



SIMPOSIUM ILMIAH AKUNTANSI 6

THE INFLUENCE OF THE EFFECTIVENESS AND CONTRIBUTION OF TAX ON LOCAL REVENUE OF MEDAN CITY IN 2019-2023

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ABSTRACT

Regional Original Revenue (PAD) serves as financial income for community development funding. This quantitative, associative study aims to assess the impact of land also building tax on PAD, using data from 2019 to 2023, totaling 60 observations. The study employs saturated sampling, involving the entire population as the sample, also utilizes multiple linear regression analysis, supported by classical assumption testing. Findings indicate both the effectiveness also contribution of land also building tax individually also collectively affect PAD.

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INTRODUCTION

As a developing nation, Indonesia actively pursues national development across various sectors to fulfill its constitutional goals outlined in the 1945 Constitution: safeguarding public welfare, fostering educational advancement, also contributing to global stability. Indonesia's development framework applies decentralization, granting local governments autonomous authority to manage their affairs also resources. Regional autonomy is often gauged by a region's ability to function independently from central support, with local own-source revenue (PAD) serving as a key indicator. PAD comprises income from local taxes, fees, also property management.

Under Law No. 28 of 2009 on Local Taxes also Levies, tax management is divided between provinces also districts/cities. Provincial taxes include five categories: motor vehicle tax, transfer fee for motor vehicle title, motor fuel tax, surface water tax, also cigarette tax. District/City taxes cover eleven categories, such as hotel tax, restaurant tax, entertainment tax, also urban also rural land also building taxes (PBB), along with property acquisition fees (BPHTB).

PAD funds local government expenditures, with Land also Building Tax (PBB) as the highest revenue source, especially in high-growth areas like Medan City. Medan, a key economic hub in North Sumatra with substantial infrastructure also business sectors, holds significant potential for PAD growth. However, Medan's local tax contributions, especially from PBB, remain suboptimal. Despite its economic assets, including ports also industrial estates, the city's economic growth is stagnant, also PAD revenue fluctuates below target levels. Data from 2019 to 2023 reveal inconsistent PBB revenue, with a decline in target attainment from 22% in 2019 to 18% in 2023. PBB revenue effectiveness averages 66%, indicating a "less effective" status, also PBB's contribution to PAD averages 20%, signaling a

limited impact. The table below details PAD also PBB revenue targets also realizations.

Table 1.
Realization Target Revenue Data of Land also Building Tax also Local Revenue of Medan City

Tahun	Target PBB(Rp)		Realization PBB(Rp)		Target PAD(Rp)		Realization PAD(Rp)	
2019	Rp	450.795.969.214	Rp	401.195.929.778	Rp	2.321.760.384.058	Rp	1.829.669.955.348
2020	Rp	468.600.000.000	Rp	310.170.204.409	Rp	1.813.909.461.511	Rp	1.509.831.081.747
2021	Rp	500.256.632.325	Rp	400.715.577.096	Rp	1.713.934.904.956	Rp	1.528.643.673.796
2022	Rp	700.054.109.305	Rp	331.617.873.337	Rp	3.050.594.560.414	Rp	2.286.732.475.603
2023	Rp	800.054.109.305	Rp	386.837.656.755	Rp	3.101.456.231.350	Rp	2.108.199.782.497

Source: Bapenda of Medan City

An analysis of Medan City's Land also Building Tax(PBB)revenue from 2019 to 2023 indicates targets have consistently fallen short. This shortfall is attributed to factors like low public awareness of timely PBB payments, challenges in tax collection due to limited business permits, also the economic downturn from the COVID-19 pandemic. This study aims to further investigate factors influencing the effectiveness also contribution of PBB to Medan City's PAD.

Aligned with prior studies on PAD, this study employs retribution theory to emphasize the importance of effective tax collection also management to maximize PAD contributions. Despite the theory's relevance, implementation challenges persist, especially in achieving effective tax collection. Study by Fathia also Santi Yunus(2024)also Hemas Noor Fadilla(2022)supports the significance of PBB contributions to PAD, while other studies like Rauhul Ijtihad(2024)present differing views on PBB effectiveness.

While existing study examines local tax effectiveness on PAD, few focus specifically on PBB in major cities like Medan or explore the longitudinal factors impacting PBB's contribution to PAD post-COVID. Many studies also overlook practical issues like administrative constraints also taxpayer awareness affect tax collection outcomes.

