



Effectiveness and Strategies Hotel's Tax Problems in Baubau City

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Article

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Abstract

This study attempts to explain the problem of hotel tax in Indonesia especially in Baubau City. With a mixed research design. Sequential explanatory strategy type. To determine the effect of hotel tax effectiveness on local revenue (PAD) in Baubau City, this study used a quantitative design with a survey using a correlation approach. Meanwhile, to find out the strategy to increase hotel taxes using a qualitative design. The results of this study found that only a 2.52% increase in Baubau City's PAD in 2018-2020 was influenced by hotel tax effectiveness. The tax increase strategy carried out both intensification and extensification by the Baubau City BPKAD has many weaknesses so that it has an impact on many obstacles to efforts to increase taxes. No strategy changes have been made to increase hotel tax revenues, including in the face of the COVID-19 pandemic.

Keywords: Effectiveness; Strategy; Hotel Tax; Problems

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Introduction

Baubau City's original regional income is problematic, one of the reasons is the failure to achieve the Baubau City regional tax target in three 3 years, namely 2018 to 2020. On the other hand, the hotel tax strategy seems not to be managed optimally both from the calculation of its potential, implementation of collection, and supervision of hotel tax collection. Baubau City Financial, Asset and Revenue Management Agency's (BPKAD) own strategic plan data shows that there are problems with the implementation of hotel and restaurant tax collections that have not received full good support from entrepreneurs so that many hotels are often in arrears every month paying their taxes, the lack of socialization of the Baubau City Regional Regulation Number 11 of 2012 hotel tax to the public and hoteliers, lack of clear coordination of action for hotel locations that violate local regulations, the number of hotel visitors changes every day so that there is no definite benchmark for measuring income from this hotel. Data for 2020 shows that the Baubau City Hotel Tax is only targeting IDR 400 million in 2020 even though the potential is around IDR 8 billion for hotel taxes (Baubau, 2021).

In addition, the sector, which is expected to be able to increase local revenue until October 2020, is still below 50 percent, including hotel taxes. The realization of hotel tax

revenues is still possible to note that an intensification strategy or other strategies are be increased again with a needed. Hotel tax fluctuations from 2018-2020 also affect the effectiveness of hotel taxes on Baubau City's local revenue which has not been maximized. The target for the 2017 Hotel Tax is Rp.380,000,000.00 while the realization is Rp.403,6790,000.00 (exceeded the target). The target for 2018 is IDR 400,000,000.00 while the realization is IDR 458,856,575 (exceeded the target). Meanwhile, for 2019 the Hotel Tax target is Rp. 400,000,000.00 the realization is Rp.362,269,810.00 (Baubau, 2021). The hotel tax in Baubau City above, when viewed from its effectiveness, has not been maximized because in terms of the approach to the goal it is not optimal because the realization of the hotel tax is not as targeted as planned. Other factors can also be the cause of this ineffectiveness, namely the organization's internal performance in responding to environmental demands that are not good or the Baubau City Financial, Asset and Revenue Management Agency (BPKAD) is not optimal in establishing relationships with external parties.

Research on the effectiveness of hotel taxes on PAD combined with its causes, in this case the hotel tax increase strategy that has been carried out is interesting and different from many previous studies. In addition, this study combines qualitative and quantitative approaches as well as an attempt to explain what and why the phenomenon of hotel tax in Baubau city. This is the novelty of this research, as well as describing and comparing the situation before covid-19 (2018 and 2019) and during covid-19 (2020) regarding the effect of its effectiveness and the strategies that have been carried out. Are there any changes related to the two, especially the tax strategy taken to deal with the COVID-19 pandemic?

