar, Een N. Walewangko (2017) his research shows that regional taxes have a significant effect on provincial spending, and regional levies have no significant impact, while research Simanjuntak & Ginting (2019) and Asih (2019) Regional Taxes and Regional Levies simultaneously have a significant effect on Regional Expenditures.

Furthermore, the discovery of a similar contradiction was also carried out by Yusmalina & Lasita, (2020), Rizqy Ramadhan (2019), and Sudarmana & Sudiarta (2020) which showed a significant effect of Regional Taxes and Regional Levies on Regional Original Income, while in research Albab et al. (2020) and Ardiyan Natoen, Evada Dewata, Yuliana Sari, Susi Ardiani (2018) shows that there is no relationship between Regional Levies and Regional Original Income, while Regional Taxes show significant results.

From the explanation above, this study aims to find the latest research results by adding variables and changing the research model so that it is possible to provide new results.

II. LITERATURE REVIEW

A. Regional Taxes

According to Hasbullah (2015), taxes manifest state obligations and taxpayers' role to directly and jointly carry out tax obligations for state financing and national development. Based on Law Number 28 of 2009 Article 1, paragraph 10 states that Regional Tax, from now on referred to as Tax, is a mandatory contribution to the Region that is owed by individuals or entities that are coercive based on the Law by not receiving compensation directly and used for the needs of the Region for the greatest prosperity of the people. Regional taxes, as one of the regional original revenues, are expected to be one of the sources of financing for governance and regional development to increase and equalize the welfare of the community (Febriani, 2021).

B. Regional Retribution

Regional Retribution is an important source of regional income to finance regional administration and regional development. Law no. 28 of 2009 states that regional levies are regional levies as payment for certain services or permits specifically provided and granted by the regional government for the benefit of individuals or entities, and regional levies are an important source of regional income to finance the implementation of regional government (Simanjuntak & Ginting, 2019). The Law also states that regional levies can be grouped into three groups: public service levies, business service levies, and certain permit levies (Febriani, 2021).

C. Regional Original Revenue

Regional Own Revenue is regional income originating from the results of regional taxes, the results of the distribution of separated regional wealth management and other legitimate regional original revenues in obtaining funding in the implementation of regional autonomy as a manifestation of the principle of decentralization (Sudarmana & Sudiarta, 2020). The definition of regional original income is based on Law Number 33 of 2004 concerning the Financial Balance between the Center and the Regions. Article 1 number 18 that regional original income, after this, referred to as PAD, is income obtained by the regions which is collected based on regional regulations by laws and regulations. In increasing regional own-source revenues, regions are prohibited from enacting regional regulations regarding revenues that cause a high-cost economy and stipulating regional regulations regarding revenues that impede population mobility, the movement of goods and services between regions and import or export activities (Ardiyan Natoen, Evada Dewata, Yuliana Sari, Susi Ardiani, 2018).

The Effect of Regional Taxes and Regional Retribution on Regional Expenditures with Regional Original Revenues as Intervening Variabels in Indonesia in 2017-2022

D. Regional Expenditures

The definition of regional spending according to RI Law no. 33 of 2004 concerning Financial Balance between the Central Government and Regional Governments are all regional obligations recognized. Deduction of net worth in the relevant fiscal year period. According to Permendagri 64 of 2013, concerning applying Accrual-Based Government Accounting Standards to Local Governments. Regional Expenditures are grouped, including Operational Expenditure, Capital Expenditure, Other or unexpected Expenditure, and Transfer Expenditure (Febriani, 2021).

III. RESERCH METHDOLOGY

This study uses a quantitative research method using an associative research approach, which is used to solve and answer problems faced in the current situation, which is carried out by taking the steps of collecting classification and analysis or data processing, making conclusions and expectations with the primary objective of creating an overview of or circumstances objectively. The preliminary data in this study comes from the Central Bureau of Statistics (BPS) in figures for the 2017 Fiscal Year to the 2022 Fiscal Year. This primary data is generated from Regional Tax and Retribution Revenues, Regional Own Revenue, and Regional Expenditures Data. The data used in this study are from 34 provinces in Indonesia in a 6 (six) annual time series, namely from the 2017 fiscal year to the 2022 fiscal year.

