

Analysis of Regional Tax Revenue Contribution to Local Own-Source Revenue and Projection in Bontang City

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KEYWORDS	ABSTRACT
Regional Tax Revenue, Local Own-Source Revenue, Contribution Analysis, Projection, Bontang City.	Regional fiscal decentralization in Indonesia requires local governments to strengthen their fiscal independence through the optimal management of Local Own-Source Revenue (PAD), particularly from regional taxes. This study aims to analyze the contribution of regional tax revenue to Local Own-Source Revenue (PAD) in Bontang City and to project its future potential based on historical data. The research employs a descriptive quantitative approach using secondary data obtained from government institutions such as the Regional Revenue Agency (Bapenda), the Regional Financial and Asset Management Agency (BPKAD), and the Central Bureau of Statistics (BPS). Data collected from 2019 to 2024 were analyzed using contribution analysis and linear trend projection (least squares method) to evaluate the role of regional taxes in supporting fiscal independence. The findings indicate that although Bontang City has several tax bases—such as hotel tax, restaurant tax, entertainment tax, and land and building tax (PBB-P2)—their contributions to PAD have fluctuated and have not yet reached an optimal level. The projection results reveal potential for increased tax contributions in the coming years, provided that the local government implements more effective intensification and extensification strategies. This study offers theoretical contributions to public finance literature and practical implications for policymakers in optimizing local tax revenues to strengthen fiscal independence and enhance public services in the era of decentralization.

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INTRODUCTION

Indonesia implements a decentralized system as one of the strategies to strengthen democracy while improving the quality of public services (Chiquito et al., 2023; Shuaib et al., 2022). Through this system, local governments have broad authority to regulate and manage the interests of the community in their respective regions (Setyowati, 2023). Important decisions that were previously centralized in the central government can now be adjusted to the conditions and needs of each region (Siregar, 2025). The Bontang City Government has also implemented this decentralization system through various policies, one of which is Bontang City Regulation Number 01 of 2024 concerning Local Taxes and Levies (Wahyudi, 2023). This regulation details the mechanisms for collecting taxes and levies and their use to support

regional development and public services that are responsive to the needs of the local community (Said, 2022).

In addition, transparency in financial management is one of the important aspects supporting the effectiveness of decentralization. This is reflected in Bontang Mayor Regulation Number 53 of 2018 concerning Amendments to Mayor Regulation Number 53 of 2015 on Regional Financial Management Systems and Procedures. The regulation emphasizes the importance of accountability in the preparation, implementation, and reporting of regional budgets (Hariyani, 2022). With this regulatory framework, it is expected that development in Bontang City can take place more evenly, public services will improve, and community welfare will increase (Umam et al., 2020). Local governments are also expected to be faster and more responsive in meeting the needs of the local community (Nasir, 2022).

The implementation of regional autonomy places great responsibility on local governments in formulating policies, managing budgets, and implementing development programs (Triaspolitika, 2020). This autonomy encourages local innovation, healthy competition among regions, and increased community participation in governance processes (Publicness, 2025). Bontang City, as one of the regions implementing regional autonomy, faces its own challenges, ranging from institutional capacity gaps to the need for strict supervision to ensure that the principles of good governance are upheld (Ajates, 2025). Therefore, strengthening fiscal capacity through Regional Original Revenue (PAD) is a key step in achieving regional independence (BPK, 2021).

Regional Original Revenue (PAD) serves as an indicator of a region's fiscal independence, reflecting its ability to finance development without heavy reliance on central government transfers (Marginal, 2022). One of the main sources of PAD is local taxes, which play a vital role in supporting the financing of local government programs (JAAI, 2016). Regional taxes are not only a revenue source but also a reflection of the community's contribution to regional development (Petra, 2020). Sanjaya and Wijaya (2020) and Pertiwi et al. (2017) emphasized that the amount of regional tax contribution to PAD is an important indicator for measuring regional fiscal capacity.

