

The Effect of Malang City Regional Regulation on Increasing Regional Income

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Abstract

This research aims to analyze the influence of Regional Regulation Number 4 of 2023 on increasing local original income in Malang City for the 2021-2023 period. Data was obtained from the Malang City Regional Financial and Asset Management Agency. The research method used in this writing is a qualitative approach focusing on literature study. Data and information are obtained from official documents, scientific journals, and financial reports. In this research, the author explores an understanding of the impact of Regional Regulation Number 4 on Regional Original Income (PAD) in Malang City through literature analysis and the context of the applicable regulations. Based on the results of the study of the influence of Regional Regulation Number 4 of 2023 on Increasing Original Regional Income in Malang City for the 2021-2023 period, it shows a consistent increase in PAD, which can be attributed to various factors including the implementation of Regional Regulation Number 4 of 2023. Overall, Regional Regulation Number 4 of 2023 is expected will have a positive impact on increasing PAD in Malang, not only strengthening fiscal autonomy but also supporting sustainable and inclusive development.

Keywords: Regional Regulation, Improvement, PAD, Malang City



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Introduction

Regional Regulation (Perda) Number 4 of 2023 enforced in Malang City is a regulation made to control aspects related to Regional Taxes and Regional Levies. The main purpose of this regulation is to strengthen local sources of income, which in time will support the autonomy and economic progress of the region. This Regional Regulation reflects values related to Regional Autonomy such as democracy, equality, justice, citizen involvement, and transparency, taking into account the distinctive characteristics possessed by the region. In addition, this Regional Regulation targets an increase in efficiency and transparency in the management of local taxes and levies by updating regulations that are no longer relevant to the current law (Sambodo, 2020).

Regional Regulation (Perda) Number 4 of 2023 stipulates various provisions related to the categories of taxes and levies, who are the subjects and objects of taxes, how the taxes are calculated, the rates used for certain services when the taxes must be paid, where the taxes must be collected, and how many rates are set for regional taxes and regional levies for various types of taxes and levies. Thus, Regional Regulation Number 4 of 2023 is an important step taken by the Malang City government to strengthen local revenue through a more organized

and responsible taxation and levy system. This is a testament to the city's commitment to improving the welfare of its citizens through more effective and independent regional financial management.

Based on Law Number 28 of 2009, Regional Original Revenue (PAD) is defined as a collection of financial resources originating from local areas which includes revenue from local taxes, revenue from local levies, profits from the management of local assets that have been allocated, and various other legally recognized sources of local income. Regional Original Revenue (PAD) is the revenue obtained by the region. This PAD comes from regional taxes, regional levies, company/processing products, regional wealth, sales of regional fixed assets, and current account services in their territory which are collected based on Regional Regulations (Perda) that are adjusted to applicable laws (BPS Malang City, 2024).

Increasing Regional Original Revenue (PAD) is one of the keys to success in achieving regional development goals. Because PAD determines the capacity of local governments to carry out government functions, namely in carrying out public service functions, as well as carrying out development functions (Mulya Firdausy, 2017 & Lovitasari, 2023). To create fiscal autonomy and strengthen regional independence, local governments have the right to establish taxes and levies that are the main contributors to Regional Original Revenue (PAD) (Nilawati, 2019). Then in the era of regional autonomy, the independence of a region is a priority to achieve development that does not depend on the central government. Therefore, regions are given the authority to manage their regional revenues, especially through Regional Original Revenue (PAD) (Hamid & Iqbal 2015).

In response to the need to advance financial autonomy, Malang City has taken steps to maximize revenue derived from local resources. In this effort, Regional Regulation Number 4 of 2023 has been proclaimed as a strategic step that aims to revitalize the tax system and local levy revenue. This policy is expected to widen the scope of taxes, increase efficiency in the tax collection and levy process, and ensure compliance from taxpayers. The development of Regional Original Revenue (PAD) is a key element for the City of Malang in financing development initiatives and providing public services that are oriented towards improving the living standards of its citizens. Through the implementation of this Regional Regulation, it is anticipated that there will be a significant surge in PAD, which will provide more ability for local governments to allocate funds for local needs independently, reducing dependence on allocation funds from the central government. This will provide more ability for local governments to allocate funds for local needs independently, reducing dependence on allocation funds from the central government. This is proof of Malang City's commitment to improving the welfare of its citizens through better financial management and oriented towards improving living standards.