This study aims to bridge this gap by offering an in-depth analysis of factors affecting PBB's effectiveness also contribution to Medan's PAD from 2019 to 2023. Utilizing empirical data from the Medan City Revenue Agency, it uniquely addresses the pandemic's impact on tax effectiveness also suggests improvements for tax management practices in other Indonesian cities, focusing on urban PBB revenue optimization.

LITERATURE REVIEW

Stewardship Theory

Stewardship Theory highlights the strong link between organizational success also stakeholder satisfaction, depicting the government as a steward—or manager—of resources, with the people as principals, or resource owners. This theory asserts the government(steward)enters into an agreement with the people(principal)under legal frameworks to achieve mutual objectives. The government strives to govern effectively to fulfill its mission of enhancing public welfare(Purnawati, 2017). As per Donaldson(1991), Stewardship Theory suggests management's focus is on achieving organizational goals rather than pursuing individual interests.

In this context, taxes collected by the government from citizens are dedicated to public welfare. Citizens are thus obligated to pay taxes to support the Regional Revenue Budget, ensuring these funds are continuously managed to benefit both the government also society at large.

Retribution Theory

The imposition of retribution should fulfill two main objectives. First, it ensures levy payers encounter realistic consumption prices. Second, it aims to reduce reliance on local tax revenue(Ronald C. Fisher, 2018). James McMaster(2018)further identifies two foundational principles in retribution: the "benefit principle" also the "ability to pay principle." As per the benefit

principle, individuals pay for services in proportion to their consumption level. Meanwhile, the ability to pay principle mandates levies be adjusted as per an individual's financial capacity, with lower-income groups paying less than higher-income groups. In summary, these principles advocate beneficiaries pay for services proportionate to use, also fees align with the payer's financial ability.

Local Revenue

As per Law No. 28/2009, local revenue comprises local own-source revenue (PAD), including local taxes, expenditures, also revenues directly generated by the community. PAD represents income generated independently by a region rather than from central government allocations also supports regional governance also public services, reflecting a region's development level. High PAD indicates regional advancement, as it reduces reliance on central government support for local budgets (Muttaqin, 2021).

Anam et al. (2021) similarly describe PAD as revenue from the financial sector also fees, funding community development also regional growth. Law No. 33 of 2004, Article 66, paragraphs 1 also 2, specifies the sources of PAD as follows:

1. Local Taxes

As per Law No. 28 of 2009, a local tax is defined as a compulsory contribution owed to the region by individuals or entities, mandated by law without direct compensation, also allocated for regional needs to maximize public welfare. The types of Regency/City taxes are as follows:

1. Hotel Tax
2. Restaurant Tax
3. Entertainment Tax
4. Billboard Tax
5. Street lighting tax
6. Parking Tax
7. Non-metal mineral also rock tax
8. Groundwater Tax
9. Swallow Nest Tax
10. Land also Building Tax
11. Tax on Acquisition of Land also Building Rights

2. Local Retribution

Under Law No. 28 of 2009, regional retribution refers to mandatory payments from residents to the state in exchange for specific services provided directly to individuals. Only those who pay the retribution benefit from these services. Local retribution is categorized into three types, as follows:

- 1) General Services Retribution
- 2) Business Service Levies
- 3) Specific Licensing Levies

3. Results of regionally-owned companies also results of management of separated regionally-owned assets.

Law No. 33 of 2004 specifies this revenue type as per the revenue source, including:

1. Share of profit on capital participation in regionally owned companies.
2. Share of profit on equity participation in state-owned companies.
3. Share of profit on equity participation in privately owned companies or community business groups.

Other legitimate local revenue, in Law No. 33 of 2004 paragraph 1 includes:

1. Proceeds from the sale of regional assets are not separated.
2. Current account services.
3. Service income.
4. Gain on exchange rate difference between rupiah also foreign currency.
5. Commission discount or other forms of sales or procurement.

Land also Building Tax

The Land also Building Tax (PBB) is levied on property owners, whether individuals or entities, who are required to pay annually upon receiving a tax notice (SPT). This tax is imposed because

property ownership provides financial, physical, also intangible benefits. Initially governed by Law No. 12 of 1985 also later revised by Law No. 12 of 1994, PBB became a local tax in 2010 under Law No. 28 of 2009, covering articles 77 to 84 (Mardiasmo, 2016).

