**Analysis of the Effectiveness of Entertainment Tax in Batu City Reviewing Regional Original Revenue (PAD) and Taxpayer Compliance**

Elisabet Juwita Monadi

Departement of Public Administration, University of Merdeka Malang

Email: [elisabetjuwitamonadi@gmail.com](mailto:elisabetjuwitamonadi@gmail.com)

|  |  |  |
| --- | --- | --- |
| **Abstract**    Entertainment tax is one of the sources of revenue for local governments. This study aims to examine the contribution of entertainment tax to Regional Original Revenue (PAD) in Batu City. The research method used is qualitative descriptive using object data at the Batu City Regional Finance Agency. Based on data from the Central Statistics Agency (BPS), Batu City's tax financial statements from 2020 to 2022 are tax revenues for the entertainment sector. In 2020, the contribution reached 12.42%, while in 2021, the contribution decreased to 8.89% and in 2022, the contribution decreased to 12.78%. Although the data has decreased and increased, it shows that the entertainment tax in Batu City has a lack of contribution to the Regional Original Revenue (PAD). The government needs to monitor the potential of taxes and conduct socialization so that this contribution can increase. In order to increase the effectiveness of entertainment tax revenue, the Batu City Regional Revenue Office needs to provide socialization to the public regarding entertainment tax rates and calculation methods.  **Keywords**: Entertainment Tax, Regional Original Revenue (PAD), Batu City   |  |  | | --- | --- | |  | **Journal Of transformative Governance and Social Justice (J-TRAGOS)**  [E-ISSN XXXX-XXXX](http://issn.pdii.lipi.go.id/issn.cgi?daftar&1472787722&1&&), [P-ISSN XXXX-XXXX](http://issn.pdii.lipi.go.id/issn.cgi?daftar&1472787722&1&&)  Volume. 1, No.1 2023  DOI: Prefix 10.26905  Received: (filled by admin) Revised: (filled by admin) Accepted: (filled by admin) Published: (filled by admin)  Published by the **Department of Public Administration, Faculty of Social and Political Sciences, University of Merdeka Malang, Indonesia.** | |

**Introduction**

The authority of local governments in regional autonomy includes authority in all areas of government, except foreign policy, defense-security, judiciary, monetary, and fiscal and religious affairs. Regional autonomy is owned by local governments in the implementation of regional autonomy on the authority to manage regional affairs by referring to legislation (Damayanti & Muthaher., 2020). Law Number 32 of 2004 concerning Regional Government Article 20 that local governments use the principle of autonomy and assistance duties (Vamiagustin & Saifi, 2014). The source of regional revenue is the main aspect in the implementation of regional autonomy, the source of regional revenue comes from Regional Original Revenue (PAD) which comes from taxes collected by the local government in supporting development in a region itself (Khoiriyyah et al., 2022). The Batu City Government uses regional autonomy to assist in managing and optimizing natural resources that are able to benefit the region by handing over authority to the Regional Revenue Office to collect taxes, namely entertainment taxes in Batu City which are able to shake the Regional Original Revenue (PAD).

In Law Number 33 of 2004 explains the Financial Balance with the Central Government and Regional Governments which states that, "Regional Original Revenue (PAD) is the revenue obtained by the regions that is collected

based on local regulations that adjust to laws and regulations" (Damayanti & Muthaher., 2020). It is stated in Law Number 28 of 2009 that Regional Original Revenue (PAD) comes from Regional Tax, mandatory contributions to the Region that are stated by individuals or entities that are coercive by not getting direct rewards and are used for Regional purposes for the prosperity of the people. Regional Tax is the main component of Regional Original Revenue (PAD) which is divided into 2 (two) parts, namely Provincial Tax and Regency/City Tax. The Regency/City Tax is divided into 11 parts, namely Hotel Tax, Restaurant Tax, Entertainment Tax, Billboard Tax, Street Lighting Tax, Non-Metallic Mineral and Rock Tax, Parking Tax, Groundwater Tax, Swallow's Nest Tax, Rural and Urban Land and Building Tax and Land and Building Rights Acquisition Duty (Vamiagustin & Saifi, 2014).

