

The Policy Implementation of Land and Building Tax after Fiscal Decentralization in Cimahi City

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Abstract— The changing management of Urban Land and Building Tax is a follow up of fiscal decentralization policy. By this change, the process of collecting data until services the tax will be hosted by the City Government of Cimahi. The purpose of this study was to obtain a description of policy implementation of Land and Building Tax after fiscal decentralization in Cimahi City. This research will analyze the four dimensions of policy implementation from Edward III (1980). This research used the qualitative research method to describe policy implementation. This research used observation, in-depth interview, study of literatures and documents to gain data and information. Triangulation technique was used to verify and test the validity of data. The result showed that the implementers of this policy cannot fulfill quantity and quality of human resources to manage the new tasks.

Keywords— *policy implementation, land and building tax*

I. INTRODUCTION

The transfer of management of Land and Building Tax revenues from the Central Government of Indonesia to the local governments is a form of follow-up to regional autonomy and fiscal decentralization policies. This is a turning point in the management of land dan building tax in Rural and Urban Sectors. With the transfer of the activities of the process of data collection, assessment, determination, administration and collecting and the service will be held by the local governments.

Based on the Law, the regional government now has an additional source of local revenues derived from regional taxes, so the current type of regional tax consists of eleven taxes, namely hotel taxes, restaurant taxes, entertainment taxes, advertisement taxes, non-metallic mineral and rock taxes, parking taxes, groundwater taxes, swiftlet nest taxes, land and building taxes, and land and building acquisition duties.

One of the regions which have conducted the management of Land and Building Taxes is Cimahi City. Cimahi City as an autonomous region has carried out the management of Land and Building Tax since the beginning of 2013. As before implemented the management of Land and Building Tax has been enacted Local Regulation No. 9 of 2011 on Local Taxes. In addition, also stipulated Regulation of Mayor No. 24 of

2012 on Procedures for Collection of Land and Building Taxes.

Since the preparation phase started in 2011 and the official delegation in January 2013, the Revenue Department of Cimahi City has made various efforts. However, the phenomenon in the field showed management results for almost two years.

Revenues of Land and Building Tax is expected to contribute optimally to Local Revenues of Cimahi City. Data of years 2014 to 2015 reported by the Revenue Department indicates that the achievement of Land and Building Tax is as follows:

Table 1. Potential, Target and Realization of Land and Building Taxes of Cimahi City (2014-2015)

No	Potency, Target & Realization	Rupiah (2014)	Rupiah (2015)
1	Land & Building Tax Potential	35.000.000.000	40.000.000.000
2	Target	27.225.748.000	28.110.000.000
3	Realization	26.383.595.244	28.610.000.000
Percentage		96,9 %	101,8 %

Source: Cimahi City Government, 2015

Through the data presented, researcher are motivated to conduct research on the effectiveness of the implementation of this policy. Policies that are made in principle will be implemented, as this is very important. This is explained by Wahab which refers to Udoji that "The execution of policies is not important. Policies will remain dreams or blue print file unless they are implemented." (Wahab, 2004: 59). Implementation of the policy is important, perhaps even more important than policy-making. Policies will simply be a dream or a good plan that is stored neatly in the archive if not implemented.

While the meaning of the Implementation of Public Policy itself according to William N. Dunn is as follows: "Implementation of policies is the implementation and control of the direction of policy actions until the achievement of policy results. Policy implementation is a practical activity distinguished from a basically theoretical policy formulation." (Dunn, 1998: 76)

According to expert opinion, this research has an urgency in terms of applying the Land and Building Tax policies. This

research will analyze and describe how far the Regional Government can implement the policy of transfer of tax management originating from the central government.

This research analyze and discuss the implementation of policy according to the Edward III (1980) theory: "policy implementation as we have seen is the stage of policy making between the establishment of a policy such as the passage of a legislative act, the issuing of an executive order, the handing down of a judicial decision, or the promulgation of a regulatory rule and the consequences of the policy for the people whom it affects". There are four factors that influence the successful implementation of policies (Edward III, 1980), namely: communication, resources, dispositions or attitude and bureaucratic structure.

II. RESEARCH METHOD

This research use qualitative method. The method find the data and information behind the policy implementation of Land and Building Tax. Informants of this research are policy implementor. They are head of tax management of Cimahi City, employees and tax payers. To ensure the validity of the data, researcher do the triangulation technique.

III. RESULT AND DISCUSSION

Policies regarding the decision-making process concerning the overall activity of the organization which in turn will allow achieving the goals set. In the policy cycle, the implementation of an activity is the most important because it involves political translation into routine procedures as decisions are complicated as to who gets what and how much is a policy.

This research analyzed and discussed the implementation of policy according to the Edward III (1980) dimension namely: communication, resources, dispositions or attitude and bureaucratic structure.

A. Communication

The first requirement for effective policy implementation is that those who are to implement a decision must know what they are supposed to do.

Management of Urban Land and Building Tax conducted by the Revenue Department of Cimahi City involves various stakeholders. Based on the results of interviews with the Head of Admission Section, information was obtained that the linkage in Urban Land and Building Tax management is with various parties. Of course, the relationship between the Revenue Department and the related agencies is a relationship that determines the effectiveness of tax management, especially Land and Building Tax.

According to the opinion of the Sub-Head of Institutional Section of Organization of the City Government of Cimahi, all regional apparatus organizations that exist within the Cimahi Municipal Government have a coordination relationship that is related to each other. This is to facilitate the implementation of work, especially that requiring cross-agency. Even when necessary in relation to an external party because of a

particular need is very possible origin in accordance with applicable regulations.

