Volume : 05 Number 2, February 2022

ISSN : 2580-9970 (Print)
ISSN : 2581-1878 (Online)

Jurnal Manajemen Pelayanan Publik

Jurnal Manajemen Pelayanan Publik	Volume : 05	Number : 2	Page : 116-239	Bandung February, 2022

Publisher : Public Administration Department, FISIP Universitas Padjadjaran.
Address : Jalan Raya Bandung – Sumedang KM 21 Bandung. Online : jurnal.unpad.ac.id/jmpp

Jurnal Manajemen Pelayanan Publik
http://dx.doi.org/10.24198/jmpp.v3i2.25342

Non-Compliance with Land and Building Tax - Rural and Urban (PBB-P2) in Special Capital Region of Jakarta

Melsa Trinita Situmeang*[a], Vid Adrison[b]
[a b] Faculty of Economics and Business, University of Indonesia, Indonesia

ABSTRAK

Penelitian ini mengevaluasi ketidakpatuhan Pajak Bumi dan Bangunan Perdesaan dan Perkotaan (PBB-P2) di Provinsi Daerah Khusus Ibukota (DKI) Jakarta. Penelitian mengenai ketidakpatuhan PBB-P2 sangat menarik mengingat ketergantungan Provinsi DKI Jakarta terhadap penerimaan dari jenis pajak ini. Ketergantungan tersebut terlihat dari upaya optimalisasi (peningkatan) pemungutan PBB-P2 yang berkelanjutan. Upaya optimalisasi dapat dilakukan dengan cara meningkatkan tarif pajak maupun meningkatkan dasar pengenaan pajak, yaitu Nilai Jual Objek Pajak (NJOP). Kenaikan tarif PBB-P2 maupun kenaikan NJOP ini berimplikasi terhadap kenaikan PBB-P2 terhutang yang dipikul wajib pajak. Kenaikan pajak dikhawatirkan dapat memicu ketidakpatuhan wajib pajak. Penelitian ini juga mengevaluasi faktor lain yang mempengaruhi ketidakpatuhan wajib pajak, yaitu lokasi objek pajak dan jenis objek pajak. Penelitian ini dilakukan dengan menggunakan metode regresi panel probit atas 275.394 objek pajak (Nomor SPPT) dari tahun pajak 2014 sampai tahun pajak 2018. Hasil penelitian adalah bahwa tarif pajak, lokasi objek pajak, dan jenis objek pajak signifikan mempengaruhi probabilitas ketidakpatuhan wajib pajak, namun NJOP tidak signifikan mempengaruhi probabilitas ketidapatuhan wajib pajak.

ABSTRACT

This study evaluates non-compliance of Land and Building Tax - Rural and Urban (PBB-P2) in the Special Capital Region of Jakarta. This research is interesting considering the dependence of the Local Government to PBB-P2 revenue. It can be seen from sustainable efforts to maximize PBB-P2 collection. Maximizing property tax collection can be done in two ways, first by increasing the tax rate, and second, by increasing the value of property taxed (tax base). The increase of tax rate or tax base lead to increase in the amount of PBB-P2 borne by citizens as taxpayers (tax liability). This condition can trigger to non-compliance. This study evaluated other factors affecting non-compliance: the location of the property and type of property. This study used panel probit regression method in analizying 275.394 tax ID from tax year 2014 to 2018. The findings show that tax rates, location of property (flooded or flood-free area), and the type of property (apartment or non apartment property) are related to the increase of non-compliance. Only sales value of the property (NJOP) is not related to the non-compliance behaviour.

ARTICLE HISTORY
Submited: 08/12/2021
Accepted: 10/02/2022
Published: 28/02/2022

KATA KUNCI
Ketidakpatuhan wajib pajak; pajak daerah; Pajak Bumi dan Bangunan Perdesaan dan Perkotaan (PBB-P2)

KEYWORDS
Non-compliance tax; local tax; Land and Building Tax - Rural and Urban (PBB-P2)

Correspondence Email: melsatrinita2@gmail.com

INTRODUCTION

The Government of the Special Capital Region (DKI) of Jakarta carries out regional autonomy and fiscal decentralization based on the provisions of Law Number 32 of 2004 concerning Regional Government and Law Number 28 of 2009 concerning Regional Taxes and Levies. These provisions provide flexibility for regions to seek funding sources in running their government. For example, the flexibility to determine tax rates in collecting local taxes.