Research Method

The design used in this study is a mixed design. The type of explanatory sequential strategy (Creswell, 2013). To determine the effect of hotel tax effectiveness on Baubau City's PAD, this study uses a quantitative design with a survey design using an influence (correlation) approach, namely the effect of hotel tax effectiveness on Baubau City's PAD in 2018-2020. The population were members of the Baubau City Financial, Asset and Revenue Management Agency (BPKAD) consisting of 14 organic employees, 60 honorary employees, and all hotel owners in Baubau City as many as 59 hotels. The total population is 133 people. With withdrawals taken using a purposive sampling technique, consisting of 100% of Baubau City BPKAD organic employees (14 respondents), temporary employees 50% of 60 people (30 respondents), hotel owners 50% of 59 hotels (made up to 30 respondents) so that the total sample is 74 respondents. The research data is data with an ordinal scale, hypothesis testing ordinal data is converted into an interval scale through the successive of interval (MSI) method. The questionnaire used is validated first. The instrument validation uses a construct validity model and an internal consistent model reliability, which technically uses the SPSS (Statistical Power of Social Science) version 23 program. For the purposes of testing the research hypothesis, the data obtained in this study were analyzed using simple regression analysis. But before that and hypothesis testing. normality analysis of the data was performed.

To find out the strategy to increase hotel taxes, the researchers used a qualitative design. More precisely descriptive qualitative. The reason is because the problem that we want to know is a phenomenon, namely the strategy of increasing hotel taxes while at the same time trying to find out more about the phenomenon, by talking and hearing directly from the actors involved by trying to describe what it is. The main data sources are interviews with heads of offices, heads of divisions, heads of sections, hotel collectors and hotel owners. Observations were made directly at the research location, namely the Regional Revenue and Assets Service and several hotels in Baubau City and sharpened with Documentation studies related to the strategy of increasing hotel taxes. The data obtained were analyzed by being clarified, described in sentences and drawing conclusions. Medium to ensure validity. In this study, the authors use triangulation both source, method and time triangulation.

Results and Discussion

A description of the lack of effectiveness of the hotel tax on Baubau city's PAD and the weakness of the tax increase strategy will be discussed separately. The effectiveness of the effect of hotel taxes on local revenue is described quantitatively by statistical analysis. Meanwhile, the strategy of increasing tax is discussed qualitatively. The strategy referred to here is the utilization and allocation of all resources to achieve the goal of increasing hotel taxes. Where based on the results of this study, there are two strategies used, namely intensification and existentialization. Both are described as follows:

The Effect of Hotel Tax Effectiveness on Local Revenue

Of the 74 people who became respondents, more than half of the respondents stated that they agreed that taxes should be collected by the Baubau City Financial, Asset and Revenue Management Agency (BPKAD) and were categorized as very good. Respondents who answered strongly agree as many as 20 people or 27.03%, respondents who answered agreed as many as 42 people or 56.76%, and respondents who answered neutrally as many as 11 people or 14.86%, and respondents who answered disagreed as much as 1 person. or 1.35%. On the other hand, more than half of the respondents stated that the increase in PAD in Bauabu City was very good (average value of 3.89). Respondents who answered strongly agreed were 15 people or 20.27%, who answered agreed were 51 people or 68.92%, respondents who answered neutral were 6 people or 8.11%, respondents who answered disagreed were 2 people or 2, 70%. The correlation coefficient of X (Hotel Tax Effectiveness) with Y (Baubau City PAD) itself is shown in the table:

Table 1
Correlation Coefficient of Hotel Tax Effectiveness on PAD

Model (Source of Variation)	R	R Squared	R Square fit Std.	Estimation Error
1	0,158	,025	,234	12,752

Source: processed results of questionnaire data, 2021

The level of closeness of the relationship between the effectiveness of hotel taxes on the PAD of Baubau City in 2018-2020 BPKAD of Baubau City is 0.158 with a coefficient determination of 0.0252. It means 2.52% of the increase in PAD in Baubau City is influenced by the effectiveness of the hotel tax, 97.48% is determined by other factors not observed in this study. The significance of the relationship between the two, indicated by the F value of 1.884, has a significant level of $0.179 > 0.05$, this means that there is no significant relationship pattern. The t value for the regression coefficient b, which is 1.350, has a significant level of $0.179 > 0.05$, this means that there is no effect of hotel tax effectiveness on the increase in PAD in Baubau City. The complete regression table is shown below:

Table 2
Regression Coefficient between Hotel Tax Effectiveness and Baubau City PAD

