



## The Impact of City Minimum Wage and Population on Rural and Urban Land on Building Tax Revenue in Mataram City

Risma Pramudia Ningytas<sup>1</sup> 

Baiq Anggun Hilendri Lestari<sup>2</sup> 

Widia Astuti<sup>3</sup> 

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### ABSTRACT

This study aims to examine the effect of City Minimum Wage (UMK) and population on rural and urban land and building tax (PBB-P2) revenue in Mataram City during 2013 – 2022. The population in this study were all urban villages in Mataram City. The sampling technique in this study is census sampling, where all populations are sampled so that the sample used is 50 urban villages in Mataram City. The data used in this study are secondary data, with data collection techniques using documentation techniques. The analysis technique used in this research is descriptive statistics, classical assumption test, multiple linear regression test, and hypothesis testing. The statistical test results show that the significance value is  $0.000 < 0.05$  and has a calculated T value of  $4.425 > 2.012$ , it can be concluded that the City Minimum Wage variable has a positive and significant effect on PBB-P2 revenue. Meanwhile, the total population variable has a significance value of  $0.645 > 0.05$  and has a calculated T value of  $0.461 < 2.012$ , it can be concluded that the Total Population variable has no significant effect on PBB-P2 revenue. The value of  $R = 0.426$  indicates a strong relationship between the MSE and population variables and the PBB-P2 revenue variable. The value of  $R^2 = 0.181$  indicates that the variables of MSE and population can explain the PBB-P2 revenue variable by 18%, while the remaining 82% is explained by other factors.

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<sup>1</sup> S. Ak, University of Mataram, Indonesia, ORCID: <https://orcid.org/0009-0007-0680-1799>, [rismaprmd@gmail.com](mailto:rismaprmd@gmail.com)

<sup>2</sup> SE., M.Si., Ak, University of Mataram, Indonesia, ORCID: <https://orcid.org/0009-0003-6407-8405>, [hilendria@unram.ac.id](mailto:hilendria@unram.ac.id)

<sup>3</sup> SE., M.Sc, University of Mataram, Indonesia, ORCID: <https://orcid.org/0009-0000-2631-5455>, [widiaastutiakuntansi@unram.ac.id](mailto:widiaastutiakuntansi@unram.ac.id)

## 1. Introduction

The role of local governments is increasing with the regional autonomy policy. Autonomous regions must have the ability to manage and use their own financial resources efficiently and effectively to finance governance and development in their regions (Afriyanah & Waluyo, 2015). To be able to optimize regional resources, local governments are required to be able to increase Regional Original Revenue (PAD). Regional Original Revenue (PAD) comes from local taxes, local levies, the results of the management of separated regional assets, and other legal PAD.

In 2020, Indonesia was hit by the covid-19 pandemic, which caused the receipt of Regional Original Revenue (PAD) to be not optimal. One of the Regional Original Revenue (PAD) that has decreased is local taxes. Local taxes are one of the important sources of local revenue to finance the implementation of local government and are implemented based on the principles of democracy, equity and justice, community participation, and accountability by considering regional potential (Bappeda NTB, 2019).

In Law Number 28 of 2009 concerning Regional Taxes and Levies, Land and Building Tax (PBB) is one of the sources of local revenue that has enormous potential. The transfer of PBB from central tax to local tax has increased Local Original Revenue (PAD). Based on the Regulation of the Minister of Finance No. 03/PMK.07/2007, the local government has the authority to impose land and building tax (PBB). Every year the Mataram City Regional Finance Agency sets targets and realization of revenue from the tax sector, especially Rural and Urban Land and Building Tax.