In Law No. 28 of 2009, there are various types of regional taxes, one of which is the entertainment tax (Wijaya, 2019). Batu City has a dependence on the tourism sector, the availability of various entertainment facilities that exist to pamper tourists to be able to visit to enjoy the beauty of Batu City. The high consumer interest in entertainment facilities has led to an increase in taxes levied on the use of entertainment facilities. The tourism potential of Batu City, made by the local government as a tourist destination, tourist visits reached 7,445,799 tourists in 2022. Related to the Regulation of the Mayor (Perwali) of Batu City No. 31 of 2020 concerning Procedures for the Collection of Entertainment Tax. This regulation covers general provisions, subjects and objects related to taxes, registration procedures, calculation, collection, tax period, filling and submission of SPTPD, payment, tax collection, and other provisions. In realizing regional development, it is important for the Regional Government to increase tax collection. Entertainment tax in Batu City is regulated in Regional Regulation Number 6 of 2010 (Hidayanti, 2022). The level of entertainment tax compliance in Batu City is able to be reflected from the level of timely tax reporting and tax payment in accordance with the applicable time provisions. The lack of entertainment tax compliance in Batu City still needs to be improved, because entertainment activities in Batu City are getting more congested, but the amount of entertainment tax is not proportional to the development of entertainment objects and facilities that continue to develop and the increasing number of visitors to Batu City. Entertainment taxes are used for the growth of the local entertainment industry, controlling the circulation of illegal businesses. From the increase in entertainment tax growth, it can be increased in optimal revenue revenue. The efforts of the Batu City Regional Tax Management Agency (BPPD) seeks to carry out an approach for taxpayers for local governments, which is a crucial factor for the development of the Batu City area. The level of entertainment tax compliance in Batu City is able to be reflected from the level of timely tax reporting and tax payment in accordance with the applicable time provisions. Entertainment tax compliance in Batu City still needs to be improved, because entertainment activities in Batu City are getting denser, but the amount of entertainment tax is not proportional to the development of entertainment objects and facilities that continue to grow and the increasing number of visitors to Batu City. The Batu City Government needs to make efforts in optimizing entertainment tax revenue in accordance with its function.

Based on the existing background, the purpose of writing this research is

to assess the effectiveness of entertainment tax contribution to the Original Revenue of Batu City, as well as analyze the positive impact obtained from the compliance of taxpayers in the entertainment sector.

**Literature Review**

## **Tax**

Taxes are people's contributions to the state treasury based on the Law with a mandatory levy paid by every citizen to the state and will be used for the benefit of the government and the community. Based on the Law, tax payment is not only an obligation, but also the right of all people to play a role in state financing and national development.

## Tax Function

Taxes have several important functions for the sustainability of a country and society. The following are the 4 (four) main functions of taxation:

1. The function of the tax budget *(Budgetair*) is the main source of state revenue that can be used in financing and state expenditure which plays a role in carrying out routine tasks in carrying out development with the payment of citizen taxes contributing to the financing of state needs as well as education, health, infrastructure and security;
2. The function of tax regularend is a tool in regulating economic and social growth, which in tax obligations is able to affect investment, consumption, and domestic production which are closely related to state affairs in state revenue and treasury which are included in the family of fiscal policies in the state economy which include revenue, trade and financing in the state budget posture;
3. Stability Function, taxes are able to help maintain economic stability which is to control inflation or to overcome a recession, if inflation occurs, this shows that the economy continues to increase due to the number of consumers increasing in terms of spending, but production limitations that make the price volatility which is gradually increasing, in this case a wise tax policy can help maintain a balance in demand to be more more than the offer in the market;
4. The function of Revenue Redistibulation, with the existence of taxes, is able to reduce economic disparities by taking from the more able and giving to the less fortunate, so that progressive taxes are like income taxes that allow income redistribution so that people who are more able to afford to pay more taxes. This tax withdrawal is prioritized in groups of people who have a large economic income, for example with income tax. VAT or business entity tax. But on the other hand, for vulnerable groups that tend to have low incomes, the government provides tax amnesty so that they are not too involved in financing state development.

