



The Impact of Establishment of Tax Land and Building Rights (BPHTB), Non-metallic Mineral and Rock Tax (MBLB), and Entertainment Tax on Local Government Revenue (A Study at Bapenda Purwakarta Regency for the Years 2019-2023)

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Abstract: Original Local Revenue (PAD) represents financial resources generated and administered by local governments, based on endogenous regional capacities including natural, human, and artificial resources. The economic growth of Purwakarta Regency has shown relatively stable development. However, there is a gap between positive economic growth and the realization of Original Local Revenue (PAD) which has never been achieved from 2019 to 2023. This research investigates the influence of BPHTB, MBLB Tax, and the Entertainment Tax on the Local Own-Source Revenue (PAD) in Purwakarta Regency during the 2019–2023 period. A quantitative method was utilized, employing multiple linear regression as the analytical tool. The data used are secondary data from the budget reports and PAD realization of Purwakarta Regency for the period 2019 to 2023. The sample used in this study is a saturated sample of the entire population, consisting of 60 data points obtained from monthly data over 5 years. The results indicate that simultaneously, BPHTB, MBLB, and Entertainment Tax have a significant effect on Original Local Revenue. However, partially, BPHTB and MBLB have a significant effect on PAD, while the Entertainment Tax does not show a significant effect. This study concludes that there is a need for evaluation and improvement of tax management strategies to enhance the effectiveness of PAD collection and support regional economic growth more optimally.

Keywords: Local Government Revenue (PAD), Entertainment Tax, Establishment of Tax Land and Building Rights (BPHTB), Non Metallic Mineral and Rock Tax (MBLB)

Introduction

Purwakarta Regency is located in West Java Province. Purwakarta itself has shown significant progress in various sectors. With considerable economic potential, Purwakarta strives to maximize local resources to improve the well-being of its community. This regency is known for its leading sectors such as industry, agriculture, and tourism, which all contribute to the regional economy.

In carrying out its duties, the financial aspect is crucial for the government, including the Local Government. Effective and efficient financial management is essential to support

various government activities that require funds. The economic performance of a region can be assessed through various indicators, such as the rates of unemployment, inflation, economic growth, as well as income distribution. According to (Alamsyah and Permana, 2018) A usual approach to predict economic conditions is to asses economic growth using Gross Domestic Product (GDP). Economic growth provides information on how strenght the economy is performing.



Figure 1. GDRP of Purwakarta Regency 2019-2023.

Figure 1 shows the percentage contribution of Gross Regional Domestic Product (GRDP) of Purwakarta Regency for the period 2019 to 2023. There are small fluctuations from 2019 to 2023, but overall there is an upward trend from 2020 to 2023, with the lowest point in 2020 and the highest point in 2023. The economy of Purwakarta Regency seen from GRDP generally looks quite good. Stable economic growth in Purwakarta Regency, reflected in the upward trend of GRDP, provides a strong foundation for increasing Regional Original Revenue (PAD).

Local Government Revenue (PAD) constitutes a vital fiscal component sourced and managed within the region to serve regional development needs. As such, PAD directly reflects the capacity of a region to leverage its own potential. Regional potential encompasses all resources intrinsically available to a local government.

Table 1. The Performance of PAD Purwakarta Regency & Karawang Regency

Years	Purwakarta Regency			Karawang Regency		
	Target	Realization	Percent	Target	Realization	Percent
2019	5,000,000	4,203,537	84.1%	13,591,357	13,563,199	99.8%
2020	4,695,491	4,280,771	91.2%	10,932,265	13,033,534	119.2%
2021	5,857,758	5,157,636	88.0%	14,271,920	16,518,508	115.7%
2022	6,956,116	5,621,179	80.8%	16,216,853	16,177,830	99.8%
2023	7,880,848	5,487,762	69.6%	16,763,689	17,625,121	105.1%

Based on table 1, the data shows that the target and realization of Regional Original Revenue (PAD) for Purwakarta Regency does not meet the PAD target every year, where the closest to the PAD revenue target or budget is in 2020 at 91.2% and the furthest from the target is in 2023 at 69.6%. This is inversely proportional to Karawang Regency, which was consistently able to exceed the PAD target in the 2019-2023 period. This condition

indicates that there are obstacles in optimizing the potential of PAD in Purwakarta Regency.

