

THE EFFECT OF THE CONTRIBUTION OF LOCAL TAXES, LOCAL ORIGINAL INCOME, REGIONAL LEVIES AND TAX REVENUE SHARING ON REGIONAL SPENDING WITH ECONOMIC GROWTH AS A MODERATING VARIABLE GOVERNMENT AND DISTRICT GOVERNMENT

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Abstract

The purpose of this study is to examine and determine the effect of local tax contributions, local own-source revenues, regional user fees and tax revenue-sharing on regional spending with economic growth as a moderating variable. The approach in this study uses the associative approach Moderating Regression Analysis (MRA) where this study wants to test the influence of independent variables and test moderating variables. The target population in this study is the report on the realization of regional income of North Sumatra Province totaling 33 City Regencies. Data collection techniques using documentation studies from APBD reports. Data analysis techniques using multiple regression and moderating test. Multiple regression was performed to test simultaneously (F test) and partial (t test), while the moderating test used Residual test. simultaneously on Regional Expenditures. Partial test results can be proven that the Regional Tax Contribution significant effect on Regional Spending in North Sumatra Province. Locally-generated revenues significant effect on Regional Spending in North Sumatra Province. Regional Retribution significant effect on Regional Spending in North Sumatra Province. Tax Results no significant effect on Regional Spending in North Sumatra Province. The results of the moderating regression analysis (MRA) test can be concluded that economic growth is not a moderating variable that strengthens or weakens the relationship between Contribution of Regional Taxes, Regional Original Revenue, Regional Retribution and Tax Sharing on Regional Spending in the Province of North Sumatra

Keywords : Contribution of Regional Taxes, Local Revenue, Levies, Regions, Tax Sharing, Regional Expenditures and Economic Growth

I. INTRODUCTION

A. Background

Regional Governments have an active role in managing Regional wealth and the use of their respective Regional Expenditures. Law Number 32 of 2004 has given the regional government the freedom to regulate and manage their own regions. This policy is known as regional autonomy. The implementation of regional autonomy is based on the consideration that the regions themselves are more aware of the conditions and needs of the people in their regions. The existence of regional autonomy is expected to increase services in various sectors, especially the public sector so that it can attract investors to invest in the region. Based on these considerations, the implementation of regional autonomy is expected to be able to develop regions optimally and spur economic growth and increase the welfare of the community.

One of the expenses made by the regional government is capital expenditure. Capital expenditures are expenditures made to build fixed assets. The purpose of building fixed assets in the form of facilities, infrastructure and infrastructure is to provide adequate public services so as to increase economic productivity. If an area has adequate infrastructure, it can make investors to invest and the community can carry out their daily activities comfortably so that the level of productivity will increase. Regional expenditure can be influenced by several factors including PAD, regional tax contributions, regional retribution, tax revenue sharing and regional economic growth.

Local Government must be able to optimize the potential sources of revenue so that it can increase PAD. PAD is the main revenue for a region. PAD obtained by a region is derived from local taxes, regional levies, the results of the management of separated regional assets, and other valid PAD. Regarding regional own-source revenue, an expert from the World Bank believes that the 20% limit on PAD acquisition is the minimum limit for implementing regional autonomy. If PAD is less than 20%, the region will lose its credibility as an independent entity (Riduansyah, 2013). This PAD can later fulfill regional shopping needs. Minister of Home Affairs Regulation Number 21 of 2011 concerning, "Regional expenditures are defined as regional government obligations which are recognized as a deduction from the net worth value". The term expenditure is contained in the budget realization report, because in preparing the budget realization report it still uses a cash basis. Expenditures are classified according to economic classification (type of expenditure), organization and function. Economic classification is a grouping of expenditure based on the type of expenditure to carry out an activity.

Local taxes, as one component of PAD, are taxes levied by local governments to residents who inhabit their jurisdiction, without directly obtaining the contra-tions provided by local governments that collect the local taxes they pay. Local governments can set and collect various types of local taxes in accordance with their potential. This is very possible if the regional government has the ability to determine its own types of local taxes that can be collected, without any intervention from higher levels of government. The higher the potential for local taxes, the greater the contribution of local taxes in meeting regional spending.

Local user fees, another component that also includes the PAD component, are receipts received by local governments after providing certain services to residents inhabiting their jurisdiction. The clear difference between local taxation and local user fees lies in the contra-tuals given by the local government. If the counter-regional tax is not given directly, then in the regional levy the contribution is given directly by the local government to the population that pays the levy.

