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**REALIZING THE TARGET REVENUE OF LAND AND BUILDING
TAX IN JAMBI CITY**

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Abstract

Land and building tax is one of the local own source revenues that have been managed by Jambi City Government through Local Tax and Retribution Management Agency (LTRMA) since 2014 based on Local Regulation Number 4 Year 2013 concerning Urban Land and Building Tax. The government of Jambi City really needs optimal effort from LTRMA to realize the target revenue that has been set as well as adequate supporting factors. In reality, the revenue of land and building tax in every year shows a decline, even the realization of revenue in 2015 and 2016 is still far from the target that has been set. The purpose of this research is to reveal the efforts of LTRMA in realizing the target revenue of land and building tax in Jambi City as well as the factors that hinder LTRMA efforts. This research is an empirical legal research. The research findings indicates that there were five prominent factors faced by government in realization the target revenue of land and building tax in Jambi City. The factors are: the limited human resources of LTRMA, the limited facilities including the budget needed in activities implementation, the lack of legal awareness of society in paying the land and building taxes, there is no synchronization between determination of tax value and sale value as the basic of land and building tax in Jambi City, the lack of the implementation of tax penalties and the unfavourable tax collection function.

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Keywords: Effort, Local Tax and Retribution Management Agency (LTRMA), Realizing the Target of Land and Building Tax.

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1. Introduction

Law Number 23 Year 2014 concerning with local government affirms that the purpose of giving autonomy to the local area is directed to accelerate the realization of public welfare through the improvement of services, empowerment and participation of the public. Therefore, the local areas are given sources of revenue to finance local development. One of the local own-source revenues is local tax. (Marbun, 2012). Furthermore, Sarman Makarao explain that the local taxes are stipulated by law in which its implementation in the local area is further regulated by the Local Regulation (Makarao, 2011).

Based on article 2 paragraph 2 on Law Number 28 Year 2009 concerning with Local Taxes and Local Retributions, a type of tax which become the authority of regency/city government is the Rural/Urban Land and Building Tax (Rural/Urban Land and Building Tax (LBT)). The strength of article 1 Number 37 is explicit that Urban Land and Building Tax (LBT) is “a tax on land and buildings owned, controlled or utilized by individual or an Agency, except for areas used for plantation, forestry and mining activities”. With this Law the Rural/Urban LBT, which originally administered by the central government, was handed over to regency/city local governments in order to increase local own-source revenue.

To increase the local own-source revenue in Jambi City, Jambi City Government has applied Urban Land and Building Tax management since 2014 based on Local Regulation Number 4 year 2013 concerning with Urban Land and Building Tax. The implementation is carried out by the Local Tax and Retribution Management Agency (LTRMA) as a local apparatus that has the main duty to assist the mayor in local tax and retribution management sector including data collection, assessment, setting, and administration, collecting/billing and service process.

Urban Land and Building Tax is one of the potential taxes in increasing the local own-source revenue in Jambi City, therefore the Local Tax and Retribution Management Agency (LTRMA) is required to realize the target revenue that set every year. This is certainly needed to be optimally pursued and supported by adequate facilities. After three years, the realization of land and building tax revenue from 2014 to 2016 does not show any improvement. Even more in 2015 and 2016, the realization of revenue is still far from the target that has been set forth. Therefore, this research discusses the efforts of LTRMA in realizing the target revenue of Urban Land and Building Tax especially those which have been realized from 2014 until 2016 as well as its inhibiting factors. Furthermore, in this research, the term of Urban Land and Building Tax is written in the term of Land and Building Tax.

2. Problem Statement

Jambi City is solid as an economic and development centre. It continues to rise every year. So, land and building tax is very strategic in increasing the local own-source revenue, because it has a large number of tax objects and subjects. Based on Local Regulation Number 4 Year 2013, the objects are Land and Buildings owned, controlled or utilized by an individual or an Agency, except for areas used for plantation, forestry, and mining activities.

Land is the surface of the earth which consist of soil and water, while building is a technical construction planted or stickled permanently on the soil or water, including: (a) an environmental road located within a complex of buildings such as hotels, factories and emplacements, which become a unity

with the building complex; (b) toll roads, (c) swimming pools, (d) fences, (e) sports venues, (f) shipyards and piers, (g) luxurious gardens, (h) shelters/refineries, water and gas, oil pipelines; And (i) towers. Whereas the subjects are individual or agency that in actual owns a right to the land or get benefits from the land, or owns, controls, or get benefits from the building (Suandy, 2005).

