



Analysis of the effectiveness of Kupang City restaurant tax implementation (Case study on KFC Kota Lama)

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ABSTRACT

The purpose of analyzing the effectiveness of the implementation of restaurant tax at KFC Kota Lama Kota Kupang is to find out whether the restaurant has implemented the tax effectively or not. This research method is descriptive with a quantitative approach. The analysis tool used in this study is the formula Effectiveness = Realization of Restaurant Tax Revenue Target Restaurant Tax Revenue X 100%. The results of the study based on the effectiveness formula show that the percentage of effectiveness level at KFC Kota Lama is fluctuating because the average percentage yield reaches 88%-100%. In January the effectiveness rate of restaurant tax was included in the effective category, while in February, March and May the effectiveness rate of restaurant tax was included in the category of quite effective. The occurrence of percentage results that fluctuate every month due to unbalanced target and realization results.

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INTRODUCTION

Regional tax is a regional revenue stream intended to help finance the implementation of regional autonomy, namely the ability to manage and manage their own households in addition to revenue derived from the government in the form of subsidies/assistance. Based on Law Number 34 of 2000, Regional Tax, hereinafter referred to as tax, is a mandatory contribution made by an individual or entity to the Region without a balanced direct reward, which can be imposed based on applicable laws and regulations, used to finance the implementation of local government and regional development.

In order to implement decentralization and update Law Number 33 of 2004 concerning Financial Balance and Law Number 28 of 2009 concerning Regional Taxes and Regional Levies because they are considered to need to be adjusted and refined, together with the government has passed Law Number 1 of 2022 concerning Financial Relations Between the Central Government and Regional Governments. This regulation regulates taxation in the region, especially regarding the type of regional tax and who has the right to collect the regional tax. Local taxes managed by the Kupang City government as seen from Regional Regulation Number 2 of 2016 consist of hotel tax, restaurant tax, entertainment tax, billboard tax and street lighting tax (Nino et al, 2019).

Meanwhile, according to Beni (2016) Effectiveness is the relationship between output and goals or can also be a measure of how far the level of output, policies and procedures of the organization (Tuati, et. al., 2020). Effectiveness is also related to the success of an operation in the public sector so that an activity is said to be effective if the activity has a major influence on the ability to provide community services which is a predetermined target.

Table 1.1 Restaurant Tax (KFC Kota Lama) collected in the last 8 months (October 2022- May 2023)

No	Month	Tariff	Restaurant Tax Revenue Target	Realization of Restaurant Tax Revenue	Taxes collected monthly
1	October	10%	Rp. 360.000.0000	Rp. 366.221,851	Rp. 36.622,185
2	November	10%	Rp. 360.000.0000	Rp. 372.750, 999	Rp. 37.275,099
3	December	10%	Rp. 360.000.0000	Rp. 478.121, 507	Rp. 47. 812,150
4	January	10%	Rp. 360.000.0000	Rp. 329.355, 526	Rp. 32.935,522
5	February	10%	Rp. 360.000.0000	Rp 294.329,925	Rp. 29.432,992
6	March	10%	Rp. 360.000.0000	Rp. 318.125,535	Rp. 31.812,533
7	April	10%	Rp. 360.000.0000	Rp. 369.477,739	Rp. 36.947,773
8	May	10%	Rp. 360.000.0000	Rp. 305.080,966	Rp. 30.508,096

Source : DISPENDA Level I Kupang City (2022-2023)

Based on fluctuating turnover data for the last 8 months starting from October 2022 - May 2023, the increase and decrease in taxes collected does not necessarily reflect whether the taxes collected are effective or not. Based on tax collection that has always fluctuated for 8 months above, the author is interested in taking the title "Analysis of the Effectiveness of Kupang City Restaurant Tax Implementation (Case Study on KFC Kota Lama)".

LITERATURE REVIEW

Definition of Tax

Tax is a mandatory levy from the people for the State. Every penny of tax money paid by the people will go into the post of State revenue from the tax sector. Its use is to finance central and local government spending for the welfare of the community. Tax money is used for public interest, not for personal gain. Taxes are one of the sources of government funds to fund development in the central and regional areas, such as building public facilities, financing health and education budgets and other productive activities.

Tax Function

There are two tax functions according to the Official in Yunita Sari (2020), which are as follows:

1. Budgetair Function (State Financial Resources) Taxes have a bugetair fungus, meaning that taxes are one of the sources of government revenue to finance both routine and development expenditures. As a source of state finance, the government seeks to put as much money as possible into the state treasury. These efforts are taken by extensification and intensification of tax collection, improvement of regulations on various types of taxes.
2. Tax Regularend (Regulator) function has a regulatory function, meaning that taxes as a tool to regulate or implement government policies in the social and economic fields, and achieve certain goals outside the financial sphere

RESEARCH METHOD

Data Analysis In this section, the data analysis technique used to answer the problem formulation is to analyze the effectiveness of the application of restaurant tax using calculations at KFC Kota Lama Kota Kupang. The calculation used to find out how effective the application of restaurant tax is on KFC Kota Lama Kupang City, namely:

$$\text{Effectiveness} = \frac{\text{Realization of 100\% Restaurant Tax Revenue}}{\text{Restaurant Tax Revenue Target}}$$

