



Implementation of Progressive Motor Vehicle Tax Policy: A Source of Revenue For Accelerating Development

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ABSTRACT

Local taxes are a vital income source for the West Java Provincial Government, including the Motor Vehicle Tax (PKB). This study examines the implementation of the progressive tax policy on motorized vehicles, regulated by West Java Regional Regulation Number 9 of 2023, as a means to reduce vehicle congestion in Cirebon City. Using a qualitative descriptive approach (normative-empirical), data was collected through interviews and observations. The findings indicate that while the policy implementation at the Cirebon City Samsat UPT is running well, it is not yet optimal. Influencing factors include effective communication, adequate resources, good staff disposition, and a structured bureaucracy. However, low taxpayer awareness and outdated tax data systems hinder policy optimization, requiring a collaborative and sustainable solution.

INTRODUCTION

Indonesia is one of the developing countries that is aggressively carrying out development in all fields, both in the economic, political, social, legal, educational fields which have the aim of educating and improving the welfare of society in a fair and prosperous manner. One of the efforts that the government must take in obtaining financing is by maximizing the potential revenue originating from the State of Indonesia itself, one of which is derived from taxes (Khairul Anwar, Business et al, 2020 in (Hafsah and Dini Aprilia Pratiwi 2022)

The density of private motor vehicles is expected to reduce the volume of vehicles and reduce congestion through the application of progressive taxation. Motor vehicles have become an integral part of modern life. Playing an important role in individual mobility as well as economic growth. However, with the rapid growth in the number of vehicles, major challenges arise in managing their environmental, social, and economic impacts. One way that has been proposed to address this challenge is through the implementation of a progressive tax policy for motor vehicles.

Progressive tax is a tax system that imposes tax rates that increase with higher values or asset classes. In the context of motor vehicles, the implementation of progressive taxation can bring various benefits, including reduced development of transportation infrastructure and other public services. In Indonesia, Samsat (One-Stop Administration System) Offices have a central role in the administration and management of motor vehicle taxes. By introducing a progressive tax policy at Samsat offices, the government can effectively regulate the ownership and use of motor vehicles in a more equitable and sustainable manner

With the implementation of progressive tax fees for motor vehicle tax (PKB) there are positive and negative impacts for the community. For the positive impact is the reduction in the number of motorized vehicles and can lead to an increase in the amount of local revenue from the local tax sector which is allocated to infrastructure development, education, and health.. The negative impact is that the community as a taxpayer commits legal smuggling to avoid paying a larger Motor Vehicle Tax (Harist Agung Nugraha 2012).

In addition, the implementation of progressive tax has other impacts which include low average tax, lack of data on the basis of tax assessment and tax smuggling, and an increase in the number of motor vehicles. Based on the description of the background of the problem above, this research focuses on: 1) Part of the Application and Implementation of Progressive Tax on Motor Vehicle Taxpayers who own more than 1 (one) vehicle according to West Java Regional Regulation Number 13 of 2011 concerning Regional Taxes (Governor of West Java 2011). 2) Factors that support and hinder the implementation of Progressive Tax and solutions to maximize the implementation of Progressive Tax.

This study aims to analyze the implementation of the progressive tax policy and find out the supporting and inhibiting factors for the implementation of the progressive tax policy for motorized vehicles. Through this research, it is

hoped that it can provide a recommendation in the policy implementation process and tax compliance continues to increase somewhat.

Cirebon City is one of the areas that strives to realize justice and community welfare through the tax sector with the application of progresif tax on motor vehicles. Reducing motor vehicle congestion is one of the important factors in the application of progresif tax. This can be expected to minimize people's purchasing power for private vehicles. The cause of congestion with disproportionate road sections is also caused by the high growth of motorized vehicles in Cirebon city.

There is a research gap from previous research entitled "Implementation of the Progressive Motor Vehicle Tax Policy at UPTD-PPD Minahasa Regency" (Case study at UPTD-PPD Minahasa Regency)". Shows that there are differences, namely in the indicator section with the same theory, namely George Edward's Policy Implementation Theory. The indicator of the theory in question is the absence of indicators of disposition or attitude of implementers. Then the research place is also different, namely at UPTD-PPD Minahasa Regency. Meanwhile, related to the results of research conducted at the UPTD-PPD of Minahasa Regency, it shows that the implementation of the progressive motor vehicle tax policy has not been implemented properly. This is indicated by the parameters of the theoretical indicators used. Meanwhile, the research on the Implementation of Progressive Motor Vehicle Tax Policy in Cirebon City with the same theoretical indicator parameters has been quite well implemented.