**Table 1: List of Targets and Realization of Rural and Urban Land and Building Tax 2018-2022 (5 Years) Mataram City**

Year	Tax Target	Realization	Percentage
2018	Rp 26.000.000.000	Rp 24.853.903.024	1,96%
2019	Rp 26.000.000.000	Rp 26.377.104.411	6,13%
2020	Rp 18.000.000.000	Rp 20.527.543.255	-22,18%
2021	Rp 25.000.000.000	Rp 24.050.707.236	17,16%
2022	Rp 28.000.000.000	Rp 29.232.897.692	21,55%
Average			4,93%

Source: Central Bureau of Statistics of Mataram City, 2023

Based on Table 1.1, in 2020 the realization of Regional Original Revenue (PAD) derived from PBB-P2 decreased by -22.18%. This is because in 2020, Indonesia was hit by the covid-19 pandemic which caused local revenue receipts to be not optimal. Despite experiencing a decrease in 2020, Local Original Revenue (PAD) derived from

PBB-P2 continues to increase every year. From the list of targets and realization of PBB-P2 in the 2018 Realized Local Government Budget until 2022, the realization of PBB-P2 has increased by an average of 4.93%.

Based on Law No. 1 Year 2022 article 1 paragraph (33), PBB-P2 is a tax imposed on owners, tenants, who control and or who benefit from land and or buildings. Public participation in paying taxes is very important in supporting PBB-P2 revenue. City Minimum Wage is a minimum standard used by entrepreneurs or industry players to provide wages to employees, employees or laborers in their business or work environment (Purnami, 2015). The role of the local government in determining the City Minimum Wage (UMK) is needed to determine the minimum number of wages that must be received by taxpayers. Because the greater the income or wages received by taxpayers, the greater the possibility of someone buying land and buildings. This purchase can lead to increased demand for land and buildings, so that the Tax Object Sale Value (NJOP) also increases. The increase in the Tax Object Selling Value (NJOP) affects PBB-P2 revenue (Rohadi, 2020). Based on research by Kosasi & Barus (2017), Rohadi (2020), and Belo (2017), the City Minimum Wage (UMK) has a significant positive effect on PBB revenue. Meanwhile, based on research conducted by Guntur (2021) and Wiradinata (2019), the City Minimum Wage (UMK) does not affect PBB-P2 revenue.

The role of the local government in determining the City Minimum Wage (UMK) is needed to determine the minimum number of wages that must be received by taxpayers. Because the greater the income or wages received by taxpayers, the greater the possibility of someone buying land and buildings. This purchase can lead to increased demand for land and buildings, so that the Tax Object Sale Value (NJOP) also increases. The increase in the Tax Object Selling Value (NJOP) affects PBB-P2 revenue (Rohadi, 2020). Based on research by Kosasi & Barus (2017), Rohadi (2020), and Belo (2017), the City Minimum Wage (UMK) has a significant positive effect on PBB revenue. Meanwhile, based on research conducted by Guntur (2021) and Wiradinata (2019), the City Minimum Wage (UMK) does not affect PBB-P2 revenue.

The size of PBB-P2 is also influenced by population. Total population is the total of all residents who inhabit a geographical area of the Republic of Indonesia for six months or more and or who are domiciled for less than six months but aim to settle (Central Bureau of Statistics, 2022). With the increasing number of residents, the more the need for a place to live. This will encourage the purchase of land and buildings so that people are obliged to register themselves as taxpayers and carry out tax obligations by paying PBB-P2 (Kosasi & Barus, 2017). As this is also supported by Christovina's (2016) statement that with the increase in population, the need for housing will also increase, and the increase in housing needs will increase the value of PBB-P2 objects and impact increasing PBB-P2 revenue.

Previous studies related to the influence of population on PBB-P2 revenue showed varying results. Research conducted by Christovina (2016), Rohadi (2020),

Kosasi & Barus (2017), Sa'diyah et al. (2019), Wawan (2017), and Febrianti (2017) show positive and significant results on PBB-P2 revenue. Another case based on research by Panjaitan et al. (2020), which concluded that population has a negative and significant effect on PBB-P2 revenue. Meanwhile, research by Purnama Sari & Ilyas (2016) and Belo (2017), shows that population has no significant effect on PBB-P2 revenue.