Regional Regulation Number 4 of 2023 is also a manifestation of the local government's dedication to the principles of transparency and accountability in local financial management. This is expected to strengthen the community's trust in the local government and encourage community involvement in development. Some of the significant changes in this Regional

Regulation include restructuring tax types, providing new sources of regional taxation, simplifying the types of levies, and adjusting rates based on the Financial Relations Law between the Central Government and Regional Governments. This step aims to reduce the burden on the community in accessing basic public services and ensure more effective and independent regional financial management. Therefore, this research focuses on "The Influence of Regional Regulation Number 4 of 2023 on Increasing Regional Original Income in Malang City" which aims to strengthen the financial position of Malang City independently and support the realization of inclusive and sustainable development goals.

Literatur Review

The enactment of Regional Regulation Number 4 of 2023 in Malang City is a significant legislative development aimed at enhancing Regional Original Income (PAD) and fostering local economic growth. This regulation is part of a broader strategy to improve public services and stimulate various sectors that contribute to the region's financial independence. The importance of regional regulations in shaping local economies is substantial, as they serve as the legal framework within which local governments operate to generate revenue through local taxes and other means (Ismail, 2023; Permatasari, 2023).

One of the primary objectives of Regional Regulation Number 4 of 2023 is to optimize the collection of local taxes, which is crucial for increasing PAD. The regulation is expected to facilitate better tax administration and compliance, thereby enhancing revenue generation capabilities. Studies have shown that effective local tax policies can significantly impact economic growth by providing the necessary funds for public services and infrastructure development (Ismail, 2023; Ua et al., 2021). Research indicates that there is a direct correlation between PAD and economic growth, suggesting that as local income increases, so too does the potential for investment in public projects that further stimulate the economy (Ismail, 2023; , Saraswati & Ramantha, 2018).

Moreover, the regulation aligns with the principles of regional autonomy, allowing local governments to tailor their policies to the specific needs and potentials of their communities. This autonomy is essential for fostering a responsive governance structure that can adapt to local economic conditions and challenges (Permatasari, 2023; Salahudin, 2022). The implementation of Regional Regulation Number 4 of 2023 is expected to empower local authorities to better manage their resources and engage in strategic planning that prioritizes sustainable economic development (Hayat, 2023).

In addition to improving tax collection, the regulation also emphasizes the importance of investment in local industries and services. By creating a conducive environment for business development, the regulation aims to attract both domestic and foreign investments, which are vital for job creation and economic diversification (Ismail, 2023; Saraswati & Ramantha, 2018). The experiences of other regions, such as Tomohon City, demonstrate that effective regional tax policies can lead to increased local revenue and improved public service delivery, thereby enhancing overall economic performance (Liuw, 2023).

Furthermore, the regulation's focus on enhancing public services is crucial for building a robust local economy (De Nisa, 2024; Durrety, 2024). Improved services can lead to a higher quality of life for residents, which in turn can attract more businesses and tourists to the area. The potential for rural tourism in Malang Raya, for example, highlights how local regulations can be leveraged to tap into new revenue streams and promote regional development (Rofiah et al., 2022).

According to the results of the author's search, several studies are relevant to the problem in writing this research. This literature review is taken from several previous studies or those that have been conducted before with similar discussion topics.

First, a study was conducted by Deza Alkaida and Muhammad Hanif Ariq (The year 2023), entitled "Analysis of the Influence of Regional Tax Growth Rate on PAD for Increasing Development of Banten Province". The purpose of this study is to find out whether regional taxes and levies for the 2018–2021 period have a simultaneous and partial influence on the original regional income of Banten Province. The type of research used in this study is a quantitative methodology, namely analytical statistical techniques. This study discusses that there is a difference that deserves attention between Regional Levy and Regional Tax.

Multicollinearity between independent variables is not present in multiple linear regression. The significant regional tax variable is 0.571 and the Significant value of the Regional Levy Variable is 0.53 in this data, there is no heteroscedasticity. Durbin Watson's score is 1.672. Durbin Watson's value is still quite close to 2 which indicates the absence of autocorrelation. The Multiple Linear Regression equation obtained is $Y = 40.395 + 0.906 X_1 + 7.346 X_2 + e$. The magnitude of the regression coefficient shows that every change or increase in Regional Levies and Regional Taxes is 100%, causing an increase in the original Regional revenue, namely 90% and 734%. The customized R-square value of 0.992% was calculated based on the findings of the determination coefficient test. It shows that the research variable has a 20.6% ability to influence the bound variable (Alkaida & Ariq, 2023).