Bontang City, as an industrial area with significant economic potential, faces fluctuations in regional tax revenues that directly affect PAD. Although the city has diverse tax sources—such as hotel, restaurant, and entertainment taxes, as well as the Rural and Urban Land and Building Tax (PBB-P2)—their contribution to PAD remains suboptimal. This condition may hinder sustainable financing for development and public services. Therefore, a comprehensive analysis of the contribution of regional taxes to PAD, along with future projections, is essential for the government to design a more effective fiscal strategy.

Regional tax collection is considered one of the most promising strategies for increasing PAD. Effendi and Ansori (2017) stated that the greater the contribution of regional taxes, the greater the fiscal independence of the region. However, the suboptimal exploration of tax potential remains an obstacle faced by many areas, including Bontang City. Firdausy (2018) explained that PAD optimization can be achieved through intensification, namely maximizing existing potential, and extensification, namely expanding the new tax base. Thus, strengthening the regional tax sector will enhance Bontang City's chances of achieving fiscal independence.

A preliminary study of Bontang City's budget data for the 2022–2024 period shows an inequality between tax potential and realization. Several types of regional taxes have decreased in their contribution to PAD, although nominally PAD has increased. This indicates the need for a new strategy in regional tax management, including planning based on fiscal projections. Bontang City, with its industrial, marine, and tourism sectors, holds significant potential to increase PAD. Therefore, projecting future tax contributions is an important step in developing more targeted and sustainable fiscal policies.

Considering these dynamics, this research aims to examine the contribution of regional tax revenues to PAD and to prepare future projections. The results of this study are expected to provide an empirical overview of the strategic role of regional taxes within Bontang City's PAD structure, as well as policy recommendations for local governments. The novelty of this study lies in its integrative approach that combines both contribution analysis and projection modeling within a single framework, specifically for Bontang City—an industrial city with unique fiscal characteristics. Unlike previous studies that typically focus solely on contribution analysis or projections, this research employs a comprehensive methodology that connects historical contribution patterns with future revenue forecasts using the least square method. Furthermore, this study presents detailed tax-type-specific projections for eleven different regional tax categories, offering granular insights into which tax types are expected to grow or decline, enabling more targeted policy interventions. This differentiated approach allows policymakers to identify specific areas requiring intensification or extensification strategies, an aspect that has not been adequately explored in prior studies on Indonesian cities.

Based on the background outlined above, this study is designed to answer two main questions: first, how much regional tax revenue contributes to the Regional Original Revenue (PAD) of Bontang City; and second, how to project this contribution in the future based on historical trends. In line with this problem formulation, the study aims to analyze the level of regional tax contribution to PAD and to develop a projection of future revenues using statistical methods. The goal is to provide a clearer picture of Bontang City's fiscal independence. Theoretically, this research contributes to the field of public economics and regional financial management, particularly regarding the role of regional taxes in supporting fiscal decentralization. Practically, the results are expected to serve as input for the Bontang City Government in formulating tax optimization strategies, evaluating existing fiscal policies, and developing more responsive policies aligned with local potential—ultimately improving the quality of development and public services in a sustainable manner.

METHOD

The research on the contribution of regional tax revenues to Regional Original Revenue (PAD) and its projections in Bontang City aimed to determine the extent to which regional tax revenues affected the increase in PAD. The study focused on the relationship between types of regional taxes and total PAD, as well as projected future revenue trends. It not only summarized existing data but also sought to generate findings relevant to improving local revenue management strategies.

This study employed a descriptive quantitative design that analyzed data numerically to provide an objective overview of regional tax trends. The regional tax projections of Bontang

City for the 2019–2024 period were analyzed using linear trend analysis (least square) based on time series data. This approach enabled forecasts based on historical data and identified tax types with the greatest potential to contribute optimally to PAD.

Data collection was conducted through documentation studies by gathering and analyzing written materials relevant to the research. Secondary data were obtained from related agencies such as Bapenda, BPKAD, and BPS Bontang City. The steps included reviewing Regional Government Financial Statements (LKPD), retrieving data from official websites and BPS publications, and requesting data directly from the agencies when not available online.