Model	Regression Coefficient Model (raw data)		Regression Coefficient (Standard Z Data Coefficient) (Bi)	T	P	
	Coefficient (Bi)	Standard Error	Beta			
1	Regression Constant	12,000	0,747	16,067	0,000	
	Hotel Tax Effectiveness	0,082	0,061	0,158	1,350	0,179

Source: processed results of questionnaire data, 2021

Tax Increase Strategy

Intensification

Strategy Baubau City Government, in this case through BPKAD in its efforts to increase hotel taxes based on research results, has made various efforts to increase hotel taxes. The efforts in question are:

The first is guidance and training. The Baubau City BPKAD realizes the importance of employee capabilities. Relevant to that, BPKAD includes them in continuous training to adjust their tasks, especially for new employees. Even though they have higher education, they need adaptation to the work they do. Improving the ability of employees is of course adapted to their respective fields. Teaching methods, discipline, teaching staff, existing facilities and infrastructure increase the capacity of employees. But in fact, on the other hand, the resources of employees who occupy a certain position, do not necessarily have the abilities that are in accordance with the requirements needed in that position. This happens because the employee who occupies a certain position is not because of his ability but because of the availability of formations. The ability of employees is adequate although there are still poor quality work, because employees are from other sections of course need guidance and training in improving hotel and restaurant tax intensification strategies

but after several times attending training in this case tax training so they can learn to recognize more far from the main tasks and functions.

On the other hand, there are promotions in BPKAD. Where sometimes the ability of an employee who will be promoted to occupy a certain position is not enough so that additional guidance and training is needed. Guidance and training are intended for employees who carry out their duties to collect taxes, manage taxes and supervise taxes. Where they feel there is a change after following guidance such as increasing discipline and professionalism at work. This is done as a form of commitment to improve the ability of each member in order to increase the optimization of tax collection for taxpayers. These activities can play a role in supporting success, but they are carried out in stages. The role of guidance and training in improving hotel tax intensification strategies is not only carried out especially for members on duty in the field, but also staff and section heads at the Revenue and Assets Service Baubau City area. The author's observation with the policy to include employees in guidance and training every year at the Baubau City Regional Revenue and Assets Agency is a positive thing for the sake of professionalism in carrying out their duties. as well as improving the quality and coaching employees to carry out their duties properly. The employees are very grateful to the Head of the Agency who has sent us to participate in education and training so far. Previously they considered it just an ordinary training but what happened was unexpected, which had shaped their personality and work spirit.

The type of guidance and knowledge obtained by employees of the Regional Revenue and Assets Office of Baubau City is generally related to the content of knowledge about the main tasks of the Regional Revenue and Assets Office in particular and local government in general, knowledge of the basics of law and legislation, the legal basis for carrying out duties employees and the basics of communication science. Based on the results of interviews with employees who have attended guidance and training, it is stated that the implementation of the guidance and training that was held was partly good. The guidance and training program is in accordance with the needs, meaning that the guidance and training are carried out in accordance with the needs. Finally, the empowerment program in supporting the work of employees is carried out by the Baubau City government, namely the technical staffing guidance held by the Baubau City Bappeda. However, some stated that this guidance and training should continue to be held at least once a year.

The performance outcomes of some BPKAD employees increased after attending the guidance and training. Therefore, it plays a very important role in assisting BPKAD employees in carrying out the tax increase strategy. Although the implementation has been good, some stated that there are still a few obstacles faced, namely the lack of awareness of some employees in carrying out their main tasks and functions, for example, often skipping / not on time this is due to the density in office and household work, it is necessary to apply discipline in order to improve the quality and the results of the guidance are really felt by the employees themselves. Some employees follow the guidance and training of their own encouragement, not coercion from others. This shows that the employee actually follows the guidance and job training in order to increase knowledge and skills. The guidance and training organized by the Regional Revenue and Assets Office of Baubau City is very useful for participants or employees.

It can be proven that the performance of civil servants increases after the guidance and training is held because one of the benefits can be to improve the way employees work, where what has been received by participants or employees is applied in their work so that the work of employees is considered easier after attending guidance and training. The problem is, there are some employees who take part because they just want to improve their careers, without trying to improve the quality of their work so that in participating in the guidance and training they pay less attention to the course of the training. This is due to the lack of employee responsibility for their duties and work.