Revenue Sharing Fund is one component of the balance fund sourced from Tax and Natural Resources. Revenue Sharing Funds originating from Taxes consist of Land and Building Tax (PBB), Land and Building Acquisition Fees (BPHTB), and Article 25 Income Tax (PPh) and Article 29 Domestic Personal Taxpayers and Article 21 Income Tax. Management and use of Tax Revenue Sharing Funds must be carried out in an orderly manner, obeying the laws and regulations, efficiently, economically, effectively, transparently, and responsibly by paying attention to a sense of fairness and propriety so that the purpose of disbursement of Revenue Sharing Funds can be achieved namely to reduce inequality in funding sources government between the Central and Regional Governments, to reduce intergovernmental funding gaps between Regions and to assist Regions in funding their authority.

Economic growth is very important in strengthening regional finances. Increasing economic growth is a top priority for regional governments. Putro (2010) states that economic growth is the development of economic activity where it has an impact on the number of goods and services production which is increasing so that the prosperity of the people increases. Regional economic growth is proxied by using the Gross Regional Domestic Product (GRDP). GRDP is the total value of the overall value of goods and services obtained from all economic activities carried out in the region. The economic growth rate of a region is calculated by GRDP at constant prices. The following is the development of regional expenditure data for each district / city in the province of North Sumatra for the period 2013 - 2015.

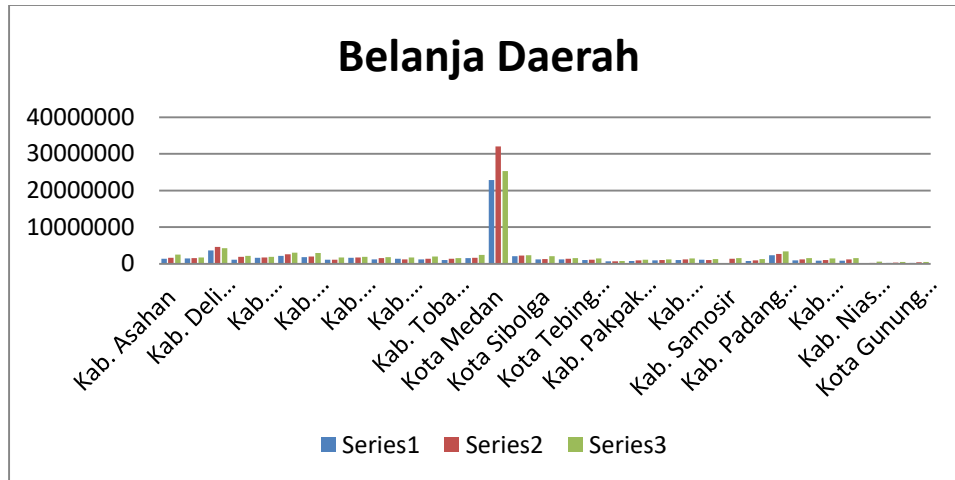


Figure 1.1. Development of Regency / City Regional Shopping Prov. North Sumatra

The data above shows that the development of regional spending has fluctuated and is not balanced over the past three years where the city of Medan as the center of the North Sumatra Province has the highest regional expenditure compared to other districts / cities. This condition shows that there are various factors that influence regional spending. This is the basis for the importance of this research.

Darwanto and Yustikasari (2007) and Tuasikal (2008) found that PAD and capital expenditure have a positive relationship. The higher the PAD of an area, the capital expenditure by the regional government also increases. In addition, Ogujiuba and Abraham (2012) who conducted research in Nigeria also obtained results that income and expenditure were highly correlated. Research by Yovita (2011) which found that the GRDP had a positive and significant effect on capital expenditure. Jaya and Swiranda (2014) prove that economic growth does not have a significant effect on capital expenditure, and economic growth has a significant effect and is able to moderate the effect of local revenue on capital expenditure but with the opposite intensity and direction.

B. Problem Formulation

The formulation of the problem in this research design is

1. is Regional Tax Contribution, Regional Original Revenue, Regional Retribution and Tax Sharing Profit simultaneously affect the Regional Spending in North Sumatra Province?
2. is Regional Tax Contribution, Regional Original Revenue, Regional Retribution and Tax Revenue Share have partial effect on Regional Spending in North Sumatra Province?
3. is Economic Growth moderates the relationship of Regional Tax Contribution, Regional Original Revenue, Regional Retribution and Tax Sharing on Regional Spending in North Sumatra Province?

C. Research Objectives

The purpose of this study are:

1. To prove the effect of Regional Tax Contribution, Regional Original Revenue, Regional Retribution and Tax Sharing Profit simultaneously on Regional Spending in North Sumatra Province.
2. To prove the influence of Regional Tax Contribution, Regional Original Revenue, Regional Retribution and Partial Tax Sharing on Regional Spending in North Sumatra Province
3. To prove the influence of Economic Growth moderates the relationship of Regional Tax Contribution, Regional Original Revenue, Regional Retribution and Tax Revenue Sharing to Regional Spending in North Sumatra Province.