## Types of Taxes

The types of taxes can be grouped as follows:

1. Tax grouping according to its group, namely direct taxes and indirect taxes;
2. Tax grouping according to its nature, namely subjective taxes and objective taxes;
3. Tax grouping is according to the collecting institution, namely central tax (state tax) and regional tax (Wijaya, 2019).

## **Entertainment Tax**

In Law No. 28 of 2009 Article 1 numbers 24 and 25, entertainment tax is a type of regional tax collected on the organization or procurement of entertainment, from all types of performances, games, games of departure and crowding with any name and form, which are watched and enjoyed by everyone with a fee, excluding the use of facilities for exercise. The entertainment tax rate is set at least 35% (thirty-five percent). The basic calculation method regarding entertainment tax is the amount of money received or should be received by the organizer or entertainment procurement. The subject of the entertainment tax is an individual or entity that enjoys entertainment. Meanwhile, entertainment taxpayers are individuals or entities that organize entertainment (Jannah, Siti Raudhotul & Junaidi, 2022; Paturochman, 2020; Wijaya, 2019)

## **Regional Original Income**

According to Firdausy in (Harum Syabrinawati, 2023) states that Regional Original Revenue is a source of financing for the Regional Government which is justified through several sources of revenue which come from regional taxes, regional levy revenues, owned company revenues and other separated regional wealth management results and other legitimate Regional Original Revenue. Based on Law No. 33 of 2004 concerning Financial Balance Between the Central and Regional Regions Article 1 Point 18, the Regional Original Revenue that the revenue obtained by the Region is collected based on Regional Regulations in accordance with laws and regulations.

## **Regional Tax Collection System**

The provisions are regulated in the Law on General Provisions and Procedures of Indonesian Taxation, it is clear that the Indonesian tax system adheres to *self-assessment.* The determination of the self-assessment system is regulated in Law No. 18 of 1997 and Law No. 34 of 2000. The characteristics of each type of regional tax are not the same, this system cannot apply to all types of regional taxes. In the current regional tax collection, 3 (three) tax collection systems are used, namely:

1. Paid by the taxpayer himself, this system is a manifestation of the *self-assessment system*;
2. Determined by the Regional Head, which is the embodiment of the *official system*;
3. It is collected by tax collectors, which is the embodiment of the *with holding system*. In general, in the system used in regional taxes, both *the selft assessment* and *official assessment systems* depend on the type of tax (Wijaya, 2019).

The Draft Regional Regulation on Regional Taxes and Regional Levies of Batu City has the purpose of regulating the governance of regional taxes and levies effectively and transparently and is able to increase Regional Original Revenue (PAD).

## **Legal Basis for Collecting Entertainment Tax**

The collection of entertainment tax is the authority of the Regency or City Regional Government. According to (Wijaya, 2019) the legal basis for the collection of entertainment tax in a Regency or City, in accordance with Law No. 28 of 2009 concerning Regional Taxes and Regional Levies, Law No. 34 of 2000 is an amendment to Law No. 34 of 1997 concerning Regional Taxes and Regional Levies. Regarding Government Regulation Number 65 of 2011 concerning Regional Taxes, Regency or City Regional Regulations that regulate Entertainment Tax, as well as the Decree of the Regent or Mayor that regulates Entertainment Tax regarding the implementation rules of regional regulations regarding Entertainment Tax. Batu City Mayor Regulation (Perwali) No. 31 of 2020 concerning Entertainment Tax Collection Procedures, is emphasized to contain details of entertainment tax collection procedures related to the calculation, collection and collection of entertainment tax, for effectiveness and transparency in the collection of entertainment tax in accordance with the applicable Mayor Regulation. In the tax period or in the tax year according to the provisions of local regulations regarding entertainment taxes that have been determined by the Regency/City Regional Government. The tax year is a period of one year of takwin, unless the taxpayer uses a year book that is not the same as the year of takwin. The determination of other periods other than one month of takwin as a tax period. If the payment period is accepted, but the implementation of the entertainment tax has not been carried out or held, then the entertainment tax is contained in the tax period that occurs at the time of payment.

## **Subject and Object of Entertainment Tax**

Law No. 28 of 2009 concerning Regional Taxes and Regional Levies in Article 43, states the subject of entertainment tax, which is as follows:

1. Entertainment tax subjects are individuals or entities that enjoy entertainment;
2. Entertainment taxpayers are individuals or entities that organize entertainment.