**Table 2. List of City Minimum Wage and Population of Mataram City in 2018-2022 (5 Years)**

Year	City Minimum Wage	Percentage	Population	Percentage
2018	Rp 1.863.524	8,71%	474.894	1,36%
2019	Rp 2.013.000	8,02%	486.715	2,49%
2020	Rp 2.184.485	8,52%	440.854	-9,42%
2021	Rp 2.184.485	0,00%	443.273	0,55%
2022	Rp 2.416.953	10,64%	447.331	0,92%
Average		7,18%		-0,82%

Source: Central Bureau of Statistics of Mataram City, 2023

From the table above, it can be concluded that the Minimum Wage of Mataram City continues to increase every year except for 2021 which has not changed. This is due to the Covid-19 pandemic, so that the UMK determination uses the amount of last year's minimum wage so as not to burden employers and harm workers (Drajadiah, 2020). The population of Mataram City also continued to increase but decreased in 2020, this was due to the covid-19 pandemic that hit Indonesia that year.

Seeing that the City Minimum Wage has stagnated, the population and PBB-P2 revenue have decreased in 2020, which makes this research interesting to do. Moreover, previous studies that were considered inconsistent in measuring the effect of the City Minimum Wage and population on PBB-P2 revenue motivated researchers to examine "The Effect of City Minimum Wage and Population on PBB-P2 Revenue in Mataram City for the Period 2013-2022".

## 2. Methodology

The type of research used in this study is associative with a form of causal relationship with a population of all urban villages in Mataram City totaling 50 urban villages. Determination of the sample in this study using a saturated sampling technique (census) where all populations are sampled (Sugiyono, 2018). Thus, the sample in this study were 50 urban villages in Mataram City during 2013-2022. The data used is secondary data with documentation data collection techniques. Data collection on City

Minimum Wage and population per village in Mataram City was carried out at the Mataram City Central Statistics Agency office, while data collection on PBB - P2 revenue was carried out at the Mataram City Regional Finance Agency. In this study, the data analysis technique used SPSS 25 software with statistical tools in the form of: Descriptive Statistics, Classical Assumption Test, Multiple Linear Regression Test, Multiple Linear Regression Test, and Hypothesis Test.

## 2.1. Justice Theory

This theory was coined by an American-German economist named Richard A. Musgrave (1910-2007) in 1989. Musgrave revealed that in a fair taxation system, each taxpayer must pay taxes in accordance with the benefits he enjoys from the government and taxes are charged based on the ability to pay taxes. As explained by Dwijayanti et al. (2021), this theory views tax collection based on fairness through two measurements, namely the benefit approach and the ability to pay approach. The benefit approach is based on the benefits of government services received by taxpayers, where taxation on each taxpayer is based on the amount of economic benefits and uses received. The greater the benefits received by the taxpayer, the greater the tax burden and vice versa. While the ability to pay approach is based on the individual's ability to pay taxes, where the level of prosperity becomes the basis for the ability to pay taxes and its measurement is based on the level of income, amount of wealth, or individual consumption expenditure. The greater the tax burden to be paid indicates the higher the individual's income.

## 2.2. City Minimum Wage (UMK)

City Minimum Wage is a minimum standard used by entrepreneurs or industry players to provide wages to employees, employees or laborers in their business or work environment (Purnami, 2015). Meanwhile, based on the regulation of the Minister of Manpower No. PER-01 / MEN / 1999, the City Minimum Wage is the Minimum Wage that applies in the Regency / City Region. From these several definitions, it can be concluded that the District / City minimum wage is the minimum amount that must be paid by the employer to workers for services provided in accordance with laws and regulations or work agreements in a district / city.

## 2.3. Total Population

Total population is the total of all residents who inhabit a geographical area of the Republic of Indonesia for six months or more and or who are domiciled for less than six months but aim to settle (Central Bureau of Statistics, 2022). According to Mahsunah (2013), population is the number of people residing in an area at a certain time and is

the result of demographic processes, namely fertility, mortality, and migration. From these two opinions, it can be concluded that population is the number of people who occupy a certain area that can change at any time due to the process of birth, death, and movement from one area to another.