II. LITERATURE REVIEW

A. THEORETICAL BASIS

1. Local Tax Contribution

The definition of tax according to Judiseno, (2005: 7), namely: "Tax is the contribution of the people to the state treasury (the transfer of wealth from the particulate sector to the government sector) based on the law (can be forced) by not getting lead services (competent achievement), which can immediately be shown and used to finance public expenses. " According to Mardiasmo (2008: 1), "tax is people's contribution to the state treasury based on the law (which can be forced) by not getting lead services (contra-performance) which can be directly demonstrated and used to pay General expenses". According to Article 1 number 1 of Law No.28 year 2007 regarding General Provisions and Tax Procedures: "Taxes are mandatory contributions to the state owed by individuals or entities that are coercive based on the Law, with no direct compensation and are used for the state's needs for the greatest prosperity of the people". After understanding the definition of tax, the tax contribution will then be explained. Riduansyah (2013) explained that tax contribution as one component of PAD is a tax that is imposed by local governments to residents who inhabit their jurisdiction, without directly obtaining the contra-tions given by local governments that collect the local taxes they pay. The clear difference between local taxation and local user fees lies in the contra-tuals given by the local government. If the counter-regional tax is not given directly, then in the regional levy the contribution is given directly by the local government to the population that pays the levy.

Widodo (2004: 22) says "Analysis of contributions is an analysis tool used to find out how much large contributions can be donated from revenue to the budget. The use of analysis can be seen the role of local taxes and levies in contributions to PAD ". Vita Amaliah Hakim (2013) said "Tax contributions show the ability of local governments to collect taxes in accordance with the targeted amount of local tax revenue". The formula for local tax contributions is:

$$\text{Tax contribution} = \frac{\text{Local tax}}{\text{Locally-generated revenue}} \times 100\%$$

Information :

- Tax contribution is the role of local taxation in increasing local revenue.
- Regional Tax is the realization of the Regional Tax revenue.
- Regional Original Income is the realization of the total regional income from all sectors.

2. Locally-generated revenue

Local Own Revenue (PAD) is one of the components of regional income sources regulated in article 79 of Law Number 22 of 1999 concerning regional government, based on article 79 of Law Number 22 of 1999 it can be concluded that something obtained by the regional government obtained by money because the authority given by the community can be in the form of local tax and regional levies. According to Halim (2004: 67) "Regional Original Income (PAD) is all regional revenue that comes from the regional original economic sources". Law No.28 of 2009 also mentions the definition of regional own-source revenue, namely regional financial resources extracted from the relevant regional territories consisting of regional tax proceeds, regional levies, proceeds from the management of separated regional assets and other legitimate regional own-source revenues. Bahihaqi (2011) said "Regional income is an increase in income coming from various regional income sectors. According to the Minister of Home Affairs Regulation No. 13 of 2006 Regional Revenue is the right of the Regional Government which is recognized as an addition to the net worth in the period of the year concerned. According to Law No.32 of 2004 "Regional income is all regional rights recognized as an addition to the net worth in a certain budget period". Whereas according to Law No.33 of 2004 "Regional original income, hereinafter referred to as PAD is the revenue obtained by the region which is levied based on regional regulations in accordance with statutory regulations". Bahihaqi (2011) said "Regional income is an increase in income coming from various regional income sectors. According to the Minister of Home Affairs Regulation No. 13 of 2006 Regional Revenue is the right of the Regional Government which is

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Based on some of the opinions above, the authors conclude that the original regional income is all financial revenue obtained from an area where the revenue can be obtained from sources that have potential in the area for example local tax yields, regional levies, local wealth processing results separated and others legitimate regional original income.

3. Regional Retribution

Riduansyah (2013) explained that regional levies, another component that also includes the PAD component, are receipts received by local governments after providing certain services to residents inhabiting their jurisdiction. Bahihaqi (2011) said "Regional levies are regional levies as payments for services or granting certain licenses specifically provided and also given by local governments for the benefit of individuals or bodies". In Article 1 number 64 of Law Number 28 Year 2009 Concerning Regional Taxes and Regional Levies explained what is meant by regional levies, hereinafter referred to as levies, are regional levies as payments for services or granting certain licenses specifically provided or granted by the Regional Government for the benefit of people personal or agency.

According to Law No. 18 of 1997 concerning regional taxes and local levies as amended lastly by Law No. 34 of 2000 and Government Regulation Number 66 of 2001 concerning regional levies can be grouped into 3 (three) which are as follows:

a. General service levies

Public service levies, are levies on services provided or provided by local governments for the purpose of interests and also public benefit and can also be enjoyed by individuals or an entity.

b. Business service levies

Business Service Charges, are fees for services provided by local governments by adhering to a commercial principle because basically they can also be provided by the private sector.