The research data analysis technique uses a quantitative descriptive analysis tool as a research method to see the conditions obtained on the research object in the form of quantitative data and qualitative information so that the writer can draw a research conclusion.

IV. RESULT AND DISCUSSION

NORMALITY TEST

TABLE 1. KOLMOGOROV-SMIRNOV. SAMPLE TEST

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		183
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	5.31824010
Most Extreme Differences	Absolute	.060
	Positive	.042
	Negative	-.060
Test Statistic		.060
Asymp. Sig. (2-tailed)		.200 ^{c,d}
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Based on the test results in the table above, it shows that the Asymp. Sig (2-tailed) is 0.200, which shows that the data is usually distributed because the sig value > 0.05.

Multicollinearity Test

Table 2. Collinearity Statistic

Coefficients ^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Regional Taxes	.637	1.570
	Regional Retribution	.989	1.011
	Regional Original Revenue	.634	1.577
a. Dependent Variable: Regional Expenditures			

The Effect of Regional Taxes and Regional Retribution on Regional Expenditures with Regional Original Revenues as Intervening Variabels in Indonesia in 2017-2022

Symptoms of Multicollinearity can be identified in the tolerance and VIF values. If the Tolerance Value is > 0.10 and the VIF is < 10 , the model is detected to experience symptoms of Multicollinearity. Based on the results of the multicollinearity test in the table above, the Tolerance values for the variables of Regional Taxes, Regional Levies, and Local Own Revenue > 0.10 and VIF < 10 so that it can be concluded that there are no symptoms of Multicollinearity.

Hetreoscedasticity Test

Model I Heteroscedasticity Test

Table 3. Heteroscedasticity Model I

Coefficients ^a						
Model		Unstandardized Coefficients		Standardize d Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.001	.001		.768	.443
	Regional Taxes	.061	.037	.286	1.626	.106
	Regional Retribution	-.026	.103	-.044	-.251	.802
a. Dependent Variable: Regional Original Revenue						

Through the results of the Heteroscedasticity test, the significance value of the Local Tax variable is 0.106, and the Retribution variable is 0.802, so it can be concluded that there is no heteroscedasticity between Regional Taxes and Regional Levies.

Model II Heteroscedasticity Test

Table 4. Heteroscedasticity Model II

Coefficients ^a						
Model		Unstandardized Coefficients		Standardize d Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.001	.000		-2.382	.018
	Regional Taxes	.066	.065	.174	1.021	.309
	Regional Retribution	.040	.025	.209	1.579	.116
	Regional Original Revenue	.031	.030	.137	1.055	.293
a. Dependent Variable: Regional Expenditures						

Based on the results of the Heteroscedasticity test, the Local Tax variable has a significance value of 0.309, the Regional Retribution variable has a significant value of 0.116, and the Local Original Revenue variable has a significance value of 0.293 because the sig value > 0.05 , the Regional Tax, Regional Retribution and Regional Original Income variables are not there is heteroscedasticity.

Autocorrelation Test

Table 5. Durbin-Waston Test

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.329 ^a	.108	.093	5.36262	1.818
a. Predictors: (Constant), Regional Taxes, Regional Retribution, Regional Original Revenue					
b. Dependent Variable: Regional Expenditures					

Suppose $D < DL$ (positive autocorrelation occurs) based on the table above, the value of D is 1.818, and the value of DL is 1.7137. In that case, it can be concluded that $D > DL$ so that the data tested does not occur positive autocorrelation. Next $(4-D) > DU$, then there is no negative autocorrelation; based on the table above, the 4-D value is 2.182, and the DU value is 1.8029, it can be

The Effect of Regional Taxes and Regional Retribution on Regional Expenditures with Regional Original Revenues as Intervening Variabels in Indonesia in 2017-2022

concluded that $(4-D) > DU$, so it can be concluded that the data tested does not have negative autocorrelation. This means researchers' data does not occur in positive or negative autocorrelation.

Results of Multiple Regression Analysis Model I

F Test

Table 6. F Test Result

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.000	2	.000	439.673	.000 ^b
	Residual	.000	180	.000		
	Total	.000	182			
a. Dependent Variable: Regional Original Revenue						
b. Predictors: (Constant), Regional Taxes, Regional Retribution						

The calculated F value is 439.673 with a significance of 0.000. The F table value is 5% with the number of independent variables = 2 and the number of samples is 183, then the F table is 3.05, and the F count value (439.673) is greater than the F table (3.05). Based on the results of the F test, the independent variables of Regional Taxes and Regional Levies together influence Regional Original Income.