#### **2.4. Rural and Urban Land and Building Tax (PBB-P2)**

Rural and Urban Land and Building Tax is one of the sources of Regional Original Revenue (PAD) that has the potential to increase regional income. Sari (2013) in her book Basic Concepts of Taxation states that Land and Building Tax is an objective tax which means that the amount of tax payable is determined by the state of the object, namely the earth (land) and / or building. So it can be concluded, Rural and Urban Land and Building Tax is a tax imposed on Land and/or Buildings that are owned, controlled, and/or utilized by individuals or entities, except for areas used for plantation, forestry, and mining business activities. The condition of the subject (who pays) does not determine the amount of tax but is determined by the condition of the object, namely the land/building.

### **3. Hypothesis**

*H1: City Minimum Wage Have an Effect on Rural and Urban Land and Building Tax Revenue*

Based on the theory of justice through the ability to pay approach, it explains that paying taxes is based on individual ability, where the ability to pay taxes is based on the level of income, amount of wealth, or individual consumption expenditure. The greater the tax burden that must be paid indicates the higher the individual's income (Dwijayanti et al., 2021). As this is also in line with the statement of Suryanti & Novitasari (2016) which states that the amount of tax depends on how much income the taxpayer receives, where the amount of income must be equal to the benefits received. This shows that the Regency / City Minimum Wage has a positive effect on PBB-P2 revenue because based on the fairness theory of the ability to pay approach tax payments are measured based on the income level of the taxpayer. Where in determining the minimum income must be based on the minimum wage in a region. So it can be concluded that, if the Regency / City Minimum Wage of an area increases, it will affect the increase in the minimum wage received by taxpayers. The greater the income or wages received by taxpayers, the greater the possibility of someone buying land and buildings. The result of the purchase of land and buildings will have an impact on the increase in PBB-P2 revenue.

Based on research by Kosasi & Barus (2017) and Belo (2017), the Regency / City Minimum Wage (UMK) has a significant positive effect on PBB revenue. This is because

the increase in minimum wage also increases people's income. Based on Rohadi's research (2020), it states that the Regional Minimum Wage (UMR) has a significant positive effect on PBB-P2 revenue. This is because the greater the income or wages received by taxpayers, the greater the possibility of someone buying land and buildings. This can lead to increased demand for land and buildings, so that the Tax Object Sale Value (NJOP) will increase. Meanwhile, based on research conducted by Guntur (2021) and Wiradinata (2019), the Regency / City Minimum Wage (UMK) does not affect PBB-P2 revenue. This is because when a person's wages increase, the needs and lifestyle will increase so that all of his wages are allocated to meet the needs of life and are less concerned with the obligation to pay taxes.

## *H2: Population Have an Effect on Rural and Urban Land and Building Tax Revenue*

Based on the theory of justice through the benefit approach, it explains that paying taxes is based on the benefits of government services received by taxpayers, where tax burdens on each taxpayer are based on the amount of economic benefits and uses received. The greater the benefits received by taxpayers, the greater the tax burden (Dwijayanti et al., 2021). This is in line with the statement of Indra & Wahyudi (2022), that each taxpayer must pay their taxes according to the benefits they enjoy from the government. As well as by Purnama Sari & Ilyas (2016) which states that the size of revenue in the tax sector is largely determined by the population because the population affects the number of local tax collectors. So it can be concluded that the population has a positive effect on PBB-P2 revenue because the more the number of people who benefit from the government, the greater the tax that must be paid. Based on Christovina's research (2016), the population has a positive and significant effect on PBB-P2 revenue. With the increase in population, the need for housing means an increase, an increase in housing needs will increase the value of PBB-P2 objects and have an impact on increasing PBB-P2 revenue. As this is in line with research from Rohadi (2020) and Kosasi & Barus (2017), the more the population, the more the need for housing. Residence in the form of land and buildings is a major factor in PBB revenue, as a result of purchasing land and buildings the community is obliged to register itself as a taxpayer.