Restaurant Tax Contribution to PAD, namely:

$$\text{Regional Tax Contribution} = \frac{\text{Realization of Restaurant Tax (KFC)}}{\text{PAD Realization}} \times 100\%$$

PAD Realization

Effectiveness Analysis Data on tax revenue realization and tax revenue targets are needed for effective performance measurement. As productivity levels increase, the capacity of local governments to perform tax-related tasks increases

$$\text{Effectiveness} = \frac{\text{Regional Tax Realization}}{\text{Regional Tax Target}} \times 100\%$$

Regional Tax Target

With the following calculation:

Table 4.1 Results of Calculation of Percentage of Tax Implementation Effectiveness for 8 Months (2022-2023)

No	Month	Realization	Target	Percentage	Assessment
1	October	Rp. 366.221,851	Rp. 360.000.000	101,73%	Highly Effective
2	November	Rp 372.750,999	Rp. 360.000.000	103,54%	Highly Effective
3	December	Rp 478.121,507	Rp. 360.000.000	132,81%	Highly Effective
4	January	Rp 329.355,526	Rp. 360.000.000	91,49%	Effective
5	February	Rp. 294.329,925	Rp. 360.000.000	81,76%	Quite Effective
6	March	Rp. 318.125, 335	Rp. 360.000.000	88,37%	Quite Effective
7	April	Rp. 369.477,739	Rp. 360.000.000	102,63%	Highly Effective
8	May	Rp. 305.080,966	Rp. 360.000.000	84,47%	Quite Effective

Source : Data processed

Based on table 4.1 above, in the last 8 months (October 2022 – May 2023) the percentage of effectiveness at KFC Kota Lama Kupang City fluctuated because the average percentage yield reached 88%-100%.

- In October, November, December and April the level of effectiveness of restaurant tax is included in the category is very effective,
- In January, the effectiveness of the restaurant tax was included in the effective category
- In February, March and May the effectiveness rate of the restaurant tax was categorized as quite effective. The occurrence of percentage results that fluctuate every month due to unbalanced target and realization results

Data Type

Descriptive Type of descriptive data a method that aims to describe a company's state systematically, actually and accurately by collecting data based on data that appears in the company or organization, where the facts are collected, processed and analyzed so that conclusions can be drawn and provide advice about the banking company being analyzed.

Quantitative The type of data used is quantitative data, data presented in the form of numbers that can be calculated. In this case, the data is a report on the realization of the calculation of retoran tax collected every month)

Data Sources

- Primary Data According to Sugiyono in Imron (2019) as follows: "Primary data is a data source that directly provides data to data collectors. Data is collected by the researcher himself directly from the first source or place where the object of research is carried out". In this research, the primary data collected

was obtained through interviews with KFC Kota Lama regarding research concerning the application of restaurant tax.

2. Secondary Data According to Sugiyono in Imron (2019) as follows "Secondary data are data sources that do not directly provide data to data collectors, for example through other people or through documents. In this study, the secondary data sources are in accordance with the Tax Law, books, journals, articles related to research topics regarding the analysis of tax application in restaurants.

Data Collection Methods

According to Sugiyono in Dyah Nursanti (2013) data collection is searching, recording and collecting everything objectively and as it is in accordance with the results of observations and interviews in the field. In this study, the author used several data collection methods, namely observation, interviews and documentation.

1. Observation According to Sugiyono in Tengku Syarifah Nadhira (2021), observation is a data collection technique that has specific characteristics when compared to other techniques. Observation is also not limited to people, but also other objects of nature. Observation in this study is by making direct observations in the field to find out the actual conditions.
2. Interview According to Sugiyono in Tengku Syarifah Nadhira (2021) states that an interview is a meeting conducted by two people to exchange information or ideas by means of questions and answers, so that it can be condensed into a sympathy or meaning in the topic. The interview method is carried out by asking questions with comprehensive answers to respondents to explore information that supports the research.
3. Documentation Documentation is a method used to obtain data and information in the form of books, archives, documents, numerical writings and information that can support Sugiyono's research in Fairus (2018). The documentation method is carried out by taking documentation or data that supports research, such as daily sales receipts, tax calculations collected every month, tax reporting data and depositing old KFC Kota restaurant taxes.