Second, a study conducted by Halkadri Fitra (The year 2016), entitled "The Influence of Regional Taxes and Regional Levies on Regional Original Revenue (PAD) in Padang City after the issuance of the Regional Autonomy Law". The purpose of this study is to find out the influence of local taxes on income, as well as to understand the influence of local levies on income. In addition, this study also examines the joint impact of local taxes and local levies on income. The type of research used in this study uses a type of quantitative approach. This study discusses that: 1) Regional taxes have a positive and significant influence on local revenue in the city of Padang. 2) Regional levy has a positive and significant influence on local revenue in Padang City. 3) Regional taxes and regional levies together have a positive and significant influence on local revenue in the city of Padang (Halkadri, 2016).

Third, a study conducted by Yulia Komala and Rahmawaty Arifiani (2021), entitled "The Effect of Regional Taxes and Regional Levies on the Original Regional Revenue (PAD) of Purwakarta Regency". The purpose of this study is to determine the influence of regional taxes on the Regional Original Revenue (PAD) of the Purwakarta district, the influence of regional

levies on the regional Original Revenue (PAD) of the Purwakarta district, and the influence of regional taxes and regional levies on Regional Original Revenue (PAD) of Purwakarta district. The type of research used in this study uses an associative descriptive method. The results of the study revealed that the regional tax variable showed a significant value of 0.00 which means that regional taxes partially affected the Regional Original Revenue (PAD) of Purwakarta district (PAD) from 2009 - 2018, while the regional levy variable showed a significant value of 0.018 which means that regional levies partially affected the Regional Original Revenue (PAD) of Purwakarta district in 2009 - 2018 (Yulia & Rahmawaty, 2021).

Fourth, a study conducted by Regina Usman (2017), entitled "The Influence of Regional Taxes and Regional Levies on Regional Original Revenue (PAD) (Case Study on the Regional Government of Bandung City for the 2011-2015 Period)". The purpose of this study is to determine the influence of regional taxes and regional levies on the original revenue of the City of Bandung for the period of 2011-2015 both simultaneously and partially. The type of research used in this study is multiple regression analysis. The results of the study show that there is a significant simultaneous difference between regional taxes and regional levies on local revenue. Partially, regional taxes have a significant positive effect on PAD, while regional levies have no significant effect.

Against PAD. Keywords: Regional Tax, Regional Levy, Regional Original Revenue (Usman, 2017). Fifth, a study conducted by I Putu Agus Sudarmana and Gede Mertha Sudiarta (2020), entitled "The Effect of Regional Levies and Regional Taxes on Regional Original Revenue at the Regional Revenue Office". The purpose of this study is to analyze the effect of regional levies and regional taxes simultaneously and partially on the value of local real income in Badung Regency in the period 2008-2018. The type of research used in this study is. The data analysis technique used in this study is multiple linear regression analysis. The results of the study show that regional levies, and regional taxes simultaneously and partially have a significant effect on Regional Original Revenue in Badung Regency. This result means that the increasing revenue from regional taxes and levies will increase the original regional revenue that will be received by the Badung Regency government (Sudarmana & Sudiarta, 2020).

Sixth, a study conducted by Eka Sri Mulyani, Sudarman, and Ratna Fitri Astuti (2021), entitled "The Influence of Regional Original Revenue (PAD) on Economic Growth in East Kalimantan Province in 2001-2020". The purpose of this study is to analyze the influence of regional original income (PAD) on economic growth in East Kalimantan Province for the period 2001-2020. The type of research used in this study is The data analysis technique used in this study is simple linear regression with the help of the IBM SPSS Statistic Version 23 For Windows computer program. The results of the study obtained a sig value of $0.000 < 0.05$ and a calculated value = $7.587 > table = 2.101$ indicating that there is a partial and ignorant influence of regional original income on economic growth, in addition, the higher the regional original income, the higher the economic growth. Increasing PAD is needed by maximizing the resources owned, to be able to finance all activities for the creation of infrastructure or regional

infrastructure facilities through capital expenditure allocation in the APBD (Mulyani, Sudarman, & Astuti, 2021).