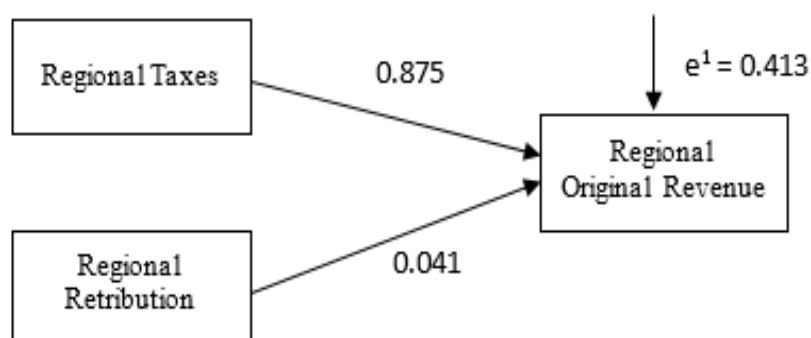
T Test

Table 7. R Square Test

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.911 ^a	.830	.828	.00000
a. Predictors: (Constant), Regional Taxes, Regional Retribution				

Table 8. T Test Result

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-3.810	.000		-17.033	.000
	Regional Taxes	.000	.000	.875	14.063	.000
	Regional Retribution	1.033	.000	.041	.658	.511
a. Dependent Variable: Regional Original Revenue						



Based on the SPSS output data in the table above, it can be interpreted as follows:

1. The regression equation of this study is $Y = -3.810 + 1.033 + 0.000$
2. The constant value is -3.810, which means that if the total value of Regional Taxes and Regional Levies is 0, then Regional Original Revenue will be -3.810 (fixed)

The Effect of Regional Taxes and Regional Retribution on Regional Expenditures with Regional Original Revenues as Intervening Variabels in Indonesia in 2017-2022

- The regional tax regression coefficient (X1) is 0.000, which means that if the amount of local taxes increase by 1 unit, then local revenue increases by 0.000
- The regression coefficient value for Regional Levies (X2) is 1.033, which means that if the amount of Regional Levies increases by 1 unit, then Regional Original Revenue increases by 1.033
- The t value for regional taxes is 14.063, and the t value for regional levies is 0.658. The t-table value is 1.655, obtained with an alpha of 5% and a pdf of 2 (183-2-1). On the other hand, the significance of Regional Tax (X1) is 0.00 or less than 0.05 because the calculated t value is greater than the t table, and the significance value is less than 0.05, which means that Regional Tax has a positive and significant effect on Regional Expenditures
- The Regional Retribution variable has a significance value of 0.511, or greater than the alpha value of 0.05, because the t count is smaller than the t table, and the significance value is greater than 0.05, which means Regional Retribution has a negative and insignificant effect on Regional Expenditures
- The magnitude of the R square value in the Model Summary table is 0.830, which indicates that the Local Tax and Regional Retribution variables have an influence of 83.0% on Regional Original Income, and the remaining 17% is explained by other variables not included in the study. Meanwhile, the value of e1 is obtained through the following formula: $e^1 = \sqrt{1 - r^2}$, then a value of 0.413 is obtained and can be shown in the path diagram model of the structure model I

Results of Multiple Regression Analysis Model II

F Test

Table 9. F Test Result

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.002	3	.001	877.887	.000 ^b
	Residual	.000	179	.000		
	Total	.002	182			
a. Dependent Variable: Regional Expenditures						
b. Predictors: (Constant), Regional Taxes, Regional Retribution, Regional Original Revenue						

The calculated F value is 877.887, with a significance value of 0.000. The F table value is 5% with the number of independent variables = 3 and the number of samples is 183, then the F table is 2.65, and the calculated F value (877.887) is greater than the F table (2.65). Based on the results of the F test, the independent variables of Regional Tax, Regional Retribution and Regional Original Income together influence Regional Expenditures