LITERATURE REVIEW

Policies

Amara Raksataya defines policy as a tactic and strategy directed towards achieving a goal. Therefore, a policy contains 3 (three) elements, namely: a. Identification of the goal to be achieved; b. Tactics or strategies of various steps to achieve the desired goal. C. Provision of various inputs to enable the real implementation of the tactics or strategies (Suwitri 2008). Public policy is generally a collective action to solve social problems. However, public policy can also be formulated based on the belief that social problems can be solved through existing policy frameworks so that no special action is needed. Public policy exists because it is based on the need to solve problems that occur. Public policy is determined by stakeholders, especially the government, which aims to meet the needs and interests of the community.

Implementation of the Policy

According to Carl J Federick in (Kismartini 2019) policy is an activity proposed by a person, group or government in a certain environment where there are obstacles and opportunities for the implementation of the proposed policy in order to achieve certain goals. Policy implementation itself is a study of policy studies that leads to the implementation process of a policy, and is a process that is so complex that it is not infrequently politically charged with the intervention of various interests (Siti Khumayah et al. 2020). The concept of

policy implementation is policy implementation according to Lester and Stewart (Evander Kaendung and Fanley Pangemanan 2021) explaining that policy implementation is a legal administration tool where various actors, organizations, procedures and techniques work together to carry out policies to achieve the desired impact or goal. Meanwhile, according to (Gumilang Rianto Prakoso, Mukarto siswoyo 2013) policy is one of the stages of the public policy process. According to George C. Edwards III (1980: 11) there are four factors that can determine the success of implementing a policy, namely Communication, Resources, Implementing Disposition and Bureaucratic Structure. This research uses these four factors in analyzing the policy implementation process.

Local Revenue

As a unitary state of the Republic of Indonesia, regions are an integral part of government. Each region, called an autonomous region, is authorized by the central government to manage its own budget. Based on Article 1 in Law number 33 Year 20024 concerning Financial Considerations Between the Center and the Regions, Regional Original Revenue (PAD) is revenue obtained from sources in the applicable law. One type of provincial tax is motor vehicle tax. Motor Vehicle Tax (PKB) and Motor Vehicle Title Transfer Fees (BBNKB) are two types of potential taxes and contribute to local revenue averaging 63.10% on average each year (Adi, 2012) Cirebon City is one of the areas that strive for equity and community welfare in the field of taxation by implementing progreasif tax on motorized vehicles.

Progressive Tax

Progressive tax is a tax applied to private vehicles both two-wheeled and four-wheeled with the same owner's name and residential address (Koswara, 2000: 42). Progressive tax will not be imposed if the owner's name and address are different. This progressive tax does not apply to vehicles used by government agencies and vehicles used by public transportation. Motor vehicles owned by individuals with the same name and address are subject to a progressive tax rate of 1.5% for the first vehicle, 2.0% for the second vehicle, 2.25% for the third vehicle, and 2.50% for the fourth vehicle and so on.

Motorized Vehicle

Governor Regulation (PERGUB) of West Java Province Number 11 of 2016 concerning the Second Amendment to Governor Regulation of West Java Province Number 33 of 2013 concerning Guidelines for the Implementation of Regional Regulation of West Java Province Number 13 of 2011 concerning Regional Taxes for Types of Motor Vehicle Tax Levy and Motor Vehicle Title Transfer Fee. Every vehicle that is driven by mechanical equipment in the form of a machine other than a vehicle that runs on is called a public motor vehicle, the purpose of a public motor vehicle is every vehicle used for transportation of goods and/or people for a fee. Motor vehicle tax, levied on the ownership and/or control of a motorized vehicle.

METODOLOGY

This type of research uses a qualitative descriptive approach. This research will use a descriptive approach to explain phenomena related to the progressive tax on motorized vehicles at the Samsat (One-Stop Administration System) Office. A qualitative approach will provide deep insight into the experiences, views, and perceptions of the community towards progressive taxation.

This research uses data collection methods, namely in-depth interviews. This technique is used to gain an in-depth understanding of a person's views, experiences, and perceptions of progressive taxation, observation, participation, and document analysis. Research conducted by researchers using descriptive analysis method.

According to Bogdan & Biklen (Creswell 2016) They explain that in descriptive analysis, researchers record and describe important details of the data collected this includes dissecting interviews, field notes, or other materials to identify emerging themes and provide a kayak picture of the subject under study.

RESEARCH RESULT AND DISCUSSION

Taxes are one of the most important sources of state revenue in addition to other revenues, namely oil and gas revenues and non-tax revenues (Hendro Subroto, Danarsi 2017), Progressive Tax is a tax with a collection system by increasing the taxable percentage that must be paid in accordance with the increase in the tax object (Muammar Khaddafi 2018), Progressive tax is a motor vehicle tax for second and subsequent ownership which is determined on private vehicles both two-wheeled or three-wheeled and four-wheeled with the owner's name, address, place of residence, and the same type of vehicle (Fitr Wahyuni 2019). There are two types of progressive tax implementation in Indonesia, namely Income Tax (PPh) and Motor Vehicle Tax (PKB) (Hendro Subroto, Danarsi 2017).