Table 2. The Result of Local Government Revenue Purwakarta Regency

	2019	2020	2021	2022	2023
Local Government Revenue (PAD)	420.354	428.078	515.764	562.118	548.777
Local Tax	244.827	250.794	286.687	333.963	338.161
Regional Retribution	21.439	27.807	22.985	14.420	20.398
Results of the Management of Separate Regional Assets	5.350	5.902	5.965	6.960	7.428
Other Legal PAD	148.739	143.576	200.129	206.777	18.280

Based on Table 2 local taxes made a large contribution to PAD from 2019-2023 compared to in comparison with regional levies, proceeds from the management of regional assets, and other PAD sources. This confirms the importance of local tax contributions in strengthening PAD to optimally support regional development.

Local taxes play a pivotal role in the financial sustainability of local governments, serving as a key driver for the development of infrastructure and public services. The consistent contribution from local taxes highlights the effectiveness of tax policies and collection strategies in ensuring a stable source of revenue. As seen from the data, the growth in local tax revenue not only reflects an increase in compliance and economic activity but also underscores the local government's ability to harness its fiscal potential. In light of these findings, it is crucial for local authorities to continue optimizing tax management systems and seek innovative ways to enhance tax revenue without burdening the public

Table 3. The Result of Local Government Revenue Purwakarta Regency

Tahun		BPHTB	MBLB TAX	Entertainment Tax
2019	Target	58,500,000,000	52,242,936,000	4,875,175,000
	Realization	55,057,823,607	10,075,366,470	4,189,623,998
	Percent	94%	19%	86%
2020	Target	59,545,388,000	51,000,000,000	1,600,000,000
	Realization	51,335,040,174	9,924,871,135	1,444,373,511
	Percent	86%	19%	90%
2021	Target	116,722,567,311	48,200,000,000	500,000,000
	Realization	60,423,336,442	9,497,989,525	508,143,877
	Percent	52%	20%	102%
2022	Target	181,850,000,000	44,000,000,000	3,500,000,000
	Realization	71,331,203,997	10,753,189,975	2,597,610,020
	Percent	39%	24%	74%
2023	Target	228,472,364,029	14,244,588,033	2,826,306,087
	Realization	53,841,641,446	10,920,769,225	2,844,858,815
	Percent	24%	77%	101%

Based on Table 3, the data shows that revenue from BPHTB, MBLB Tax, and Entertainment Tax tends to decrease every year. BPHTB 2019-2023 always decreases and does not reach the specified target, especially in 2023 the realization of BPHTB is only 24% very far from the specified target. MBLB tax from 2019-2023 tends to increase but still does not reach the target that has been determined from 2019-2022 the realization is always below 30%. Then Entertainment Tax looks fluctuating in 2019-2023, the target was met only in 2021 and 2023.

Furthermore, according to information obtained from (news.republika.co.id, 2019) Purwakarta City Regional Original Revenue could not reach the target in 2019, when interviewed at the Purwakarta Regency Government office Iyus stated that of the 10 types of local taxes, including MBLB tax, PBB, BPHTB, and entertainment tax, it still had not reached its target, further local revenue reported until the end of November 2019 had only reached 76.93% of the target.

Local taxes play a critical role in funding regional development and government operations. These taxes, including BPHTB, MBLB Tax, and Entertainment Tax, are central to the financial sustainability of Purwakarta Regency. However, the data in Table 3 reveals a concerning trend: revenue from these taxes has been inconsistent, with significant gaps between actual revenue and targeted figures. This highlights underlying challenges in the efficiency of tax collection, enforcement, and compliance. It also signals that there may be deeper structural issues within the local tax system that require urgent attention to ensure that these revenue streams fulfill their potential in supporting regional development.

BPHTB (Establishment of Tax Land and Building Rights) is a stable and sustainable source of revenue for financing government operations and development at the local level. Optimizing BPHTB revenue can enhance overall Regional Original Income (PAD), support local fiscal needs, and strengthen the financial capacity of Purwakarta Regency. This finding is supported by study carried out by (Situmorang et al, 2022) and (Cahyadi et al.,2023), which shows that BPHTB has a significant positive impact on PAD. The research indicates that BPHTB's contribution to PAD is very important.

Non-metallic and rocks Minerals (MBLB) holds a significant position in the local revenue system. Non-metal mineral and rock mining activities often have a major impact on the regional economy through direct contributions to PAD. This is reinforced by earlier studies conducted by (Imelda et al, 2022) that Non-Metallic Mineral and Stone Tax has a significant positive impact on Native Area Revenue.