The second is manage discipline of Officers. The Baubau City Regional Financial and Asset Management Agency, based on the statements of several of its employees, is trying to create rules and regulations that serve as references that all employees must obey. Employees are also disciplined in carrying out their work, each job has been divided based on their respective main functions. Everything is done, because there are guidelines in carrying out their duties, the mental attitude of the Baubau City BPKAD apparatus in implementing services can be said to be good, and can understand the situation and conditions and strive to achieve the main goal of optimizing services at Baubau City BPKAD.

The Baubau City BPKAD apparatus in realizing employee work performance tries to implement services that aim to improve administrative services However, based on the researcher's observations, it is still seen that there are employees who arrive at 08.00 as well as go home rather

quickly, so it does not match the rules of employee discipline and the reality on the ground, even though there are also employees who come on time. A hotel owner also said that since the Covid-19 pandemic in 2020 they no longer have normal income and even some employees have not been employed, of course in terms of paying taxes to the service it is not normal as before, and they quite understand this condition because it has been several months since the hotel has not had visitors. However, according to him, usually if someone comes to take care of the tax payment service. You have to come at 09.00 because if you come at 08.00 usually there are no employees. working time in the office is not adequate in completing work every day, the reason is that work must be completed but not completed in 1 day except within a period of 2-3 days. To improve work performance in this case an increase in hotel taxes, there needs to be an effort to increase the ability of employees in keep and be consistent with office time on an ongoing basis so as to realize organizational goals quickly and efficiently including on time to go home from work.

The third is do the counseling. Counseling is carried out to increase awareness of paying taxpayers. Counseling must be carried out, especially education and new information to the community. The real purpose of counseling is to change the behavior of the target. This is a manifestation of knowledge, attitudes and skills that can be observed directly or indirectly. According to the informants, there were complaints and those who did not. But because it has been determined by the DPRD, they carry out the rules. In reality, taxpayers know about taxes, of course they automatically know what their obligations are, but their response is good if given with a good understanding. In fact, they give their response and it can be seen from the realization of their payment. If they object to requesting a reduction, then they file an objection request after which the office goes down to check to collect data and then reassess it.

For those who received their response very well with the reasons for the advancement and welfare of urban development, the response they received was because it was adjusted to their turnover and income. But from 2020 to 2021 all hotels will be closed due to the Covid-19 pandemic, of course in terms of income, hotels no longer have sufficient income due to temporarily laying off our employees due to declining income for the past few months. However, based on the results of observations at the Baubau City Revenue Service, it can be seen that the attitude of implementing agents tends to be slow in completing work. This can be seen from the employees of the Baubau City Revenue Service that there are still delays in submitting warning letters to hotels that are late in paying hotel taxes. In fact, many found arrears for 3 months and only paid 1 month after it was repaid in installments. And finally they were diverted and urged them to pay the arrears in 2022. If they don't pay taxes again, they will be fined. In addition, based on observations, officers even have to go to the field 3 to 4 times to teach taxpayers to pay taxes. There is no strict sanction if the business does not pay or is closed. This statement was also stated by other hotel owners where even though they were in arrears of up to 5 months they were not dealt with firmly and were still in arrears in their payments. Based on the description above, it can be said that in the work system of the Baubau City BPKAD that has been and is being implemented, there are efforts to increase the awareness of entrepreneurs paying taxes, but there are many obstacles.

The fourth one is Administration Cost Emphasis. In the case of tax collection, as far as possible, the administrative costs do not exceed what is obtained. From the results of the interview, it was found that the tax administration costs had been calculated properly so that there was hotel tax revenue at BPKAD, including paying fees for implementing levies, on the other hand it did not burden visitors and owners as taxpayers. So from the internal side, there is a calculation of the cost of collecting taxes so that there is an excess. However, administrative costs are also related to economic, social and political environmental conditions which in this context in Baubau City have a major influence on the successful implementation of Regional Regulation No. 12 of 2012 concerning hotel taxes.