The collected data were processed using two approaches. First, contribution analysis measured the proportion of regional tax revenue relative to total PAD annually. Second, projection analysis applied a time series approach using the least square method to forecast revenue trends, serving as a reference for setting future regional tax targets.

The contribution analysis measured both annual and cumulative tax contributions to PAD during the study period, illustrating the role of each tax type in strengthening fiscal independence. The projection analysis provided a realistic estimate of future tax revenues. The results were expected to assist the Bontang City Government in formulating targeted strategies to increase PAD and support sustainable regional development.

RESULTS AND DISCUSSIONS

This study adopts a quantitative method by utilizing secondary data. The data is sourced from the official document of the Bontang Regency Regional Asset Finance Agency, which includes the budget report and the realization of Regional Taxes and Regional Original Revenue (PAD) of Bontang City from 2019 to 2024. The regional taxes that are the focus of the research include: Hotel Tax, Restaurant Tax, Entertainment Tax, Billboard Tax, Street Lighting Tax, Parking Tax, Groundwater Tax, Non-Metallic Mineral and Rock Tax, Rural and Urban Land and Building Tax, and Land and Building Rights Acquisition Tax. Based on this data, it can be seen that the realization of regional tax revenue in Bontang has fluctuated, that is, it does not always increase, but also decreases from year to year. These fluctuations reflect the complex interplay of economic cycles, policy implementation effectiveness, taxpayer compliance levels, and external factors such as industrial activity and tourism trends that characterize Bontang City as an industrial and port city (Davey, 2019).

Analysis of the Contribution of Regional Taxes to Regional Original Revenue

Table 1. Regional Tax Contribution to Regional Original Revenue in 2019-2024

Year	Regional Tax Realization (IDR)	PAD Realization (IDR)	Contribution (%)	Criteria
2019	116.864.297.801,00	218.743.530.945,38	53,43	Very Good
2020	100.014.196.975,55	199.793.892.987,27	50,06	Very Good
2021	116.883.388.141,45	245.901.872.798,38	47,53	Good
2022	134.539.080.196,35	231.351.605.844,18	58,15	Very Good
2023	118.218.692.064,81	262.783.368.861,61	44,99	Good
2024	150.018.177.986,95	302.589.496.877,99	49,58	Good
Average			50,62	Very Good

Source: Processed Data, 2025

Regional tax revenue on Bontang Regency's original revenue from 2019 to 2021 continued to decline, but in 2022 there was an increase in regional tax revenue from previous years. In 2023, it decreased again from 2022 and in the last year, 2024, it increased from 2023. This pattern of fluctuation can be attributed to several factors. The decline from 2019 to 2021 corresponds with the COVID-19 pandemic period, which significantly affected economic activity, particularly in the hospitality, entertainment, and restaurant sectors (World Bank, 2021). The recovery in 2022 reflects post-pandemic economic rebound and improved tax collection mechanisms. The subsequent decline in 2023, despite higher absolute PAD, suggests that non-tax revenue sources (such as retributions and other PAD components) grew faster than tax revenues, diluting the tax contribution percentage. The improvement in 2024 indicates renewed economic activity and potentially more effective tax intensification efforts by the local government..

Growth Rate Analysis

Table 2. Analysis of Regional Tax Growth Rate in 2019-2024

Period	Current Year Tax Realization (IDR)	Previous Year Tax Realization (IDR)	Growth Rate (%)
2019-2020	100.014.196.975,55	116.864.297.801,00	85,58
2020-2021	116.883.388.141,45	100.014.196.975,55	116,85
2021-2022	134.539.080.196,35	116.883.388.141,45	115,11
2022-2023	118.218.692.064,81	134.539.080.196,35	87,87
2023-2024	150.018.177.986,95	118.218.692.064,81	126,90
Average			106,46

