

CHAPTER I

INTRODUCTION

A. Background

Tax is a compulsory contribution to state revenue levied by the government on taxpayer's income and business profits or value added to the cost of some goods, services, and transactions. The amount of the collected tax will determine the revenue of state, either it is used for financing the economic development of a state or paying routine expenses. According to Law No. 28 Year 2009 on Regional Taxes and Levies, Local Tax is one of the important sources of local revenue to finance the implementation of the regional administration in order to carry out the public services and to realize the the region's autonomy.

Local revenue is revenue from regional taxes, retribution, the profits of regional company, revenue from other agencies, and acceptance from local revenue recipient. The higher the role of the local revenue in regional income, the more successful do the efforts, or the higher the ability of the region in financing government administration and development.

According to Law No 28 years 2009 on Local Taxes and Retribution, local tax is divided into two; Provincial taxes and City/ district administration taxes. The subdivisions of these are done in accordance with the authority to

collect each type of tax and the area of administration of the region either provincial or district level.

One of the provisions in the Act No. 28 of 2009 is about Hotel Tax. Hotel Tax is tax on the services provided by the hotel. Hotel can be defined as a lodging service provider, such as a motel, an inn, guesthouse, hostel, dormitory that have more than ten rooms.

Initially in Law No. 18 of 1997 hotel tax was combined with restaurant tax by the name of the hotel and restaurant taxes. However, due to the changes to the law on regional taxes and levies, the promulgation of Law No. 34 of 2000 and law No. 28 of 2009 about Local Taxes and Retribution, the hotel and restaurant taxes are separated into two types of taxes. This indicates the magnitude of the potential existence of the hotel tax in the development of an area.

According to Law No. 28 of 2009 on Local Taxes and Retribution, that had been amended by Law No. 34 of 2004 on Regional Tax and Retribution, hotel tax is a tax on the services provided by hotel and cover all rent at the hotel. Based on the potency and the realization of the hotel tax targeted, the effectiveness of hotel tax will be known accordingly. This research will proof

that the bigger potency and realization of hotel tax the more effective the role of hotel tax for increasing local revenue.¹

Hotel sector is a potential sector in the City Yogyakarta; it is hoped with a potential resource available, the expected contribution will be given by this hospitality sector that encourages economic development in the City of Yogyakarta. It needs to identify the variables related to the effort to enhance local revenue hotel as well as actions/ efforts which may needed to be done in order to optimize the potency of hotel tax. Among the policies and strategies that can be done by the local government to increase local revenue is counting the potential revenues.²

Based on the background above, the researcher considers that it is pertinent to know how the role of the hotel in improving the local revenue. Thus, writer did a research entitled “The Role of Hotel Tax for Increasing Local Revenue in the City of Yogyakarta”.

¹Suhendi, 2003, ”Pengaruh Jumlah Wisatawan Terhadap Pendapatan Asli Daerah Kota Manado Melalui Pajak Hotel Sebagai Intervening Variabel”¹,<http://ejournal.unsrat.ac.id/index.php/jbie/article/download/5651/5183>. Accessed on September 30, 2015 at 13:40 PM.

² YuniYarti, 2006, “Analisis Potensi, Efektifitas dan Kontibusi Pajak Hotel Terhadap Penerimaan Pajak Daerah”, http://eprints.undip.ac.id/29396/1/JURNAL_.php/jbie/article/download/56541/51745. Accessed on September 30, 2015 at 13:42PM.

B. Statement of Problem

Based on the problem formulation in advance, the problems that will be examined in this research are as follow:

1. What is the role of hotel tax for increasing local revenue in the City of Yogyakarta?
2. What are the supporting and obstacle factors of hotel tax collection process in The City of Yogyakarta?

C. Objective of Research

This research has the objectives to reveal the data and make accurate interpretation of the data, so that it will give many benefits for the writer and also for the readers. Based on those objectives, this research is aimed at:

1. understanding the importance of hotel tax role in increasing local revenue in the City of Yogyakarta
2. analyzing the supporting and obstacle factors of the role of hotel tax in increasing local revenue in the City of Yogyakarta
3. giving suggestions on a better role of hotel tax in increasing local revenue in the City of Yogyakarta

D. Benefits of Research

The result of this research is expected to have theoretical and practical benefits as follow:

a. Theoretically Benefits.

This research is expected to provide the information, explanation, and conceptual contribution for the development of Administrative Law in general for Tax Law.

b. Practically Benefits.

This research is expected to provide the suggestion for the Local Government and Central Government regarding Hotel Tax management as a part of the source of local income.