Entertainment Tax has a significant role in the local revenue system, because the organization of entertainment can attract many visitors and contribute directly to PAD. This finding is supported by research previously done by (Monoarfa et al, 2022), (Permadi & Ardan, 2022) and (Hanum, 2022) which shows that Entertainment Tax has a significant positive effect on PAD. The study underlines the importance of entertainment tax in increasing PAD and supporting local government financing.

Methodology

This research analysis method uses quantitative methods, which is an approach that utilizes numerical data and statistical analysis to test hypotheses and derive conclusions from a determined sample, aiming to examine the effect of BPHTB, MBLB Tax, and the Entertainment Tax on Original Local Revenue (PAD) in Purwakarta Regency.

The focus of this study is on causality, aiming to identify and understand the interrelationships among the examined variables. The object of this research is the financial data of Purwakarta Regency, particularly the monthly PAD revenue and tax components managed by BAPENDA Purwakarta from January 2019 to December 2023. The type of data used is secondary data, sourced from official budget reports and PAD realization documents published by Bapenda Purwakarta. Data were collected through documentary techniques, by accessing and compiling monthly PAD reports. This research employs time series data or time sequence data. Time series data refers to data collected repeatedly in similar time intervals, using the same instruments and objects (Sugiyono, 2022).

The sampling technique used in this study uses the saturated sampling method, namely all members of the population are selected as samples. This resulted in 60 data points, representing 5 years of monthly observations. The unit of analysis in this study is grouped time series data, meaning numerical data recorded at regular intervals over time. The data analysis method used is multiple linear regression, conducted with the SPSS version 26 software to test the hypotheses and determine the influence of BPHTB, MBLB Tax, and the Entertainment Tax variable on PAD.

Result and Discussion

A. Descriptive Statistics

The findings of the descriptive statistical analysis of the research variables based on the average value, standard deviation value, minimum, and maximum are shown in the following table using SPSS 26 software.

Table 4. The Result of Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
BPHTB (X1)	60	979,416.59	13,607,364.80	4,856,025.843	2692282.375
Pajak MBLB (X2)	60	255,348.41	1,802,912.81	839,892.7300	237045.4934
Pajak Hiburan (X3)	60	2,782.60	686,008.81	193,076.8380	170966.3463
Pendapatan Asli Daerah (Y)	60	17778878.87	91,637,940.41	41,251,476.60	15783312.42
Valid N (<i>listwise</i>)	60				

As indicated in Table 4, the average values for BPHTB, MBLB Tax, Entertainment Tax, and PAD exceed their respective standard deviations. This means that the data for all these variables are centered around the mean value and are relatively stable, despite the large difference between the highest and lowest values.

B. Classical Assumption Test

According to (Ghozali, 2021) The classic assumption test is the first step that must be taken before perform multiple linear regression analysis. This test aims to verify that the estimated regression coefficients are unbiased, stable, and precise. The classical assumption test aims to ensure that the data meets the requirements of normality, multicollinearity, autocorrelation, and heteroscedasticity tests before proceeding to multiple linear regression analysis.

In conducting classical assumption tests, researchers aim to validate the reliability of the regression model by confirming that the underlying assumptions of linear regression are fulfilled. If these assumptions are violated, the resulting regression estimates may be biased or inefficient, leading to incorrect conclusions. Therefore, fulfilling the classical assumptions is essential to produce a model that can be interpreted accurately and applied confidently in decision-making or policy formulation.

C. Transformation Data

Due to the discovery of normality symptoms, researchers transformed data on all variables. Researchers transformed data on all independent variables of BPHTB, MBLB Tax, and Entertainment Tax as well as the dependent variable, PAD, using the logarithm transform in excel.

The data transformation using logarithmic functions was carried out to address the issue of non-normal data distribution, which can affect the validity of the regression analysis. By applying the logarithm transformation, the data becomes more symmetrical and closer to a normal distribution, which helps fulfill one of the key classical assumptions. This step is crucial to ensure that the regression results are not skewed or biased due to outliers or non-linear patterns, thus improving the overall reliability and interpretability of the statistical model.

1. Normality Test

The following are the outcomes of normality testing using SPSS 26 software:

Table 5. The Result of Normality Test

		Unstandardiz ed Residual
N		60
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.12331482
Most Extreme Differences	Absolute	.104
	Positive	.104
	Negative	-.063
Test Statistic		.104
Asymp. Sig. (2-tailed)		.174 ^c

In the table, it is evident that the outcomes of the normality test show a significant value of $0.174 > 0.05$. The test results suggest that the dataset adheres to a normal distribution pattern.