Based on the results of observations at the Baubau City Revenue Service, this is felt to be less supportive. This can be seen from the economic environment in the Baubau City area which is quite influential on the increasing selling value of hotel objects, especially in the layout of the hotel establishment. Actually hotel owners feel burdened by the amount of the tax rate, they want to have to adjust the turnover they get. However, judging by the turnover, it is not the owners who pay taxes but the visitors, However, since the pandemic in March 2020, the owner of Calista Beach Hotel said that the hotel tax is subject to 20% per month, currently it feels heavy because the hotels are still quiet due to social restrictions, if forced to receive 20% of the income it will be difficult for the management hotel. Other facts found in the context of political conditions do not support the effectiveness of the implementation of hotel and management policies. This is marked by the inclusion of many interests of various parties into the management of hotels in Baubau. For

example, there are members of the legislature, businessmen and government employees themselves, who are involved in hotel management.

In practice, hotel owners are required to report to the Baubau City BPKAD about the calculation and payment of hotel tax fees owed. Hotel owners who already have a hotel's Regional Taxpayer Identification Number (NPWPD) fill out an Additional Regional Tax Return (SPTPD). The SPTPD is filled out clearly, completely, and correctly and signed by the hotel owner or his proxies and submitted to the Mayor or the appointed official in accordance with the specified time period. Hotel owners who do not report or report not in accordance with the specified time limit will be subject to administrative sanctions in the form of fines according to the restaurant and hotel founders to pay off the fees owed within a certain period of time, after fulfilling the specified requirements. If the obligation to pay the outstanding fees is not or fully paid within the specified period, it is billed by issuing STPD plus two percent per month administrative penalty.

Table 3
Hotel Tax Determination And Realization 2018-2020 Fiscal Year

No	Year	Annual Decree (Rp)	Realization (Rp)	Description (Rp)
1	2018	124.546.000	147.049.400	Surplus 22.503.400
2	2019	146.504.000	119.721.000	Deficit -26.783.000
3	2020	313.341.000	269.262.700	Deficit -44.078.300

Source: Baubau City BPKAD Office, 2020

This means that the income (realization) from hotel taxes in Baubau City has decreased quite sharply, this is due to the Covid-19 pandemic which resulted in hotels in Baubau City experiencing a lack of visitors so that many were temporarily closed, while in 2018 there was still a surplus or excess of the planned target. As for when compared to other types of local taxes, hotel taxes remain the same and have minimal contributions.

Table 4
Comparison of Revenue Types of Regional Taxes in Baubau City In Fiscal Year 2018 – 2020

No	Year	Tax Type						
		Hotel Tax	Restaurant Tax (Rp)	Entertainment Tax (Rp)	Advertising Tax (Rp)	Street Lighting Tax (Rp)	Metal and Rock Mineral Tax (Rp)	Land and Building Rights Acquisition Fee (Rp)
1	2	3	4	5	6	7	8	9
1	2018	147.049.400	163.862.426	93.118.208	302.791.850	2.666.989.318	280.174.650	1.013.293.150
2	2019	119.721.000	485.140.975	56.085.000	252.004.500	3.387.298.307	210.912.800	1.029.800.400
3	2020	269.262.700	654.861.667	122.189.400	567.463.800	4.460.675.874	227.895.388	1.912.376.122

Source: Baubau City BPKAD, 2020

Extensification

The first strategy is coordination and support. In the context of hotel taxes in Baubau, generally related parties help a lot in collecting taxes, the parties in question are the sub-district and village offices, as well as hotel owners and management. The collaboration in question does not cause ripples in the field. One form of coordination is consolidation or joint meetings and introduction of officers in the field. Also cooperation with the community at the tax collection points. The form of coordination from the preparations is to write to the relevant parties, set a schedule and discuss solutions if there are problems, but at the same time we discuss comfort in the field and peace for all Coordination by BPKAD itself is carried out in stages, from lower level leaders to superiors, so that everything does not immediately take over. There are rules. Sometimes there are obstacles so coordination must be solid in order to get strong support. The head of the civil service and general subdivision coordinates support in stages to the heads of fields, section heads and staff for cooperation with parties outside BPKAD. The head of the relevant section monitors and coordinates with their respective staff. They monitor, among other things, whether they have deposited or not and ask for obstacles if there are any.