The Provincial Government of DKI Jakarta is capable of getting regional funding independently. It is indicated by the realization of Regional Original Revenue (PAD) giving the largest contribution to the total regional revenue from year to year. Table 1 shows that more than half of the regional revenue comes from PAD.

Table 1. Realization of Regional Revenue in DKI Jakarta

TYPE OF REVENUE	2016	2017	2018	2019	2020
PAD (millions Rp)	47.134.104	62.743.521	57.224.081	45.707.400	37.414.754
TOTAL REGIONAL REVENUR (millions Rp)	65.201.703	80.004.755	75.512.221	62.300.679	55.887.004
PAD PERCENTAGE	72.29%	78.42%	75.78%	73.47%	66.95%

Source: bpkd.jakarta.go.id/keuangan-daerah, 2021

Local taxes are the main pillar of PAD. The Provincial Government of DKI Jakarta levies thirteen types of taxes, of which the Rural and Urban Land and Building Tax (PBB-P2) is one of the types making a significant contribution, in addition to the Vehicle Tax and the Land and Building Rights Acquisition Duty (BPHTB). Table 2 shows that the contribution of PBB-P2 to the overall local taxes reaching more than 20% every year. Therefore, the Government always seek to maximize PBB-P2 revenue from time to time.

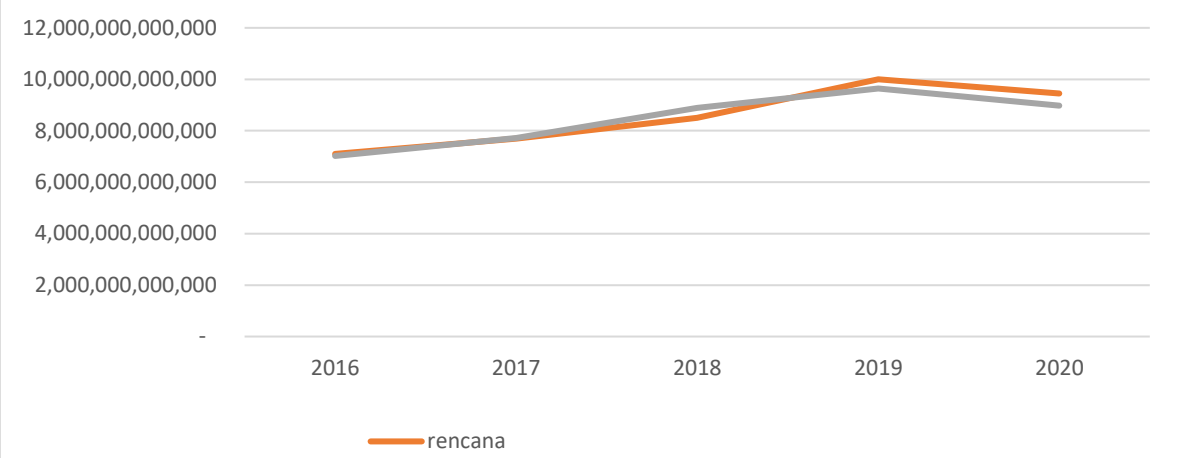
Table 2. Contribution of PBB-P2 To The Overall Local Taxes

TYPE OF REVENUE	2016	2017	2018	2019	2020
Realization of PBB-P2 (millions Rp)	7.020.898	7.716.423	8.890.000	9.642.573	8.973.728
Realization of All Local Taxes (millions Rp)	31.802.399	36.993.767	37.538.912	40.700.755	33.376.459
PBB-P2 PERCENTAGE	22.08%	20.86%	23.68%	23.69%	26.89%

Source: Badan Pendapatan Daerah, 2021

The sustainable efforts are made to maximize PBB-P2 revenue can be seen from the graph of PBB-P2 target and realization in Figure 1. The trend of both PBB-P2 plan (target) and realization (achievement) almost always increasing every year shows that effort. In 2020, the target and realization of PBB-P2 decreased due to the impact of the Covid-19 pandemic.