2. Multicollinearity Test

The following are the outcomes of Multicollinearity testing using SPSS 26 software:

Table 6. The Result of Multicollinearity Test

Coefficients ^a		Collinearity Statistics	
Model		Tolerance	VIF
1	BPHTB (X1)	.857	1.167
	PAJAK MBLB (X2)	.911	1.098
	PAJAK HIBURAN (X3)	.790	1.266

a. Dependent Variable: PAD (Y)

In the table above, it can be seen that the results of multicollinearity testing in the collinearity statistics table show the tolerance and VIF values of BPHTB of 1.167, mblb tax of 1.098 and entertainment tax of 1,266. Each independent variable demonstrated a VIF value of less than 10. Furthermore, it is a known tolerance value of bphtb is 0.857, mblb tax is 0.911 and entertainment tax is 0.790. The results of these independent variables have a tolerance value > 0.1, leading to the conclusion that heteroscedasticity is not present in the dataset.

3. Heteroscedasticity Test

The result of Heteroscedasticity testing using SPSS 26 software are as follows:

Table 7. The Result of Heteroscedasticity Test

Coefficients ^a		Unstandardized Coefficients		Standardized Coefficients Beta	T	Sig.
Model		B	Std. Error			
1	(Constant)	-.103	.819		-.125	.901
	BPHTB (X1)	.019	.047	.058	.407	.686
	Pajak MBLB (X2)	-.011	.084	.084	-.131	.897
	PAJAK HIBURAN (3)	.014	.022	.022	.649	.579

a. Dependent Variable: ABS_PENDAPATANASLIDAEARAH(Y)

Based on the table shows that the heteroscedasticity test results are higher than bphtb, mblb tax and entertainment tax variables have a significant value above 0.05, indicating the absence of multicollinearity symptoms in the data.

4. Autocorrelation Test

The following are the outcomes of Autocorrelation testing using SPSS 26 software:

Table 8. The Result of Autocorrelation Test

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.568 ^a	.323	.286	.12657	1.5606
a. Predictors: (Constant), PAJAK HIBURAN (X3), PAJAK MBLB (X2), BPHTB (X1)					
b. Dependent Variable: PENDAPATAN ASLI DAERAH (Y)					

Based on the table, it is known that the results of the autocorrelation test above have a DW value of 1.506, this figure is between -2 to +2, therefore, it can be concluded that the data is free from autocorrelation issues.

D. Multiple Linear Regression

This research employs multiple linear regression methods or tests, which are quantitative analysis techniques to test the relationship between several independent variables and one dependent variable. According to (Sugiyono, 2022) The primary objective of applying multiple linear regression is to analyze and estimate the dependent variable based on the information provided by the independent variables.

Table 9. The Result of Multiple Linear Regression Test

Coefficients ^a					
Unstandardized Coefficients			Standardized Coefficients		
Model	B	Std. Error	Beta	t	Sig
1 (Constant)	5.261	1.295		4.062	.000
BPHTB (X1)	.294	.074	.475	3.996	.000
PAJAK MBLB (X2)	.271	.133	.234	2.034	.047
PAJAK HIBURAN (X3)	.010	.034	.036	.289	.774

a. Local Revenue: PENDAPATAN ASLI DAERAH (Y)

Based on table 9, it shows formulated that multiple linear regression model equation of BPHTB, MBLB Tax and Tax variables on PAD in Bapenda Purwakarta Regency in 2019-2023 is as follows:

$$Y = 5.261 + 0.294X_1 + 0.271X_2 + 0.010X_3 + e$$

Y = Original Local Revenue (PAD)

X1 = Establishment of Tax Land and Building Rights (BPHTB)

X2 = Non-metallic and rocks Minerals (MBLB)

X3 = Entertainment Tax

b1 = BPHTB coefficient

b2 = MBLB Tax Coefficient

b3 = Entertainment Tax Coefficient

e = Error

The formulated multiple linear regression equation can be interpreted in the following manner:

1. The constant term of 5.261 suggests that when BPHTB, MBLB Tax, and Entertainment Tax are all valued at zero, the PAD would still amount to 5.261. This intercept indicates the baseline PAD value in the absence of the three predictors.
2. The regression coefficient result on the BPHTB variable is 0.294, which indicates that each one-unit increase in BPHTB will increase PAD by 0.294, assuming no changes occur in the other variables. Since this coefficient is positive and significant, BPHTB contributes positively to the increase in PAD.
3. The regression coefficient result on the MBLB tax variable is 0.271, which indicates that each one-unit increase in MBLB tax will increase PAD by 0.271, assuming no changes occur in the other variables. This coefficient is likewise positive and statistically significant, reflecting MBLB Tax's contribution to PAD growth.
4. The regression coefficient result on the entertainment tax variable is 0.010, indicating that each one-unit increase in MBLB tax will increase PAD by 0.010, assuming no changes occur in the other variables. This coefficient value is also positive but insignificant, indicating that although MBLB Tax has a positive contribution to PAD, the contribution is not statistically strong enough to be considered significant.