The number of tax objects in Jambi City increases every year. It comes from the realization of revenue obtained based on the target set, starting from 2014 to 2016, it can be seen in the following table:

Table 01. Target and Realization of Revenue of Land and Building Tax in Jambi City from 2014 to 2016

Year of Assessment	Total SPPT	Target (Rupiah)	Realization (Rupiah)	Percentage (%)
2014	125,639	12,000,000,000. 00	22,209,281,576. 00	185,08
2015	128,914	50,000,000,000. 00	19,628,912,994. 00	39,26
2016	132,298	30,000,000,000. 00	18,212,598,989. 00	60,71

Source: Local Tax and Retribution Management Agency (LTRMA) of Jambi City.

The data show that the revenue realization of land and building tax from 2014 to 2016 is decline every year. Furthermore, the revenue of realization in 2015 and 2016 is not only far from the target set, but the number also decreased from the previous year. Adolf Wagner as cited by Bohari says that taxes should be dynamic, meaning that the state revenue from taxes are expected to always increase both qualitatively and quantitatively (Bohari, 2016).

3. Research Questions

The research questions are formulated as follows:

- 1) What are the efforts of Local Tax and Retribution Management Agency in realizing the target revenue of land and building tax in Jambi City?
- 2) What are the factors that hinder the efforts of LTRMA in realizing the target revenue of land and building tax in Jambi City?

4. Purpose of the Study

The purposes of the study are to know the efforts of Local Tax and Retribution Management Agency (LTRMA) in realizing the target revenue of land and building tax in Jambi City. Then the study also aims to know the factors that hinder the efforts of Local Tax and Retribution Management Agency (LTRMA) in realizing the target revenue of land and building tax in Jambi City.

5. Research Methods

This research uses empirical legal research method using socio legal research approach, to reveal the efforts of Local Tax and Retribution Management Agency in realizing the target revenue of land and building tax in Jambi City. The data sources consist of primary data and secondary data. Secondary data are obtained from literatures, legislations, documents and journals. The primary data are obtained through

in-depth interviews with some respondents involved in land and building tax management on Local Tax and Retribution Management Agency (LTRMA) of Jambi City. The data are analysed and interpreted.

6. Findings

6.1. The Efforts of Local Tax and Retribution Management Agency in Realizing the Target Revenue of Land and Building Tax in Jambi City

The efforts is done by Local Tax and Retribution Management Agency in realizing the target revenue of land and building tax in Jambi City can be described as follows:

- Conduct Coordination with District and Sub District

To realize the target revenue of land and building tax in Jambi City, Local Tax and Regency Management Agency coordinates with District and Sub district in Jambi City. Based on the information collected from respondents, each district and sub district set the target revenue of land and building tax based on the potential of each region. For that matter, the taxpayer Notification of Tax Due (NTD) submitted to the district to be delivered to the taxpayer through each sub district. To motivate district and sub district, incentives are granted if they can reach the target that has been set. To monitor the revenue realization, at least once in two months, the management team from Local Tax and Retribution Management Agency goes to the sub-districts and every three months they do a coordination meeting by inviting district head and sub district head to discuss the target achievement that has been obtained, while giving incentives for district and sub district that reach the target. Each district and sub district are requested to increase the revenue either by socialization to the public or by making the proof of payment of land and building tax as a mandatory requirement in giving services for the public both at district as well as sub district.

Furthermore, it can be seen that there is an effort of Local Tax and Retribution Management Agency (LTRMA) to optimize the revenue through coordination with district and sub district which closer with the public. But this effort is certainly difficult to be relied upon because district and sub district also have a large number of basic tasks and limited resources. Target will be difficult to achieve especially in sub district that have small tax potential.

- Improving the Quality of Employee Resources

The effort of Local Tax and Retribution Management Agency (LTRMA) to improving the quality of human resources are done through studying tasks especially for Field Assessors and Operators (data recording), at Diploma One Education Program (D1) at State College of Accountancy (STAN) in Bintaro. The dispatch is done gradually and until 2016 the number of employees who have followed the study task only 5 (five) people, consisting of 2 (two) people for operators and 3 (three) people for field assessors (in 2017 number of employees who have implemented the study task as a field assessors are 4 (four) people. Prior to the management of land and building tax, in 2013 a five-day apprenticeship for employees held at the Department of Revenue and Financial and Asset Management of Jambi City Government which have previously conducted the collection of land and buildings tax. Other efforts by including employees in technical guidance activities in finance sector held by other agencies.