Source: Processed Data, 2025

The growth rate of regional taxes from 2019 to 2021 continued to increase, but in 2022 to 2023 it decreased from previous years. In 2024, it will increase again from 2023. The declining growth rate in 2020 (85.58%) reflects the severe economic contraction during the initial pandemic lockdown, when hotel occupancy, restaurant operations, and entertainment venues were heavily restricted. The subsequent recovery phases (2021-2022) show growth rates above 115%, indicating robust economic rebound. However, the dip in 2023 (87.87%) may be explained by the normalization of economic activity after the initial recovery surge, combined with potential tax compliance challenges or structural changes in the local economy. The strong rebound in 2024 (126.90%) suggests successful implementation of tax intensification programs and continued economic expansion in Bontang's industrial and commercial sectors (Kementerian Keuangan RI, 2024)..

Analysis of Regional Tax Projections

This analysis of regional tax projections is an analysis used to estimate the realization of regional tax sources for the next 5 years. In this study, the author uses a linear projection technique of trend analysis or the least square method. In this study, the data calculated comes from tax realization data per year starting from 2019 to 2024, so the projected tax revenue per type of regional tax in Bontang City is obtained as follows:

Hotel Tax**Table 3. Projected Results of Hotel Tax Revenue (in rupiah)**

Year	Calculation of Hotel Tax Revenue Projection	Projected Results of Hotel Tax Revenue
2025	$Y = 1.556.867.894,40 + 114.244.221,16 (5)$	2.128.089.000,20
2026	$Y = 1.556.867.894,40 + 114.244.221,16 (6)$	2.242.333.221,36
2027	$Y = 1.556.867.894,40 + 114.244.221,16 (7)$	2.356.577.442,52
2028	$Y = 1.556.867.894,40 + 114.244.221,16 (8)$	2.470.821.663,68
2029	$Y = 1.556.867.894,40 + 114.244.221,16 (9)$	2.585.065.884,84

Source: Processed Data, 2025

The projected Bontang City Hotel Tax from 2025 to 2029 is projected to continue to grow and increase from 2019 to 2024 as the base year of calculation.

Restaurant Tax**Table 4. Projected Results of Restaurant Tax Revenue (in rupiah)**

Year	Calculation of Projected Restaurant Tax Revenue	Projected Results of Restaurant Tax Revenue
2025	$Y = 12.954.930.827,42 + 850.847.776,60 (5)$	17.209.169.710,42
2026	$Y = 12.954.930.827,42 + 850.847.776,60 (6)$	18.060.017.487,02
2027	$Y = 12.954.930.827,42 + 850.847.776,60 (7)$	18.910.865.263,62
2028	$Y = 12.954.930.827,42 + 850.847.776,60 (8)$	19.761.713.040,22
2029	$Y = 12.954.930.827,42 + 850.847.776,60 (9)$	20.612.560.816,82

Source: Processed Data, 2025

The projected Bontang City Restaurant Tax from 2025 to 2029 is projected to continue to grow and increase from 2019 to 2024 as the base year of calculation.

Entertainment Tax**Table 5. Projected Results of Entertainment Tax Revenue (in rupiah)**

Year	Calculation of Projected Entertainment Tax Revenue	Projected Results of Entertainment Tax Revenue
2025	$Y = 983486243,39 + 121.764.244,29 (5)$	1.592.307.464,84
2026	$Y = 983486243,39 + 121.764.244,29 (6)$	1.714.071.709,13
2027	$Y = 983486243,39 + 121.764.244,29 (7)$	1.835.835.953,42
2028	$Y = 983486243,39 + 121.764.244,29 (8)$	1.957.600.197,71
2029	$Y = 983486243,39 + 121.764.244,29 (9)$	2.079.364.442,00

Source: Processed Data, 2025

The projected Entertainment Tax for Bontang City from 2025 to 2029 is projected to continue to grow and increase from 2019 to 2024 as the base year of calculation.