E. Coefficient Determination (R^2)

The coefficient of determination (R^2) test is applied in this research to assess the extent to which variations in the dependent variable can be explained by the influence of the independent variables.

Table 10. The Result of Coefficient Determination (R^2)

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.568 ^a	.323	.286	.12657

a. Predictors: (Constant), BPHTB (X1), PAJAK MBLB (X2), PAJAK HIBURAN (X3)

Based on the table, the adjusted R-squared value obtained from the test is 0.286, indicating that 28.6% of the variation in the dependent variable is accounted for by the model. This indicates that BPHTB, MBLB Tax, and Entertainment Tax collectively account for 28.6% of the variation in PAD, while the remaining 71.4% associated with additional elements beyond the scope of this investigation. Although the variables tested made a significant contribution, there are still many external factors that affect PAD, so further research may be needed to identify additional variables that play an important role.

F. Simultaneous Significance Test (F)

The simultaneous hypothesis test or F test is conducted to determine the influence BPHTB, MBLB Tax, and Entertainment Tax in PAD simultaneously.

Table 11. The Result of Simultaneous Significance Test (F)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.428	3	.143	8.897	.000 ^b
	Residual	.897	56	.016		
	Total	1.325	59			

a. Local Revenue: PENDAPATAN ASLI DAERAH (Y)

b. Predictors: (Constant), PAJAK HIBURAN (X3), PAJAK MBLB (X2), BPHTB (X1)

Based on the table above, the results of the simultaneous significance test f show that the significance value is $0.000 < 0.05$, it can be concluded that H_{a1} is accepted and H_{a0} is rejected, indicating that BPHTB, MBLB Tax, and Entertainment Tax together exert a significant influence on PAD.

G. Partial Significance Test (t)

The t test, also known as the partial hypothesis test, is employed to evaluate the influence of independent variables, namely BPHTB, MBLB Tax, and Entertainment Tax separately on PAD. Based on table 9. obtained partial test results from BPHTB, MBLB Tax and Entertainment Tax on PAD in Bapenda Purwakarta Regency which can be concluded as follows:

1. The value of the BPHTB variable (X1) has a significance value of $0.000 < 0.05$ with a coefficient value of 0.294, which means that H_{a1} is accepted. This confirms that BPHTB significantly impacts PAD. This means that an increase in BPHTB can contribute to an increase in PAD.
2. The value of MBLB Tax Variable (X2) has a significance value of $0.047 < 0.05$ with a coefficient value of 0.271, which means H_{a2} is accepted. This indicates that MBLB Tax has a significant influence on PAD. This means that an increase in MBLB Tax can contribute to an increase in PAD.
3. The value of the Entertainment Tax Variable (X3) has a significance value of 0.774 > 0.05 with a coefficient value of 0.010, which means H_{a3} is rejected. This suggests that the impact of the entertainment Tax is not statistically significant for PAD. This means that Entertainment Tax may not have a strong impact on PAD.

Discussion

1) The Impact of BPHTB on PAD

Based on research results of the partial hypothesis test conducted in the earlier section, the significance result is $0.000 < 0.05$ with a coefficient of 0.294, H_{01} is denied, while H_{a1} is approved, which means that the Acquisition Fee on Land and Building Rights (BPHTB) variable has a significant positive effect on Regional Original Revenue at Bapenda Purwakarta Regency in 2019-2023. This is in line with research conducted by

(Situmorang et.al, 2022) and (Cahyadi et.al, 2023) which shows that BPHTB has a significant effect on local revenue. The findings reveal that increased BPHTB receipts lead to greater contributions to PAD.

However, although BPHTB has a significant influence on PAD, the realization of BPHTB revenue in Purwakarta Regency in the last five years has never reached the set target. This shows that Purwakarta Regency has not succeeded in optimizing BPHTB.

