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Law Enforcement Towards Taxpayers Regarding Rural and Urban Land and Building Tax Payments (Pbb-P2) at The Regional Revenue Agency of Sidenreng Rappang Regency

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ABSTRACT

This study aims to determine the implementation of law enforcement against non-compliance with Rural and Urban Land and Building Tax (PBB-P2) payments at the Regional Revenue Agency of Sidenreng Rappang Regency and to identify the factors causing low taxpayer compliance. The study uses a normative-empirical approach with data collected through interviews, observations, and documentation, which are then analyzed descriptively qualitatively through the interactive model of Miles and Huberman. The results of the study indicate that PBB-P2 law enforcement is implemented through tiered administrative stages, starting from the submission of SPPT, warning letters, regional tax bills, to active collection, but the implementation is not consistent because the apparatus prioritizes a persuasive approach so that the deterrent effect on taxpayers is still weak. Low taxpayer compliance is influenced by three main factors, namely the lack of public legal awareness, the unstable economic conditions of the community, and administrative and institutional weaknesses in tax management. This study recommends consistent strengthening of administrative sanctions, ongoing tax socialization, and improvements to the administrative system to improve PBB-P2 taxpayer compliance in a sustainable manner.

Keywords:*Law Enforcement, PBB-P2, Taxpayer Compliance, Sidenreng Rappang*

INTRODUCTION

Indonesia as a unitary state applies the principles of decentralization and regional autonomy in the administration of government, which provides space for regions to manage their respective potentials according to their needs and development priorities. Within the framework of this authority, regional governments are given the right to collect various sources of revenue, including regional taxes, regional levies, the results of managing separated regional assets, and other revenues included in the category of legitimate Regional Original Income (PAD) (Nopyandri, 2015). One type of regional tax that has great potential is the Rural and Urban Land and Building Tax (PBB-P2), because its tax object covers all land and buildings located in the territory of the Unitary State of the Republic of Indonesia, making it a broad and relatively stable source of revenue for the regions.

In accordance with the mandate of Law Number 28 of 2009 concerning Regional Taxes and Regional Levies, the authority to manage PBB-P2 was transferred from the central government to district/city governments and strengthened by Law Number 1 of 2022 concerning Financial Relations between the Central Government and Regional Governments, specifically Article 41, which regulates the maximum limit of PBB-P2 rates. This transfer is intended to expand the regional fiscal base while increasing accountability in the implementation of regional autonomy (Burhan, 2023). However, taxpayer non-compliance with PBB-P2

payment obligations remains a recurring problem in many regions, so that the budgetary and regulatory functions of the tax have not been running optimally.

From a legal perspective, this situation reflects the weak enforcement of regional tax regulations, particularly in terms of administrative compliance and the application of sanctions for taxpayers who fail to fulfill their obligations. Although the obligation to pay PBB-P2 is clearly regulated in Article 96, and the provisions for sanctions are stated in Article 100 of Law Number 28 of 2009, implementation in the field still faces obstacles such as inconsistent application of administrative sanctions, weak supervision, and less-than-optimal coordination between agencies. Based on the theory of legal compliance and Tom Tyler's view on the legitimacy of authority, public compliance with regulations is greatly influenced by the level of legal awareness, trust in government agencies, and perceptions of procedural fairness in the law enforcement process. Therefore, increasing compliance cannot rely solely on the implementation of sanctions.

This phenomenon is clearly visible in the Sidenreng Rappang Regency. Based on data from the Sidenreng Rappang Regency Regional Revenue Agency (BAPENDA), in 2024, the PBB-P2 receivables assessment was recorded at Rp10,805,934,231, while the actual payments received were only Rp1,150,183,756, or equivalent to a realization rate of 10.64%. This condition even worsened in 2025, when the tax assessment increased to Rp11,934,140,587, but the actual collection actually decreased sharply to Rp41,206,514, or only around 0.35% of the assessment. These figures emphasize the urgency of strengthening administrative law enforcement and improving the regional tax management system to optimize PBB-P2 revenue as a strategic component of Regional Original Income.

Based on the description, this study formulated two problems: (1) how is the implementation of law enforcement against non-compliance with PBB-P2 payments in Sidenreng Rappang Regency by the Regional Revenue Agency; and (2) what are the factors causing the low level of taxpayer compliance in PBB-P2 payments in Sidenreng Rappang Regency. In line with the formulation of the problem, this study aims to determine the implementation of law enforcement against non-compliance with PBB-P2 payments at Bapenda Sidenreng Rappang Regency, as well as identify the factors that cause the low level of taxpayer compliance, so that the findings can be a basis for consideration for local governments in formulating more effective and equitable regional tax policies.