Riduansyah (2013) explained Effectiveness Criteria of Regional Levies To be able to assess the effectiveness of the collection of local user fees there are several criteria that must be met are as follows:

- a. Adequacy and also elasticity, retribution elasticity must be responsive to population growth and also income, in addition, depending on the availability of capital to meet population growth.
- b. Justice, In the collection of regional levies must be based on the principle of justice, which is adjusted to the ability and also the benefits received.
- c. Administrative Ability, In that case the levy is easily estimated and also collected. It's easy to estimate because accountability is based on a level of consumption that can be measured. Easy to collect because people only get what they pay for, if not paid then the service will automatically be stopped.

4. Tax Revenue Share

Revenue Sharing Funds (DBH) are funds sourced from APBN revenues that are allocated to regions based on certain percentage points to fund regional needs in the framework of implementation decentralization (Director General of Fiscal Balance, 2016). Article 1 Number 20 of Law Number 33 Year 2004 reads "Revenue Sharing Funds are funds sourced from APBN revenues that are allocated to Regions based on percentage figures to fund regional needs in the context of the implementation of Decentralization" Revenue Sharing Funds (DBH) Taxes originating from State Revenues on Income Tax Receipts (PPh) Taxpayers of Domestic Entities and Individuals on Income Tax according to Article 25 and Article 29 of the Income Tax Act (UU PPh) and Income Tax on Collection / Withholding of Income Taxpayers according to Article 21 of the Income Tax Law.

Based on the Minister of Finance Regulation No. 48 / PMK.07 / 2016 concerning Management of Transfers to Regions and Village Funds, the management of PBB DBH can be briefly described as follows.

a. Tax Revenue Sharing Plan

- 1) Based on the tax revenue ceiling in the Draft Law on the State Budget submitted by the Government to the House of Representatives, the Director General of Taxes determines:
 - a). the United Nations acceptance plan; and
 - b). planned acceptance of Article 21 PPh and WPOP DN PPh.
- 2) The UN acceptance plan consists of:
 - a). plan for acceptance of PBB PBB;
 - b). the plan for acceptance of PBB PBB Forestry;
 - c). the plan for acceptance of PBB Migas;
 - d). the plan for acceptance of the United Nations Geothermal Business; and
 - e). the plan for acceptance of other UN Mining and other Sectors.
- 3) The plan for the acceptance of PBB and the plan for receiving Article 21 PPh and PPOP DN PPh is submitted by the Director General of Tax to the Director General of Fiscal Balance no later than the second week of September.
- 4) The UN revenue plan and the plan for receiving Article 21 PPh and WPOP DN PPh are detailed by regency and city.
- 5) The UN Oil and Gas revenue plan is detailed based on:
 - a). PBB Migas from the onshore area of each KKKS by district and city;
 - b). PBB Migas from the offshore waters area for each KKKS; and
 - c). PBB Migas from the body of the earth every KKKS.
- 6) Details of the UN Oil and Gas reception plan, differentiated to:
 - a). PBB Migas borne by the Government; and
 - b). PBB Migas which is paid directly by KKKS to the perception bank.

- 7) The UN Geothermal Concession revenue plan is detailed based on Geothermal Entrepreneurs in each district and city.
 - 8) The UN revenue plan for other Mines and other sectors is detailed by the mining sector and other sectors by district and city.
- b. Prognosis of Realization of PBB Revenue
- 1) The Director General of Taxes calculates:
 - a). prognosis of the realization of PBB revenue; and
 - b). prognosis of the realization of income tax article 21 and PPOPDN PPh every district and city.
 - 2) Prognosis of the realization of PBB revenue consists of:
 - a). prognosis of the realization of PBB Plantation revenue;
 - b). prognosis of UN Forestry revenue realization;
 - c). prognosis of the realization of PBB Migas revenue;
 - d). prognosis of the realization of the United Nations Geothermal Exploitation revenue; and
 - e). prognosis of the realization of the United Nations Other Mining revenues and Other Sectors.

5. Regional Shopping

The definition of Expenditures according to PSAP No. 2, is "All expenditures from the State / Regional General Cash Account which reduce the budget balance more in the period of the relevant fiscal year that will not be repaid by the government". Meanwhile, according to the Minister of Home Affairs Regulation No. 21 of 2011 concerning, "Regional Expenditures are defined as the obligations of regional governments which are recognized as a deduction from the net worth". The term expenditure is contained in the budget realization report, because in preparing the budget realization report it still uses a cash basis. According to Law No. 58 of 2005 concerning Regional Financial Management, "Regional expenditure is the obligation of regional governments that are recognized as a deduction from the net worth". Meanwhile, according to Halim (2002: 68),

In conclusion, regional expenditure is a cost or regional expenditure is a decrease in benefits economics during the accounting period in the form of outflows, or depreciation of assets, or the occurrence of debt which results in reduced equity of funds, other than those relating to distribution of equity participants to funds.