Law No. 28 of 2009 concerning Regional Taxes and Regional Levies in Article 42 states the objects of entertainment tax, which are as follows:

1. The object of entertainment tax is the service of providing entertainment with a fee;
2. The entertainment as intended in paragraph (1) is the spectacle of films performing arts, music, dance and/or busanakontes, beauty, bodybuilding, and a type of opera, discos, karaoke, night clubs, and a type of circus, acrobatics and embroidery, billiards games, golf, and bowling, horse racing, motor vehicles and agility games, massage parlors, reflections, steam baths/spas and fitness centers and sports matches;
3. The implementation of entertainment as intended in paragraph (2) may be exempted by regional regulations.

**Method**

## **Research Approach**

This study uses a qualitative approach with a descriptive method. This qualitative research has the purpose of seeking the truth about a phenomenon by proving a thought, theory in a book and the results of studies in schools or colleges. A qualitative approach is chosen

with the aim of understanding and describing the entertainment tax that plays a role in the Regional Original Revenue (PAD) in Batu City. This is related to factors that affect taxpayer compliance, the effectiveness of tax collection, and the contribution of entertainment tax to Regional Original Revenue (PAD) case study at the Batu City Regional Tax Management Agency (BPPD). This case study is a research conducted on a specific object by collecting relevant data and research results and conclusions that apply to a certain object. The descriptive method is used in describing and analyzing the data collected in detail based on existing facts. The data set with careful observation with the scope of the description in a detailed context with the record of the results of document analysis.

## **Type of Research**

This type of research uses a descriptive method and a qualitative approach that refers to case studies, regarding the assessment of the effectiveness and contribution of entertainment tax to Regional Original Revenue (PAD) in Batu City which allows the research to conduct an in-depth investigation of one specific case regarding entertainment tax in Batu City. This research does not always use a single method but can combine several methods that can provide a more comprehensive picture. This allows in research to comprehensively understand aspects related to entertainment tax, policies implemented and practices in the field that take place in accordance with the policies that have been implemented.

## **Data Collection Techniques**

* 1. Observation

The data collection technique used in the study is by conducting observations. The purpose of observation is to describe in qualitative research that is able to give birth to theories and hypotheses by making direct observations with the entertainment tax collection process in the field which is related to Regional Revenue activities in Batu City, the process of inspecting entertainment venues to determine entertainment taxpayers, and interaction between tax collectors and taxpayers. Observation techniques must pay attention to ethical principles by respecting the dignity and dignity of humanity starting from the privacy and confidentiality of the subject, justice and inclusivity in the calculation of benefits and losses incurred (Hasanah, 2016).

* 1. Documentation

The data collection technique used in this study can use the study of documents related to entertainment taxes in Batu City which are related to the Regulation of the Mayor of Batu City No. 31 of 2020 concerning Entertainment Tax Collection Procedures, financial reports from the Batu City Regional Revenue Office, statistical data on taxpayer compliance and previous research related to entertainment taxes.

## **Data Analysis**

Data collection from various data sources is analyzed qualitatively using thematic analysis techniques. Thematic analysis is a method with

Analyzing qualitative data which involves collecting data by looking for patterns from the meaning of data to find themes with a process of reflectivity from the existence of subjective research experiences in the center of data understanding which is carried out by identifying, analyzing and interpreting patterns and themes that arise from the existence of data which are used to answer research questions and draw conclusions that are able to be understood by readers. The appropriate steps to be used in thematic analysis which are systematic and structured which can be carried out by: preparing relevant data for research, familiarization with data by understanding the context and getting a general overview, labeling (*coding*) on parts of data that have meaning relevant to the research question, finding themes by grouping and classifying the code that is the theme The larger the review and classification of themes into broader categories, the definition and naming of themes that clearly define each theme and give a name that reflects its essence and the presentation of the results in a clear narrative or table form.