Based on research by Sa'diyah et al. (2019), Wawan (2017), and Febrianti (2017), the population has a positive and significant effect on PBB-P2 revenue. A large population will drive various economic activities and stimulate a higher level of aggregate output or production which in turn encourages economic growth and national income, which also affects the increase in PBB-P2 revenue. Another case based on research by Panjaitan et al. (2020) which concluded that population has a negative and significant effect on PBB-P2 revenue. The results showed that if the population increases by 1%, the Land and Building Tax revenue will decrease by 4.4%. Meanwhile, based on research by Purnama Sari & Ilyas (2016) and Belo (2017) concluded that population does not have a significant effect on PBB-P2 revenue. The number of residents will not

necessarily increase local taxes because not all residents of productive age have jobs and regular income, especially within the scope of local tax payments. In other words, the population has an indirect role in increasing local taxes unless the population is within the scope of being a taxpayer of local tax depositors.

## 4. Results

### 4.1. Descriptive Statistics

**Table 3: Results of Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
UMK (X1)	500	1405000	2416953	1916457.88	347044.076
JP (X2)	500	3261	21516	9052.76	3005.108
PBB-P2 (Y)	500	66753776	2842479142	442140248.41	369010778.125
Valid N (listwise)	500				

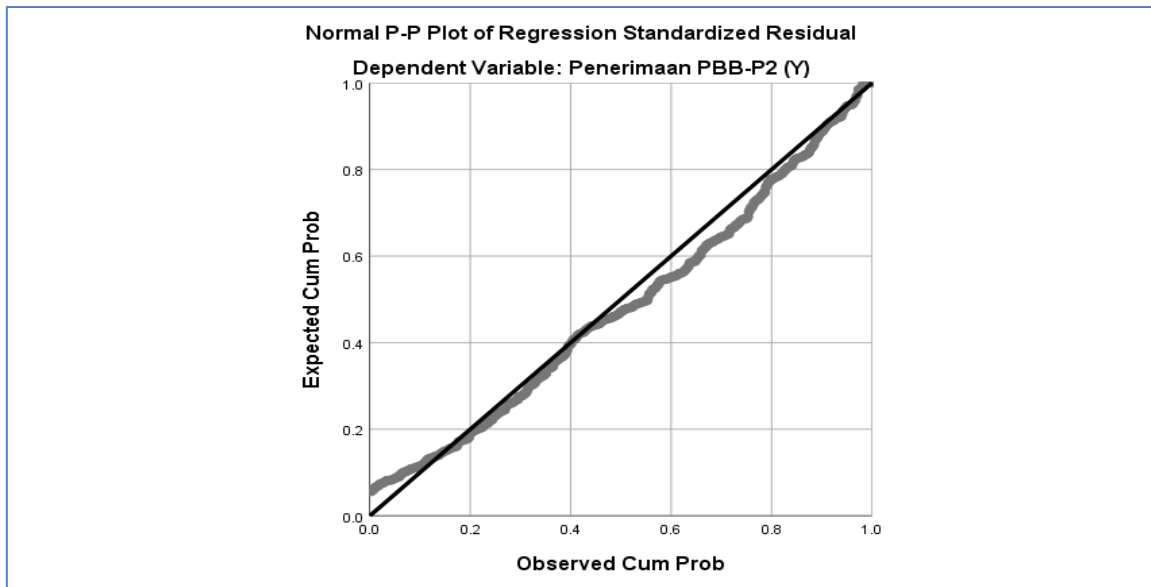
Based on the table above, it can be concluded that the amount of data studied is 500 data with the smallest City Minimum Wage value being at a value of IDR 1,405,000 in 2013, and the largest value is IDR 2,416,953 in 2022, from all MSE data it can be seen that the average value is IDR 1,916,457.9 and a standard deviation of 347,044.1. Then for the smallest population of 50 villages is in the Gomong village of 3,261 in 2020 and the largest population is in the Kekalik Jaya village of 21,516 in 2019, from the amount of population data it can be seen that the average value is 9,052.8 and the standard deviation is 3,005.1. Then for PBB-P2 revenue, it is known that the least revenue is in the Karang Taliwang village in 2013 amounting to Rp66,753,776, while the largest revenue is in the Cilinaya village in 2022 amounting to Rp2,842,479,142, from all PBB-P2 revenue data it can be seen that the average value is Rp442,140,248.4 and the standard deviation is Rp369,010,778.1. Based on the value of the data distribution that shows the standard deviation value is smaller than the average value, then the data deviation on all variables can be said to be good.