Seventh, a study conducted by Yusnia Utami and Dhiana Ekowati (the Year 2022), entitled "The Effect of Regional Tax Revenue and Regional Levies on the Increase in Regional Original Revenue (PAD) Case Study of Regional Financial Entities and Assets in Sleman Regency". The purpose of this study is to determine the influence of Regional Tax revenue, and Regional Levy partially and simultaneously on the increase in Regional Original Revenue of Sleman Regency from 2014 – 2018. The type of research used in this study is a case study, where research is carried out on a specific object. The results of the study show that Regional Tax revenue has a partial effect on the increase in Regional Original Revenue, there is no effect on Regional Levy revenue partially on the increase in Regional Original Revenue, and Regional Tax Revenue and Regional Levy have a simultaneous effect on the increase in Sleman Regency in 2014-2018 Regional Original Revenue (Utami & Ekowati, 2022).

Method

The research entitled "The Influence of Regional Regulation Number 4 of 2023 on the Increase of Regional Original Income in Malang City" uses a qualitative approach focusing on literature studies. Data and information are obtained from document official documents, scientific journals, and related financial reports. In this study, the author explores the understanding of the impact of Regional Regulation Number 4 on Regional Original Revenue (PAD) in Malang City through literature analysis and the context of applicable regulations. A paradigm is a viewpoint used by a researcher to understand the object, problem, or event being studied. This paradigm is based on certain assumptions. Researchers consider paradigms to be very important because they serve as a basis for interacting with the world around them. One of the main goals of the paradigm is to form a framework of thinking in approach and engagement with other things or people. Thus, research cannot be separated from the paradigm (Rokhamah et al., 2024). Qualitative research methods are often referred to as naturalistic research methods because the research is carried out under natural conditions. This method is also referred to as the ethnographic method, and initially, it was widely used for research in the field of cultural anthropology. In addition, this method is called a qualitative method, because the data collected and analyzed are more qualitative. Denzin and Lincoln formulated that qualitative research is research that uses a natural setting, to interpret phenomena that occur and is carried out by involving various existing methods (Hardani, et al., 2020).

In the context of compiling a research project, the author needs to produce a literature review. A literature review is the first and important step in the preparation of a research plan. A literature review involves searching and studying literature by reading various books, journals, and other publications relevant to the research topic, to produce writings that focus on one particular topic or issue (Marzali, 2017). The author chose this research method because its qualitative approach and focus on literature studies provide certain advantages in the

context of research on the influence of Regional Regulation (Perda) Number 4 of 2023 on the increase in Regional Original Revenue (PAD) in Malang City. Here are some reasons why the author chose this method:

1. **Research Context:** In this case, the author wants to understand the impact of Regional Regulation Number 4 of 2023 on PAD in Malang City. The qualitative approach allows researchers to understand the context in depth and gain insights from various sources of information.
2. **Limitations of Primary Data:** The author notes that the data obtained comes from official documents, scientific journals, and related financial statements. In situations where primary data (e.g. surveys or live interviews) are not available or difficult to obtain, a qualitative approach can be a good alternative.
3. **Literature Analysis:** Literature studies allow authors to gather information from a variety of sources without having to conduct field research. By analyzing the relevant literature, authors can identify trends, comparisons, and previous findings that are relevant to the research topic.
4. **Quality of Information:** Official documents, scientific journals, and financial statements tend to have high information quality. By using a qualitative approach, the author can rely on these sources to explore a better understanding of the influence of Regional Regulation Number 4 on PAD.

Result and Discussion

A. Result

Regional Regulation (Perda) Number 4 of 2023 is a legislative initiative from the Malang City Government that aims to update the local taxation and levy system. This policy aims to improve management and responsibility in the local tax and levy system, as well as increase regional autonomy by the principles of autonomy. The regional regulation involves overhauling the tax structure, simplifying efficient levy categories, and adjusting tariffs by financial laws that regulate the relationship between the central and regional governments (Sambodo, 2020). This change is expected to increase Malang's Regional Original Revenue (PAD), which will contribute to better management of local government and public services. The data used in this study is sourced from the Malang City Government Revenue Realization Report by Type of Revenue (rupiah), 2021–2023 (BPS Malang City, 2024).

1. In 2021, the total revenue of PAD (Regional Original Revenue) increased to 2,152,355,838,252.87 rupiah with the largest source of income still coming from Transfer Revenue of 1,475,415,827,616.00 rupiah.
2. In 2022, the total revenue from transfers reached 2,171,753,457,135.85 rupiah with the largest source of income coming from Central Government Transfers of 1,450,405,048,247.00 rupiah.
3. In 2023, total revenue from transfers increased to 2,344,815,945,277.81 rupiah with the largest source of income still coming from Central Government Transfers of

1,552,647,976,062.00 rupiah. In 2022, other legitimate income is 3,011,115,493.50 rupiah. In 2023, the other income is 47,955,997.64 rupiah. Total revenue from all sources in 2022 is 2,171,753,457,135.85 rupiah, and in 2023, the amount increases to 2,344,815,945,277.81 rupiah.