The tax base for PBB includes land also buildings owned, controlled, or used by individuals or entities, excluding areas designated for plantation, forestry, or mining. The term "Building" includes:

1. Neighborhood roads located in a building complex such as hotels, factories also their emplacements, which are an integral part of the building complex.
2. Toll road.
3. Swimming pool.
4. Luxury Fence
5. Sports Ground
6. Shipyard Dock
7. Luxury Park
8. Oil, Water also Gas Refineries, Oil Pipeline
9. Tower

Effectiveness of Land also Building Tax

Derived from the term "effective," effectiveness refers to the success in achieving goals or a measure of task outcomes. It reflects the relationship between actual results also intended objectives (Pekei, 2016). Effectiveness is the ability to achieve desired goals or objectives with satisfactory or expected outcomes. Specifically, it denotes the capacity to carry out activities yield the intended results efficiently also appropriately. In organizational or business contexts, effectiveness is the ability to reach goals while optimizing resource use. Thus, effectiveness is typically evaluated as per the outcomes produced by local governments, helping identify weaknesses also plan for the future. It is important to note effectiveness is not dependent on the amount of spending but on whether a program or activity meets its predetermined objectives. Effectiveness links the results achieved to the set goals or targets.

Contribution of Land Tax also Building

Contribution is a metric used to assess the growth of local revenue by evaluating the proportion of tax revenue to Regional Original Revenue (PAD). The assumption is higher tax revenues, such as from land also building tax, indicate greater feasibility of the tax system, whereas a lower ratio suggests the tax system may be less justifiable (Mahmudi, 2016).

The contribution level represents the ratio of a specific tax type to total tax revenue, both before also after the enactment of Law No. 34 of 2000 (Agus Sudirman, 2020).

Effect of Land also Building Tax Effectiveness on Local Revenue

Effectiveness is a measure of success, where an activity is deemed successful if it significantly impacts the predetermined objectives (Kiha, 2020). It is quantified as a percentage, with a higher percentage indicating better achievement of set goals. In the case of land also building tax, effectiveness refers to the ability to meet the target for local tax revenue.

This aligns with studies by Fathia also Santi Yunus (2024) also Fatimatuz Zahra (2024), which highlight the impact of effectiveness on local revenue. However, study by Rauhul Ijtihad (2024) suggests effectiveness may not necessarily influence local revenue.

H 1: The effectiveness of land and building tax has a significant effect on local revenue at the Medan City Revenue Agency in 2019-2023.

Effect of Contribution of Land also Building Tax on Local Revenue

Contribution refers to the mandatory monetary payments made by individuals to the local government for utilizing provided services also facilities (Rohmi et al.). It serves as a measure to evaluate regional income development by comparing tax revenue to the total Regional Original Revenue (PAD). The higher the proportion of land also building tax to PAD, the more

sustainable the tax revenue; conversely, a lower ratio indicates an unreasonable tax collection (Mahmudi, 2016).

This aligns with studies by Fathia also Santi Yunus (2024) also Rita Surlan (2024), which confirm the impact of contributions on local revenue. However, study by Secillia Herjanti (2020) suggests contributions do not affect local revenue.

H 2: The contribution of land and building tax has a significant effect on local revenue at the Medan City Revenue Agency in 2019-2023.

RESEARCH METHODS

Type of Research

This study employs a quantitative method with an associative approach to assess the impact of independent variables—PBB Effectiveness also PBB Contribution—on the dependent variable, Local Original Revenue, both individually also collectively.

The study focuses on the Land also Building Tax (PBB) in Medan City due to its significance as a major revenue source in the local tax sector. Medan's growing economic also land potential makes PBB revenue a key indicator of the government's success in optimizing local revenue. Additionally, PBB realization data in Medan has shown fluctuating trends, often falling below set targets.

Population and Sample

The population in this study consists of the Realization also Target Reports of PBB Revenue also the Realization Report of Local Original Revenue in Medan City (Sugiyono, 2019). The sample includes 60 data points derived from the monthly PBB also PAD realization reports. The sampling technique employed is saturated sampling, where the entire population is selected as the sample for the study.

Data Collection Technique

As per Sugiyono (2019), data collection techniques are the most strategic step in a study, because the main purpose of study is to obtain data :

1. Literature Study

Collecting data from theories are relevant to the problems to be studied by conducting literature studies on literature also other library materials such as books, articles, journals, theses, the internet, also previous study.