The number of employees who did the study task shows that the effort to improve the quality of human resources that have been done by Local Tax and retribution Management Agency is not in an

optimal fashion. Asri Harahap claims that the quality of human resources determines the level and quality of tax revenue (Harahap, 2004). Moreover, the tax system of land and buildings are more likely to have official assessment system. According to Sutedi, on official assessment system the tax apparatus determines the amount of payable tax, the initiative is entirely on the tax apparatus or activities in calculating and collecting the tax entirely by the tax apparatus. This system works well if the tax apparatus is good both quality and quantity which has met the need (Sutedi, 2013). Based on this concept, the number of official should be increased due to the extent of tax objects that must be handled.

- Provide Socialization to the Public

Based on information obtained from Khairul Anwar, Section Head of Intensification and Intensification of Land and Building Tax year 2014-2016, the effort to socialize to the public has been done through banners, advertisements on media for example: Jambi TV. It contains an appeal to pay land and building tax and socialize to districts that attended by district head and the head of Neighbourhood Association. Socialization activities to the district are budgeted for 3 (three) times in a year, from 2014 until 2016 it has been socialized for 3 (three) times each. The implementation is done by combining several adjacent district along with all sub districts heads and the head of Neighbourhood Association in a specified district. From this socialization, it is expected that each district, sub district as well as heads of Neighbourhood Association play an active and important role to socialize it directly to the public through various activities (Anwar, 2017).

The socialization by Local Tax and Retribution Management Agency (LTRMA) to the public is done through banners, advertisements and through district, sub district and head of Neighborhood Association intermediaries. When viewed from the number of socialization implementation to district compared with the number of district in Jambi city which amount to 8 districts (now since 2017 amount to 11 districts), socialization for each district is given by Local Tax and Retribution Management Agency 1 (one) time for each year. This shows that the effort to socialization the land and building tax by Local Tax and Retribution Management Agency is not in an optimal fashion. This certainly affects the misunderstanding of the public about tax benefits. Meanwhile, according to Bohari, public has lack of awareness in paying taxes to the state is determined mostly by the extent to which people can recognize and enjoy the benefits of the state services (Bohari, 2016). Moreover, Rahmawati and Deden Muhammad argue that the public has low awareness to pay tax because they do not have a good education and socialization from government. (Haris, 2014) Therefore, it is certainly necessary to do more active socialization activities from Local Tax and Retribution Management Agency (LTRMA) to the public.

- Rearrangement the Data

Data rearrangement is adjusted to the existing tax object data on Local Tax and Retribution Management Agency (LTRMA) of Jambi City with actual data in field (data base updating). Based on the information collected from respondents it was known that re-registration of land and building tax objects conducted in 2015 by involving third parties. In year 2016 it was submitted to district and the implementation is done by the designated sub district assisted by the heads of neighborhood association in the sub district. Each district is assessed with a quota of 4000 (four thousand) new tax objects data either registered nor unregistered, as outlined in the Tax Object Notification Form (TONF) and Tax Object Notification Form attachment. The data submitted to Local Tax and Retribution Management

Agency (LTRMA) is examined and then it subsequently issued a Notification of Tax Due (NTD) as the basis for tax collection. From the examination result of the data submitted to Local Tax and Retribution Management Agency (LTRMA). There were still many of these data were invalid, and in general sub district cannot fulfilled the quota that has been determined.

According to Agung Hidayat, Head of Book keeping and Reporting at Local Tax and Retribution Management Agency (LTRMA), the budget for the data collection activities is Rp.40,000,000.00 (forty million rupiahs) for each district . However, due to limited budget, not all sub districts get the program. (Hidayat, Kepala Bidang Pembukuan dan Pelaporan BPPRD, 2017)

The effort from Local Tax and Retribution Management Agency (LTRMA) to increase revenue by exploring the potential of existing land and building tax, although it has not been implemented optimally due to limited budget and limited sub district officials. This data rearrangement activity is an important part that it needs to be done by Local Tax and Retribution Management Agency (LTRMA) in an effort to realize the target revenue of land and building tax. Since the data base of the existing tax object in Local Tax and Retribution Management Agency (LTRMA) initially still use the tax object data which delegated by the Central Government, certainly most of the data are not in accordance with the conditions of tax objects in the field due to the rapid development of activities in Jambi City.

In 2017 the data rearrangement was prioritized on the potential tax object, conducted by Local Tax and Retribution Management Agency (LTRMA). Data Collection and Assessment Officer based on the Letter of Duty issued by Head of Local Tax and Retribution Management Agency (LTRMA) Number.973/1128/ Local Tax and Retribution Management Agency /2017. Data rearrangement has been done to several hotels such as Golden Harves, Grand Hotel, Ambassador Hotel, Duta Hotel, Grand Malioboro Hotel, Gas Station and Indoofood Factory.