### 4.2. Normality Test

Based on the p-plots graph above, it can be seen that the data spreads around the diagonal line and follows the direction of the diagonal line, so it can be concluded that the data is normally distributed.



**Figure 1: Normality Test Results**



### 4.3. Multicollinearity Test

**Table 4: Multicollinearity Test Results**

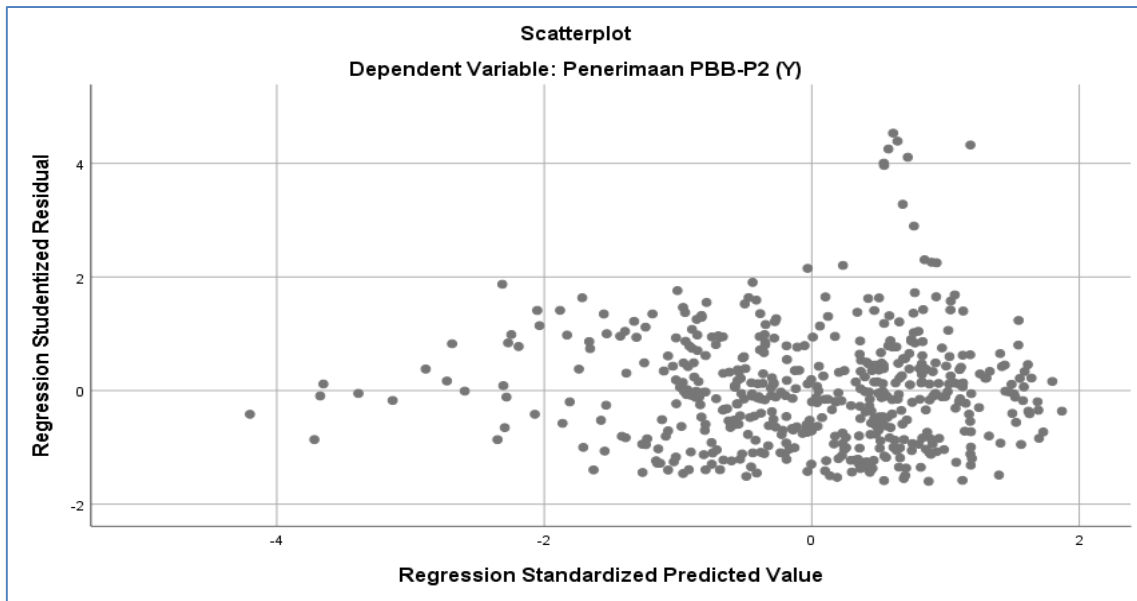
Model		Unstandardized Coefficients		Standardized Coefficients	Collinearity Statistics	
		B	Std. Error	Beta	Tolerance	VIF
1	(Constant)	110889735.287	85074540.114			
	UMK (X1)	174.296	39.388	.195	.998	1.002
	JP (X2)	2490.166	5405.258	.020	.998	1.002

Based on the test results above, it can be seen that all variables have a tolerance value of 0.998 and a VIF value of 1.002. So it can be concluded that the two variables do not experience symptoms of multicollinearity, because the resulting values in the tolerance and VIF columns have met the requirements, namely a tolerance value greater than 0.1 and a VIF value smaller than 10.

### 4.4. Heteroscedasticity Test

Based on the test results above, it can be seen that the points spread above and below the number 0 by not forming a regular pattern. So, it can be concluded that both variables are free from heteroscedasticity.

**Figure 2: Heteroscedasticity Test Results**



**4.5. Autocorrelation Test**

**Table 5: Autocorrelation Test Results**

Model	R	R Square	Adjusted R Square	Durbin-Watson
1	.426a	.181	.095	1.933

Based on the results of the autocorrelation test above, it is known that the Durbin Watson value is 1,933. Where  $d_u(1,861) < d (1,933) < 4 - d_u(2,139)$  because it fulfills the requirements, Durbin Watson's score is between grades  $d_u$  and  $4 - d_u$ , it can be concluded that the data does not contain autocorrelation.