Progressive tax is a motor vehicle tax for second and subsequent ownership that is applied to private vehicles either two-wheeled or three-wheeled and four-wheeled with the owner's name, residential address, and the same type of vehicle. Progressive tax on motor vehicles for second and subsequent ownership came into effect on January 1, 2012 based on West Java Province Regional Regulation number 13 of 2011 concerning Regional Taxes (Fitri Wahyuni 2019).

The withdrawal of this progressive tax is carried out by the Cirebon City Samsat. Then the progressive tax collection will be deposited to the West Java Provincial Treasury through Bank Jawa Barat (BJB). The allocation or distribution of this is in accordance with West Java Governor Regulation Number 32 of 2017 concerning Guidelines for Distributing Regional Tax Revenue Sharing Funds to Regency / City Regional Governments is 70% will be submitted to West Java Province and 30% will be submitted by the Regency / City.

Table 1. Recapitulation of Progressive Motor Vehicle Tax (PKB) Revenue at Samsat Cirebon City in 2021-2023

No.	YEAR	PROGRESSIVE TAX REVENUE (RP)	
		LOCAL	ONLINE
1	2021	16.818.474.200	3.491.538.700
2	2022	17.958.442.500	3.800.922.000
3	2023	17.466.868.200	3.859.826.000

Source : Cirebon city Samsat

Based on the data above, it shows that progressive tax revenues are increasing from year to year. This is due, among other things, to the high level of purchasing power and consumptiveness by the public for private vehicles. Tax collection efforts carried out by the regions as an implementation of Law Number 28 of 2009 concerning Regional Taxes and Regional Levies which are under regional authority are divided into taxes under the authority of the Provincial Government and taxes under the authority of the Regency / City (Fitri Wahyuni 2019). The mechanism for paying taxes and progressive taxes is getting easier along with new innovations from Samsat Jabar. The following is a view of the motor vehicle tax payment mechanism:



Picture 1. Brochure on progressive tax payment mechanism

Source : Bapenda Jabar (Regional Revenue Agency of West Java)

Since the issuance of the SAMBARA application, which can be downloaded through Google Play and also through e-commerce, it can facilitate the public in paying taxes. In this SAMBARA application, the public can view and calculate motor vehicle tax information online. The initial purpose of applying progressive tax on motorized vehicles is to reduce and control the rate of ownership of private vehicles which leads to efforts to reduce traffic congestion and efforts from the Government to limit ownership of private vehicles and the ultimate goal is that people want to switch to public mass transportation (Fitri Wahyuni 2019).

In this case, the researcher conducts interviews, reviews the data or documents that have been obtained to get some answers about the implementation of the Progressive Tax policy that has been completed to ensure that the implementation is in accordance with the regulations. George C. Edward

III states in the book *Public Policy: Theory and Process* (Gfallis 2013) that the implementation of progressive motor vehicle tax policies can be measured through several factors :

Communication

Based on the research, it has been shown that the communication between staff and officers working in the Progressive Tax service has gone well. Officers have informed taxpayers directly about Progressive Tax payments and used social media to disseminate information and also published the SAMBARA application.

Resources

Resources are essential to implement policies, although provisions or rules must be clear and consistent if the people responsible for implementing them are to be effective. Lack of resources necessary to complete the task. As a result, the implementation of the policy will not be successful, relating to the human resource element that affects how the policy is implemented. Human resources, budget, authority, and equipment are included in the resource category, according to George C. Edward III in Widowo (2010: 98).

Human resources, financial resources, and the implementation of progressive tax collection are three important resources that determine the success of a policy implementation. The results show that, for progressive tax, staff resources must be adequate both in quantity and quality. This is due to the fact that the large number of taxpayers, especially progressive tax, still greatly outweighs the number of resources that have been available so far. Therefore, the implementation of progressive tax here is still considered effective and efficient.

This shows that tasks have been divided proportionally according to their necessity and importance. With sufficient resources, these tasks can at least be fulfilled to cope with the current number of taxpayers. Under these conditions, the progressive tax implemented by the West Java Province Regional Revenue Agency will be affected. Based on this research has shown that human resources are currently adequate and fulfilled.

Disposition or Attitude of Implementers

Implementers' attitudes or dispositions must not only know what to do to implement the policy well; they must also have the ability and desire to implement the policy. In policy implementation, the nature of dispositions can be seen from the ability of implementers to utilize their knowledge and understanding.

Based on the research that has been done, the attitude of implementing officers is very good, they will provide explanations about progressive tax to people who do not understand it and will help those who will pay taxes. This is evidenced by the fact that there are no levies outside the progressive tax provisions, unless they take care of the progressive tax through services or brokers who are not the authority of the Cirebon City Samsat itself.