An official document from the Central Statistics Agency (BPS) of the Malang City Government also provides insight into this Regional Regulation, to increase PAD through better fiscal management. The following is a table of Malang City Government Revenue Realization by Type of Revenue (rupiah) in 2021–2023:

Table 1. Malang City Government Revenue Realization by Type of Revenue (rupiah (Rp)), 2021–2023

Jenis Pendapatan Daerah	Realisasi Pendapatan Pemerintah Kota Malang Menurut Jenis Pendapatan (Rupiah (Rp.))		
	2021	2022	2023
Pendapatan Asli Daerah (PAD)	603 794 666 883,32	718 337 293 395,35	792 120 013 218,17
Pendapatan Transfer	1 475 415 827 616,00	1 450 405 048 247,00	1 552 647 976 062,00
Lain-Lain Pendapatan yang Sah	73 145 343 753,55	3 011 115 493,50	47 955 997,64
TOTAL PENDAPATAN	2 152 355 838 252,87	2 171 753 457 135,85	2 344 815 945 277,81
Sumber : Badan Pengelola Keuangan dan Aset Daerah Kota Malang			

Source: Malang City Regional Finance and Asset Management Agency

Based on Table 1, the Malang City Government Revenue Realization from 2021 to 2023 is as follows:

- Year 2021: Total revenue: Rp. 2,152,355,838,252.87.
- Year 2022: Total revenue: Rp. 2,171,753,457,135.85.
- 2023: Total revenue has increased significantly to Rp. 2,344,815,945,277.81.

The data above shows a consistent increase in PAD, which can be attributed to various factors including the implementation of Regional Regulation Number 4 of 2023. Overall, Regional Regulation Number 4 of 2023 is expected to have a positive impact on increasing PAD in Malang, not only strengthening fiscal autonomy but also supporting sustainable and inclusive development. Regional Regulation (Perda) Number 4 of 2023 plays a central role in achieving this. Here are the factors that play a central role in the achievement:

- Strengthening Fiscal Autonomy:** Regional Regulation Number 4 of 2023 gives more authority to local governments in managing taxes and levies. With stronger fiscal autonomy, Malang City can optimize the potential of local revenue sources.
- Changes in Tax Rates:** This Regional Regulation reregulates tax rates and levies. For example, the reduction of the Specified Goods and Services Tax (PBJT) rate on Parking Services from 25% to 10% allows parking entrepreneurs to continue operating with a lighter tax burden.

3. Increasing Taxpayer Compliance: The implementation of Regional Regulation Number 4 encourages taxpayer awareness and compliance. Counseling and socialization regarding regulatory changes help reduce tax avoidance practices.
4. Diversification of Revenue Sources: In addition to taxes and levies, this Regional Regulation also regulates the Land and Building Rights Acquisition Fee (BPHTB). This diversification of income sources reduces dependence on only one sector.
5. Improving the Quality of Public Services: PAD can increase if public services are improved. The implementation of the Regional Regulation helps improve infrastructure and services, thereby increasing investment attractiveness and economic growth.
6. Regional Asset Management: Regional Regulation Number 4 also regulates the management of regional assets. By more efficiently managing assets, such as land and buildings, the government can earn revenue from rentals and sales.
7. Strict Supervision: This Regional Regulation strengthens supervision over the implementation of taxes and levies. Strict supervision reduces the risk of revenue leakage.
8. Use of Information Technology: The implementation of the Regional Regulation is supported by a modern information system. Technology simplifies administrative, monitoring, and reporting processes, and minimizes errors.
9. Partnerships with the Private Sector: Increasing PAD also involves cooperation with the private sector. This Regional Regulation facilitates cooperation in asset management, reclamation, and joint projects.
10. Impact on Sustainable and Inclusive Development: Overall, Regional Regulation Number 4 of 2023 is expected to have a positive impact on increasing PAD in Malang. In addition to strengthening fiscal autonomy, this Regional Regulation, supporting sustainable and inclusive development by optimizing local resources and ensuring equitable distribution of benefits for all communities.

B. Discussion

The implementation of Regional Regulation Number 4 of 2023 in Malang City is a pivotal step towards enhancing Regional Original Income (PAD) and fostering sustainable economic development. This regulation is designed to optimize local revenue generation through various mechanisms, including taxation and investment in local industries. The effectiveness of such regulations in increasing PAD has been well-documented in the literature, highlighting the critical role of local governance in financial autonomy and economic growth (Oktavilia et al., 2021; Martini et al., 2022).