2. Documentation Method

The documentation method is a data collection technique to see clear data data is original because it matches the existing archives in the institution / company.

This method is used to collect data in the form of:

- a. Data on the realization of Regional Original Revenue (PAD) for Medan City in 2019-2023.
- b. Realization data of Land also Building Tax of Medan City in 2019-2023.

Operational Definition also Aspects of Variable Measurement

The operational variables in this study are as follows:

PBB Effectiveness

Effectiveness is the ability to achieve the desired goal or target with satisfactory results or in accordance with expectations Pekei, (2016). Indicators used to determine the effectiveness of land also building tax collection Halim, (2018):

$$Effectiveness = \frac{\text{Realization of PBB Revenue}}{\text{PBB Reenue Target}} \times 100\%$$

PBB Contribution

Contribution serves as a metric to assess the growth of regional income by examining the ratio of tax revenue to Regional Original Revenue (PAD) (Agus Sudirman, 2020). To calculate the contribution of land also building tax to local revenue, the Halim formula (2018) is applied.

$$\text{Contribution} = \frac{\text{Realization of PBB Revenue}}{\text{Realization Of PAD Revenue}} \times 100\%$$

Regional Original Revenue

Regional Original Revenue (PAD) refers to income generated within the region from sources subject to local regulations in accordance with relevant laws (Anam et al., 2021). The indicators of PAD typically encompass the primary components serve as revenue sources for local governments:

1. Local taxes
2. Regional levies
3. Results of Management of Separated Regional Wealth
4. Other Legitimate Local Revenue

Data Analysis Technique

In this study, data analysis was conducted using the SPSS (Statistical Package for Social Sciences) version 25 program. Several statistical tests, including classical assumption tests also hypothesis testing, were applied to analyze the data.

RESEARCH RESULTS AND DISCUSSION

Descriptive Statistics

Descriptive statistics are used to analyze data by summarizing or presenting the collected data as is, without attempting to draw general conclusions or inferences (Sugiyono, 2016).

Table 2.
Test Result Statistic Descriptive

Descriptive Statistics					
	N	Minimu m	Maximu m	Mean	Std. Deviation
Efektivitas	60	4	5923	810.68	1273.723
Kontribusi	60	4	2865	305.98	479.329
Pendapatan Asli Daerah	60	22902	26731	25450.77	632.876
Valid N (listwise)	60				

Source: SPSS25 Processed Data

The statistical test results show the PBB Effectiveness variable has a minimum value of 4 also a maximum value of 5923, with a mean of 810.68 also a standard deviation of 1273.723. The PBB Contribution variable has a minimum value of 4 also a maximum value of 2865, with a mean of 305.98 also a standard deviation of 479.329. The Local Revenue variable has a minimum value of 22902 also a maximum value of 26731, with a mean of 2540.77 also a standard deviation of 632.876.

Classical Assumption Test

Normality Test

The normality test aims to determine whether the standardized residuals in the regression model are normally distributed. If the probability value in the table is greater than 0.05, it indicates the data is normally distributed. Conversely, if the probability value is less than 0.05, it suggests the data is not normally distributed (Ghozali, 2018).

Table 3.
Test Result Normalitas

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		60
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	380.73301138
Most Extreme Differences	Absolute	.087
	Positive	.064
	Negative	-.087
Test Statistic		.087
Asymp. Sig.(2-tailed)		.200 ^{c,d}

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Source:SPSS25 Processed Data

The results of the One-Sample Kolmogorov-Smirnov test show an Asymp Sig value(2-tailed)of 0.200, which is greater than the significance level of 0.05, indicating the data is normally distributed.

Multicollinearity Test

The multicollinearity test is conducted to examine whether there is a correlation among the independent variables in the regression model(Timortius, 2020). One method to detect multicollinearity is by analyzing the tolerance value also the Variance Inflation Factor(VIF).

Table 4.
Test Result Multikolineritas

Coefficients^a							
		Unstandardized Coefficients		Standardize d Coefficients			
Model		B	Std. Error	Beta	t	Sig.	Collinearity Statistics Toleranc e VIF
1	(Constant)	25369.607	65.589		386.794	.000	
	Efektivitas	.378	.043	.761	8.800	.000	.864 1.157
	Kontribusi	-.801	.114	-.606	-7.051	.000	.874 1.145

Source: SPSS25 Processed Data

The VIF values are less than 10, also the Tolerance values are greater than 0.01. Therefore, it can be concluded there is no correlation between the independent variables in the regression model, indicating the model is free from multicollinearity.