6. Economic Growth

Economic growth is a process of changing a country's economic conditions on an ongoing basis to a better condition for a certain period. Economic growth can also be interpreted as a process of increasing the production capacity of an economy that is realized in the form of an increase in national income. Economic growth is an indication of the success of development economics (Wikipedia, 2017). According to Simon Kuznets, economic growth is a long-term increase in capacity of the country concerned to provide various economic goods to its population. The increase in capacity itself is determined or made possible by the progress or adjustments in technology, institutions and ideologies to the various demands of the existing conditions.

Economic growth is a long-term economic problem and has always been a reality experienced by a nation. From an economic point of view, economic development has two important effects, namely the prosperity or standard of living of the people and the creation of new employment opportunities due to the increasing population. The following are the factors that influence economic growth.

- a. Capital goods
Capital goods are various types of goods used to produce output (goods and services). For example: factory machinery, carpentry equipment, and so on.
- b. Technology
Besides capital goods, technology also influences economic growth. Economic progress in various countries is mainly caused by technological progress.

- c. Labor
Until now, especially in developing countries, labor is still the dominant factor of production. A large population will increase the number of workers. This addition of labor allows a country to increase the amount of production. Thus it will affect economic growth.
- d. Natural resources
Natural resources are all things provided by nature, such as land, climate, forest products, mining products, etc. that can be utilized by humans in their efforts to achieve prosperity. Natural resources will be able to facilitate efforts to build a country's economy.
- e. Management
The economy in a country will develop rapidly if managed properly. This management system is called management. Like the Indonesian nation, it has the potential of diverse and abundant natural resources and a large population, if the potential is well managed it can encourage economic growth.
- f. Entrepreneurship
Entrepreneurship (entrepreneurship) is someone who is capable and brave to take risks in making an effort to gain profits. The role of entrepreneurs in advancing the economy has been proven from time to time. Entrepreneurs in investing will expand employment opportunities, increase national output, and increase state revenues in the form of taxes.
- g. Information
One of the conditions for markets to function as an efficient means of allocating economic resources is that there is perfect and balanced information. Information is very supportive of economic growth because economic actors can make decisions based on accurate and fast information

B. CONCEPTUAL FRAMEWORK

Based on the formulation of the problem and the existing theory, this research can be described into a conceptual framework that can be seen in Figure 2.1

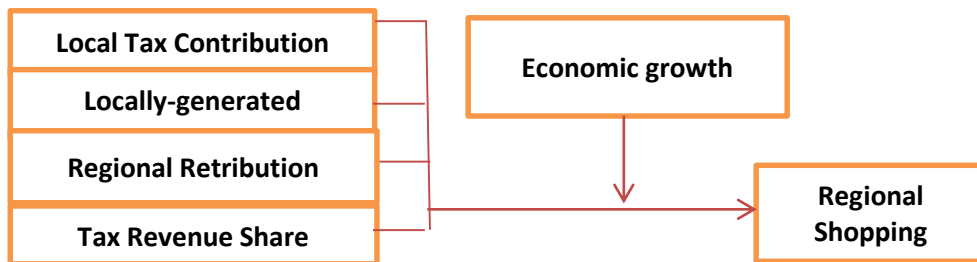


Figure 1: Conceptual framework of research

III. RESEARCH METHODS

This type of research is quantitative research that has a causal relationship dimension (causal effect), which is a study conducted on facts to prove empirically about the influence of a variable with other variables. The material used in this study is quantitative material related to the independent variable data Contribution of Regional Taxes, Regional Original Revenue, Regional Retribution and Tax Sharing. Moderating Variable (Z), namely Economic Growth, and the dependent variable (Y), i.e. Regional Shopping.

A. Definition of Variable Operations

As for the operational parameters of the variables in this study are Contribution of Regional Taxes, Regional Original Revenue, Regional Retribution and Tax Sharing. Moderating Variable (Z), namely Economic Growth, and the dependent variable (Y), i.e. Regional Shopping.