Data analysis is the process of simplifying data into a format that is easier to read and interpret. The data analysis technique used in this study is using quantitative descriptive analysis techniques, 18 where researchers try to describe the reality or state of an object in the form of sentence descriptions and numerical data based on information directly related to this study. The results of the analysis are then interpreted to provide a clear picture of the problems posed (Alfan: 2015). The calculations carried out in this data analysis technique use the calculation of the presetage level of effectiveness with the following formula:

$$\text{Effectiveness} = \frac{\text{Realization of Restaurant Tax Revenue}}{\text{Restaurant Tax Revenue Target}} \times 100\%$$

Restaurant Tax Revenue Target

With the percentage table as follows:

No	Presented	Information
1	>100%	Highly Effective
2	90%-100%	Effective
3	80-90%	Quite Effective
4	60%-80%	Less Effective
5	<60%	Ineffective

Source : Ministry of Home Affairs No. 690.900-327 (in Rizka Novianti 2022)

RESULTS AND DISCUSSIONS

Data Analysis In this section, the data analysis technique used to answer the problem formulation is to analyze the effectiveness of the application of restaurant tax using calculations at KFC Kota Lama Kota Kupang. The calculation used to find out how effective the application of restaurant tax is on KFC Kota Lama Kupang City, namely:

$$\text{Effectiveness} = \frac{\text{Realization of 100\% Restaurant Tax Revenue}}{\text{Restaurant Tax Revenue Target}}$$

Restaurant Tax Contribution to PAD, namely:

$$\text{Regional Tax Contribution} = \frac{\text{Realization of Restaurant Tax (KFC)} \times 100\%}{\text{PAD Realization}}$$

Effectiveness Analysis Data on tax revenue realization and tax revenue targets are needed for effective performance measurement. As productivity levels increase, the capacity of local governments to perform tax-related tasks increases

$$\text{Effectiveness} = \frac{\text{Regional Tax Realization}}{\text{Regional Tax Target}} \times 100\%$$

With the following calculation:

Table 4.1 Results of Calculation of Percentage of Tax Implementation Effectiveness for 8 Months (2022-2023)

No	Month	Realization	Target	Effective Percentage	Valuation
1	October	Rp. 366.221,851	Rp. 360.000.000	101,73%	Highly Effective
2	November	Rp 372.750,999	Rp. 360.000.000	103,54%	Highly Effective
3	December	Rp 478.121,507	Rp. 360.000.000	132,81%	Highly Effective
4	January	Rp 329.355,526	Rp. 360.000.000	91,49%	Effective
5	February	Rp. 294.329,925	Rp. 360.000.000	81,76%	Quite Effective
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8	May	Rp. 305.080,966	Rp. 360.000.000	84,47%	Quite Effective

Source : Data processed

Based on table 4.1 above, in the last 8 months (October 2022 – May 2023) the percentage of effectiveness at KFC Kota Lama Kupang City fluctuated because the average percentage yield reached 88%-100%. In October, November, December and April the level of effectiveness of restaurant tax is included in the category is very effective, In January, the effectiveness of the restaurant tax was included in the effective category

In February, March and May the effectiveness rate of the restaurant tax was categorized as quite effective. The occurrence of percentage results that fluctuate every month due to unbalanced target and realization results.

Analysis of Restaurant Tax Contribution to Contribution PAD shows the amount of participation in the receipt of local levies, local taxes and other legitimate PAD. Kupang city's restaurant tax contribution is calculated from the comparison between the amount of local revenue revenue

$$\text{Regional Tax Contribution} = \frac{\text{Realization of Restaurant Tax (KFC)}}{\text{PAD Realization}} \times 100$$

The realization of restaurant tax (KFC Kota Lama) and the realization of PAD are as following:

Table 4.3 Realization of Restaurant Tax (KFC Kota Lama) and Realization of PAD for 2022-2023

No	Month	Realization of Restaurant Tax (KFC Old City) (rupiah)	Realization of PAD (rupiah)
1	October	366.221,851	14.068.110,426
2	November	372.750,999	14.068.110,426
3	December	478.121,507	14.068.110,426
4	January	329.355,526	14.068.110,426
5	February	294.329,925	14.068.110,426
6	March	318.125,335	14.068.110,426
7	April	369.477,739	14.068.110,426
8	May	305.080,966	14.068.110,426

Source : Dispenda Level I Kupang City

CONCLUSION

Based on the calculation of Restaurant Tax Effectiveness in the last 8 months (October 2022-May 2023), the percentage result of the effectiveness rate at KFC Kota Lama Kupang City fluctuates because the average percentage yield reaches 88%-100%. In October, November and April the level of restaurant tax effectiveness is included in the category of very effective, then in January the level of restaurant tax effectiveness is included in the effective category, while in February, March and May the effectiveness rate of restaurant tax is included in the category of quite effective. The occurrence of percentage results that fluctuate every month due to unbalanced target and realization results.

Based on the calculation of restaurant tax contribution to local original revenue in the last 8 months (October 2022 – May 2023), it shows that the percentage of Restaurant Tax Contribution to Kupang City Local Original Revenue fluctuates because the average percentage yield reaches 20.92%-33.98%.

Researchers hope that in the future there will be further research that is the same and different and expand the discussion and also further increase customer attraction in order to further increase the realization of PAD. Not only looking at the effectiveness and financial statements for 8 months, but research can be done by comparing the effectiveness of KFC tax implementation in Kupang City today or can also conduct quantitative research on the effectiveness of restaurant tax implementation using other ratios by utilizing secondary data on KFC company financial statements, namely PT. Fast Food Indonesia Tbk (FAST).

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