The researcher views that coordination and support to achieve effectiveness from all stakeholders is important in order to pay taxes on time and there are no exceptions to achieve the

optimization of the achievement of the PAD Regional Original Revenue target, especially the contribution from the Baubau City BPKAD. From the instrumental aspect, this includes the provision of infrastructure to facilitate and assist other parties in terms of equipment, supplies, and supporting facilities. Meanwhile, from the aspect of information, this overcomes personal problems consisting of providing advice, direction, other information needed by the parties concerned.

The second one is added potential. What is meant here is an effort to expand the subject of tax and tariff adjustments. BPKAD Baubau targets what it wants to achieve, if there is a new hotel and lodging point if the public has awareness, the tax target should increase every year because it is directly proportional to public awareness. The development of hotels and inns that have reached 59 units until 2021, at which point the government has the right to collect taxes. According to the head of the Baubau City BPKAD, if there is training, they hope that their potential can be developed in the area, including related to hotels and lodging. The potential is actually huge, only the infrastructure is limited. However, it can only be tried to attract if the rules are in the regional regulations. The government can only increase PAD results through levies authorized by regional regulations. Must adjust in items in Perda. Hotel owners and visitors complain. if it does not match the item of the regional regulation, including if there is a new tariff addition. In addition, the statement of the hotel tax collector staff emphasized the improvement of facilities and facilities provided by the city government to collect taxes, so that the main facilities and supporting facilities to attract taxpayers were not sufficient. So far, the main obstacle is the limitation of regional regulations and the application of regional regulations, but it is also necessary to know that there must be a collective awareness of hotel owners and visitors to comply with the mutually agreed regulations that must be completed, including the human resources they have in order to be able to play a role in their duties and functions as servants. state for public services. The addition of its own potential by making new levies or increasing its price rates must indeed be considered for its continued impact. For example, the effect on people's income and the smooth running of economic activities. So the potential addition so far is very minimal or it can be said that it does not exist at all. The preparation and discussion of new regional regulations related to hotel taxes also does not exist at all. Moreover, since the Covid-19 pandemic has had broad implications, including the very reduced number of hotel visitors, both local and international. The activities of the local government around the city of Baubau which are usually also a mainstay for hotel income (APBD funds) such as meetings, seminars, technical guidance activities are greatly reduced.

In contrast to the results of this study, several other studies have found that hotel taxes have a significant effect on local revenue. But generally, the opposite phenomenon occurs, especially in areas with superior tourism or provincial capitals (Farhan, 2019), (Sigit Sanjaya, 2020). However, this study is in line (Anggraini & Handayani, 2015) which states that the City of Madiun in 2009-2013 contributed only 2.26% of the hotel tax. (Muhamad Adyatma Olga, 2021) also stated that entertainment and hotel taxes have no effect on Regional Original Revenue. Likewise (Deasy Arisandy Aruan, 2021), hotel tax contributions are below 10%. Finally, (Sastra Nugraha, Sri Fitria, 2021) shows a decrease in the value of the effectiveness and contribution of hotel taxes. Hotel tax contribution in 2018 is 0.81% and in 2020 is 0.39%. In essence, local revenue capacity is the amount of local tax from its contribution to PAD, and serves as a source of funds for regional expenditures. (Mulyana, A., & Budianingsih, 2019), explained in theory that local revenue (PAD) is the real contribution of the local community to assist the autonomy given to the region. The higher the contribution of local revenue, the higher the ability of the region to finance its own ability. The potential for hotel taxes continues to grow in Baubau, this is due to its position as a transit area that connects flight and sea routes in eastern Indonesia, and a transit area to the leading tourist area of Wakatobi. The dimensions of services and tourism are increasingly being considered in development policies and supporting the development of tourism businesses. The number of hotel rooms, average rates and hotel occupancy rates can continue to grow. In relation to efforts to increase hotel taxes in Baubau, every taxpayer (hotel entrepreneur) is required to calculate, pay and report their own hotel tax payable using the SPTPD (Regional Tax Notification Letter). Based on this, a regional tax assessment letter must be fulfilled. Taxpayers can be subject to penalties from administration to fines. if you don't comply. To develop the hotel sector, mainly to overcome obstacles that have many strategies related to the Baubau city government, the Baubau city government in this case mainly BPKAD to make improvements and improvements to internal and external systems.