**Result and Discussion**

## **Effectiveness of Entertainment Tax Contribution**

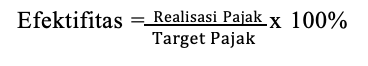
Regional Original Revenue (PAD) is obtained from sources within the region which are collected based on regional regulations in accordance with applicable laws and regulations, based on Law Number 33 of 2004 concerning the financial balance between the central and regional governments, which is sourced from regional taxes; regional levies; the results of the management of segregated regional wealth and other valid PAD (proceeds from the sale of inseparable regional wealth, current account services, interest income, profit from the difference in the exchange rate of the rupiah against foreign currencies, commissions, deductions or other forms as a result of the sale and/or procurement of goods and/or Java by the regions). In the subject of Entertainment Tax, it is an individual or entity that enjoys entertainment in Law Number 28 of 2009 according to Article 43 paragraph 1. The Entertainment Tax Rate is regulated in Law Number 28 of 2009 Article 45 that the tax rate for each type of entertainment will be different, namely:

* + 1. A 10% tax rate for art performances from income;
    2. A 15% tax rate on sports;
    3. 35% tax rate for tourist parks and entertainment tax rate;
    4. The 35% tax rate for performing arts includes circuses/acrobats, magic, art galleries, dance, fairs, fashion shows, beauty contexts, music performances, film shows, karaoke venues, laser disc rentals (VCD, videotape), billiards and golf bowling, horse racing, fitness centers, cars;
    5. A 75% tax rate is for massage parlors, discos, bars and steam baths.

Tax contribution is used by assessing the level of revenue that can be collected from the ratio of the tax sector in a region by comparing the total amount of regional revenue in certain years. Regional Regulation Number 6 of 2010 concerning Entertainment Tax in Batu City, although its implementation has been stipulated in the tax collection process, there are still obstacles in the form of large tax arrears in several popular tourist attractions in Batu City.

According to Halim, 2002:129 quoted in (Jannah, Siti Raudhotul & Junaidi, 2022) an analysis of effectiveness which is a situation that occurs with the consequences of

wanted. In the formulation of the measurement of tax effectiveness, it is as follows:



According to (Jannah, Siti Raudhotul & Junaidi, 2022) on the measurement of the effectiveness value in detail using criteria based on the Decree of the Minister of Home Affairs No. 690,900,325 of 1996 regarding the guidelines for effectiveness criteria compiled in the following table:

|  |  |
| --- | --- |
| **Percentage** | **Criteria** |
| >100% | Sangat Efektif |
| 90%-100% | Efektif |
| 80%-90% | Cukup Efektif |
| 60%-80% | Kurang Efektif |
| <60% | Tidak Efektif |

Source: Kepmedagri No. 690.900.327 of 1996 in (Jannah, Siti Raudhotul & Junaidi, 2022)

The targets and realization of Batu City entertainment tax revenue for 2020-2021 can be seen as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Year** | **Target (Rp)** | **Realisasi (Rp)** | **Persentase Dari Target (%)** |
| 2020 | 13.325.364.000,00 | 14,251.004.000,00 | 106,95% |
| 2021 | 11.751.004.321,00 | 10.678.099.613,00 | 90,87% |
| 2022 | 30.700.000.000,00 | 2.600.000.000,00 | 118,07% |
| **Rata-rata** | | | **105,30%** |

Sumber: BPS Kota Batu (data diolah)

Based on the table of the effectiveness of entertainment tax in the last 3 (three) years which has decreased. The highest entertainment tax effectiveness occurred in 2022, which was 11.07%, which has recovered after the COVID-19 outbreak. Then the effectiveness of the lowest entertainment tax in 2021 was 90.87% even though the PPKM period had ended, but this year is a period of economic recovery for the community. Able to be seen as a whole for the last 3 (three) years in accordance with what has been stipulated in the Ministry of Home Affairs on the collection of entertainment tax shows very effective results with an average annual effectiveness rate of 105.30%. In accordance with the standards set out in the Ministry of Home Affairs regarding the collection of entertainment taxes by showing that the Batu City Government has succeeded in collecting entertainment taxes.

The method of testing taxpayer compliance in reporting the amount of tax that is a burden requires a Tax Audit and *Silence Operation testing method*. In optimal supervision of entertainment tax collection by the Batu City Regional Revenue Office, a tax audit team has been formed in collaboration with the East Java Provincial Financial and Development Supervisory Agency. Tax audit is a functional official who is in a position to technically carry out the functional tax audit at the Directorate General of Taxes of the Ministry of Finance (Malau, 2012).