RESEARCH METHODS

This study adopted a normative-empirical approach. The normative approach is carried out by examining and interpreting the principles, concepts, doctrines, and legal norms related to the enforcement of the PBB-P2 law, while the empirical approach is carried out through field research in the form of interviews with authorized parties at the Sidenreng Rappang Regency Regional Revenue Agency and taxpayers (Nurhayati et al., 2021). The research was conducted at the Sidenreng Rappang Regency Regional Revenue Agency (BAPENDA), South Sulawesi Province, which was selected purposively because it is the institution with the primary authority in the management, collection, and enforcement of PBB-P2 law.

The data sources in this study consist of primary data obtained directly from the field and secondary data sourced from primary, secondary, and tertiary legal materials. Primary legal materials include Law Number 28 of 2009 concerning Regional Taxes and Regional Levies, Law Number 1 of 2022 concerning Financial Relations between the Central Government and Regional Governments, and Sidenreng Rappang Regent Regulation Number 4 of 2025 concerning Procedures for Collecting Regional Taxes. Secondary legal materials include research results, scientific works, and relevant legal books, while tertiary legal materials include dictionaries and other supporting references.

Data collection techniques were carried out in three ways: interviews with Bapenda officials and non-compliant taxpayers to explore their experiences, perceptions, and obstacles faced; observations of the Bapenda work environment, collection processes, and supervisory activities to understand the actual application of legal norms in the field (law in action); and documentation of archives, letters, and official data of Bapenda Sidenreng Rappang Regency. Data analysis was carried out qualitatively by applying the Miles and Huberman interactive analysis model, which includes data reduction stages to sort and simplify relevant data, data presentation in the form of descriptive narratives, as well as drawing conclusions and verification to interpret patterns and relationships between variables to produce valid findings.

RESULTS AND DISCUSSION

Implementation of Law Enforcement against Non-Compliance with PBB-P2 Payments

Normatively, the management of PBB-P2 in Sidenreng Rappang Regency is based on Law Number 1 of 2022, specifically Article 41, which limits the PBB-P2 rate to a maximum of 0.5%, and Law Number 28 of 2009, as regulated in Articles 95 to 107, concerning the collection mechanism and administrative sanctions. At the regional level, these provisions are emphasized through Sidenreng Rappang Regent Regulation Number 4 of 2025 concerning Procedures for Regional Tax Collection, which regulates technical matters starting from tax object data collection (Article 16), NJOP assessment (Article 21), SPPT issuance (Article 24), tax object mutation (Article 25), and objection submission mechanism (Article 188). This hierarchical legal framework indicates that regional governments have adequate legal instruments to enforce tax obligations administratively and measurably (Fatimah et al., 2024).

In practice, the law enforcement procedure begins with the submission of a Tax Payable Notification Letter (SPPT) as the official information base for taxpayer. If this obligation is not fulfilled within the specified period, the Regional Revenue Agency (Bapenda) issues a Warning Letter as an initial warning. Based on the results of an interview with the Head of Revenue at Bapenda, if the taxpayer does not make payment after seven days past the due date, a Regional Tax Collection Letter (STPD) is issued containing the principal tax along with an administrative interest penalty of 1% per month with a maximum limit of 24 months in accordance with Article 140 of Regent Regulation Number 4 of 2025, and under certain conditions, can be continued with active collection by tax bailiffs. These stages reflect the instrument of bestuursdwang (government coercion) as a form of administrative law enforcement that is implemented in practice, in addition to supervision, warnings, and fines or interest sanctions.

Although the law enforcement process is structured in a hierarchical manner, interviews with taxpayers indicate that most never receive warning letters or invoices, despite being in arrears for a considerable period. This finding indicates weaknesses in document distribution and the accuracy of taxpayer address data, making the function of these formal instruments as warnings and incentives for compliance less effective. Furthermore, officials in the field tend to prioritize persuasive approaches over the firm application of sanctions, considering the maintenance of social relations with the community. Consequently, the deterrent effect on delinquent taxpayers remains weak, and tax receivables continue to grow. This situation aligns with the findings of Pricellia and Sugandha (2020), which indicate that effective PBB law enforcement requires consistent application of sanctions, not merely the availability of regulations.