Heteroscedasticity Test

The heteroscedasticity test examines whether there is unequal variance in residuals across observations in the regression model. Heteroscedasticity arises when residual variance varies between observations. Its absence suggests a well-specified also reliable regression model(Ghozali, 2018).

Table 5.
Test Result Heteroskedastisitas

Coefficients^a					
Model	Unstandardized Coefficients	Std. Error	Standardized Coefficients	t	Sig.
	B		Beta		
1 (Constant)	281.164	34.282		8.202	.000
Efektivitas	.021	.022	.130	.947	.348
Kontribusi	.086	.059	.198	1.443	.155

a. Dependent Variable: Abs_Res

Source:SPSS25 Processed Data

This test involves regressing the independent variables on the absolute residual values. If the significance value exceeds 0.05(5%), heteroscedasticity is not present. Conversely, if the significance value is below 0.05, heteroscedasticity exists. Since the significance values for all independent variables are greater than 0.05, it indicates the absence of heteroscedasticity, suggesting the regression model is valid for predicting the relationship between the Effectiveness also Contribution of Land also Building Tax also Local Revenue.

Multiple Linear Regression Analysis

This study employs multiple linear regression analysis for hypothesis testing to examine the impact of independent variables on the dependent variable. It includes two independent variables, Effectiveness also Contribution of Land also Building Tax, also one dependent variable, Regional Original Revenue.

Table 6.
Test Result Multiple Linear Regression Analysis

Coefficients^a					
Model	Unstandardized Coefficients	Std. Error	Standardized Coefficients	t	Sig.
	B		Beta		
1 (Constant)	25369.607	65.589		386.794	.000
Efektifitas	.378	.043	.761	8.800	.000
Kontribusi	-.801	.114	-.606	-7.051	.000

a. Dependent Variable: Pendapatan Asli Daerah

Source:SPSS25 Processed Data

The coefficients of the multiple linear regression equation above can be interpreted:

1. The constant value of 25,369.607 indicates when all independent variables (Growth Rate, Effectiveness, also Contribution) are zero, the Regional Original Revenue (PAD) will be 25,369.607.
2. The positive coefficient of 0.378 for Land also Building Tax Effectiveness means a 1-unit increase in Effectiveness will result in a 0.378 increase in Local Revenue, also vice versa.
3. The negative coefficient of -0.801 for the Contribution of Land also Building Tax means a 1-unit increase in Contribution will lead to a decrease in Local Revenue by 0.801, also vice versa.

This indicates both the effectiveness also contribution variables have a strong also significant impact on PAD, with effectiveness positively influencing it also contribution negatively affecting it.

Hypothesis Test

Test - t(Partial)

The t-test is conducted to assess the individual significance of each independent variable's effect on the dependent variable.

Table 7.

		Coefficients^a		Standardize		
		Unstandardized		d		
Model		Coefficients	Std. Error	Coefficients	t	Sig.
	B			Beta		
1	(Constant)	25369.607	65.589		386.794	.000
	Efektivitas	.378	.043	.761	8.800	.000
	Kontribusi	-.801	.114	-.606	-7.051	.000

a. Dependent Variable: Pendapatan Asli Daerah

Source: SPSS25 Processed Data

Test Result - t

Source: SPSS25 Processed Data

As per the t-test results from the SPSS 25 output, the t-value for the Effectiveness of Land also Building Taxes is 8.800, which exceeds the t-table value of 2.0032, also the significance level is 0.000(<0.05). This indicates H_0 is rejected, confirming the Effectiveness of Land also Building Taxes has a significant partial effect on Local Revenue.

For the Contribution of Land also Building Taxes, the t-value is -7.051, which is less than the t-table value of 2.0032, with a significance level of 0.000(<0.05). This also leads to the rejection of H_0 , indicating the Contribution of Land also Building Taxes significantly affects Local Revenue.

Test - F(Simultaneous)

The F-test is conducted to assess the collective impact of the independent variables on the dependent variable.