Billboard Tax**Table 6. Projected Results of Billboard Tax Revenue (in rupiah)**

Year	Billboard Tax Revenue Projection Calculation	Projected Results of Billboard Tax Revenue
2025	$Y = 891.975.506,76 + 48.218.282,83$ (5)	1.133.066.920,91
2026	$Y = 891.975.506,76 + 48.218.282,83$ (6)	1.181.285.203,74
2027	$Y = 891.975.506,76 + 48.218.282,83$ (7)	1.229.503.486,57
2028	$Y = 891.975.506,76 + 48.218.282,83$ (8)	1.277.721.769,40
2029	$Y = 891.975.506,76 + 48.218.282,83$ (9)	1.325.940.052,23

Source: Processed Data, 2025

The projected Bontang City Billboard Tax from 2025 to 2029 is projected to continue to grow and increase from 2019 to 2024 as the base year of calculation.

Street Lighting Tax**Table 7. Projected Results of Street Lighting Tax Revenue (in rupiah)**

Year	Calculation of Projected Street Lighting Tax Revenue	Projected Results of Street Lighting Tax Revenue
2025	$Y = 33.836.669.976,83 + (-1.253.278.077,61)$ (5)	27.570.279.588,78
2026	$Y = 33.836.669.976,83 + (-1.253.278.077,61)$ (6)	26.317.001.511,17
2027	$Y = 33.836.669.976,83 + (-1.253.278.077,61)$ (7)	25.063.723.433,56
2028	$Y = 33.836.669.976,83 + (-1.253.278.077,61)$ (8)	23.810.445.355,95
2029	$Y = 33.836.669.976,83 + (-1.253.278.077,61)$ (9)	22.557.167.278,34

Source: Processed Data, 2025

The projected Bontang City Street Lighting Tax from 2025 to 2029 is projected to continue to decline from 2019 to 2024 as the base year of calculation.

Parking Tax**Table 8. Projected Results of Parking Tax Revenue (in rupiah)**

Year	Calculation of Projected Parking Tax Revenue	Projected Results of Parking Tax Revenue
2025	$Y = 181.989.780,00 + 32.004.945,14$ (5)	342.014.505,70
2026	$Y = 181.989.780,00 + 32.004.945,14$ (6)	374.019.450,84
2027	$Y = 181.989.780,00 + 32.004.945,14$ (7)	406.024.395,98
2028	$Y = 181.989.780,00 + 32.004.945,14$ (8)	438.029.341,12
2029	$Y = 181.989.780,00 + 32.004.945,14$ (9)	470.034.286,26

Source: Processed Data, 2025

The projected Parking Tax for Bontang City from 2025 to 2029 is projected to continue to grow and increase from 2019 to 2024 as the base year of calculation.

Groundwater Tax**Table 9. Projected Results of Groundwater Tax Revenue (in rupiah)**

Year	Calculation of Projected Groundwater Tax Revenue	Results of Projected Groundwater Tax Revenue
2025	$Y = 8.147.034.586,94 + 32.567.980,94 (5)$	8.309.874.491,64
2026	$Y = 8.147.034.586,94 + 32.567.980,94 (6)$	8.342.442.472,58
2027	$Y = 8.147.034.586,94 + 32.567.980,94 (7)$	8.375.010.453,52
2028	$Y = 8.147.034.586,94 + 32.567.980,94 (8)$	8.407.578.434,46
2029	$Y = 8.147.034.586,94 + 32.567.980,94 (9)$	8.440.146.415,40

Source: Processed Data, 2025

The projected Groundwater Tax of Bontang City from 2025 to 2029 is projected to continue to grow and increase from 2019 to 2024 as the base year of calculation.

Swallow's Nest Tax**Table 10. Projected Results of Swallow's Nest Tax Revenue (in rupiah)**

Year	Calculation of Projected Swallow's Nest Tax Revenue	Results of Projected Swallow's Nest Tax Revenue
2025	$Y = 718.328,67 + 85.286,91 (5)$	1.144.763,22
2026	$Y = 718.328,67 + 85.286,91 (6)$	1.230.050,13
2027	$Y = 718.328,67 + 85.286,91 (7)$	1.315.337,04
2028	$Y = 718.328,67 + 85.286,91 (8)$	1.400.623,95
2029	$Y = 718.328,67 + 85.286,91 (9)$	1.485.910,86

Source: Processed Data, 2025

The projected Swallow's Nest Tax in Bontang City from 2025 to 2029 is projected to continue to grow and increase from 2019 to 2024 as the base year of calculation.