From an effectiveness perspective, the enforcement of the PBB-P2 law in Sidenreng Rappang Regency still faces several obstacles, including inconsistencies in tax object data, limited apparatus resources, distribution of SPPT that has not yet reached all areas, especially remote areas, and low taxpayer understanding of the legal basis and administrative consequences of late payments. This confirms that the effectiveness of regional tax law enforcement is determined not only by the availability of legal norms, but also by the consistency of regulation implementation, the quality of socialization, and institutional capacity to optimally carry out supervisory and collection functions (Mirza Djafar & Sugandha, 2024).

Year	PBB-P2 Decree	Realization	Percentage of Realization
2024	Rp.10,805,934,231	Rp.1,150,183,756	10.64%
2025	Rp.11,934,140,587	Rp.41,206,514	0.35%

Source: Regional Revenue Agency (BAPENDA) of Sidenreng Rappang Regency, 2024–2025.

Factors Causing Low Taxpayer Compliance

The data in Table 1 show that the realization rate of PBB-P2 receivables declined sharply from 10.64% in 2024 to only 0.35% in 2025, despite increasing tax assessments. This situation indicates that low taxpayer compliance is not caused by a single factor, but rather the result of an interaction between internal taxpayer factors, the socioeconomic conditions of the community, and the quality of regional tax administration and institutional governance.

Level of Taxpayer Awareness and Understanding

The first and most dominant factor is taxpayers' low awareness and understanding of the legal basis, payment procedures, and administrative consequences of late PBB-P2 payments. The interview results indicate that some taxpayers only understand taxes as an obligation that must be paid, without understanding

the legal basis or the sanctions that follow. This aligns with Handayani et al.'s (2023) findings, emphasizing that taxpayer awareness and socialization significantly influence PBB-P2 payment compliance. When taxes are not yet viewed as an urgent obligation, the tendency to delay payment becomes greater, so law enforcement through sanctions alone is insufficient without being accompanied by strengthening public legal understanding.

Economic and Social Conditions of the Community

The second factor is the instability of the community's economic conditions, especially for taxpayers whose income depends on seasonal cycles, such as harvests. Under such conditions, daily living needs tend to be prioritized over the obligation to pay taxes. Taxpayers' perceptions of the benefits of PBB-P2, which have not yet been directly felt, also weaken their motivation to pay on time. The social environment also plays a role in shaping compliance behavior, as community customs in a region can strengthen or weaken collective awareness to pay taxes, as found in research by Hasna, Daga, and Sujatmiko (2022) on PBB management in regions with agrarian economic characteristics.

Administration and Institutions in Tax Management

The third factor is weaknesses in administrative and institutional aspects, including delays in the distribution of SPPT (Taxpayer Identification Number) in remote areas, inaccurate tax object data, limited staff and supporting facilities, and uneven utilization of digital payment services due to limited Internet access and limited public understanding of technology. Some administrative systems in several sub-districts are still run manually, making them vulnerable to recording errors and delay in reporting. These findings reinforce the view of Megawati, Djuhartono, and Umam (2022) that the effectiveness of PBB (land tax) collection is greatly influenced by the institutional capacity of tax administrators. Therefore, strengthening human resources, updating data, and expanding digitalization are urgently needed to support the optimization of PBB-P2 revenues.

Overall, these three factors are interrelated and contribute to suboptimal adherence. Therefore, efforts to improve PBB-P2 taxpayer compliance in Sidenreng Rappang Regency cannot solely rely on enforcing administrative sanctions. They must be accompanied by ongoing legal outreach, improved service delivery, updated tax data, and strengthened institutional capacity to ensure more effective, proportional, and equitable PBB-P2 management.

CONCLUSION

Based on the research results and discussion, two conclusions were drawn. First, law enforcement against non-compliance with PBB-P2 payments in Sidenreng Rappang Regency has been carried out through structured administrative stages, starting from the submission of SPPT, issuing warning letters, issuing STPD, and active collection in the field. Although this mechanism has a clear flow and is supported by an adequate legal basis, its implementation in the field has not been consistent because officials tend to prioritize a persuasive approach over the application of firm sanctions, so that the deterrent effect on taxpayers remains weak, and tax receivables continue to accumulate.

Second, the low level of taxpayer compliance in paying PBB-P2 in Sidenreng Rappang Regency is caused by three main interrelated factors: the lack of public awareness and understanding of the obligations, procedures, and legal consequences of taxation; the instability of the economic and social conditions of the community, especially the non-fixed income group; and administrative and institutional weaknesses, including delays in the distribution of SPPT, inaccurate tax object data, limited apparatus resources, and uneven digitalization of payments. Thus, the low level of taxpayer compliance is multidimensional and requires a comprehensive solution approach, including strengthening the consistency of administrative sanctions, ongoing tax socialization, and improving the regional tax administration system.

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