Table 1. Operational variables

No	Variable	Definition	Indicator	Scale
1	Local Tax Contribution	one component of PAD is a tax that is levied by local governments to residents who inhabit their jurisdiction, without directly obtaining the contributions provided by local governments that collect the local taxes that they pay	Local tax Tax contribution = ----- x 100% PAD	Ratio
2	Locally-generated revenue	all regional rights that are recognized as enhancers of net worth in a given budget period	PAD value a year	Ratio
3	Regional Retribution	revenue received by the regional government after providing certain services to residents inhabiting the jurisdiction	Regional retribution value a year	Ratio
4	Tax Revenue Share	funds sourced from APBN revenues allocated to the Regions based on percentage figures to fund the needs of the Regions in the context of the implementation of Decentralization	Value of Profit Sharing Tax a year	Ratio
5	Economic growth	the process of changing a country's economic conditions on an ongoing basis to a better condition for a certain period.	The value of regional economic growth (GRDP) a year	
6	Regional Shopping	regional government obligations that are recognized as a deduction from the net worth	Value of Regional Shopping a year	Ratio

B. Population and Samples

Population is the sum of all objects whose characteristics are to be assumed. The population in this study is the financial statements of all district / city governments in North Sumatra, amounting to 33 districts / cities. The financial statements that will be examined are the 2014-2016 financial statements. Samples are part of the population or represent to be studied. The sampling technique uses census techniques where the entire population is sampled because the number is <100. The researcher will examine the entire population, so that the research sample is population data (census study).

C. Data Collection Techniques

Data collection techniques use the documentation method that is data that has been collected by other parties or data collection agencies and published to the data user community (Kuncoro, 2006: 127). Documentation data is presented in the form of tables or diagrams. Secondary data can be obtained from various literatures, internet sites, books and notes that are closely related to the problem being studied.

D. Data Analysis Techniques

The data analysis method used is multiple linear regression (multiple linear regression method) using panel data regression. Suliyanto (2011: 231) says panel data regression assumes intercept and slope coefficients are constant over time. This assumption is the simplest by ignoring the dimensions of time and space, directly doing Ordinary Least Square (OLS) regression. All analyzes were performed with the help of SPSS (Statistical Package Social Science) version 17.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_4 X_4 + e$$

Where :

- Y : Regional Shopping
 - α : Constant Coefficients
 - β_1 - β_4 : Regression Coefficient
 - X1 : Local Tax Contribution
 - X2 : Locally-generated revenue
 - X3 : Regional Retribution
 - X4 : Tax Revenue Share
- $$Z = a + b_1 X + e$$
- $$|e| = a + b_1 Y$$

Information :

- Z = variable hypothesized as a moderating variable
- X = free variable (Contribution of Regional Taxes, Regional Original Revenue, Regional Retribution and Tax Sharing)
- |e| = absolute residual value
- Y = Regional Shopping

IV. RESEARCH RESULTS AND DISCUSSION

A. Research Results

a. Hypothesis Data Analysis Results

a. Simultaneous Significance Test

Statistical test results F (simultaneous test) on Contribution of Regional Taxes, Regional Original Revenue, Regional Retribution and Tax Sharing on Regional Expenditures can be seen in the following table.

Table 2. ANOVAb

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2,603E19	4	6,508E18	15,914	.000a
	Residual	3,722E19	91	4,090E17		
	Total	6.325E19	95			

a. Predictors: (Constant), Tax Sharing, Regional Tax Contribution, Local Original Revenue, Regional Retribution

b. Dependent Variable: Regional Expenditures

Based on the results of testing the hypothesis of influence Regional Tax Contribution, Regional Original Revenue, Retribution Area and Tax Sharing Simultaneously with Regional Expenditures, the value of Fcount (15914) is greater than t-table (2.46) with a significance of 0,000 (Sig. <0.05) then Ho is rejected and Ha is accepted. That meansContribution of Regional Taxes, Regional Original Revenue, Regional Retribution and Tax Sharing simultaneously on Regional Expenditures.

b. Partial Significance Test

Results t statistical test (partial test) on Regional Tax Contribution, Regional Original Revenue, Regional Retribution and Tax Sharing to Regional Shopping can be seen in the following table.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,337E8	1.526E8		.876	.383
	Local Tax Contribution	1.214E7	4.812E6	.253	2,523	.013
	Locally-generated revenue	-806	.344	-.296	-2,347	.021
	Regional Retribution	15,787	3,316	.601	4,761	.000
	Tax Revenue Share	2,666	3,316	.102	.804	.424

a. Dependent Variable: Regional Expenditures

Decision making criteria use a 5% significance level for a two-way test ($\alpha / 2 = 0.05 / 2 = 0.025$) with free degrees (df) = 96-4 = 92. T table values with a real level $\alpha / 2 = 0.025$ and df = 108 is 1.98217.

- If $t \text{ arithmetic} > T \text{ table}$ (98217) or $-t \text{ arithmetic} < t \text{ table}$ (-98217), then H_a can be accepted (influential).
- If $t \text{ table} (-98217) \leq t \text{ count} \leq t \text{ table} (98217)$ then H_a is not accepted (no effect) ..

