

The Level of Taxpayer Compliance in Paying Land and Building Tax in Karumbu Village, Langgudu District, Bima Regency

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Abstract. *This study aims to analyze the level of compliance of Land and Building Tax (PBB) taxpayers in Karumbu Village, Langgudu District, Bima Regency. The research focuses on identifying factors influencing taxpayer compliance, including awareness, education, income levels, government service quality, and law enforcement. The study uses a descriptive quantitative method with secondary data from 2016 to 2019 obtained from the local tax office and village administration records. The results show that taxpayer compliance fluctuated from 2016 to 2018 but increased significantly in 2019, rising from 68% to 80%. This improvement is associated with enhanced taxpayer awareness, the effectiveness of tax officers' performance, and the support of the village government through counseling and supervision. Education and economic stability were also found to be important determinants of compliance. However, some obstacles remain, such as low education levels and limited public understanding of tax benefits. The study concludes that sustainable tax compliance requires a comprehensive strategy involving community education, improved fiscal service quality, and strengthened transparency in tax fund management.*

Keywords: *taxpayer compliance, land and building tax, fiscal awareness, local taxation, Karumbu Village*

1. INTRODUCTION

The manuscript must be written in English using 1.5 line spacing and Times New Roman font, size 12 pt. This section should provide a concise and clear explanation of the general background of the research, a review of relevant literature related to the research topic, a description of the research novelty (gap analysis) highlighting the urgency and originality of the study, and the research objectives. The background must be written in a continuous format, without numbering or bullet points.

The Unitary State of the Republic of Indonesia (NKRI) administers governance and national development with the aim of realizing a just, prosperous, and equitable society in accordance with the values of *Pancasila* and the 1945 Constitution of the Republic of Indonesia. One of the strategic measures undertaken to achieve this goal is the implementation of regional autonomy, namely the delegation of authority to local governments to manage and administer governmental affairs based on the principles of autonomy and co-administration. Regional autonomy is expected to accelerate development and equitable welfare through the efficient and fair management of local resources (Christia & Ispriyarso, 2019).

In the context of decentralization, the central government delegates, transfers, and assigns governmental affairs to regional governments to be implemented effectively and responsibly. This process is accompanied by a proportional distribution of authority and national resources, including fiscal balance between central and regional governments. The principles of transparency, accountability, and good governance serve as the foundation for the implementation of regional autonomy (Kurnianto & Iskandar, 2020). Consequently, local governments have greater flexibility to optimize their fiscal potential as a funding source for regional development.

National and regional development cannot proceed effectively without adequate financial support. One of the main sources of income for local governments is Local Own-Source Revenue, which originates from regional taxes, retributions, the management of regional assets, and other legitimate revenues. Among these, Land and Building Tax plays a strategic role in supporting local development and public service financing (Zulaikha, 2020). Through tax revenues, local governments can enhance community welfare and strengthen their fiscal capacity.

Taxes function not only as a source of state revenue but also as an instrument for economic redistribution. Through equitable tax policies, the government can ensure that all segments of society benefit from development outcomes. The Land and Building Tax, as one of the local tax types, is fully regulated by regional governments in determining its rates and management. PBB revenues are essential for supporting infrastructure development, public services, and improving the overall quality of life (Ulfa & Rahmawati, 2021). However, the effectiveness of tax collection still faces challenges, notably low taxpayer compliance.

Several studies have identified multiple factors influencing taxpayer compliance, including awareness, tax knowledge, the quality of tax officer services, tax sanctions, trust in the government, and social norms (Zulaikha, 2020; Rahmawan & Wulandari, 2021). Other research has shown that tax knowledge and the implementation of electronic tax systems (*e-tax*) significantly increase taxpayer compliance in paying PBB (Sari & Yuliani, 2022). Therefore, improving tax literacy and providing continuous community education are crucial strategies to enhance taxpayer compliance at the local level.

Field observations reveal that in several regions, including Karumbu Village, Langgudu District, Bima Regency, there remains a considerable gap between targeted and actual PBB revenue collection. The low level of taxpayer awareness is influenced by factors such as

education, economic conditions, and limited tax socialization. Many residents, mostly farmers and fishermen, perceive that their tax burden outweighs their daily income. This condition contributes to low compliance levels and negatively impacts local revenue generation (Handayani & Pratama, 2021).