**4.6. Multiple Linear Regression Test**

**Table 6: Multiple Linear Regression Test Results**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	110889735.287	85074540.114		1.303	.193
	UMK (X1)	174.296	39.388	.195	4.425	.000
	JP (X2)	2490.166	5405.258	.020	.461	.645

$$Y = \alpha + b_1X_1 + b_2X_2 + e$$

$$PBB-P2 = 110.889.735 + 174UMK + 2490JP + e$$

The Linear Regression Equation above shows that the independent variable has a positive direction of influence on the dependent variable. Based on the results of multiple linear regression tests, the constant regression coefficient (a) of 110,889,735 can be concluded that if the value of all variables is 0 then the amount of PBB-P2 revenue is Rp110,889,735. The coefficient value of the City Minimum Wage variable of 174 can be interpreted that if the value of the City Minimum Wage increases by one then the PBB-P2 revenue will increase by Rp174 assuming all other independent variables are constant. Meanwhile, the coefficient value of the population variable is 2,490, which means that if the increase in population increases by one, it will increase PBB-P2 revenue by Rp2,490, assuming other independent variables remain constant.

#### 4.7. Hypothesis Test

**Table 7: Determination Coefficient Test Results ( $R^2$ )**

Model	R	R Square
1	.426a	.181

Based on the test results above, it can be concluded that the value of  $R = 0.426$  indicates a fairly strong relationship between the variables of MSE and population with the PBB-P2 revenue variable. The value of  $R \text{ Square} = 0.181$  indicates that the variables of MSE and population are able to explain the PBB-P2 revenue variable by 18%, while the remaining 82% is explained by other factors such as: land area, inflation, capital expenditure, number of buildings, and so on.

#### 4.8. T Statistical Test

Based on the results of the above calculations, it is known that the T table value is 2.012. The City Minimum Wage variable has a significance value of  $0.000 < 0.05$  and has a calculated T value of  $4.425 > 2.012$ , it can be concluded that the City Minimum Wage variable has a positive and significant effect on PBB-P2 revenue. As for the total population variable, it has a significance value of  $0.645 > 0.05$  and has a calculated T value of  $0.461 < 2.012$ , it can be concluded that the Total Population variable has no significant effect on PBB-P2 revenue.

**Table 8: T Statistical Test Results**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	110889735.287	85074540.114		1.303	.193
	UMK (X1)	174.296	39.388	.195	4.425	.000
	JP (X2)	2490.166	5405.258	.020	.461	.645

**T** tabel =  $t(a/2 ; n-k-1) = t(0,05 ; 50-2-1) = t(0,05 ; 47) \rightarrow 2,01174$

#### 4.9. F Statistical Test

**Table 9: F Statistical Test Results**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.629E+18	2	1.314E+18	10.000	.000b
	Residual	6.532E+19	497	1.314E+17		
	Total	6.795+19	499			

**F** tabel =  $f(k ; n-k) = f(2 ; 50-2) = f(2 ; 48) \rightarrow 3,19$

Based on the results of the F test above, it is known that the F table value is  $10.00 > 3.19$  with a probability level of  $0.00 < 0.05$ . So, it can be concluded that the City Minimum Wage and Population variables have a significant effect on Rural and Urban Building Tax revenues.

## 5. Discussion

### 5.1. The Effect of District/City Minimum Wage on Rural and Urban Land and Building Taxes

The results of statistical tests show that the Regency/City Minimum Wage (UMK) has a positive and significant effect on the realization of Rural and Urban Land and Building Tax revenue (PBB-P2). This can be seen based on the results of statistical tests which show a significant value of 0,00 less than the significance level of 0,05, which means that the UMK has a significant effect on PPB-P2 acceptance and a positive coefficient value of 4,425 is greater than t table of 2,012 which shows UMK has a positive effect on PBB-P2 acceptance. The elasticity figure shows that an increase in the District/City Minimum Wage by 1 percent, assuming other variables are constant, will increase PBB-P2 revenue by IDR 174. Mataram City Minimum Wage continues to increase every year except in 2021 which will not experience any increase at all. It's the same with PBB-P2 revenues which tend to increase but have decreased in 2020 due to