The level of entertainment tax compliance in Batu City is able to be reflected from the level of timely tax reporting and tax payment in accordance with the applicable time provisions. Entertainment tax compliance in Batu City still needs to be improved, because entertainment activities in Batu City are getting denser, but the amount of entertainment tax is not proportional to the development of entertainment objects and facilities that continue to grow and the increasing number of visitors to Batu City. The Batu City Government needs to make efforts in optimizing entertainment tax revenue in accordance with its function. Increasing taxpayer compliance, both formal and material from individual taxpayers' tax regulations, this tax compliance has an impact both directly and indirectly on taxpayers.

## Implications of the Calculation of Entertainment Tax Contribution to Batu City PAD and Compliance Improvement Strategy

According to the Degdagri-Fisipol UGM R&D Team in 1991 (in Yulia Anggara Sari: 2011) (in Jannah, Siti Raudhotul & Junaidi, 2022) regarding the classification of contribution criteria that are prepared, it is used in calculating contributions as follows:

𝑄𝑋𝑛

Pn = x 100%

𝑄𝑌𝑛

The measurement of the contribution ratio for entertainment tax calculation in more detail is used in this case has been compiled by the Degdagri-Fisipol R&D Team which is compiled in the following table:

|  |  |
| --- | --- |
| **Percentage** | **Criteria** |
| 0,00%-10% | Sangat Kurang |
| 10,10%-20% | Kurang |
| 20,10%-30% | Sedang |
| 30,10%-40% | Cukup Baik |
| 40,10%-50% | Baik |
| Diatas 50% | Sangat Baik |

Source: R&D Team of the Ministry of Home Affairs – Fisipol UGM 1991 (in Yulia Anggara Sari: 2010) (in Jannah, Siti Raudhotul & Junaidi, 2022)

The calculation of the analysis of the contribution of entertainment tax to the Regional Original Revenue (PAD) of Batu City in 2020-2022 which can be described in the following table:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year** | **Realisasi Pajak Hiburan (Rp)** | **Total PAD (Rp)** | **Kontribusi (%)** | **Kriteria** |
| 2020 | 14.251.004.321,00 | 114.716.707.010,00 | 12,42% | Kurang |
| 2021 | 10.678.009.613,00 | 120.049.674.231,00 | 8,89% | Sangat Kurang |
| 2022 | 2.600.000.000,00 | 203.313.197.679,00 | 12,78% | Kurang |
| **Rata-rata** | | | **11,36%** | **Kurang** |

Source: Batu City Bapenda (data processed)

Based on the calculations in the table above, it can be seen that the contribution of entertainment tax to Regional Original Revenue (PAD) in Batu City is still relatively low. From the results of this contribution, the highest tax contribution in 2022 with a percentage of 12.78% while the lowest contribution in 2021 with a percentage of 8.89%. Seen as a whole, during the last 3 (three) years, the contribution of entertainment tax to the increase of Regional Original Revenue (PAD) has not contributed, because the percentage of contribution is still less than 30% to be included in the category of Regional Original Revenue (PAD).

The implications of the entertainment tax in Batu City are able to provide benefits in the Increase of Regional Original Revenue (PAD), entertainment tax in Batu City is levied in accordance with Law No. 28 of 2009. The average entertainment tax contribution is 11.36% every year which provides an increase from every year for the Regional Original Revenue (PAD) of Batu City The potential wealth of Batu City can be empowered by the existence of tourist attractions that are able to increase their contribution to taxes. The realization of entertainment tax collection is said to be quite successful if every year there is an increase in Regional Original Revenue (PAD) revenue through an effective strategy. The effectiveness of a good entertainment tax will have a great influence on the Regional Original Revenue (PAD) of Batu City which is used to improve the quality of life of the community as well as to increase the ability of the region to provide services and facilities in the development of proper infrastructure, improve the quality of education, improve the quality of health and improve the welfare of the community.