Hence, increasing taxpayer awareness and trust in the government is vital to strengthening compliance. Efforts to achieve this include intensive tax socialization, greater transparency in the use of tax revenues, and the adoption of more efficient digital service systems. Adequate tax knowledge fosters taxpayers' motivation to comply, as they understand the importance of their contributions to local development (Suyono, 2020). Based on these conditions, research on the level of taxpayer compliance in paying PBB in Karumbu Village is essential to provide policy recommendations for enhancing tax revenue and ensuring the sustainability of regional development.

2. METODE

This study employed a qualitative descriptive method aimed at systematically illustrating the level of taxpayer compliance in the payment of Land and Building Tax (PBB) in Karumbu Village, Langgudu District, Bima Regency, in 2019. The qualitative descriptive approach was chosen because it allows the researcher to obtain in-depth data through interviews, observations, and documentation related to the phenomenon under study (Kuncoro, 2009; Sugiyono, 2016). The research was conducted at the Karumbu Village Office in July 2020 and involved key informants, including the Head of Langgudu District, the Head of Karumbu Village, the official tax collectors appointed by the Regional Financial and Asset Management Agency (BPPKAD), and local taxpayers. Data were collected through unstructured interviews to explore participants' perspectives and experiences, direct observations to capture field conditions, and documentation to obtain supporting data from official records and administrative archives. The collected data were analyzed using the Miles and Huberman qualitative descriptive analysis model (1992), consisting of three stages: data reduction, data display, and conclusion drawing or verification. The analysis process was carried out interactively and continuously until data saturation was achieved. Data reduction involved selecting, simplifying, and organizing raw data into relevant information, while data display was presented in the form of narrative descriptions to enhance clarity. The final stage, conclusion drawing and verification, involved interpreting the research findings and validating the data through cross-source comparison to obtain conclusions that are valid and

representative of the phenomenon of taxpayer compliance with the Land and Building Tax in the study area.

3. RESULT AND DISCUSSION

a. Compliance of Land and Building Taxpayers

Table 1 presents the number of Land and Building Tax (PBB) taxpayers in Karumbu Village, Langgudu District, Bima Regency, along with data on PBB revenue realization, uncollected SPPT (Tax Assessment Letters), and the percentage of taxpayer compliance from 2016 to 2019.

Table 1. Compliance of Land and Building Taxpayers in Karumbu Village, Langgudu District, Bima Regency (2016–2019)

Year	Number of Taxpayers	Realized PBB Revenue	Uncollected SPPT	Compliance Rate
2016	3,142	Rp 39,875,000	1,522	65%
2017	3,142	Rp 51,242,000	1,042	70%
2018	3,142	Rp 49,122,004	1,247	68%
2019	3,142	Rp 55,283,004	985	80%

Based on the data in Table 1, the total number of registered Land and Building Tax (PBB) taxpayers in Karumbu Village, Langgudu District, is 3,142 taxpayers. In 2016, the compliance rate was 65%, with tax revenue realization reaching Rp 39,875,000 and 1,522 uncollected SPPTs. In 2017, the compliance rate increased to 70%, with realized tax revenue of Rp 51,242,000 and 1,042 uncollected SPPTs. However, in 2018, compliance slightly decreased to 68%, with a total realized tax revenue of Rp 49,122,004 and 1,247 uncollected SPPTs.

In 2019, there was a notable increase in taxpayer compliance, reaching 80%, with realized PBB revenue of Rp 55,283,004 and 985 uncollected SPPTs. Compared to the previous year (2018), compliance improved by 12%, indicating progress in taxpayer awareness and collection efficiency. Therefore, it can be concluded that the level of taxpayer compliance in paying Land and Building Taxes in Karumbu Village, Langgudu District, Bima Regency, increased significantly in 2019.

b. Factors Affecting Taxpayer Compliance

Several obstacles were identified in achieving optimal taxpayer compliance in Karumbu Village, Langgudu District, in 2019:

- 1) Lack of understanding and awareness among taxpayers

Regarding the importance of taxes for regional development. One of the main causes of low PBB revenue is the varying levels of education among taxpayers. Taxpayers with a better understanding of tax regulations tend to be more compliant in fulfilling their tax obligations (Sari & Rahman, 2020).

2) Low income levels among taxpayers.