One of the primary components of Regional Regulation Number 4 of 2023 is its focus on improving tax collection efficiency. The regulation aims to streamline the processes associated with local taxation, which is essential for maximizing revenue. Research indicates that effective tax administration can significantly enhance local government revenues, thereby providing the necessary funds for public services and infrastructure development (Rofiah et al., 2022; Rusli, 2022). For instance, the study by Najwa and Adinugraha emphasizes that a

well-structured Regional Revenue and Expenditure Budget (APBD) is crucial for achieving development goals, as it outlines the financial framework within which local governments operate (Najwa & Adinugraha, 2022). Furthermore, the regulation's emphasis on progressive taxation could help regulate the number of motor vehicles, thereby increasing tax revenues while addressing urban congestion issues (Maharani & Mudzakar, 2023).

In addition to taxation, the regulation also promotes investment in local industries, particularly in sectors such as tourism, which has shown substantial potential for revenue generation in Malang City. The research conducted by Rofiah et al. highlights the significant economic impact of rural tourism, noting that it can create jobs and stimulate local economies through increased visitor spending (Rofiah et al., 2022). The tourism sector's contribution to PAD is further supported by findings from various studies that demonstrate how local attractions can enhance regional income through taxes levied on hospitality and entertainment services (Martini et al., 2022; Laut et al., 2021). As Malang City is rich in natural and cultural resources, leveraging these assets through targeted tourism initiatives could lead to a substantial increase in local revenue.

Moreover, the regulation's alignment with regional autonomy principles allows local governments to tailor their policies to the specific needs of their communities. This flexibility is crucial for fostering a responsive governance structure that can adapt to changing economic conditions (Oktavilia et al., 2021; Varlitya, 2023). The ability to implement localized strategies for revenue generation can enhance financial independence, enabling Malang City to invest in infrastructure and public services that directly benefit its residents. The potential impact of Regional Regulation Number 4 of 2023 on PAD is also linked to the broader context of regional development policies. Collaborative development initiatives, as discussed in the literature, can enhance local fiscal revenues by promoting synergies between different sectors and stakeholders (Liu, 2023). By fostering partnerships between the government, private sector, and community organizations, Malang City can create a more robust economic environment that supports sustainable growth and increases PAD.

Conclusion

Regional Regulation (Perda) Number 4 of 2023 enforced in Malang City is a regulation made to control aspects related to Regional Taxes and Regional Levies. The main purpose of this regulation is to strengthen local sources of income, which in time will support the autonomy and economic progress of the region. In response to the need to advance financial autonomy, Malang City has taken steps to maximize revenue derived from local resources. In this effort, Regional Regulation Number 4 of 2023 has been proclaimed as a strategic step that aims to revitalize the tax system and local levy revenue. This policy aims to expand tax coverage, improve efficiency in the tax collection and levy process, and ensure compliance from taxpayers.

This policy is expected to widen the scope of taxes, increase efficiency in the tax collection and levy process, and ensure compliance from taxpayers. The development of

Regional Original Revenue (PAD) is a key element for the City of Malang in financing development initiatives and providing public services that are oriented towards improving the living standards of its citizens. Regional Regulation Number 4 of 2023 is also a manifestation of the local government's dedication to the principles of transparency and accountability in local financial management. This is expected to strengthen the community's trust in the local government and encourage community involvement in development.

Some of the significant changes in this Regional Regulation include restructuring tax types, providing new sources of regional taxation, simplifying the types of levies, and adjusting rates based on the Financial Relations Law between the Central Government and Regional Governments. This step aims to reduce the burden on the community in accessing basic public services and ensure more effective and independent regional financial management. The development of Regional Original Revenue (PAD) is a key element for the City of Malang in financing development initiatives and providing public services that are oriented towards improving the living standards of its citizens. With Regional Regulation Number 4 of 2023, it is hoped that PAD can continue to increase consistently.

Based on data on the Malang City Government's Revenue Realization from 2021 to 2023, it shows a consistent increase in PAD, which can be attributed to various factors including the implementation of Regional Regulation Number 4 of 2023. Overall, Regional Regulation Number 4 of 2023 is expected to have a positive impact on increasing PAD in Malang, not only strengthening fiscal autonomy but also supporting sustainable and inclusive development.

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