T Test

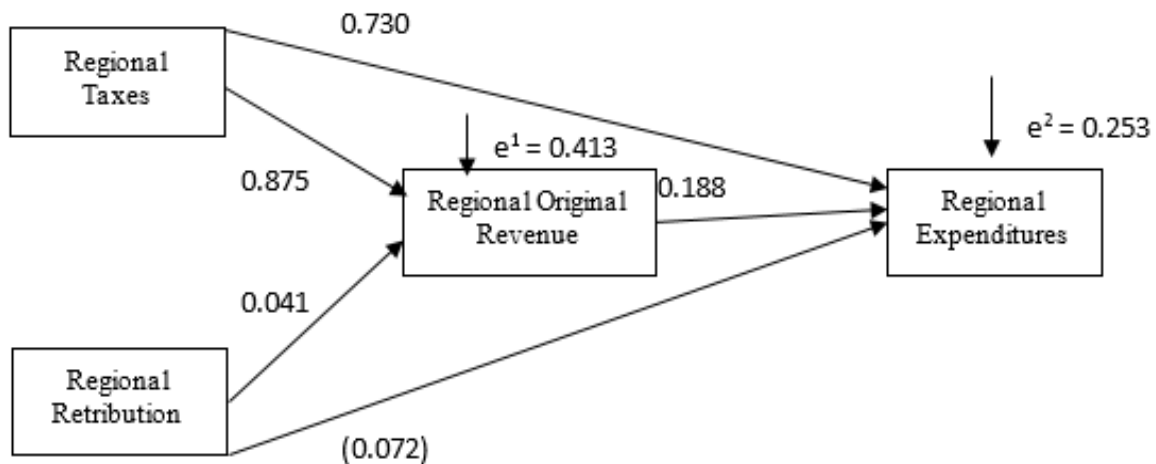
Table 10. R Square Test

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.968 ^a	.936	.935	.00077
a. Predictors: (Constant), Regional Taxes, Regional Retribution, Regional Original Revenue				

Table 11. T Test Result

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.006	.001		-7.207	.000
	Regional Taxes	1.486	.113	.730	13.185	.000
	Regional Retribution	.074	.039	.072	1.891	.060
	Regional Original Revenue	764.312	185.949	.188	4.110	.000
a. Dependent Variable: Regional Expenditures						

The Effect of Regional Taxes and Regional Retribution on Regional Expenditures with Regional Original Revenues as Intervening Variabels in Indonesia in 2017-2022



Based on the SPSS output data in the table above, it can be interpreted as follows:

1. The regression equation of this study is $Y = -0.006 + 1.486 + 0.074 + 746.312$
2. The constant value is -0.006, which means that if the total value of Regional Taxes, Regional Levies and Local Own Revenue is 0, then Regional Expenditures will be -0.006 (fixed)
3. The regional tax regression coefficient (X1) is 1.486, which means that if the amount of regional taxes increases by 1 unit, then regional expenditure increases by 1.486
4. The regression coefficient value for Regional Retribution (X2) is 0.074, which means that if the amount of Regional Retribution increases by 1 unit, then Regional Expenditure increases by 0.074
5. The regression coefficient value of Regional Original Income (Z) is 746.312, meaning that if the total Regional Original Income increases by 1 unit, then Regional Expenditure increases by 746.312
6. The t value for regional taxes is 13.185, the t value for regional levies is 1.891, and the t value for regional original income is 4.110. t table value of 1.654 obtained with an alpha of 5% and a pdf of 3 (183-3-1). With a significant value of Regional Tax (X1) sig. 0.000 or smaller than the alpha of 0.05 because the calculated t value is greater than the t table, and the significance value is less than 0.05, which means that Regional Tax has a positive and significant effect on Regional Expenditures
7. The Regional Retribution variable (X2) has a significance value of 0.060, or greater than the alpha value of 0.05, because the t count is smaller than the t table, and its significance value is greater than 0.05, which means Regional Retribution has a positive and not significant effect on Regional Expenditures
8. The significance of the Local Original Income (Z) variable is 0.000, or less than the alpha value of 0.05, because the t-count value is smaller than the t-table, and the significance value is less than 0.05. This indicates that Regional Original Income has a positive and significant effect on Regional Expenditures
9. The magnitude of the R square value in the Model Summary table is 0.936, which indicates that the variables of Regional Taxes, Regional Levies, and Regional Original Income have an influence of 93.6% on Regional Expenditures, and the remaining 6.4% is explained by other variables not included in the study. Meanwhile, the value of e^1 is obtained through the following formula: $e^1 = \sqrt{1 - r^2}$, and then a value of 0.253 is obtained and can be shown in the path diagram model of structure model II.