Figure 1. PBB-P2 Target and Realization



Source: Badan Pendapatan Daerah DKI Jakarta, 2021

Based on the graph of the PBB-P2 target and realization presented, it can be seen that there are sustainable efforts to maximize PBB-P2 revenue. In accordance with the provision of Regional Regulation Number 6 of 2011 concerning the Rural and Urban Land and Building Tax (PBB-P2), the calculation of the amount of PBB-P2 that must be paid is done by multiplying the PBB-P2 rate by the Sale Value of the Tax Object (NJOP). Based on this rule, the maximization of PBB-P2 revenue can be done by two ways, namely by increasing the tax rate or by increasing the tax base. The maximization can be done by increasing the tax rate is carried out by issuing Regional Regulations. In this case, it requires coordination between the Regional People's Representative Council (DPRD) forming regulations with the approval of the Regional Head, namely the Governor.

In contrast, maximization the PBB-P2 revenue by increasing the tax base can be easier and faster. Since the determination of the increase in the Sale Value of the Tax Object (NJOP) as the tax base is carried out by issuing a Governor Regulation, without coordination with the Regional Representative Council. Moreover, the determination of the increase in NJOP can capture the increase in the market value of the land and building, therefore, it is considered more precise and fair in calculating the amount of PBB-P2.

To date, DKI Jakarta always maximizes PBB-P2 by the second way, namely by setting an increase in the Sale Value of Tax Object (NJOP). On the one hand, this maximization of PBB-P2 revenue by increasing tax rates or NJOP can have a positive impact, namely increasing regional revenue. But on the other hand, it also can lead to an increase in the amount of PBB-P2 borne by citizens as taxpayers and it is feared that it will increase taxpayer non-compliance (Alm et al., 1992).

This study aims to answer the question on the correlation between PBB-P2 liability and non-compliance in paying taxes. Local government must analyze factors that can influence tax compliance behavior in order that they can make the right policies on tax collection maximization. Appropriate tax collection policies are expected not only to be oriented towards increasing PBB-P2 revenue but also to increase taxpayer compliance.

Accordingly, the issue of non-compliance is important in the discipline of public economic policy because non-compliance can reduce tax revenue. Non-compliance itself is a condition occurring when a taxpayer does not fulfill his/her tax obligations. Furthermore, the potential for tax revenue decrease can affect the provision of public services to the wider community and even impact the amount of tax borne by compliant taxpayers (Alm, 2019).

Many factors may influence taxpayers' decision to comply or not to. Taxpayers are rational individuals and have perceptions as well as decisions to obey or disobey based on their individual interests influenced by both economic and non-economic factors (Allingham & Sandmo, 1972). In addition, tax compliance is also affected by psychology-economics (Muehlbacher et al., 2008). Through this framework, taxpayer compliance is influenced by the trust and power of the authorities. Taxpayer compliance is divided into two types, namely voluntary compliance and enforced compliance. In other words, compliance is influenced not only by individual factors of the taxpayers, but also by factors outside the taxpayers.

There have been several studies on tax compliance in general. In fact, on both personal and corporate income taxes, there is a potential for non-compliance by hiding or reducing assets or income in an effort to reduce the tax payable. However, in contrast to income tax, it is very difficult to hide assets in the form of property categorized as PBB-P2 object (in the form of either land or building) because the tax object is immovable and clearly visible even only through field inspection (Slack, 2010). Besides, taxpayer awareness also becomes a factor affecting the level of PBB-P2 taxpayers' compliance (Widiastuti & Laksito 2018).

Until now there has been no study concerning non-compliance of PBB-P2 in detail per each tax notification letter number (each tax object). Hence, this study will answer how the amount of PBB-P2 payable influenced by tax rate as well as tax object's sale value, location and type is correlated with non-compliance in paying PBB-P2 in DKI Jakarta Province.