Based on the test in Table 4.8, partially the influence of each independent variable on the dependent variable can be described as follows:

- 1) The results of testing the hypothesis of influence Local Tax Contribution towards Regional Expenditures, it is obtained t-value (2,523) is greater than t-table (1.98217) with a significance of 0.013 (Sig. <0.05) then H_a is accepted and H_0 is rejected. That means Local Tax Contribution significant effect on Regional Spending in North Sumatra Province.
- 2) the results of testing the hypothesis of influence Locally-generated revenue towards Regional Expenditures, it is obtained t-value (-2,347) is smaller than t-table (-1.98217) with a significance of 0.021 (Sig. <0.05) then H_0 is rejected and H_a is accepted. That means Locally-generated revenues significant effect on Regional Spending in North Sumatra Province.
- 3) the results of testing the hypothesis of influence Regional Retribution towards Regional Expenditures, it is obtained t-value (4,761) is greater than t-table (1.98217) with a significance of 0.000 (Sig. <0.05) then H_a is accepted and H_0 is rejected. That means Regional Retribution significant effect on Regional Spending in North Sumatra Province.
- 4) the results of testing the hypothesis of influence Tax Revenue Share towards Regional Expenditures, the value of t-count is obtained (0.804) is smaller than t-table (1.98217) with a significance of 0.424 (Sig. > 0.05) then H_a is rejected and H_0 is accepted. That means Tax Revenue Share no significant effect on Regional Spending in North Sumatra Province.

c. Regression Linear Multiple

Multiple linear regression analysis aims to determine the direction of the influence of two or more independent variables on the dependent variable. The results of data processing with regression analysis are as the following:

$$\text{Regional Shopping} = 1,337 + 1,214X_1 - 0.806 X_2 + 15,787 X_3 - 2,666 X_4 + e$$

Based on the multiple regression equation, it appears that:

- 1) Constant value of -2,454 means that if the Regional Expenditure variable is not influenced by the variable Contribution of Regional Taxes, Regional Original Revenue, Regional Retribution and Tax Sharing North Sumatra Province is equal to -2,454 units.

- 2) Beta coefficient value for the variable Local Tax Contribution is 0.222 which means that every 1% increase in the SBI variable, Regional Expenditures will increase by 0.222 units assuming the other variables are considered constant.
- 3) Beta coefficient value for the variable Locally-generated revenue is 0.448 meaning that every 1% increase in the RTA variable, Regional Expenditures will increase by 0.448 units assuming the other variables are considered constant.
- 4) Beta coefficient value for the variable Regional Retribution is 0.585 meaning that for every increase in the SIZE variable by 1%, Regional Expenditures will increase by 0.585 units assuming the other variables are considered constant.
- 5) Beta coefficient value for the variable Tax Revenue Share is equal to -0.402 meaning that every 1% increase in the variable ROA then Regional Expenditures will decrease by 0.402 units assuming the other variables are considered constant.

d. Coefficient of Determination

The statistical test of the coefficient of determination in this study aims to find out how far ability models in explaining the variation of the dependent variable. Statistical test of the coefficient of determination can be seen in the following table:

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.642a	.412	.386	6.39518E8

a. Predictors: (Constant), Tax Sharing, Regional Tax Contribution, Local Original Revenue, Regional Retribution

b. Dependent Variable: Regional Expenditures

The table above shows that the value of R Square is 0.412 or 41.2% which means that the percentage influence the independent variable (Regional Tax Contribution, Local Revenue, Regional Retribution and Tax Sharing) to Regional Expenditures is the coefficient of determination or 41.2%. While the remaining 58.8% is influenced or explained by other variables not included in this research model such as poverty, industrial growth, unemployment, plantations and so on.

e. Results of the Second Hypothesis Data Analysis

The third hypothesis testing was carried out after multiple regression testing was conducted previously. The second hypothesis testing uses multiple regression with the residual test. The second hypothesis testing is done to test the moderating variables used in research that is economic growth whether it can strengthen or weaken the relationship between the independent variables (Contribution of Regional Taxes, Regional Original Revenue, Regional Retribution and Tax Sharing) with variabel dependent (regional expenditure). The results of the residual test equation in this study can be seen in the following table:

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6,257E8	1,396E8		4,480	.000
	Moderating	2,183E8	2.532E8	.089	.862	.391

a. Dependent Variable: Regional Expenditures

Based on the results of the moderating test, the residual test model can be formulated in the form of an equation as follows:

$$|e| = 6.257 + 2,183Z + e$$

Based on the results of the residual test, it is known that the calculated t value (0.862) is smaller than t table (1.98217) with a significance of $0.391 > 0.05$ with a positive coefficient direction, so it is concluded that the Regional Expenditure variable does not have a negative influence on the absolute residual value. It can be concluded that the economic growth variable is not a moderating variable that strengthens or weakens the relationship between Contribution of Regional Taxes, Regional Original Revenue, Regional Retribution and Tax Sharing on Regional Spending in the Province of North Sumatra.