Relationship between Regional Taxes (X1) to Regional Expenditures (Y)

Based on the regression equation in Table T above, the results of the regression coefficient of the Regional Tax show a positive direction of 0.486, with a significance value of 0.000 or smaller than the alpha of 0.05 because the calculated t value is greater than the t table. The significance value is less than 0.05, which means that Regional Taxes have a positive and significant effect on Regional Expenditure in 2017-2022. This shows that the first hypothesis of the local tax variable in this study is accepted so that it can be said that regional taxes affect regional spending.

These results are by research conducted by Febriani (2021) and Reggie W. Mononimbar, Een N. Walewangko (2017), which states that Regional Taxes have a positive and significant effect on Regional Expenditures.

Relationship between Regional Retribution (X2) to Regional Expenditures (Y)

Based on the regression equation in Table T above, the results of the regression coefficient of Regional Retribution show a positive direction of 0.074, with a significance value of 0.060 or greater than the alpha of 0.05 because the calculated t value is greater

The Effect of Regional Taxes and Regional Retribution on Regional Expenditures with Regional Original Revenues as Intervening Variabels in Indonesia in 2017-2022

than the t table. The significance value is greater than 0.05, which means that Regional Tax has a positive and insignificant effect on Regional Expenditure in 2017-2022. This shows that this study's second hypothesis of the Regional Retribution variable was rejected, so Regional Taxes do not affect Regional Expenditures.

These results follow research conducted by Febriani (2021) and Reggie W. Mononimbar, Een N. Walewangko (2017), which states that regional levies do not affect regional spending.

Relationship between Regional taxes (X1) to Regional Original Revenue (Z)

Based on the regression equation in Table T above, the results of the regression coefficient of the Regional Tax show a direction of 0.000, with a significance value of 0.000 or less than alpha of 0.05, because the calculated t value is greater than the t table. The significance value is less than 0.05, which means that Regional Tax has a positive and significant effect on Regional Original Income for 2017-2022. This shows that this study's third hypothesis of local tax variables is accepted, so regional taxes affect original regional income.

These results are by research conducted by Yusmalina & Lasita (2020), Rizqy Ramadhan (2019), and Sudarmana & Sudiarta (2020), which state that Regional Taxes affect Regional Original Income.

Relationship between Regional Retribution (X2) to Regional Original Revenue (Z)

Based on the regression equation in Table T above, the results of the regression coefficient of the Regional Tax show a positive direction of 1.033, with a significance value of 0.511 or greater than the alpha of 0.05 because the calculated t value is greater than the t table. The significance value is greater than 0.05, which means that Regional Taxes have a negative and insignificant effect on Regional Original Revenues for 2017-2022. This shows that the fourth hypothesis of the Regional Retribution variable in this study was rejected, so it can be said that Regional Retribution does not affect Regional Original Income.

These results are by research conducted by (Albab et al., 2020) and (Ardiyanto, Evada Dewata, Yuliana Sari, and Susi Ariani, 2018), which states that if there is no relationship between Regional Retribution on Regional Original Income.

Relationship between Regional Original Revenue (Z) to Regional Expenditures (Y)

Based on the regression equation in Table T above, the results of the regression coefficient of the Regional Tax show a positive direction of 764.321, with a significance value of 0.000 or less than the alpha of 0.05 because the calculated t value is greater than the t table. The significance value is less than 0.05, which means that Regional Original Income has a positive and significant effect on Regional Expenditure in 2017-2022. This shows that this study's fifth hypothesis of local tax variables is accepted, so regional taxes affect regional spending.

These results are consistent with research conducted by Aldy Andrean (2022) and Fatmawati & Ria Sari, (2021), which state that Regional Original Income affects Regional Expenditure.