The purpose of this study is to identify the correlation between non-compliance in paying PBB-P2 and the amount of PBB-P2 payable influenced by tax rate as well as tax object's sale value, location and type. This study was conducted on taxpayers in five administrative cities (Administrative Cities of Central Jakarta, North Jakarta, South Jakarta, West Jakarta, and East Jakarta), and one administrative district (Pulau Seribu) during the 2014 to 2018 fiscal years. Since a Governor Regulation was issued in 2019 regarding the exemption of Rural and Urban Land and Building Tax entirely for retired civil servants, retired armies, educators, and former governors/deputy governors, the number of taxpayers that can be investigated has decreased significantly).

LITERATURE REVIEW

Policy Context of Rural and Urban Land and Building Tax (PBB-P2)

Rural and Urban Land and Building Tax (PBB-P2) is one of tax types on wealth, whose imposition can be based on the value of the property imposed periodically or sporadically (Pamungkas, 2019). PBB-P2 is one of thirteen types of taxes collected by the Government of DKI Jakarta. The legal basis for collecting this type of tax is the DKI Jakarta Provincial Regulation Number 16 of 2011 concerning Rural and Urban Land and Building Tax (PBB-P2). This regulation was promulgated on December 29, 2011 in Jakarta and came into force on January 1, 2013.

Government of DKI Jakarta, other local Government in other countries highly depend on the Revenue from Land and Building Tax. In United States, property tax (similar with land and building tax) remains the largest source od State and Local government tax revenues (Mayo et al., 2020). In DKI Jakarta Province, the contribution of PBB-P2 to the overall local taxes reaching more than 20% every year. Even in year 2020 when pandemic hit the national economy, the contribution rised to 26.89%.

PBB-P2 payable is calculated by multiplying the tax rate by the tax base, namely the Sale Value of Tax Object (NJOP). The basis for PBB-P2 imposition is land and buildings' NJOP. NJOP itself is an average price of fair buying and selling transactions, in other words, it is a market price reflection.

The applicable PBB-P2 tariff is as follows:

a. The sale value of tax object of land and/or buildings below IDR 200.000.000 is subject tp 0,01% tax rate;

b. The sale value of tax object of land and/or buildings ranging from IDR 2,000,000,000 to less than IDR 2,000,000,000 is subject to a 0,1% tax rate;

c. The sale value of tax object of land and/or buildings ranging from IDR 2,000,000,000 to less than IDR 10,000,000,000 is subject to a 0,2% tax rate;

d. The sale value of tax object of land and/or buildings more than IDR 10,000,000,000 is subject to a 0,3% tax rate.

Taxpayer Non-compliance

Non-compliance is the failure of a taxpayer to fulfill his/her tax obligations (Kirchler, 2007). The compliance discussed in this study is compliance in paying PBB-P2 before the due date.

PBB-P2 collection conducted by local governments is the right decision because the payment of this tax type is related to the services provided by the local governments, for example the provision of education, good road facilities, cleaning services, public transportation equipment, etc. (Fischel, 2001). Furthermore, the local governments are responsible for providing good

services as compensation for PBB-P2 payments (Slack & Bird, 2014). Therefore, it can be concluded that the services provided by the local governments can also affect the compliance in PBB-P2 payments.

Other factor, the provision of public goods, also affects the tax payer compliance behaviour. The condition with no provision of public goods increases the non-compliance rate. In the other hands, compliance is greater with public goods provision (Alm et al., 1992; Alm et al., 1995). Compliance is greater when tax payers do perceive some benefits from public goods funded by their tax payments.

Social norm factors can also influence taxpayer compliance. A previous study has shown that there is a social norm factor also affecting taxpayer compliance, namely shame (Alm et al., 2017). In the study, public shame in the form of disclosure of photo and taxpayer non-compliance to the public is carried out on taxpayers audited and found to be non-compliant. This indicates that public shame can be an attempt to reduce taxpayer non-compliance.

A research at Medium Tax Offices throughout Indonesia also shows that, overall, giving a warning letter is effective in encouraging taxpayer compliance (Nabati & Mahi, 2018). The warning letter containing the threat of sanctions can make taxpayers deliberately disobeying realize that their non-compliance has been detected and has the potential to be subject to sanctions. In addition, the warning letter can also be a tool to help inform taxpayers about negligence in case their non-compliance is unintentional.