2) The Impact of MBLB Tax on PAD

Based on research results of the partial hypothesis test conducted in the earlier section, the significance result is $0.047 < 0.05$ with a coefficient of 0.271, H_{a2} is accepted and H_{02} is rejected, which means that the Non-Metals Mineral and Rock Tax (MBLB) variable has a significant positive effect on Local Revenue in Bapenda Purwakarta Regency in 2019-2023. This is in line with research conducted by (Imelda et al., 2022) that Non-Metal Mineral and Rock Taxes have a significant effect on Local Revenue. The results of this study indicate that the higher the MBLB Tax revenue, the higher the contribution of revenue to PAD.

However, although MBLB tax has a significant influence, the realization of MBLB tax revenue in 2019-2023 has never reached the set target. This indicates that Purwakarta Regency has yet to fully optimizing potential of MBLB Tax revenue.

3) The Impact of Entertainment Tax on PAD

Based on research results of the partial hypothesis test conducted in the earlier section, the significance result is $0.774 > 0.05$ with a coefficient of 0.010, H_{a3} is denied, while H_{03} is approved, indicating that there is no discernible relationship between the entertainment Tax variable and regional income Bapenda Purwakarta Regency 2019-2023. This is in accordance with studies carried out by (Damayanti, 2020). The results showed that the entertainment tax variable did not make a significant contribution to PAD.

This is exacerbated by the fact that the realization of Entertainment Tax revenue over the past five years has only reached the target in 2021 and 2023. This situation reflects the underperformance of Purwakarta Regency in managing its Entertainment Tax collection, even though the entertainment sector has good potential.

4) The Impact of BPHTB, MBLB Tax and Entertainment Tax on PAD

Based on research results of the simultaneous hypothesis testing that has been done, the significance result is $0.000 < 0.05$, so H_a is approved, while H_0 is denied, meaning that the Fees for Acquisition of Land and Building Rights (BPHTB), Non-Metallic Mineral and Rock Taxes (MBLB) and Entertainment Taxes collectively have a huge impact on PAD in Bapenda Purwakarta Regency in 2019-2023 with data as many as 60 samples. Based on the analysis of the coefficient of determination, the adjusted r-square value obtained is 0.286 or 28.6%, which means that all X variables affect the Y variable by 28.6% and the remaining 71.4% is influenced by other variables not examined in this study.

However, although there is a significant positive effect of BPHTB, MBLB Tax, and Entertainment Tax on PAD. According to (H. A. Siregar, 2023) fiscal decentralization

emphasizes the importance of independent financial management by local governments, through extracting and utilizing financial resources from the regions themselves, one of which is local taxes. In this case, Purwakarta Regency does not optimize its local tax potential, especially BPHTB, MBLB tax and Entertainment Tax so that resulting in the failure to meet the established PAD targets.

Conclusion

Based on the findings, it is evident that BPHTB (Acquisition Fee on Land and Building Rights) and MBLB (Non-metallic Mineral and Rock Tax) significantly impact the Regional Original Revenue (PAD) of Purwakarta Regency from 2019 to 2023. Statistical analysis confirmed that both BPHTB and MBLB Tax positively affect PAD, suggesting that enhancing these revenue sources could substantially boost local financial resources. Despite their positive impact, the actual revenue realization from these sources has consistently fallen short of targets, indicating an inefficiency in maximizing their potential. This underperformance emphasize the urgent need to improve fiscal management and the effective use of revenue sources.

Conversely, the tax on entertainers has not shown a significant impact on PAD during the study period, and its revenue realization has been inconsistent, only meeting targets in certain years. Although entertainment tax contributes to PAD, its influence is not as pronounced as BPHTB and MBLB Tax. Overall, the study underscores the need for Purwakarta Regency to address the inefficiencies in managing and optimizing BPHTB and MBLB Tax revenues while reassessing the strategies for enhancing Entertainment Tax contributions. Effective financial management strategies should be developed to achieve and surpass PAD targets, thereby ensuring sustained economic growth and regional development.

In light of these findings, it is crucial for Purwakarta Regency to focus on strengthening the mechanisms for collecting BPHTB and MBLB Tax. One potential approach is to improve the transparency and effectiveness of the tax collection procedure, ensuring that all eligible taxpayers contribute fairly and promptly. Additionally, targeted outreach and education programs could help improve taxpayer compliance, thus optimizing the revenue potential from these sources. Meanwhile, a more comprehensive review of the Entertainment Tax system is necessary, as its underperformance highlights the need for a more effective and adaptable approach. By diversifying revenue generation strategies and addressing existing inefficiencies, Purwakarta Regency can better position itself to meet its fiscal goals, ensuring more robust financial support for regional development projects and enhancing public services.

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