Regional Original Revenue (Z) mediates the relationship between Regional Taxes (X1) on Regional Expenditures (Y)

Regional Own Revenue mediates the relationship between Regional Tax and Regional Expenditures. The direct influence given by the Regional Original Income variable on Regional Expenditure is 0.730. while the indirect effect of Regional Original Income on Regional Expenditure through Regional Original Income is the multiplication of the beta value of Regional Original Income to Regional Original Income with the beta value of Regional Original Revenue to Regional Expenditures, namely:

$(0.875 \times 0.188) = 0.164$. while the total effect that PAD has on GRDP is the value of the direct effect plus the indirect effect, namely: $(0.730 + 0.164) = 0.894$

Based on this, it can be seen that the value of the direct effect is 0.730, and the indirect effect is 0.894; this shows that the value of the indirect effect is greater than the value of the direct influence so that Regional Taxes through Regional Original Revenue have a significant influence on Regional Expenditure.

Regional Original Revenue (Z) mediates the relationship between Regional Retribution (X2) on Regional Expenditures (Y)

Regional Original Revenue mediates the relationship between Regional Retribution and Regional Expenditures. The direct effect of the variable Regional Retribution on Regional Expenditures is 0.072. In contrast, the indirect effect of Regional Retribution on Regional Expenditures through Regional Original Revenue is the multiplication of the beta value of Regional Retribution on Regional Original Income with the beta value of Regional Original Revenue on Regional Expenditure, namely:

$(0.041 \times 0.188) = 0.008$. while the total effect given by Regional Retribution on Regional Expenditure is the value of direct influence plus indirect influence, namely:

$(0.072 + 0.008) = 0.08$

The Effect of Regional Taxes and Regional Retribution on Regional Expenditures with Regional Original Revenues as Intervening Variabels in Indonesia in 2017-2022

Based on this, it can be seen that the value of the direct effect is 0.072, and the indirect effect is 0.08; this shows that the value of the indirect effect is greater than the value of the direct influence so that Regional Retribution through Regional Original Revenue has a significant influence on Regional Expenditures.

CONCLUSIONS

Based on the results of this analysis and research, it can be concluded that regional taxes significantly affect regional spending because the t-count of 13.185 is greater than the t-table of 1.564 with a significance value of 0.000. Regional Retribution has no significant effect on Regional Expenditure because the t count is 1.891 greater than t table 1.654, with a significance value of 0.060. at the same time, Regional Original Income shows a significant effect because the t count of 4.110 is greater than the t table of 1.654 and has a significance value of 0.000.

Furthermore, local taxes significantly affect original regional income with a t-value of 14.063, greater than the t-table of 1.655, with a significance value of 0.000. t table is 1.655, and the significance value is 0.511. while Regional Original Income can mediate Regional Taxes against Regional Expenditures, this can be seen through the indirect effect value of 0.894, which is greater than the direct effect value of 0.730, so Regional Taxes through Regional Original Revenue significantly influence Regional Expenditures. Furthermore, Regional Original Revenue can mediate Regional Retribution on Regional Expenditure; this can be seen through the indirect effect value of 0.08, which is greater than the direct effect value of 0.072 so that Regional Retribution through Regional Original Revenue has a significant influence on Regional Expenditures.