RESEARCH METHODS

Data Source

This study uses a quantitative approach with the probit panel regression method to determine the effect or pattern of the relationship between the dependent variable (compliance) and the independent variable (factors tested for their influence on non-compliance).

There are probabilities for the dependent variable (non-compliance) in the form of category 1 and category 0. If the taxpayer pays PBB-P2 after the due date (not complying), it is included in category 1, and vice versa if the Taxpayer pays the Tax prior to or on the due date (complying), it is included in category 0.

Variable

The main independent variables in this study are tax rate and sale value of the tax object (NJOP). These two are variables determining the amount of PBB-P2 payable that must be paid by the taxpayer. According to the previous research, tax rate can affect taxpayer compliance. Higher tax rate can reduce the level of taxpayer compliance (Alm et al., 1992; Clotfelter, 1983). For that reason, this study uses both tax rate and NJOP as independent variables studied.

The tax rate variable used in this study is the tax rate imposed on each tax object. Meanwhile, the NJOP variable is the NJOP amount of each tax object in millions of Rupiah.

The amount of PBB-P2 payable is relative for each taxpayer. A tax amount can be considered too high, too low, or normal depending on several factors one of which is in terms of reciprocity obtained by the taxpayer for the tax payment itself. Taxes increasing every year without an increase in services or public good provision will be perceived as high by taxpayers. On the other hand, if the increasing amount of tax is accompanied by an increase in services or public good provision, tax payers will consider that there are benefits obtained in return for their tax payment, so that they will not object or find the tax increase too high.

The next independent variable is the category of the taxpayer's location whether it is in a flooded area or not. In previous studies, it was stated that the provision of public goods affects compliance. In fact, taxpayer compliance will increase by the presence of proper public good provision (Alm et al., 1992; Alm et al., 1995). The provision includes the construction of reservoirs and embankments or the procurement of good and sufficient water pumps. Therefore, this study uses flooding as an indicator of public good provision. No flooding in an area indicates that the provision of public goods to cope with flooding in the area is good and adequate. On the other hand, the occurrence of flooding in an area shows that the provision in the area is inadequate.

The location of the tax object is stated in numbers, 1 and 0. If it is located in a flooding area, it is number 1 and if it is in a flood-free area, it is number 0.

The next independent variable is the types of tax object. This types are divided into apartment and non-apartment. Previous studies have shown that social norm factor in the form of shame arising from the provision of a tax non-compliance notification and a warning letter can affect taxpayer compliance.

DKI Jakarta Province gives tax arrears special treatment by issuing a warning letter and attaching a sticker or installing a tax arrears sign on the related tax object. The tax arrears sticker or sign functions as a notification tool regarding non-compliance in paying taxes. The environment around the tax object will know if there is a sticker attached or a sign installed.

Furthermore, the sticker attachment or the sign installation can put taxpayers to shame that can be considered as an additional cost of evasion. Public disclosure of this tax violations or taxpayer non-compliance can increase taxpayer compliance (Alm et al., 2017).

Although encouraging compliance, attaching tax arrears sticker or sign to certain tax objects, such as apartments, is difficult because the process is usually done by tax officers accompanied by police and media. In some cases, they can even be accompanied by Corruption Eradication Commission (KPK) officers. This can trigger rejection from the neighbors living in units near the targeted apartment.

Giving a warning letter for apartement is more difficult to do whereas it is effective in encouraging taxpayer compliance (Nabati & Mahi, 2018). The warning letter is usually dropped to receptionist because tax officers do not have direct access to tax payers. The tax payers usually do not live in the apartement. They rent the unit. It is different to other type of property, such as house or office building. The tax officers can reach the tax payer directly and give the warning letter to them to get them notified.

That is the reason why this reserach analyze the types of property which divided into apartment and non-apartment. Previous studies have shown that social norm factor in the form of shame arising from the provision of a tax non-compliance notification and a warning letter can affect taxpayer compliance. The type of tax object is stated in numbers, 1 and 0. If it is apartment, it is number 1 and if it is non-apartment, it is number 0.