the co-19 pandemic. District/City Minimum Wage is the basis of community income. If the greater the income the community receives, the greater the possibility that someone will buy land and/or buildings. This will increase PBB-P2 revenue because every community that owns or receives benefits from land and/building is required to pay taxes. The results of this study are supported by Musgrave's theory (1989) through the ability to pay approach, where PBB-P2 revenue is influenced by how much the taxpayer's ability to pay taxes is measured by income. If people's wages increase, then the tax received by a region increases. This research is also supported by research by Kosasi & Barus (2017), Belo (2017), and Rohadi (2020), Regency/City Minimum Wage (UMK) which shows the result that Regency/City Minimum Wage has a positive and significant effect on PBB revenues. This is because the greater the income or wages residents receive, the more likely they are to buy land and buildings. This can lead to increased demand for land and buildings, so that the Selling Value of Taxable Objects (NJOP) will also increase. The increase in the Selling Value of Tax Objects (NJOP) affects the PBB-P2 revenue.

## **5.2. The Effect of Total Population on Land and Building Taxes in Rural and Urban Areas**

The results of the partial test conducted on the population variable on the realization of PBB-P2 revenue showed that the population variable had no significant effect on the realization of PBB-P2 revenue. It is known by looking at the significant value of the population variable which is 0,645 greater than the significance level of 0.05 and the coefficient value of 0.461 is smaller than the t table of 2,012, it can be concluded that the population has no significant effect on PBB-P2 revenue. The population per village in Mataram City continues to fluctuate but tends to increase every year. It can be seen from the data that several sub-districts in certain years have decreased with PBB-P2 revenues increasing, and vice versa. This shows that the total population has no direct effect on PBB-P2 revenue because the increase in population does not cause an increase in PBB-P2 revenue. PBB-P2 payments are only made by residents who only receive benefits from land and buildings. Meanwhile, the number of residents will not necessarily increase local taxes because not all residents will rent or buy land/buildings. Purnama Sari & Ilyas (2016) and Belo (2017) supported this research, who concluded that population size has no significant effect on PBB-P2 acceptance. This is because the total population will not necessarily increase regional taxes because not all residents of productive age have jobs and regular income, especially within the scope of paying regional taxes. In other words, the population indirectly increases local taxes unless the resident is within the scope of being a taxpayer paying regional taxes.

## 6. Conclusion


Based on the results of the research that has been done, the Regency/City Minimum Wage has a positive and significant effect on PBB-P2 revenue, this is because the Regency/City Minimum Wage is the basis of people's income. The greater the income the community receives, the greater the possibility that someone will buy land and/or buildings. This will increase PBB-P2 revenue because every community that owns or receives benefits from land and/building is required to pay taxes. If the local government wants to increase its receipt of Regional Original Income through PBB-P2, the regional government must increase the District/City Minimum Wage by considering the local economic and employment conditions. While the total population has no significant effect on PBB-P2 revenue, PBB-P2 payments are only made by residents who only receive benefits from land and buildings. Meanwhile, the number of residents will not necessarily increase local taxes because not all residents will rent or buy land/buildings. If the regional government wants to increase PBB-P2 revenue, the regional government must focus more on factors other than population, such as inflation, number of buildings, land area, and so on.


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**Author Contributions:**

[Risma Pramudia Ningytas](#)  - Idea, Design, Data Collection, Interpretation of Data, Drafting, Critical Review, Final Approval and Responsibility, Literature Review, Supervising. Overall Contribution - 47%.

[Baiq Anggun Hilendria Lestari](#)  - Design, Interpretation of Data, Critical Review, Final Approval and Responsibility, Literature Review, Supervising. Overall Contribution - 32%.

[Widia Astuti](#)  - Idea, Design, Final Approval and Responsibility, Supervising. Overall Contribution - 21%.

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