In general, fiscal autonomy, represented by local revenue, has a relatively weak position in supporting regional expenditures (Wibowo, 2017). The negative impact in many circumstances is still largely dependent on the central government. And the problem is the low motivation of local

governments to be able to optimize local sources of income (Sari, P., Garvera, R. R., & Sihabudin, 2018),(Masaki, 2018). Recent research by (Yuswandi Arsyad Temenggung, Reydonnyzar Moenek, Dadang Suwanda (2020) also shows the problem of excessive financial dependence on the central government. The problem includes the dependence of the New Autonomous Region. This has not decreased particularly on the parent regions or the central government. Tan (2020) also found the same trend, the low contribution of local revenue to total regional income. The main root of the problem is that the management of regional taxes has not been effective, so that it has not promoted regional fiscal autonomy. This is due to the low determination of local tax revenues, the weak capacity of the local tax apparatus, and weak taxpayer compliance.

Fatoni (2020) stated that fiscal decentralization is an unfinished reform and until now its implementation has not been maximized. Whereas fiscal decentralization is a core element of decentralization in addition to administrative and political decentralization. Without being followed by fiscal decentralization another decentralization would not take effect. Fiscal decentralization itself is expected to increase the effectiveness and accountability of local government finances (Isufaj, 2014). Slavinskaitė (2017) said Fiscal decentralization is still an interesting topic and is discussed not only from an economic perspective, but in many other disciplines. However, research on this topic yields highly variable results, and the effectiveness of decentralization is still not convincing (Smoke, 2015). These findings suggest that the effectiveness of decentralization depends on what the development goals are; and there can be reciprocity (Canare, 2021). In fact, there are still pessimistic and optimistic views on fiscal decentralization. Kumba Digdowiseiso (2022) shows that decentralization has and can reduce inequality. However, some decentralized developing countries face several obstacles and as a result, fiscal decentralization is fundamentally only suitable for developed countries. Likewise, the writing of Dennis Shoesmith, Nathan & Franklin (2020) which shows that the implementation of decentralization is limited by limited social capacity, poor resource base, and lack of investment capital and infrastructure and requires the development of specific policies for certain regions. While one of the optimistic views is shown Newin Ananta Aji Saputra (2021) where the results show that the higher the level of fiscal decentralization will have a positive impact on anti-corruption. Based on these results, it is important to increase the level of fiscal decentralization to reduce the level of indications of corruption. Imran Hanif , Sally Wallace (2020) also shows that in developing countries the federal form, both tax revenue and expenditure decentralization have a significant positive impact on economic growth. decentralization could be one of the main policy options and even deepen their decentralization process.

Conclusions

This study found that only 2.52% of the high and low increase in Baubau City's PAD in 2018-2020 was influenced by Hotel Tax Effectiveness, the rest of 97.48% was determined by other factors not observed in this study. The Baubau City Government, in particular BPKAD, has actually implemented a strategy of both intensification and extensification, but faces or has many obstacles and weaknesses so that its realization, contribution and effectiveness in Baubau City's original revenue is still lacking or weak. Efforts to improve the hotel tax increase strategy should be taken more seriously. Considering that regional original income must be increased in the future, in line with the development of the community's economy and economic growth. Improvements in terms of the intensification strategy mainly need to be carried out on increasing the effectiveness of guidance and training, discipline of officers and counseling to the public so that awareness, obedience and honesty of hotel and inn owners increase. Development of instruments such as incentives and disincentives can be done to overcome these things. In terms of extensification, coordination and support as well as additional potential need to be strengthened, considering that assistance and synergies with other elements outside the BPKAD are important in expanding and deepening the source of revenue from this hotel tax. The strategies undertaken should not only be considered as formalities and ordinary routines, so that breakthroughs and innovations need to be made, technological developments and digitalization need to be utilized in this regard.

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