Research Model

Based on the description explained beforehand, the empirical specifications are as follows:

Non-complianceit = β0 + β 1 tax rateit + β 2 NJOPit + β 3 flood locationit + β 4 apartment objectit + εit

Note:

Non-complianceit = Non-compliance in paying PBB-P2 (1 for the payment passing the due date and 0 for the payment prior to or on the due date).

β 0	=	intercept
β 1	=	tax rate
β 2	=	NJOP (sales value in millions IDR)
β 3	=	location of tax object (If it is located in a flooding area, it is number 1 and if it is in a flood-free area, it is number 0)
β 4	=	type of apartement object (If it is apartment, it is number 1 and if it is non-apartment, it is number 0).

Research Observation

The population is all the land and building in DKI Jakarta province which is identified with identity number, Nomor Surat Pemberitahuan Pajak Terhutang (SPPT). (SPPT). There are 1.800.000 identity number every year. In the population, there are some is subject to tax exemption or free of land and building tax. For instance, property with sales value less than IDR 1,000,000,000 or government property, and so forth.

This study have data about 290.993 property identity number (Nomor SPPT). From that number, after data cleansing process, this study has 275. 394 property identity number (Nomor SPPT) to be analyzed.

RESULTS AND DISCUSSIONS

The regression results are presented in the table 3 as follows.

Tabel 3. Panel Probit Regression Results

VARIABLES	NON-COMPLIANCE
TAX RATE	212.7***
	(11.16)
NJOP	1.83e-08
	(4.23e-07)
FLOODLOCATION	0.404***
	(0.0127)
APARTEMENTTYPE	0.0961***
	(0.0246)
lnsig2u	-1.641***
	(0.0434)
Constant	-1.206***
	(0.0205)
Observations	77,995
Number of ID	15,599

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Based on the table of regression results, it can be seen that the variables of tax rate, tax object location, and tax object type are significantly correlated to the probability of taxpayer non-compliance.

The positive coefficient of the tax rate variable indicates that the tax rate is proportional to the probability of taxpayer non-compliance. An increase in tax rate will increase the probability of non-compliance in paying PBB-P2. This finding is in line with previous research showing that increasing tax rate increases the potential for tax non-compliance (Clotfelter, 1983; Alm, et al., 1992).

The positive coefficient of tax object location variable indicates that this variable is proportional to the probability of taxpayer non-compliance. If object is located in flood area, then the probability of non-compliance in paying PBB-P2 is increase.

This finding is in line with previous research showing that provision of public goods decrease the probability of non-compliance behaviour. The provision of public goods that aim to reduce flooding will make an area free from flooding, so that the taxpayers in that area feel the benefits of paying tax. This condition leads to decrease for tax non-compliance.

In contrast, taxpayers who have tax objects located in flooded area do not feel the benefit from paying tax. This can increase the probability of non-compliance in paying PBB-P2.

The positive coefficient of object type variable indicates that this variable is proportional to the probability of taxpayer non-compliance. Apartement-type of tax object has a higher possibility of non-compliance. Attaching tax arrears sticker or sign and giving a warning letter for to certain tax objects, such as apartments is more difficult to do. This finding is in line with previous research showing an additional cost of evasion, such as public disclosure of this tax violations or taxpayer non-compliance can increase taxpayer compliance (Alm et al., 2017). It is also in line with previous research showing a warning letter from tax officers is effective in encouraging taxpayer compliance (Nabati & Mahi, 2018).

In this study, there is one variable insignificantly affecting taxpayer non-compliance. The NJOP variable has a p value greater than alpha's ($\alpha = 0.05$). This shows that NJOP has no significant effect on the probability of taxpayer compliance.

On the one hand, the NJOP variable can be an indicator (proxy) of the ability to pay taxes because NJOP can represent the assets owned by the taxpayer. Table 4 shows the correlation of location of tax object to its sales value (NJOP).

Table 4. Locations of Tax Object to Sales Value (NJOP)

VARIABLES	(1) NJOPMILLIONS
FLOODLOCATION	-707.5***
	(122.9)
YEAR	342.2***
	(37.27)
Constant	-685,240***
	(75,140)
Observations	77,995
R-squared	0.002

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

The coefficient of the tax object location variable is negative. This shows that the NJOP in flood-affected areas is lower than in flood-free areas. In other words, the ability to pay taxes of taxpayers located in flood-free areas is higher than those in flood-affected areas.