Bureaucracy or Organizational Structure

The bureaucratic structure of policy implementation is very important for public policy implementation. One example is an organizational unit that builds consistent operational procedures to complete its tasks.

Based on the research that has been conducted by researchers, staff or officers have their respective roles, functions, and responsibilities to provide services to taxpayers according to standard operating procedures. If they make a mistake, they will be reprimanded by their superiors, then the Head of the P3D Center (Regional Revenue Management Center) will reprimand them directly if they make the same mistake. If the implementers or officers do not follow the rules, their superiors will give a warning letter or verbal reprimand. Information on the amount of Progressive Tax can also be submitted as a complaint for their vehicle if it is not in accordance with the rules.

Supporting and Hindering Factors in the Implementation of Progressive Tax Policy

1. Supporting Factors

To achieve the successful implementation of progressive tax policies, there are factors that help achieve policy objectives. These factors include being supported by good communication, resources, disposition, and organizational structure. The process of successful implementation of progressive tax policies at Samsat Cirebon City is strongly assisted by communication and the implementation of progressive tax policies through resources.

The purpose of communication is to provide taxpayers with information and instructions about motor vehicle Samsat. Tax officers have made various efforts to disseminate information to the community through LPD and BUMDes, as well as using print media and social media to disseminate appeals.

In the policy implementation process, resources are very important. The Cirebon City Samsat Office has sufficient resources and is able to understand its main tasks and functions in providing services to taxpayers. In addition, tool resources, including facilities and infrastructure, have been adequate to meet the operational needs of the Cirebon City Samsat Office.

2. Inhibiting Factors

In addition, there are several things that can hinder the implementation of the progressive tax policy for motorized vehicles. Researchers found several major problems when implementing the Progressive Tax for Motor Vehicles policy. These include some people not reporting that they are subject to the higher progressive tax. In addition, the overly high level of purchasing power and consumptiveness has lowered people's awareness of the issue. The implementation process is hampered by taxpayer awareness. This is based on the field findings that since 2020, local revenue from motor vehicle tax in West Java Province has declined. Due to

the COVID-19 pandemic, many taxpayers are using tax evasion to avoid the progressive tax.

This has resulted in sub-optimal implementation of the cash tax because the data-related tax collection application system has not been updated, the process of implementing the progressive tax policy has been hampered because the data collected shows that some vehicles have addresses that do not match their owners, some vehicles are no longer operating but are still registered as operating, and some vehicles with external license plates are still used in West Java. This sometimes makes the tax collection process more difficult for tax officials.

CONCLUSIONS AND RECOMENDATION

Based on the results of the research and discussion described above, the conclusion on the implementation of progressive tax policies for motorized vehicles in Cirebon City has been running well but not yet optimal. Recapitulation of progressive tax revenue data from year to year is increasing. This is based on the high consumptive purchasing power of the community. Progressive tax on motorized vehicles also causes an increase in the amount of local revenue from the local tax sector which is allocated for development infrastructure, education, and health.

The implementation of the progressive motor vehicle tax policy that was raised in accordance with George C. Edward III Theory, namely, communication, resources, disposition or attitude of the implementer, bureaucratic or organizational structure. Good communication can be seen from the communication between staff and officers working in the Progressive Tax service has gone well. The officer has notified the taxpayer directly about the payment of the Progressive Tax and used social media to disseminate information since the publication of the Sambara application. Resources in human resources are currently adequate and fulfilled. All staff and officers already understand the progressive tax payment method. They will tell the taxpayer if there is something that does not understand and they already understand enough in carrying out their duties. And the facilities that have been available at the Cirebon City Samsat are quite adequate.

The disposition or attitude of the officer is very good. They will provide an explanation of progressive taxes to people who do not yet understand them and will help those who will pay taxes. This is evidenced by the fact that there are no levies outside the provisions of progressive taxation, unless they take care of progressive taxation through services or brokers. Bureaucratic structures or staff or officer organizations have their respective roles, functions, and responsibilities to provide services to taxpayers according to standard operational procedures. If they make a mistake, they will be reprimanded by their superiors, then the Head of the P3D Center will reprimand them directly if they make the same mistake. If the executors or officers do not follow the rules, their superiors will give a warning letter or a verbal reprimand. Information regarding the amount of Progressive Tax can file a complaint on their vehicle if it does not match.

The factors that hinder the implementation of the policy at the Cirebon City Samsat office can be seen that there are several people who do not report that they are subject to higher progressive taxes. In addition, the excessively high level of purchasing power and consumptive power has lowered public awareness of this issue.

FURTHER RESEARCH

Still conducting further research to gain deeper insights into the Implementation of Progressive Motor Vehicle Tax Policy: A Source of Revenue for Accelerating Development.

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