B. Discussion

1. Influence Local Tax Contribution towards Regional Expenditures

Variable test results Local Tax Contribution against Regional Expenditure using the t test it can be concluded that the Regional Tax Contribution variable has a significant effect on Regional Shopping in the District / City of North Sumatra Province in 2014 - 2016. These results support the research conducted Wake up and Vivi (2008) who prove that Local Tax Contribution affect Regional Expenditure. The implication of the results of this study proves that the contribution of local taxes is very important to be managed properly because it has a direct influence on regional spending. The higher the local tax contribution, the higher the regional spending.

2. Influence Locally-generated revenue towards Regional Expenditures

Variable test results Locally-generated revenue against Regional Expenditure using the t test, it can be concluded that the Local Revenue variable has a negative but not significant effect on Regional Shopping in the District / City of North Sumatra Province in 2014 - 2016. These results support the results of research conducted by Ike Tri Anggraini (2007) which proves that variables Locally-generated revenue could affect Regional Expenditures. The implications of the results of this study prove that Locally-generated revenue it is very important to be well managed because it has a direct influence on regional spending. The higher it is Locally-generated revenue the higher the shopping area.

3. Influence Regional Retribution towards Regional Expenditures

Variable test results Regional Retribution on Regional Expenditure using the t test It can be concluded that the Regional Retribution variable has a negative and not significant effect on Regional Shopping in the District / City of North Sumatra Province in 2014 - 2016. The results of this study do not support the results of research from Wake up and Vivi (2008) who prove that Regional Retribution affect Regional Expenditure. The implications of the results of this study prove that Regional Retribution it is very important to be well managed because it has a direct influence on regional spending. The higher it is Regional Retribution the higher the shopping area.

4. Influence Tax Revenue Share towards Regional Expenditures

Variable test results Tax Revenue Share on Regional Expenditure using the t test, it can be concluded that the Tax Profit Sharing variable significant effect on Regional Shopping in the District / City of North Sumatra Province in 2014 - 2016. These results are supported by the results of the study Wake up and Vivi (2008) who prove that Tax Revenue Share affect Regional Expenditure. Implications of results research this proves that Tax Revenue Share not managed properly because it does not have a direct influence on regional spending. The higher it is Tax Revenue Share can not yet increase regional shopping.

V. CONCLUSIONS AND SUGGESTIONS

A. Conclusion

Based on the results of this study it can be concluded that some of the results of the study are:

1. The results of simultaneous testing can be proven that the contribution of local tax, local original income, regional levies and tax revenue sharing simultaneously on Regional Expenditures
2. Partial test results can be proven that the Regional Tax Contribution significant effect on Regional Spending in North Sumatra Province. Locally-generated revenues significant effect on Regional Spending in North Sumatra Province. Regional Retribution significant effect on Regional Spending in North Sumatra Province. Tax Results no significant effect on Regional Spending in North Sumatra Province.
3. The results of the moderating regression analysis (MRA) test can be concluded that economic growth is not a moderating variable that strengthens or weakens the relationship between Contribution of Regional Taxes, Regional Original Revenue, Regional Retribution and Tax Sharing on Regional Spending in the Province of North Sumatra

B. Suggestions

Based on the research findings that have been presented, the researcher develops suggestions that may be used as input, namely:

1. To support the implementation of regional autonomy, it is necessary for the Regional Government to pay attention to the opportunities that exist. With the enactment of Law No. 34 of 2000, local governments can make local taxes and new levies as long as they are in accordance with applicable laws and regulations and the authority to be able to meet regional expenditure needs, without depending on the central government.
2. The enactment of these different laws caused many types of regional taxes and local fees to undergo many changes, including causing the elimination of local taxes and regional levies and at the same time also providing the possibility of attracting new types of local levies and taxes. This condition can cause the low absorption of regional expenditure, therefore the Regional Government is expected to be able to implement the right policies in the management of retribution, taxes and local original income.
3. Regency / city regional government in Bali Province is expected to be able to further develop the potential sources of regional income so as to increase PAD revenue. This can be done by intensifying and extending taxes and making regional regulations that can support economic activities in the region. Regional governments are expected to use PAD as well as possible for capital expenditure allocations because PAD is still widely used for other expenditure allocations that do not provide benefits. Capital expenditure must be able to provide maximum services to the public and be able to provide income.

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