Tax on Non-Metallic Minerals and Rocks**Table 11. Projected Results of Non-Metallic Minerals and Rocks Tax Revenue (in rupiah)**

Year	Calculation of Projected Tax Revenue for Non-Metallic Minerals and Rocks	Projected Results of Non-Metallic Minerals and Rocks Tax Revenues
2025	$Y = 604.750.640,63 + 197.315.467,66 (5)$	1.591.327.978,93
2026	$Y = 604.750.640,63 + 197.315.467,66 (6)$	1.788.643.446,59
2027	$Y = 604.750.640,63 + 197.315.467,66 (7)$	1.985.958.914,25
2028	$Y = 604.750.640,63 + 197.315.467,66 (8)$	2.183.274.381,91
2029	$Y = 604.750.640,63 + 197.315.467,66 (9)$	2.380.589.849,57

Source: Processed Data, 2025

The projected Non-Metallic Mineral and Rock Tax for Bontang City from 2025 to 2029 is projected to continue to grow and increase from 2019 to 2024 as the base year of calculation.

Rural and Urban Land and Building Tax

Table 12. Projected Results of Rural and Urban Land and Building Tax Revenues (in rupiah)

Year	Calculation of Projected Rural and Urban Land and Building Tax Revenue	Projected Results of Rural and Urban Land and Building Tax Revenues
2025	$Y = 47.398.783.651,50 + 2.428.230.814,21$ (5)	59.539.937.722,55
2026	$Y = 47.398.783.651,50 + 2.428.230.814,21$ (6)	61.968.168.536,76
2027	$Y = 47.398.783.651,50 + 2.428.230.814,21$ (7)	64.396.399.350,97
2028	$Y = 47.398.783.651,50 + 2.428.230.814,21$ (8)	66.824.630.165,18
2029	$Y = 47.398.783.651,50 + 2.428.230.814,21$ (9)	69.252.860.979,39

Source: Processed Data, 2025

The projected Rural and Urban Land and Building Tax of Bontang City from 2025 to 2029 is projected to continue to grow and increase from 2019 to 2024 as the base year of calculation.

Land and Building Rights Acquisition Fee

Table 13. Projected Results of Land and Building Rights Acquisition Duty (in rupiah)

Year	Calculation of Projected Revenue for Land and Building Rights Acquisition Duty	Projected Results of Land and Building Rights Acquisition Duty Revenue
2025	$Y = 14.060.196.444,98 + (-88.121.958,32)$ (5)	13.619.586.653,38
2026	$Y = 14.060.196.444,98 + (-88.121.958,32)$ (6)	13.531.464.695,06
2027	$Y = 14.060.196.444,98 + (-88.121.958,32)$ (7)	13.443.342.736,74
2028	$Y = 14.060.196.444,98 + (-88.121.958,32)$ (8)	13.355.220.778,42
2029	$Y = 14.060.196.444,98 + (-88.121.958,32)$ (9)	13.267.098.820,10

Source: Processed Data, 2025

The projected Land and Building Rights Acquisition Duty for Bontang City from 2025 to 2029 is projected to continue to decline from 2019 to 2024 as the base year of calculation. After everything is calculated, then the following is the order of calculation of the projection of the least square method starting from the largest to the smallest.