REFERENCES

- 1) Albab, N. F. U., Ramadhani, R., & Fitri Komariyah, E. (2020). the Effect of Local Taxes , Local Retributions , and Capital Expenditures on Local Own-Source Revenue (Evidence From Bengkulu Regency). *International Journal of Business, Education, Humanities and Social Sciences*, 2(2), 84–88.
- 2) Aldy Andrean, V. F. S. (2022). Pengaruh Pendapatan Asli Daerah terhadap Belanja Barang dan Jasa dengan Budget Ratcheting sebagai Variabel Moderating. *Jurnal Eksplorasi Akuntansi*, 4(2), 248–260. <https://doi.org/10.24036/jea.v4i2.495>
- 3) Ardiyan Natoen, Evada Dewata, Yuliana Sari, Susi Ardiani, dan K. L. (2018). PENGARUH PAJAK DAERAH DAN RETRIBUSI DAERAH TERHADAP PENDAPATAN ASLI DAERAH PROVINSI SUMATERA SELATAN. *Jurnal Riset Terapan Akuntansi*, 2(1).
- 4) Asih, S. (2019). THE EFFECT OF THE CONTRIBUTION OF LOCAL TAXES, LOCAL ORIGINAL INCOME, REGIONAL LEVIES AND TAX REVENUE SHARING ON REGIONAL SPENDING WITH ECONOMIC GROWTH AS A MODERATING VARIABLE GOVERNMENT AND DISTRICT GOVERNMENT. *ACCOUNTING AND BUSINESS JOURNAL*, 1(2).
- 5) Fatmawati, A. P., & Ria Sari, N. (2021). Pengaruh Pendapatan Asli Daerah Terhadap Belanja Daerah Pada Pemerintah Kota Di Pulau Jawa. *Land Journal*, 2(1), 1–10. <https://doi.org/10.47491/landjournal.v2i1.1034>
- 6) Febriani, V. (2021). Pengaruh Pajak Daerah dan Retribusi Daerah Terhadap Belanja Daerah Kota Surabaya. *Jurnal Ilmu Dan Riset Akuntansi*, 10(1), 1–18.
- 7) Halim, A. (2007). *Akuntansi Sektor Publik: Akuntansi Keuangan Daerah*. Salemba empat.
- 8) Hasbullah. (2015). *Dasar-Dasar Ilmu Pendidikan*. PT Raja Grafindo Persada.
- 9) Lily Sintia, B. S. (2019). PENGARUH PAJAK DAERAH DAN RETRIBUSI DAERAH TERHADAP PENDAPATAN ASLI DAERAH. *Jurnal Ilmu Dan Riset Akuntansi*, 8(8), 2.
- 10) Melas, A. (2017). Pengaruh Pajak Daerah dan Retribusi Daerah Terhadap Belanja Langsung Pemerintah Daerah (Studi pada Kabupaten/Kota Se-Sulawesi Tengah). *Jurnal Katalogis*, 5(4), 44–55.
- 11) Olurankinse Felix. (2012). Analysis of the effectiveness of capital expenditure budgeting in the local government system of Ondo State, Nigeria. *Journal of Accounting and Taxation*, 4(1), 1–6. <https://doi.org/10.5897/jat11.038>
- 12) Reggie W. Mononimbar, Een N. Walewangko, J. S. (2017). PENGARUH PAJAK DAERAH DAN RETRIBUSI DAERAH TERHADAP PERTUMBUHAN EKONOMI MELALUI BELANJA DAERAH SEBAGAI VARIABEL INTERVENING DI KABUPATEN MINAHASA SELATAN (2005-2014). *Jurnal Berkala Ilmiah Efisiensi*, 17(02), 48–59.
- 13) Rizqy Ramadhan, P. (2019). Pengaruh Pajak Daerah Dan Retribusi Terhadap Pendapatan Asli Daerah Kabupaten/Kota Di Sumatera Utara. *JURNAL AKUNTANSI DAN BISNIS : Jurnal Program Studi Akuntansi*, 5(1), 81. <https://doi.org/10.31289/jab.v5i1.2455>
- 14) Simanjuntak, A., & Ginting, C. (2019). Pengaruh Pajak Daerah, Retribusi Daerah, Dana Alokasi Umum, dan Dana Alokasi Khusus terhadap Belanja Daerah. *Jurnal Manajemen*, 5(2), 183–194. <http://ejournal.lmiimedan.net>
- 15) Sudarmana, I. P. A., & Sudiarta, G. M. (2020). Pengaruh Retribusi Daerah Dan Pajak Daerah Terhadap Pendapatan Asli

The Effect of Regional Taxes and Regional Retribution on Regional Expenditures with Regional Original Revenues as Intervening Variabels in Indonesia in 2017-2022

Daerah Di Dinas Pendapatan Daerah. *E-Jurnal Manajemen Universitas Udayana*, 9(4), 1338.

<https://doi.org/10.24843/ejmunud.2020.v09.i04.p06>

- 16) Yusmalina, Lasita, F. H. (2020). ANALISIS PENGARUH PAJAK DAERAH DAN RETRIBUSI DAERAH TERHADAP PENDAPATAN ASLI DAERAH PADA BADAN PENDAPATAN DAERAH KABUPATEN KARIMUN PERIODE TAHUN 2016-2018. *JURNAL CAFETARIA*, 1(1), 13–21.



There is an Open Access article, distributed under the term of the Creative Commons Attribution – Non Commercial 4.0 International (CC BY-NC 4.0 (<https://creativecommons.org/licenses/by-nc/4.0/>)), which permits remixing, adapting and building upon the work for non-commercial use, provided the original work is properly cited.