Strategies that need to be considered in the collection of entertainment tax in Batu City:

1. The improvement of the tax information system, the impact of the COVID-19 pandemic has resulted in a decrease in the contribution of entertainment tax to Regional Original Revenue (PAD). The right government strategy by providing information continuously and at scale. The application of the strategy through extensification which becomes a control system on a tax-based income in maximizing revenue that is fundamental to maximizing Regional Original Revenue. A strategy that can be implemented through intensification by maximizing the revenue system which is sourced from revenue by evaluating, reviewing and making improvements in payments to the reporting process.
2. Special attention is needed in supervision, increasing the supervision of tax revenues must go directly into the field to supervise entertainment activities. Supervisory control can function as a control to reduce errors that are able to reduce regional revenue. In optimal supervision of entertainment tax collection by the Batu City Regional Revenue Office, a tax audit team has been formed in collaboration with the East Java Provincial Financial and Development Supervisory Agency. Tax audit is a functional official who has the position of technically functional implementer of tax audit at the Directorate General of Taxes of the Ministry of Finance (Dede et.al., 2021).
3. Increasing taxpayer awareness, the high level of awareness of taxpayers will pay the stated tax in accordance with the provisions. This can be carried out with counseling by the Regional Finance Agency regarding taxpayers and the benefits of tax collection to improve people's welfare.

**Conclusion**

The Batu City Government uses regional autonomy to assist in managing and optimizing natural resources to benefit the region by handing over authority to the Regional Revenue Office to collect taxes, namely entertainment taxes in Batu City. It is stated in Law Number 28 of 2009 that Regional Original Revenue (PAD) comes from Regional Tax, mandatory contributions to the Region that are stated by individuals or entities that are coercive by not getting direct rewards and are used for Regional purposes for the prosperity of the people. Regulation of the Mayor (Perwali) of Batu City No. 31 of 2020 concerning Procedures for Collecting Entertainment Tax. This regulation covers general provisions, subjects and objects related to taxes, registration procedures, calculation, collection, tax period, filling and submission of SPTPD, payment, tax collection, and other provisions. The highest entertainment tax effectiveness occurred in 2022 at 11.07%, which has recovered after the COVID19. Then the lowest entertainment tax effectiveness in 2021 is 90.87%, in accordance with the standards set out in the Ministry of Home Affairs. As a result of this contribution, the highest tax contribution in 2022 with a percentage of 12.78% while the lowest contribution in 2021 with a percentage of 8.89%. Seen as a whole, during the last 3 (three) years, the contribution of entertainment tax to the increase of Regional Original Revenue (PAD) has not contributed, because the percentage of contribution is still less than 30% to be included in the category of Regional Original Revenue (PAD). The realization of entertainment tax collection is said to be quite successful if every year there is an increase in Regional Original Revenue (PAD) revenue through an effective strategy. The effectiveness of a good entertainment tax will have a great influence on the Regional Original Revenue (PAD) of Batu City which is used to improve the quality of life of the community as well as to increase the ability of the region to provide services and facilities in the development of proper infrastructure, improve the quality of education, improve the quality of health and improve the welfare of the community. Entertainment tax compliance in Batu City still needs to be improved, because entertainment activities in Batu City are getting denser, but the amount of entertainment tax is not proportional to the development of entertainment objects and facilities that continue to grow and the increasing number of visitors to Batu City. The Batu City Government needs to make efforts in optimizing entertainment tax revenue in accordance with its function. Strategies that need to be considered in the collection of entertainment tax in Batu City: Improvement of the tax information system, the impact of the COVID-19 pandemic has resulted in a decrease in the contribution of entertainment tax to Regional Original Revenue (PAD). The right government strategy by providing information continuously and at scale. Special attention is needed in supervision, increasing the supervision of tax revenues must go directly into the field to supervise entertainment activities. Supervisory control can function as a control to reduce errors that are able to reduce regional revenue. Increasing taxpayer awareness, the high level of awareness of taxpayers will pay the stated tax in accordance with the provisions.

**References**

Badan Pusat Statistik, Reaslisasi Anggaran Pendapatan Daerah di Kota Batu (rupiah), 2022

Damayanti, Wahyu Suci Rizqi Drs. Osmad Muthaher., M. S. (2020). *PENGARUH PAJAK HOTEL, PAJAK RESTORAN, PAJAK HIBURAN DAN PAJAK*

*PENERANGAN JALAN TERHADAP PENDAPATAN ASLI DAERAH*. 331–356.