Table 14. Projection Results from Largest to Smallest (in rupiah)

No	Tax Name	Tax Projection Value
1	Hotel Tax	1.556.867.894,40
2	Restaurant Tax	12.954.930.827,42
3	Entertainment Tax	983.486.243,39
4	Billboard Tax	891.975.506,76
5	Pajak Penerangan Jalan	33.836.669.976,83
6	Pajak Parkir	181.989.780,00
7	Groundwater Tax	8.147.034.586,94
8	Swallow's Nest Tax	718.328,67
9	Tax on Non-Metallic Minerals and Rocks	604.750.640,63
10	Rural and Urban Land and Building Tax	47.398.783.651,50
11	Land and Building Rights Acquisition Duty	14.060.196.444,98

Source: Processed Data, 2025

Discussion

The results of the study show that the contribution of regional taxes to the Regional Original Revenue (PAD) of Bontang City fluctuates from 2019 to 2024. This percentage of contribution had decreased for three consecutive years, from 53.43% in 2019 to 50.06% in 2020, and dropped again to 47.53% in 2021. However, in 2022, there was a significant increase of 10.62%, so that the contribution reached 58.15%. Unfortunately, this percentage plummeted again in 2023 to 44.99%, before finally rising again to 49.58% in 2024.

Based on research on the analysis of regional tax growth in Bontang City, it was found that there were significant fluctuations from 2019 to 2024. After experiencing a sharp increase of 31.27% in 2021, regional tax growth decreased drastically for two consecutive years, namely by 1.74% in 2022 and 27.24% in 2023. However, in 2024, there will be a very high growth surge, reaching 39.03%.

Based on data from 2019 to 2024, the realization of regional taxes and regional original revenue (PAD) in Bontang City shows positive and consistent progress. Although several revenue sectors have not reached the set target, overall, the realization of Bontang City's revenue every year has managed to exceed the budget target.

Based on the results of the study, the contribution of regional taxes to the Regional Original Revenue (PAD) of Bontang City in the 2019-2024 period shows a dynamic or fluctuating trend. Nevertheless, overall, the contribution of regional taxes in the last six years has been at a very good level. This proves that regional revenue from the tax sector has a significant role in increasing Regional Original Revenue (PAD).

Even though it is in the very good category, the right strategy is still needed by the local government, one of which is by optimizing efforts to intensify and extensify taxpayers in the regions. Through this effort, it can increase the source of regional tax revenue so that in the end it can contribute significantly to the increase of Regional Original Revenue (PAD)

Based on the results of the study, this finding is consistent with the opinion of Effendi and Ansori (2017) who stated that the higher the comparison of results, the more significant the role of regional taxes on Regional Original Revenue (PAD). On the other hand, if the results of the comparison are low, the contribution of regional taxes to PAD is also small.

Based on the findings from Wibisono et al. (2022), this study also found that regional tax revenues have not made a consistent contribution to regional original revenue (PAD). The contribution sometimes increases and decreases at other times. This can be seen from the comparison between regional tax revenues and local original revenues in a certain period. In contrast to the findings in this study, a study conducted by Binar Dwiyanto P. and Sugita Julika Utami (2024) found that the contribution of regional taxes to the Regional Original Revenue (PAD) of Sikka Regency in the 2013-2017 period was relatively low or less significant.

Meanwhile, based on the results of the analysis of regional tax projections in Bontang City during 2025 – 2029, it consists of Hotel Tax, Restaurant Tax, Entertainment Tax, Billboard Tax, Street Lighting Tax, Parking Tax, Groundwater Tax, Swallow's Nest Tax, Non-Metallic Mineral and Rock Tax, Rural and Urban Land and Building Tax, and finally Land and Building Rights Acquisition Duty. Based on the calculations that have been made, each regional tax has different projection results.