Table 8.
Test Result - f

		ANOVA^a				
		Sum of		Mean		
Model		Squares	df	Square	F	Sig.
1	Regression	15078862.802	3	5026287.601	32.911	.000 ^b
	Residual	8552499.931	56	152723.213		
	Total	23631362.733	59			

a. Dependent Variable: Pendapatan Asli Daerah

b. Predictors: (Constant), Kontribusi, Efektifitas

Source: SPSS25 Processed Data

The significance level is set at 5%, with $k = 4$ also degrees of freedom(df) calculated as $df(N1) = k - 1 = 3$ also $df(N2) = n - k = 56$. The F-table value is 3.16. From the test results, the F-count value is 32.911, which is greater than the F-table value of 3.16, with a significance value of 0.000<0.05. This indicates H_0 is rejected also H_a is accepted, concluding there is a simultaneous effect of the Effectiveness also Contribution of Land also Building Taxes on Local Revenue. The F-test confirms the regression model, including the independent variables, significantly influences PAD.

Test Coefficient of Determination(R^2)

The coefficient of determination ranges from 0 to 1, with a higher R-squared value indicating a stronger influence of the independent variable on the dependent variable.

Table 9.
Result Coefficient of Determinasi(R^2)

Model Summary^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.799 ^a	.638	.619	390.798
a. Predictors: (Constant), Kontribusi, Efektifitas				
b. Dependent Variable: Pendapatan Asli Daerah				
Source: SPSS25 Processed Data				

The Adjusted R Square value of 0.619 indicates 61.9% of the variation in Local Revenue is explained by the Effectiveness also Contribution of Land also Building Tax variables, while the remaining 38.1% is influenced by other factors not included in this study.

DISCUSSION

Effect of Land also Building Tax Effectiveness on Local Revenue

The results of testing the first hypothesis indicate Land also Building Tax Effectiveness(X1) influences Local Revenue, as evidenced by a t-value of 8.800 (greater than 2.0032) also a significance value of 0.000 (less than 0.05), leading to the rejection of H₀. This suggests the Effectiveness of Land also Building Tax impacts Local Revenue.

As per Halim (2018), higher effectiveness, reflected in achieving a significant portion of set targets, signifies success. However, for Medan City, the effectiveness of Land also Building Tax from 2019-2023 has fluctuated also remained below 100%, indicating inefficiencies in tax collection, which subsequently affects Local Revenue.

This finding aligns with previous study by Fathia, Santi Yunus, Fatimatuz Zahra, also Ayu Raihanah (2024), which demonstrated effective market levy collection positively influences Local Revenue. On the other hand, a study by Rauhul Ijtihad, Ismia Chienta, also Syahda Naura (2024) showed differing results, suggesting effectiveness does not significantly affect Local Revenue. These variations indicate differing outcomes across contexts concerning the effectiveness of Land also Building Tax also its contribution to Local Revenue.

The Effect of Contribution of Land also Building Tax on Local Revenue

The results of testing the second hypothesis reveal Land also Building Tax Contribution(X2) affects Local Revenue, as indicated by a t-value of -7.051 (greater than 2.0032) also a significance value of 0.000 (less than 0.05), leading to the rejection of H₀. This confirms Land also Building Tax Contribution influences Local Revenue.

However, from 2019-2023, the contribution of PBB in Medan City has shown fluctuations also a decline, with an average contribution of only about 20%. This suggests PBB's contribution to Local Revenue remains low, though it still plays a role. Therefore, it is recommended the government set higher PBB collection targets to align closer to its potential.

This conclusion is supported by study from Fathia, Santi Yunus, also Ayu Raihanah (2024), which similarly shows contributions impact Local Revenue. In contrast, a study by Secillia Herjanti, Syahda Naura, also Rita Anggraini found contributions do not significantly affect Local Revenue, highlighting contextual differences in findings related to PBB contributions.

Effect of Effectiveness, also Contribution of Land also Building Tax on Local Revenue

The study results show the significance values for Growth Rate, Effectiveness, also Contribution of Land also Building Taxes are all 0.000, which is less than 0.05, also the f-count is 32.911, greater than the f-table value of 3.16. This indicates the rejection of H₀ also acceptance of H_a, confirming the independent variables—Effectiveness also Contribution of Land also Building Taxes—simultaneously impact Local Revenue..

CONCLUSION

Cocclusions are:

1. The effectiveness of land also building tax influences Medan City's local revenue from 2019 to 2023.
2. The contribution of land also building tax impacts Medan City's local revenue from 2019 to 2023.
3. Both the effectiveness also contribution of land also building tax jointly affect Medan City's local revenue from 2019 to 2023.

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