This communication aspect helps the organization in following the progress of certain fields according to the organization's goals. In addition it is able to provide access to very wide and up to date information from various places in the world that have organizations with the same field. As Coyne and Dye's theory puts it, "Linkages helps the organization keep up with advances in pertinent fields, and provide access to the wide-ranging source of up-to-date information within each area of the organization's work" (Lusthaus, 2002: 82). The components that make up this dimension include networks, joint ventures, coalitions, and partnerships; and computer linkages.

Referring to the opinion of Lusthaus, "Networks are an informal type of linkage that involves common interest" (2002: 82), Cimahi City Government has done a network or linkage involving various agencies to work together to achieve goals. The intended purpose here is the service of Land and Building Tax to the taxpayers in the City of Cimahi.

B. Resources

Implementation orders may be accurately transmitted, clear, and consistent, but if implementations lack the resources necessary to carry out policies, implementations is likely to be ineffective.

One of the most important resource components for an organization's existence is Human Resources (HR). It is the main resources in the organization.

There are still some employees who do not match the skills with the field of work, but it can be overcome with the education and training. But in reality there is still a lack of educational intensity and training for the improvement of employee skills

Information concerning the Revenue Department possesses predictions of current and future human resource requests, reflected from information obtained from the General Head of Public Sub-Department that already has predictions and takes into account human resources requests as required by the Revenue Department primarily to meet the needs of technical/field human resources.

The Revenue Department of Cimahi City as an organization is driven by its employees and leaders as human resources. HR capability becomes a necessity in achieving targeted performance. With regard to human resources assigned to the Revenue Department, the Head of Office shall provide information through interviews as follows:

"I think two big problems we are facing are the means and the human resources. HR is good in terms of quality and quantity. However, actually there are three important things in managing human resources in the organization, namely integrity, commitment and moral. Through these values, the human resources in this office can perform their duties in accordance with expectations."

Staffing is an important part of attracting employees to positions that match their expertise. This aspect is closely

related to the performance potential to be achieved by an organization. In selecting prospective employees, so far, Revenue Department follows the rule which has been set by the Local Employment Agency.

Financial resources are one element in organizational capacity. In public organizations, financial capacity is usually manifested in the form of budget availability. Budgets can be defined as financial planning and a list of all planning on costs and receipts. Thus, the budget can reflect the financial condition of an organization. According to Mardiasmo (2002: 121), there are three important things related to the function of the public sector budget. First, the budget is a tool for the government to direct development, ensure balance and improve the welfare of the community. Second, because of the needs and desires of many people on the one hand, while the existing financial resources are very limited. Third, the budget is a form of government responsibility to the people. Thus, the public budget is a tool for the implementation of public accountability by public institutions.

C. Dispositions or attitude

If implementers are well-disposed toward a particular policy, they are more likely to carry it out as the original decision makers intended. But when implementers' attitudes or perspectives differ from the decision makers, the process of implementing a policy becomes more complicated. Implementers of Land and Building Tax in the City Government of Cimahi are well-disposed toward the policy objectives. The employees who have the duty for managing land and building tax work based on the regulation and order. For example, the team has a great effort to gain the target of tax revenue stated by local government.

D. Bureaucratic structure

Policy implementers may know what to do and have sufficient leisure and resources to do it, but they may still be hampered in implementation by the structures of the organizations in which they serve. Two prominent characteristics of bureaucracies are standard operating procedures (SOPs) and fragmentation.

Based on the information, it is illustrated that the Revenue Department has a fairly clear hierarchy in accordance with Max Weber's bureaucratic character and the administrative principles proposed by Henry Fayol. Here it is seen that the hierarchy is indicated by leveling in the organization starting from the Section Head/Sub Division Head, Head of Section, Secretary, and Head of Revenue Department responsible to Mayor through Regional Secretary.

Hierarchically, the flow of orders from the top down and the responsibility from the bottom up that occurred during this time in Cimahi City have no significant obstacles.

Based on the results of interviews with the Head of the Revenue Department of Cimahi City:

There should be clear central government rules on the mechanism of delegation of authority in organizational units. If viewed from the administration is appropriate but when applied technically in the field, the decentralization of

authority is still often overlapping. There is already a gradual delegation of authority so that decisions can be made at the lowest echelon level not focused on the highest leadership. There is also a saying that the mechanism of delegation of authority should refer to the applicable regulations and superior orders. The mechanism of delegation of authority in organizational units has been implied in the Standard Operating Procedure. Decentralization of authority refers to Mayor Regulation which has delegated authority to Head of Revenue Department. Meanwhile, the delegation of authority within the scope of the Revenue Department was first given to the appraiser; the officer should be functional officials. With regard to the delegation of authority it is necessary to optimize the organizational structure, especially functional officials as bailiffs and tax interpreters.

The information indicates that the mechanism of delegation of authority is already regular. Likewise, decentralization already contained in the mayoral regulations. Nevertheless, there are some things that are problematic in the working mechanism of the official organization: first, still found overlap in the authority of the work, second, especially in functional work, the Revenue Department has no functional role of bailiffs and tax interpreters.

The information indicates that the service needs to adopt appropriate strategies to address employment after the transfer of Land and Building Tax management. Based on these facts, the agency conducts strategic planning to increase its capacity in managing work within the service environment.

According to the informant, the strategic planning undertaken during the preparation of the transfer is: "By making an online payment plan, arranging a mobile car for tax payments, improving the management system of land and building tax."

IV. CONCLUSION

The communication aspect of policy implementation covers internal communication and external communication, including other agencies and citizen. The resources of managing Land and Building Tax have problem in human resources quantity and quality especially in Land and Building Tax management. The bureaucratic structure of tax policy implementation in Land and Building Tax follows the structure and stated procedures.

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