Dede, M. V. (2021). *Dampak Covid-19 Terhadap Potensi Pajak Hiburan dan Kontribusi Terhadap Pendapatan Asli Daerah Kota Batu ( Studi Kasus Dinas Pendapatan Kota Batu)*. *13*(November), 344–351.

Halim, Abdul. 2002. *Akuntansi Keuangan Daerah*. Edisi Pertama. Jakarta: Salemba Empat.

Harum Syabrinawati, S. H. (2023). Pengaruh Pajak Hiburan, Hotel, Restoran, dan Reklame terhadap PAD Kota Batu. *JUrnal Ekonomi, Keuangan Dan Bisnis*

*Syariah*,

*5*(3), 1460–1479. https://doi.org/10.47467/alkharaj.v5i3.1770

Hasanah, H. (2016). Teknik-teknik observasi. *Jurnal At-Taqaddum*, *Vol.8 No.*, 21– 46.

Hidayanti, A. D. (2022). *STRATEGI PERENCANAAN PEMERINTAH DALAM*

*MENINGKATKAN PEMUNGGUTAN PAJAK HIBURAN UNTUK MEWUJUDKAN PEMBANGUNAN DAERAH KOTA BATU*.

Jannah, Siti Raudhotul & Junaidi, M. A. (2022). ANALISIS PEMBERLAKUAN PEMBATASAN KEGIATAN MASYARAKAT (PPKM) TERHADAP PENERIMAAN PAJAK HIBURAN DAN PAJAK RESTORAN KOTA BATU. *E- JRA*, *Vol. 11 No*, 1–9.

Kemendagri No.690.900.327. 1996. Tentang Kriteria Penilaian Dan Kinerja Keuangan

Khoiriyyah, A., Suyanto, U. Y., & Dewi, R. F. (2022). *Efektifitas Dan Kontribusi Pajak Hiburan Terhadap Penerimaan Pendapatan Asli Daerah Kabupaten Lamongan Th*

*. 2017-2020*. *5*(2).

https://bapenda.batukota.go.id/PajakHiburan

Malau, M. F. (2012). *Dalam pengawasan optimal pemungutan pajak hiburan oleh Dinas Pendapatan Daerah Kota Batu telah membentuk tim pemeriksa pajak yang bekerja sama dengan Badan Pengawasan Keuangan dan Pembangunan provinsi Jawa Timur.*

*Pemeriksaan pajak adalah pejabat fungsiona*. https://repository.ub.ac.id/id/eprint/115717/1/051204420.pdf

Undang-Undang Nomor 33 Tahun 2004 tentang Perimbangan Keuangan Antara Pemerintah Pusat dan Pemerintah Daerah.

Paturochman, I. R. (2020). ANALISIS POTENSI PAJAK HIBURAN SERTA D

AMPAKNYA. *Jurnal Ilmu Ekonomi*, *Vol. 1 No.*, 132–138.

Peraturan Walikota (Perwali) Kota Batu Nomor 31 Tahun 2020 Tentang Tata Cara Pemungutan Pajak Hiburan.

Sari. Yulia, Anggara. 2010. *Analisis Efektivitas Dan Kontribusi Penerimaan Pajak Bumi Dan Bangunan Terhadap Pendapatan Daerah Di Kota Bandung*. Jurnal Wacana Kinerja. Volume XIII, No. 2 November 2010. Halaman 173-185.

Vamiagustin, V., & Saifi, M. (2014). PENGARUH PAJAK DAERAH TERHADAP

PENDAPATAN ASLI DAERAH ( Studi Kasus Pada Dinas Pendapatan Kota Batu Tahun 2010 - 2012 ). *Jurnal Administrasi Bisnis*, *14*(2), 1–10.

Wijaya, R. (2019). Analisis Kontribusi Pajak Hiburan Terhadap Pendapatan Asli Daerah (PAD) Kota Palembang Rendi Wijaya. *Jurnal Media Wahana Ekonomika*, *Vol. 16 No*, 140–148.