Condition of land and building is fixed in the long run, for instance, the land area is fixed in the long run. The increase in sales value (NJOP) does not show variety of ability to pay, but merely shows the annual increase of market price of the land and building.

Furthermore, this study explored the non-compliance behaviour using interaction variable. Table 5 shows regression result using interaction variable FLOODLOCATION and NJOP.

Table 5. Regression Results of Interaction Variable Location – NJOP

VARIABLES	NON-COMPLIANCE
FLOODLOCATION	0.393***
	(0.0134)
FLOODNJOP	2.72e-06**
	(1.06e-06)
TAXRATE	211.8***
	(11.18)
NJOPMILLION	-3.74e-07
	(4.55e-07)
APARTMENTTYPE	0.0951***
	(0.0246)
lnsig2u	-1.642***
	(0.0435)
Constant	-1.202***
	(0.0205)
Observations	77,995
Number of ID	15,599

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Based on the regression with the variable addition of the tax object location interaction with NJOP, it is found that the interaction variable significantly affects the probability of taxpayer non-compliance (violation). The tax object location variable (FLOODLOCATION) and the interaction variable (FLOODNJOP) have positive coefficient. Taxpayers owning objects with a high NJOP and located in flood-free areas have a higher probability of non-compliance (violations) than those owning tax objects with low NJOP and located in flood-affected areas.

Other variables, location of tax object (FLOODLOCATION), tax rate, and type of tax object (APARTEMENTTYPE) significantly affect the probability of non-compliance behaviour. This is in line with prior regressions without interaction variable. NJOP still insignificantly affecting the non-compliance behaviour as stated in first refgression model.

CONCLUSIONS

Tax rate is significantly affecting non-compliance paying Rural and Urban Land and Building Tax. The increase of tax rate leads to increase in tax liablity. Annual increase of tax burden increase the possibilty on non-compliance.

NJOP as other factor that can lead to increase in tax liability, is not significantly affecting non-compliance. The annual increase of NJOP is merely the trend of increase in market value. The trend of increasing NJOP does not have much effect on the amount of PBB-P2 payable. In contrast, an increase in tax rate will greatly affect the increase in PBB-P2 liability so as to encourage a decrease in tax compliance.

Location of tax object is significantly affecting the non-compliance behaviour. Tax payers who have object located in free of flood area tends to have greater compliance in paying PBB-P2. The reason is tax payers feel the benefits of public goods and public service from local government, funded by their tax payments.

Object type and warning letter from tax officer are significantly affecting the non-compliance behaviour. It is more difficult for tax officers to deliver warning letters to taxpayers on apartment tax objects compared to non-apartments. It is also more difficult for tax officials to attach stickers or sign to apartment tax objects than on non-apartment tax objects. This leads to condition that tax payers of apartement object have greater non-compliance.

This study focused on formal compliance, that taxpayers fulfill their obligations in terms of paying taxes according to the applicable regulation, namely paying PBB-P2 before the due date. In fact, there is a possibility that a taxpayer makes a mistake (accidentally) by paying after the due date, unintentionally disobeyed. However, the distribution of intentional and unintentional non-compliance has not been detected in this study.

The exploration of intentional and repeated non-compliance is an interesting subject to study due to the very significant amount of PBB-P2 arrears in local tax receivables. This kind of research will be very useful to understand the reasons why this type of non-compliance occurs.

REFERENCES

Allingham, M. G., & Sandmo, A. (1972). Income tax evasion: A theoretical analysis. Taxation: Critical Perspectives on the World Economy, 3, 323–338.