- Collaborate with the Bank for Acceptance of Land and Building Tax Payments by Online as well as the Collection of Arrears as well as Fines Sanctions on Tax Arrears.

For payments revenue of land and building tax, Local Tax and Retribution Management Agency (LTRMA) cooperates with the Bank and implements an online payment system. Based on the information obtained, it is known that from 2014 until August 2016, the cooperation of receiving new payments is done with Bank Jambi. Therefore, the payment revenue of land and building tax can only be done at the payment counters provided by Bank Jambi. Since September 2016, payment revenue cooperation has been expanded with several banks in Jambi City namely, Bank BTN (State Saving Bank), Bank Bukopin (Commercial Bank Cooperative Indonesia), Bank OCBC NSIP and PT Pos Indonesia (Open Company Cooperative Indonesia).

Due to the payment system has been done online, on the website of Local tax and Retribution Management Agency (LTRMA) has available application that can directly monitor every transaction of land and building tax revenue from each place of acceptance. Agung Hidayat explains that using the e-payment application of Jambi City the realization of revenue from each place can be accessed directly by Local Tax and Retribution Management Agency (LTRMA) officials who handle it. Through this application it can also monitor the realization of revenue in each district, so it can be known which district that fulfil the target and do not fulfil the target (Hidayat, 2017). Thus the administrative accounting of

land and building tax revenue have utilized the technology (information), so that it easy to conduct inspections.

This system is also part of Local Tax and Retribution Management Agency (LTRMA) effort to collect tax arrears as well as fines for late payments of 2% per month from taxpayers as taxpayers pay taxes for the current year. A tax payment for the current year can only be made if the amount of arrears and fines on arrears is settled. Thus, the withdrawal of arrears and fines on arrears also become more efficient.

The Local Tax and Retribution Management Agency (LTRMA) has been trying to streamline the tax collection cost as well as the withdrawal cost of tax arrears by utilizing technology. This effort relates to the principle of efficiency in tax collection. Adrian Sutedi claims that the principle of efficiency means the cost a tax collection should be as minimum as possible (Sutedi, 2013). The meaning is the cost of tax collection should be less than income tax. According to Fathiah, the increased of tax administration efficiency is very influential to the tax revenue (Fathiah, 2016).

- Providing Mobile Service Car

Since 2015 Local Tax and Retribution Management Agency (LTRMA) provides 1 (one) unit of mobile service car that is relegated to sub district in turn. It is one month before the expiration of the land and building tax payment which ends on September 30th. This effort is one part of the effort to optimize tax revenue according to Tunliu, cited by Idayati, that is trying to shorten the distance between the taxpayer and the tax administrator (Idayati, 2014). But because this effort is only done by LTRMA of Jambi city at a certain time which is only one month before the end of payment due date and only available 1 (one) unit, certainly it cannot reach optimally all of sub districts in Jambi City, which amount of 62 (twenty-two) sub districts.

The efforts of Local Tax and Retribution Agency (LTRMA) in realizing the target revenue of land and building tax, especially for 2014 until 2016 are not optimal.

6.2. Factors that Hinder the Efforts of Local Tax and Retribution Management Agency in Realizing the Target Revenue of Land and Building Tax in Jambi City

6.2.1. Limited Human Resources in Local Tax and Retribution Management Agency LTRMA

Local Tax and Retribution Management Agency (LTRMA) of human resources for land and building tax management until 2016 is amount to 34 (thirty four) people, consisting of 13 (thirteen) civil state apparatus and the rest of them are contract employees. The qualifications of education are: One person has graduated from master degree. Fifteen people have got bachelor of art. Eight people have got diploma three. Two people graduated from diploma one. Eight people graduated from senior high school. The number of employees who have the educational qualifications required for the implementation of technical functions such as for data collection and assessment of tax objects and for data and information processing function are also still limited. For data collection and valuation function, human resources that have qualified education as Appraiser of Tax Object are only 3 (three) persons, while for data and information processing function, the number of employees who have qualified education as operator of data recording only 2 (two) persons. In carrying out their duties they were assisted by other employees

as well as from contract employees who were recruited by Local Tax and Retribution Management Agency (LTRMA). The number of employees is very irrelevant to the total area of Jambi City which consist of 8 districts and 62 sub districts (Since 2017, the number of district in Jambi City becomes 11 districts). Moreover, they do not only carry out the functions in land and building tax management, but also for the tax on Duty on Land and Building Right Acquisition Management (DLBRA).

The limited number of human resources needed to carry out the data collection function causes ineffectiveness of the data collection function which cannot run properly. