



Analysis of Land Tax in The Plantation Sector Viewed from Islamic Economic Leaders

Sarmiana Batubara¹, Nawir Yuslem², Muhammad Yafiz³

^{1,2,3} North Sumatra State Islamic University, Indonesia

Abstract

This research is concerned with how land and building taxes affect the plantation sector in Indonesia by following one of the economic thought leaders Abu Yusuf in achieving justice. The researchers applied literature research or content analysis. Land and Building Tax for the Plantation Sector in Indonesia is seen from the point of view of Abu Yusuf because the idea will create justice for taxpayers, even though the tax must be paid 0.5% based on the Sales Value of the Tax Object (NJOP). The muqasamah system presented by Abu Yusuf pays more attention to details, starting from the type of land, soil fertility, irrigation, seasons, and price fluctuations at harvest, to ensure fairness in tax collection. If the muqasamah system is implemented in Indonesia, which has the character of an agrarian country, then state revenue from the plantation sector tax will have great potential. The concept put forward by Abu Yusuf is still very relevant to Indonesia, particularly in land and building taxes in the plantation sector. Therefore, the concept of Abu Yusuf can be considered by the Indonesian government in establishing policies related to land and building taxes in the plantation sector nationally.

Keywords: *United Nations; Plantation Sector; Islamic economics; Abu Yusuf*

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***Corresponding author:**

sarmianabatubara12@gmail.com

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1. Introduction

One of the efforts to achieve the independence of a country in financing development is the flow of domestic funds in the form of taxes. Taxes are contributions to the state that can be collected from a person, and it has been stated in laws and regulations that obligate people to pay fees with no return on achievement, which can be directly charged, and whose purpose is to provide funds for public expenditures related to the administration of government (Deviantari et al., 2021). Land and Building Tax is called PBB; the earth is the surface or water and the body of the earth that is under it. Whereas a building is a technical construction that is permanently planted or placed on land or waters

designated as a place of residence, a place of business, or a place that can be cultivated ([Safitri et al., 2022](#)). [Bate, \(2020\)](#) defines PBB for the plantation sector as the land and building tax imposed on land and buildings located within the area used for plantation business activities.

The basis for the imposition of PBB on plantations is the Selling Value of Tax Objects, hereinafter referred to as NJOP. The NJOP of land is the result of multiplying the total area of the tax object with the NJOP of land per square meter ([Fatima & Syahril, 2022](#)). The value of land per square meter as referred to in this paragraph is the result of the division between the total land value and the total area of the object of tax, which is subject to PBB on plantations. The land value per square meter for each tax object area as referred to in the paragraph is in the form of emplacement area and uncultivated area in unproductive areas; productive areas; cultivated areas but not yet planted; nursery areas in unproductive areas; safety area; and unproductive area ([Dantes & Apsari Hadi, 2021](#); [Deviantari et al., 2021](#)). Based on Article 5 of the United Nations Law, the tax rate imposed on tax objects is a single rate of 0.5% (five-tenths of a percent). Based on the provisions of this rate, the tax paid will always change according to the amount charged ([Sudibyo & Bawono, 2016](#)). In other words, the greater the amount used as the basis for imposing the NJOP, the greater the tax debt, but the increase is obtained with the same percentage (0.5%) ([Dailimi & Setyowati, 2020](#)).

Because the tax imposition is based on a value, namely the Sales Value of a Tax Object (NJOP), the results of an appraisal of a property for the basis of tax imposition go through a complicated process and do not satisfy the taxpayer ([Basri et al., 2021](#)). So, it is required to have an accurate assessment result, because it is a heterogeneous type of commodity. In general, the source of the complexity of the valuation process for PBB objects in the form of land and buildings and the NJOP used as the basis for imposing PBB often becomes an arena for controversy between taxpayers and government officials ([Deviantari et al., 2021](#)). Additionally, according to [Deviantari et al., \(2021\)](#), and [Fatima & Syahril, 2022](#), some taxpayers object because the imposition of PBB on the property they own or manage is not by their ability to pay it. In this regard, various demands have emerged in the form of a review or various forms of objections from taxpayers because they object to the determination of the PBB ([Kadir et al., 2020](#)). The main problem regarding the demand for a review of the PBB determination is due to the NJOP discrepancy between the price set by the government and the original price (expected price) from the public.

The above is also in line with research by [Fatima & Syahril \(2022\)](#) which states that many disputes arise starting from the implementation of tax collection, the calculation of outstanding PBB, or in the case of Tax Returns Payable (SPPT) and or Tax Assessment Letters (SKP) to taxpayers which are often not by the Law or not following the tax object owned by the taxpayer. Thus, the problem that often arises is that there are still many complaints from the public as taxpayers related to the determination of PBB ([Dailimi & Setyowati, 2020](#)). The Notice of Taxes Payable (SPPT) issued by the Tax Service Office (KPP) is deemed not to reflect the actual situation. The public (taxpayers) think that the NJOP set by the KPP is too high compared to the existing market value, so they file objections to the SPPT they receive ([Dailimi & Setyowati, 2020](#)). It is not easy to impose taxes on society. If taxes are too high, people will be reluctant to pay them. However, if it is too low, development will not proceed due to a lack of funds ([BKP, 2021](#)). In order not to cause various problems, tax collection must meet several requirements, namely: tax collection must be fair, tax arrangements must be based on law, tax collection must not disrupt the economy, tax collection must be efficient; and the tax collection system must be simple ([Dantes & Apsari Hadi, 2021](#)).

In Islamic economics, taxes have existed since the time of the Prophet. Several figures are Islamic economic thinkers who discuss the concept of taxes. As stated above, among them is Abu Yusuf in his book *Al-Kharaj* ([Jaelani, 2018](#); [Rioni, 2019](#)). Abu Yusuf emphasized the importance of fairness, and adjustments to the ability to pay taxes, as well as the need for accountability in managing state finances. Theories of tax collection include 4 principles of tax collection, namely Equity is the

imposition of taxes that must be balanced according to the taxpayer's ability. Certainty in tax collection must be clear. Legal certainty regarding the tax subject, tax object, and other tax rates and provisions. Convenience of Payment is the time of tax collection must be right, close to the income or profit subject to tax. Economic of Collections is tax collection must be efficient, and the costs incurred must be smaller than tax revenues. Referring to [Rusyana & Witro \(2021\)](#) where Abu Yusuf favored a proportional tax system (*muqasamah*) over a fixed tax system (*misahah*).

Misahah is a method of calculating *kharaj* based on land measurement without considering the elements of soil fertility, irrigation, or types of plants. Based on *muqasamah*, the tax rate is on a certain ratio of the total production produced ([Rioni, 2019; Rusyana & Witro, 2021](#)). Abu Yusuf is one of the Islamic economic thinkers who specifically discusses the concept of tax in his book *Al-Kharaj*. From the description above, there are differences in the determination of tax rates and the collection of land and building tax in the plantation sector in Indonesia with Abu Yusuf's thinking, in terms of prioritizing justice. Taxes in Islamic economics prioritize taxes that are fair and do not wrong the people according to Abu Yusuf's thoughts. This description is the basis of interest to be raised in a study. So that it can be revealed how land and building taxes, especially in the plantation sector in Indonesia and fair taxes in Islam, are analyzed from the perspective of Abu Yusuf. The government must protect its people. The policies taken should not only benefit the country but also benefit its people. Social responsibility is the point of emphasis that is to be conveyed in the book of *al-Kharraj*. What is the meaning of benefiting the country, but causing misery to its people ([Sudibyo & Bawono, 2016](#)).

Therefore, in every policy taken, this social aspect is what is to be conveyed. Beneficial to the community, and beneficial to the country too. Abu Yusuf suggested that the state take action by taking part in the agricultural produce, especially to the cultivators rather than charging rent from agricultural land. In addition to being fairer to the cultivators, this method is also considered to provide more production results and ease in agriculture. The cultivators will be more focused on producing the harvest rather than thinking about the value of the levy that must be submitted to the state. The principle created by Abu Yusuf is currently known as the canons of taxation, namely the principles of collection used in taxes, including the principle of equality, equity, and ability, the principle of certainty, the principle of convenience of payment; and the principle of efficiency economy of collection. With the principle of canons of taxation, the government pays attention to the readiness and ability of taxpayers to pay, providing a flexible time so as not to be burdensome. Abu Yusuf gave an example of Umar ibn Khattab's lenient attitude towards Bani Tlaghlab. As a population that was anti-tax, Abu Bakar did not require taxes for them but implemented alms. The policies taken prioritized the element of benefit to prevent *mudharat* ([Limurti, 2022, Rachman et al., 2023](#)).

2. Literature Review

Tax (*Dharibah*) is one form of internal muamalah in the economic sector as a means of meeting the needs of the state and society to finance various common (collective) needs, such as health security and education. For this, of course, soldiers, police, employees and other equipment, health and hospital personnel, teachers, and school buildings are needed. If sources such as *zakat*, *ghanimah*, etc. are insufficient, then *ulil amri* can determine tax (*Dharibah*) as additional income and is collected only in cases the occurrence of a vacancy or shortage of Baitul Mal (State treasury). Even though it is not permitted by the ulama, it must be implemented by the signs of the Shari'a. If not, taxes will go out of their way as a means of meeting the needs of the State and society, becoming a tool of oppression from the authorities to the people. Islam as a religion has a set of rules or Shari'a which regulate the relationship between humans and Allah and relationships between humans in all aspects.

In the field of economics, the Qur'an and Hadith regulate how individuals and the state obtain income, so that the various needs of all mankind are met, both personal needs and the needs of the State.

If seen from the subject side, Tax is clearly in conflict with sharia, because Muslims are also charged with land and or buildings they own, occupy, or utilize. If is identified with *kharaj*, then Indonesia is not the land of *kharajjiyah*, which was carried out by war, so Muslim residents of that land are not obliged to pay *kharaj*. Caliph Umar Ibn Khatab also prohibited the imposition of *kharaj* on Muslim people and included receiving land proceeds as zakat. In other words, no evidence can be used as a reference as to why Muslims are required to pay taxes on the land and or buildings they own, occupy, or use. All potential taxes on land and/or buildings are included in zakat, whether the results are material in the form of fruit, or the form of services resulting from renting lan ([Supriyadi, 2024](#)).

Legal Basis for Land and Building Tax in terms of Economics Islam

Land and Building Tax in Indonesia is levied based on Law No. 12 of 1985 as amended with Law No. 12 of 1994. With consideration that land and buildings provide benefits and or a better socio-economic position for a person or entity that has a right to it or obtains benefits from it. Therefore, it is natural that they are obliged to provide part of the benefits or enjoyment they obtain from the state through taxes⁹⁰. Revenue from taxes is very important for the implementation and improvement of national development aims to increase the prosperity and welfare of the people. In Islamic economics, there is no explicit reference. Regarding PBB, there is only land tax known as *kharaj*. Judging from the objects, both PBB and Kharaj have objects of the same thing, namely land. However, in PBB the object is added to the building. PBB is imposed on all people who have its land and/or buildings, which is different from *kharaj* which is only charged to non-Muslims and Muslims as a top rental fee for land owned by the Islamic State because it had conquered the territory and *kharaj* is paid at harvest considering the capabilities of the land. For more context current economic life relies on the industrial and service sectors rather than the agricultural and agricultural sectors of traditional farming, the more types of wealth and the details are very varied and even become a means of class distinction public the reality of changes to the needs of developing countries and modern economy ([Muftih, 2024](#)).

One source of revenue for an Islamic state is zakat and the target use of zakat funds is only limited to the eight as specified in the Koran. Therefore, infrastructure development needs such as building bridges, road repairs, irrigation, and so on must be financed from sources other than zakat. During the early Islamic conquests, the state treasury could be sufficient from one-fifth of *ghanimah* (war booty), *kharaj*, etc. Nowadays, this source of income has disappeared. So to be able to finance public needs there is no other way except to impose taxes. As a rule, something that is a requirement for those who are obligated is obligatory. According to contemporary Islamic economists, Muslim countries must currently cover the deficit with taxes, namely reforming the tax system and state expenditure programs. Apart from increasing taxes, it can also be done through monetary expansion and borrowing. However, borrowing from foreign countries and international financial institutions will potentially lead to usury and only temporarily suspend the burden which will ultimately burden future generations because they inherit interest-bearing debt, so increasing tax payments is preferable to monetary expansion ([Lestari, 2024](#)).

According to Yusuf Qardhawi, tax collection must meet the following requirements those assets (funds) are needed and there are no other sources. Fair distribution of the tax burden. Taxes should be used to finance interests people not for immorality and lust. Approval of experts and scholars. Apart from collecting state revenues, policies in The PBB sector are also directed at increasing land productivity and buildings. Unproductive land and buildings will reduce economic value compared to land and buildings used for productive activities and Activities that produce. The income will certainly provide benefits for the owner so that when subject to PBB it does not reduce

the economic value of the land. Thus, indirectly the UN encourages people to produce land and buildings that they have. The spoils of war in Islam are not all that they are movable property or property that can be moved, but also property immovable which includes agricultural lands in the country mastered. Among Rasulallah Saw's actions towards the land master that can be used as an example - is his treatment towards the land of Khaibar. The land of Khaibar is a source of *kharaj* for the Muslim economy. When Khaibar was conquered, the land was handed over to the Jews of Khaibar not to be used as their property, but cultivated for agricultural land according to the conditions they put forward, that is, they get half from crops and fruit. To count the produce of the land and take half of it as *kharaj*, the Prophet SAW sent Abdullah bin Rawahah ([Sari, 2024](#)).

3. Methodology

This research uses a method with a descriptive qualitative approach, which is an effort to understand various concepts found in the research process using content analysis techniques and library research ([Crowther & Lauesen, 2017](#)). Secondary data originating from various scientific journals and scientific documents obtained using statistical data with the involvement of researchers as the main source in conducting analysis and reviewing data, which is carried out when data collection occurs until the data is collected so that researchers can draw appropriate conclusions. Stages of research are carried out by collecting library sources, both primary and secondary ([Migiro & Magangi, 2011](#)). The figure above depicts the editorial in the context of a qualitative research literature study. This research is qualitative and based on a literature study. Stages of research are carried out by collecting library sources, both primary and secondary. This study classified the data based on the research formula. In the advanced stage, data processing and or reference citations are carried out to be displayed as research findings, abstracted to obtain complete information, and interpreted to produce knowledge for the conclusion. As for the interpretation stage, analysis or approaches are used, for example, philosophical, theological, Sufistic, exegesis, Sarah, and others ([Azorín & Cameron, 2010](#)).

The research model used is qualitative research with a descriptive approach, namely describing and interpreting the collected data after reviewing and analyzing it ([Ahmad et al., 2019](#)). From this research model, it can be seen that this type of research is library research and is qualitative. The analysis used in this study is content analysis, where the research technique is to obtain and analyze data by paying attention to text content. This analysis uses semantic content analysis in three ways, namely designation of an object or concept under study. Attribution of the object or concept refers to statements assertions of objects or concepts that are categorized ([Gill et al., 2008](#)). The land and building tax for the plantation sector in Indonesia will be explained in detail. Then it will be explained how a fair tax is from the perspective of Islamic economics, followed by an exploration of the thoughts of Islamic economic figures who discuss taxes, namely the thoughts of Abu Yusuf. Land and building taxes in the plantation sector in Indonesia will be analyzed using the concept of tax that was born by Islamic economic thinkers, namely the thoughts of Abu Yusuf.

4. Results And Discussion

Land and Building Tax for the Plantation Sector in Indonesia

Land and building tax is an objective tax where what is important is the object, and therefore the condition or status of the person or entity that is used as a tax subject is not important and does not affect the amount of tax ([Deviantari et al., 2021](#)). Land and buildings in Indonesia are subject to land and building taxes. The earth is the surface of the earth and the body beneath it. The surface of the earth includes land and inland waters, as well as Indonesian territorial waters. Buildings are technical structures embedded in or permanently attached to land and/or water. The subject of land and building tax is a person or entity that has rights over land and derives income from land and buildings. The

general provisions of the Law of the Republic of Indonesia No. 18 of 2004 concerning plantations state that plantations are all activities of growing certain plants on soil and other growing media in appropriate ecosystems with the help of science, technology, capital, and management, managing and providing goods and services ([Basri et al., 2021](#)).

In [Monitor \(2021\)](#), plantations in Indonesia began when the oil palm plant was first introduced by the Dutch government in 1848. At that time, four oil palm seeds were imported from Mauritius and Amsterdam and planted in the Bogor Botanical Gardens. Oil palm plants were planted and cultivated commercially from 1911 until now. As a large agricultural country, Indonesia has plantations covering millions of hectares and employing tens of millions of workers. Compared to neighboring countries such as Malaysia and Thailand, the potential for our natural resources to be developed into an agribusiness giant is still large. Ironically, this wealth has not been utilized optimally. Furthermore, land in plantations is classified as productive land. Not yet productive land, unproductive land, and safety land. Emplacement land ([Fatima & Syahril, 2022](#)).

Taxes are material in the sense that the amount of tax owed is determined by the condition of the object, namely land or land and buildings. The plantation sub-sector is one of the sub-sectors as a component of the agricultural sector, and the plantation sub-sector is no less important than other sub-sectors in the agricultural sector as a form of Gross Regional Domestic Product. Various commodities produced by the plantation sub-sector, such as rubber, palm oil, coconut, cinnamon bark, robust coffee, and so on, are commodities that are used as industrial raw materials and are accepted in the international market ([Bate', 2020](#)). The results of the imposition of PBB on the plantation sector are very helpful in accelerating development in Indonesia. Plantation areas in Indonesia are very large and productive businesses, so it is only natural that plantation areas are subject to tax, especially PPB in the plantation sector. In Article 5 of the Law on Land and Building Tax, the rate imposed on the object of tax is 0.5% (five-tenths of a percent). The basis for the imposition of tax is the Selling Value of Taxable Objects (NJOP). NJOP is the average price obtained from a sale and purchase transaction that occurs fairly, and if there is no sale and purchase transaction, the NJOP is determined through a price comparison with other similar objects, or the new acquisition value can be called a Substitute NJOP ([Dailimi & Setyowati, 2020](#)).

Legislation regarding taxation in force in Indonesia at this time This is Law Number 6 of 1983 concerning General Provisions and Tax Procedures (Law Number 6 of 1983) which has been revised through Law Number 9 of 1994 concerning Amendments to Laws Number 6 of 1983 concerning General Provisions and Tax Procedures (UU Number 9 of 1994). The magnitude of changes in taxation during this period, namely the year 1983, is known as the year of tax reform. Before the enactment of Law Number 6 of 1983, the taxation sector in this country recognized principles of tax collection called Tri Dharma Taxation. That tax collection must be fair and equitable covering subjects as well as the object of taxation. It is universal or non-discriminatory. There must be legal certainty regarding tax collection. With certainty, the law is that before tax collection is carried out there must be the law first. Timeliness of tax collection. Paying and collecting must be done in time, meaning when people have money principles convenience and efficiency ([Ashar, 2013](#)).

Fair Taxes in Islamic Economics

Tax justice is the first obligation that must be upheld in maintaining safety ([Ahmadi, 2005](#)). Justice in this case has various meanings according to the demands conveyed in the Qur'an, both in the process of establishing laws and upholding the human system. However, the concept of justice itself can be interpreted in four different ways. First, fair in the sense of equality, meaning that everyone must be treated equally before the law, there should be no distinction or discrimination in the tax treatment of certain individuals or groups. Second, fairness in a balanced sense requires that the taxes collected be balanced and proportionate to the economic capacity of each individual. This means that

individuals with higher incomes are expected to pay more taxes than those with lower incomes ([Thahir, 2015](#)).

Third, fair in the sense of paying attention to individual rights and giving these rights to the owner or placing something in their place. In the context of taxes, this means that the government must ensure that the rights of individuals to own, use, and control their wealth are respected and that the taxes levied do not violate those rights. Fourth, justice is associated with Allah, referring to the justice determined by Allah in the teachings of Islam ([Darwin, 2016](#)). In the context of Islamic economics, the principle of justice emphasizes that the process of Islamic law legislation and application must take into account the objective conditions of society, including the time and place where the law will be applied. This means that tax law in Islamic economics must be relevant to the needs and realities of Muslim society at that time ([Dantes & Apsari Hadi, 2021](#)).

It can be concluded that tax justice involves aspects such as equality, balance, protection of individual rights, and taking religious principles into account. The main goal of tax justice in the context of Islamic economics is to ensure that the tax system is fair and by Islamic values while taking into account the prevailing conditions and needs of society. Jizyah is a tax paid by non-Muslims in exchange for socio-economic facilities and other welfare services, as well as to obtain security protection from an Islamic country. Jizyah is a tax collected from non-Muslims because they live in and submit to an Islamic government. The rate is influenced by the material capabilities of the jizyah payer and can be paid individually or collectively. Even though jizyah is mandatory, in Islamic teachings There is a provision that mandatory jizyah is imposed on all non-Muslims mature, male, and able to pay for it. The amount of jizyah is one dinar per year for every adult male who can afford it. Results jizyah payments will be used to finance interests general welfare. Another source of tax in the early days of Islam was the jizyah which was collected from non-Muslims who live under Islamic rule but do not want to enter Islam. The taxes imposed on them are a substitute for rewards for economic facilities and, the Islamic government, as well as guarantees and security of their lives and property ([Salim, 2022](#)).

Tax According to Abu Yusuf

[Meirison & Saharuddin, \(2021\)](#) explained that Abu Yusuf lived during the transitional period of the two great caliphate eras in Islam, namely the end of the Umayyad rule in Damascus and the period of the Abbasids. This was marked by the competition for power among members of the Umayyad dynasty and the luxury at court, which had brought this dynasty to weakness, which in turn led to its destruction in 750 AD. One of his writings that can be linked to taxation is the Kitab Al-Kharaj. This is the most popular book of his work. In this book, he sets forth his fiqh thoughts in various aspects, such as state finances, land tax, government, and deliberations ([Shulthoni, 2012; Yusuf, 1302](#)).

The writing of Abu Yusuf's version of Al-Kharaj was based on orders and questions from Caliph Harun Ar-Rashid regarding various taxation issues. Thus, Kitab al-Kharaj has a bureaucratic orientation because it was written in response to the request of Caliph Harun Ar-Rashid who wanted to make it an administrative manual to manage the Baitul Mal institution properly and correctly so that the country could live in prosperity and the people are not tyrannized ([Zahrah, 1988](#)). Even though it is titled Al-Kharaj, the book does not only contain a discussion of Al-Kharaj but also includes various other sources of state revenue, such as *ghanimah*, *fai*, *kharaj*, *ushr*, *jizyah*, and *sadaqah*, which are complemented by ways of collecting and distributing every type of asset by Islamic law based on naqliyah (Quran and Hadith) and aqliyah (rational) propositions ([Amani, 2023](#)). In terms of setting taxes, Abu Yusuf tends to agree with the state taking a share of agricultural produce from cultivators rather than collecting rent from agricultural land. According to him, this

method is fairer and provides greater production results by providing convenience in expanding cultivated land. In other words, he recommended the use of the *muqasamah* system (proportional tax) rather than the *misahah* system fixed tax, which had been in effect since the reign of Caliph Umar until the early period of the Abbasiyah dynasties ([Zahrah, 1988](#)). *Misahah* is a method of calculating *kharaj* based on land measurement without considering the elements of soil fertility, irrigation, or types of plants.

Under the *muqasamah* method, the tax rate is based on a certain ratio of the total production produced. Abu Yusuf believes that the proportional tax system (*muqasamah*) is fairer and not burdensome for farmers, while the fixed tax system (*misahah*) has no provisions, whether it must be withdrawn in cash or goods ([Amani, 2023; Jaelani, 2018](#)). The change in the tax determination system from the *misahah* system to the *muqasamah* system was pioneered by Muawiyah bin Yasar, a vizier during the reign of Caliph Al-Mahdi ([Sabiq, 2004](#)). However, at that time, the percentage of the state's share was generally considered too high by the peasants. What Abu Yusuf did was adopt a *muqasamah* system by setting the percentage of the state that is not burdensome to farmers ([Zahrah, 1988](#)). In Abu Yusuf's view, the existing financial conditions required a change in *misahah*, which was already inefficient and irrelevant in his lifetime. He pointed out that during the reign of Caliph Umar, when the *misahah* system was used, most of the land was arable and only a small part was not. The planted area along with the non-planted portion was classified into one category, and the *kharaj* was also collected from the non-cultivated land ([Rachmawati & Khairuddin, 2021](#)). Abu Yusuf further stressed that the method of setting taxes proportionally can increase state revenues from land taxes and, on the other hand, encourage farmers to increase their production. In Abu Yusuf's view, the best tax system to produce more for the state's finances and the most appropriate to avoid tyranny against taxpayers by tax collectors is a proportional agricultural tax. This system will dispel tyranny against taxpayers and benefit state finances.

Analysis of Land and Building Tax in Indonesia in the Perspective of Abu Yusuf

Land and Building Tax for the Plantation Sector by the Regulation of the Director General of Taxes No. PER-31/PJ/2014 is an object of the Land and Building Tax that covers the area of seed cultivation, new planting, expansion, change of plant types, and diversity of plant types, including its supporting facilities ([Safitri et al., 2022](#)). The object of the Plantation Land and Building Tax, as stated in Article 2, is land and buildings within the area used for plantation business activities. Areas that are subject to PBB for Plantation by Article 3, in the form of productive areas, and unproductive areas, which include areas that have not been cultivated, those that have been processed but have not been planted, and nurseries. Non-productive areas, safeguard areas, and emplacement Areas ([Fatima & Syahril, 2022](#)). In [Deviantari et al. \(2021\)](#) the basis for the imposition of PBB on plantations is the NJOP, and the rate imposed on the object of tax is 0.5% (five-tenths of a percent).

Following Abu Yusuf's thoughts, several areas have not been planted for hundreds of years, as Abu Yusuf stated in his book: Land or areas that have been idle for at least one hundred years, and farmers are unable to build or revive them shortly, and they need supplies and costs while they cannot afford it. In such a situation, a tax fixing a fixed crop size or a fixed cash amount would burden taxpayers and could harm public financial interests. The argument suggests that a fixed tax amount based on the size of the land (whether cultivated or not) is justified only if the land is fertile. Abu Yusuf recommended the use of the *muqasamah* system (proportional tax) rather than the *misahah* system (fixed tax). It is not justified to impose a fixed tax without considering the fertility of the land, bearing in mind that this will affect the owners of infertile [land \(Amani, 2023\)](#).

In setting *muqasamah* rates, Abu Yusuf considers the irrigation system to be the basic foundation. The rate suggested by him was Two-fifths (40%) of wheat and barley are grown on naturally drained land, i.e., by rainfall and water from natural springs. One-half in ten (15%) and three

in ten (30%) in plants from artificially irrigated fields, depending on the amount of labor involved and the method of irrigation required (Yusuf, 1302). Abu Yusuf highlighted the importance of fairness and adjustments to the ability to pay taxes, as well as the need for accountability in managing state finances. He also discussed tax collection techniques and systems, as well as the need for centralized decision-making in tax administration (Rachmawati & Khairuddin, 2021). According to him, the state has a big role in providing public goods and facilities needed for economic development, such as roads, bridges, dams, and irrigation (Amani, 2023). Even though Indonesia has adopted a proportionate tax system, specifically taxes based on the NJOP, there are some discrepancies between it and Abu Yusuf's muqasamah system. To guarantee justice in tax collection, the *muqasamah* system pays extra attention to variables such as soil type, soil fertility, irrigation, seasons, and price changes during harvest. If Abu Yusuf's kharaj idea with the muqasamah system is used in Indonesia with the character of an agrarian country, then the state revenue from agriculture sector tax is highly promising.

Abu Yusuf used different rates for each land taxed, for example, 40% for which the irrigation system uses natural rain. 30% for which the irrigation system uses artificial irrigation. 25% for tax rates during the summer. The advantages of implementing the muqasamah method are: First, increasing the income of the taxation department (*bait al-maal*). Second, preventing injustice for those who pay taxes. To determine the tax rate, Abu Yusuf used two methods, namely the *Misahah* method (a fixed tax rate). *Misahah/wadzifah* is a fixed tax rate according to applicable laws without considering the amount of the tax base. The principle of misahah was first applied at the beginning of the Abbasid Dynasty. This principle is based on the size and area of land by ignoring the type of soil and its fertility level. This system does not look at the irrigation system used and the type of crops it produces. *Muqasamah* method (a proportional tax). The principle of *muqasamah* is a rate with a fixed percentage without considering the amount used as the basis for taxation. For example, PBB is 0.5 percent, value-added tax is 10%, and land and building acquisition fees are 5%. This proportional rate only uses one rate with a fixed percentage and does not change. Meanwhile, in agriculture, the ratio is based on the type of plant, type of soil, and irrigation system.

5. Conclusion

It can be concluded that the Land and Building Tax for the Plantation Sector is an object for the Land and Building Tax that covers the area of seed cultivation, new planting, expansion, changes in plant types, and diversity of plant types, including its supporting facilities. Fair taxes, according to Islamic economics, are seen in the fairness of applicable taxes, which involve aspects such as equality, balance, protection of individual rights, and taking religious principles into account. The main goal of tax justice in the context of Islamic economics is to ensure that the tax system is fair and by Islamic values while taking into account the prevailing conditions and needs of society. Abu Yusuf, in the book *Al-Kharaj*, recommends the use of a muqasamah system (proportional tax). Abu Yusuf stressed that the method of setting taxes proportionally can increase state revenues from land taxes and, on the other hand, encourage farmers to increase their production. Abu Yusuf stressed the importance of fairness and adjustments to the ability to pay taxes, as well as the need for accountability in managing state finances. This view certainly creates injustice for taxpayers in Indonesia, because if unproductive and unproductive areas are subject to the same tax, namely 0.5% based on the NJOP, then immature and non-productive areas may issue a higher tax than productive areas or areas that are already producing. Moreover, there is no attention paid to the level of soil fertility and no consideration of irrigation.

From the results of this study, the researcher would like to recommend these findings to the government as a policy maker, especially policies regarding land and building taxes in the plantation sector. Abu Yusuf's thinking is still very relevant when applied in Indonesia, especially in land and building taxes in the plantation sector. As for the principles of tax collection, namely the principle of justice, the principle of legal certainty, the principle of timeliness, the economic principle, the principle of welfare, the principle of equality, and the principle of law, all of these principles have been summarized in Abu Yusuf's thoughts on the concept of taxation. In terms of taxation, the state cannot make arbitrary policies because this tax collection concerns justice and authority, as well as the rights of citizens. The government must also pay attention to the factors in setting taxes so that land taxes can be adjusted according to the capacity and economic potential of each land so that it is fair and by existing conditions. This is by the concept of *kharaj* put forward by Abu Yusuf. If this concept is applied in Indonesia, which has the character of an agrarian country, then the potential for state revenue from taxes in the agricultural sector is very large. The government is obliged to pay attention to the principles of taxation in determining the area imposed by PBB for the Plantation Sector. Future researchers who are struggling with the thoughts of Islamic economic leaders must continue to develop further research so that they can add and enrich the insights and knowledge of society and government based on Islamic economics.

Author contribution statement

Based on the theory developed from the research results, this study provides input for the resolution of tax administration by attempting to address an important problem in the context of taxation that is relevant in the fields of economics and tax administration. The explanation of the legal basis and theory of taxation, as well as the historical perspective of Abu Yusuf, adds academic depth to this topic.

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