The Rural and Urban Building Land Tax based on the calculations that have been carried out is projected that from 2025 to 2029, the revenue of the PBB P-2 Bontang City will increase per year. This is due to the increasing population growth in Bontang City. With the increase in the number of people in Bontang City, the revenue for Land and Building Tax increased. This is certainly a good thing for the original revenue of the Bontang City region. This population and economic growth must be a concern for the Bontang City Government as an effort to be able to maintain the growth of tax revenue, especially the type of Rural and Urban Land and Building Tax so that it can maximize the Bontang City Government's goal of increasing regional revenue. This is in line with research that has been carried out) Herni Sunarya, Zainal Arifin PG (2024) who explained that the population can affect PBB P-2 tax revenue. Not only due to the growth of the population, economic growth in Sibolga City is also growing. In the range from 2018 to 2022, the average economic growth of Sibolga City increased by 3.07%. With the economic growth of the people of Sibolga City, it is directly proportional to the land tax revenue for rural and urban buildings (Nadhirah, 2022).

Furthermore, in the Restaurant Tax based on projection calculations using regression analysis that has been carried out previously, it is known to have increased from 2025 to 2029 per year. This is because the increasing number of restaurants in Bontang City is directly proportional to restaurant tax revenue in Bontang City. With the increase in the number of restaurants in Bontang City, the Bontang City Government must also continue to monitor restaurant taxpayers as an effort so that restaurant revenues in Bontang City can be comparable to the restaurant tax revenues received. Thus, the goal of maximizing regional revenue can be achieved. This is supported by research by Muhammad Tahir, Nasruddin, Mey Susanti AS (2021) which explains that the number of restaurants has a positive and significant effect on restaurant taxes. Meanwhile, the calculation of the projected Hotel Tax in Bontang City using regression analysis that has been carried out previously, is known to have increased from 2025 to 2029 per year. This increase illustrates that there has been optimal supervision in the field related to Hotel Taxpayers, hotel tax collection facilities such as adequate administration and optimal tax audit processes in Bontang City. In addition, the drastic increase in room occupancy rate is proportional to the projected hotel tax revenue.

Furthermore, the Parking Tax based on projection calculations using regression analysis that has been carried out previously, is known to have increased from 2025 to 2029 per year. This increase is partly due to the increase in the number of vehicles in Bontang City. With the increase in the number of vehicles with tax-compliant drivers, the projected increase in parking tax revenue will increase (Lubis, 2019).

This increase in parking tax revenue must be a concern for the Bontang City Government. The Bontang City Government must continue to monitor parking taxpayers so that parking revenues obtained in the field are in accordance with the reported revenues so that parking revenues can be comparable to parking tax revenues. So that the increase in parking revenue has a direct effect on increasing regional revenue which is the goal for the Bontang City Government.

Entertainment Tax based on projection calculations using regression analysis that has been carried out previously, is known to increase from 2025 to 2029 per year. This is because the condition of entertainment venues in Bontang City has improved. The increasing number of visitors in the Bontang City area is also quite influential on the level of entertainment tax revenue in Bontang City. In addition, this increase is also due to the optimal supervision from tax officers in applying entertainment taxes to entertainment taxpayers in Bontang City.

Generally, the installation of billboards is made to attract the attention of potential consumers to buy products or services from a company. With the increasing number of companies in Bontang City, it will be in line with the increase in Bontang City billboard tax revenue. This is because in order to introduce the product, of course the industry or a business will use billboard media (Arge, 2018). Based on the calculation of projections using regression analysis that has been carried out previously, it is known that there will be an increase or increase from 2025 to 2029 per year. This happens due to external factors, one of which is the optimal supervision of tax officers in Bontang City in the field and the awareness of Billboard Taxpayers in paying their taxes.

CONCLUSION

The analysis showed that the contribution of regional taxes to *Regional Original Revenue* (PAD) in Bontang City fluctuated but generally remained in a very good category from 2019 to 2024, indicating that the local government effectively managed and optimized its tax potential. However, further evaluation and refinement of tax collection procedures were still needed to ensure maximum revenue realization. Projections for 2025–2029 indicated growth in several tax types—such as hotel, restaurant, entertainment, billboard, parking, groundwater, swallow's nest, non-metallic minerals and rocks, and rural and urban land and building taxes—while street lighting tax and land and building rights acquisition duty were expected to decline. Future research should explore the influence of economic structure shifts and administrative innovations on tax performance to support more stable and sustainable PAD growth.

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