Alm, J., Jackson, B. R., & Mckee, M. (1992). Estimating The Determinants Of Taxpayer Compliance With Experimental Data. National Tax Journal, 45(1), 107–114. https://doi.org/10.1086/NTJ41788949

Alm, J, Sanchez, I. & Kyklos-Berne -, A. D. J.-, (1995). Economic and noneconomic factors in tax compliance. Researchgate.Net. Retrieved July 30, 2021, from https://www.researchgate.net/profile/James_Alm/publication/4774855_Economic_and_Noneconomic_Factors_in_Tax_Compliance/links/00b495357b9e23ef01000000/Economic-and-Noneconomic-Factors-in-Tax-Compliance

Alm, James. (2019). What Motivates Tax Compliance? Journal of Economic Surveys, 33(2), 353–388. https://doi.org/10.1111/joes.12272

Alm, James, Bernasconi, M., Laury, S., Lee, D. J., & Wallace, S. (2017). Culture, compliance, and confidentiality: Taxpayer behavior in the United States and Italy. Journal of Economic Behavior and Organization, 140. https://doi.org/10.1016/j.jebo.2017.05.018

Clotfelter, C. T. (1983). Tax evasion and tax rates: An analysis of individual returns. The Review of Economics and Statistics, 363–373.

DKI Jakarta Governance. (2011). DKI Jakarta Provincial Regulation Number 16 of 2011 concerning Rural and Urban Land and Building Taxes

Fischel, W. A. (2001). Homevoters, municipal corporate governance, and the benefit view of the property tax. National Tax Journal, 54(1), 157–173. https://doi.org/10.17310/ntj.2001.1.08

Fisher, Ronald C (2015). State and Local Public Finance. Fourth edition, Routhledge.

Kirchler, E. (2007). The economic psychology of tax behaviour. In The Economic Psychology of Tax Behaviour. https://doi.org/10.1017/CBO9780511628238

Mardiasmo. (2011). Perpajakan edisi revisi 2011. Yogyakarta:

Mayo, R., Moore, R., Ricks, K., & St. Onge, H. (2020). Annual State and Local Government Finances Summary: 2018. Figure 2, 4–6. https://www.census.gov/library/publications/2018/econ/g18-alfin-summary.html

Muehlbacher, S., Kirchler, E., Hoelzl, E., Ashby, J., Berti, C., Job, J., Kemp, S., Peterlik, U., Roland-Lévy, C., & Waldherr, K. (2008). Hard-earned income and tax compliance: A survey in eight nations. European Psychologist, 13(4), 298–304. https://doi.org/10.1027/1016-9040.13.4.298

Nabati, A. R., & Mahi, B. R. (2018). Intervensi Perilaku Kepatuhan Pajak : Surat Teguran Penyampaian Surat Pemberitahuan Pajak Tax Compliance Behavioral Intervention : Tax Reminder Letters for Tax Return ' s Filing. 8, 87–106.

Pamungkas, D. D. (2019). *Kebijakan Sanksi Administrasi BPHTB Untuk Pemberian Hak Baru Atas Tanah Di Provinsi DKI Jakarta Dalam Perspektif collaborative governance. Jurnal Manajemen Pelayanan Publik*, 2(1), 34. https://doi.org/10.24198/jmpp.v2i1.21794

Rahmawaty, W., & Rosdiana, H. (2019). Analisis tax expenditure dalam Rangka Impor Dari Perspektif pro-corporate cash flow tax. Jurnal Manajemen Pelayanan Publik, 2(1), 74. https://doi.org/10.24198/jmpp.v2i1.21770.

Republic of Indonesia. (2004). Law Number 32 of 2004 concerning Regional Government

Republic of Indonesia. (2009). Law Number 28 of 2009 concerning Regional Taxes and Levies

Slack, E. (2010). The Property Tax in Theory and Practice * Munk School of Global Affairs. Finance, September.

Slack, E., & Bird, R. M. (2014). OECD Working Papers on Fiscal The Political Economy of Property Tax Reform. OECD Working Papers on Fiscal Federalism, OECD Publishing, 18.

Wahl, I., Kastlunger, B., & Kirchler, E. (2010). Trust in authorities and power to enforce tax

Widiastuti, R & Laksito, H. (2014). *Faktor-faktor yang mempengaruhi Kepatuhan Pajak Bumi dan Bangunan (Studi Pada WPOP di Kabubaten Klaten).* Diponegoro Journal of accounting. (Undip E-Journal. https://ejournal3.undip.ac.id/index.php/accounting/article/view/6163