Interviews with the Village Head of Karumbu and the Head of Langgudu District revealed that economic factors play a crucial role in tax compliance. Most taxpayers in Karumbu Village work as fishermen and farmers, with only a small proportion employed as civil servants or private workers. Therefore, economic capability significantly influences the level of taxpayer compliance with Land and Building Tax payments (Putra & Dewi, 2021).

Based on the findings, taxpayer compliance with the Land and Building Tax (PBB) in Karumbu Village fluctuated between 2016 and 2018 but showed a significant increase in 2019, rising from 68% to 80%. This improvement can be interpreted as the result of a combination of factors, including higher public awareness, more effective tax collection services, and the support of the village government. Novrianto and Rachmawati (2022) found that income level, taxpayer awareness, and the quality of tax officer services significantly influence PBB payment compliance in urban areas, which aligns with the situation in Karumbu Village that exhibited a similar trend.

Education also plays a vital role as a determinant in improving tax compliance. Febriani, Putri, and Kusumah (2021) demonstrated that tax education substantially shapes taxpayers' understanding of taxation rules and obligations. In the context of Karumbu Village, the growing awareness among residents can be linked to tax counseling and fiscal literacy programs provided by village officials, which contributed to a decrease in the number of uncollected Land and Building Tax Notification Letters (SPPT).

In addition to education, taxpayer awareness is a crucial element in establishing sustainable tax compliance. A study conducted in Jambi by Hidayat (2021) concluded that taxpayer awareness has a positive correlation with compliance levels, while administrative sanctions do not always have a significant impact. This finding suggests that building awareness through education and transparency is more effective than relying solely on punitive enforcement.

Economic factors also play a significant role in influencing taxpayer compliance, especially in rural areas where most residents have unstable incomes, such as in Karumbu Village. Research by Sari and Wahyuni (2020) indicated that economic stability is negatively related to tax evasion, implying that as people's income increases, their tax compliance tends to improve. In this context, higher agricultural yields or increased income among fishermen in 2019 may have contributed to the community's greater ability to fulfill their PBB obligations.

The quality of tax administration and service delivery also supports the improvement of tax compliance. According to Novrianto and Rachmawati (2022), fast, transparent, and accessible tax services enhance taxpayers' trust and foster a positive perception of the government. This finding is relevant to Karumbu Village, where better performance by tax collection officers in 2019 likely contributed to the increased realization of tax revenues.

Furthermore, the role of law enforcement and tax sanctions remains essential, although not the only determinant of compliance. Ramadhan and Sulastri (2021) emphasized that firm yet fair sanctions can reinforce the educational impact on taxpayers, creating a balance between voluntary awareness and administrative compliance. In the case of Karumbu Village, the increase in SPPT monitoring in 2019 may have also strengthened taxpayer compliance.

Despite the significant improvement in 2019, compliance levels have not yet reached 100%, indicating the persistence of structural challenges such as low educational attainment, limited income, and weak public perception of the benefits of taxation. Yusuf and Aminah (2020) stated that trust in the government and perceived tax benefits are positively associated with taxpayer compliance. Therefore, enhancing transparency in tax utilization at the village level can further motivate citizens to comply with their tax obligations.

The implications of this study highlight that improving tax compliance requires a comprehensive strategy encompassing education, economic empowerment, efficient public service delivery, and fiscal

4. CONCLUSION

Based on the research findings, it can be concluded that the level of compliance of Land and Building Tax (PBB) taxpayers in Karumbu Village experienced a significant increase in 2019, which resulted from a combination of social, economic, and administrative factors. This

improvement was mainly influenced by the rise in taxpayer awareness, the effectiveness of tax officer services, and the support of the village government through tax counseling and supervision. Educational factors and fiscal literacy played an essential role in shaping the community's understanding of tax obligations, while a more stable economic condition enhanced their ability to fulfill PBB payments. In addition, fast and transparent tax services strengthened taxpayer trust in the government, while firm yet proportional sanctions supported administrative compliance. Nevertheless, the fact that the compliance rate has not yet reached 100% indicates the need for further improvement in education, economic welfare, and transparency in tax fund utilization. Therefore, achieving sustainable tax compliance requires an integrated approach that includes community education, strengthening fiscal service systems, and optimizing the role of village governments in building public trust in the benefits of taxation.

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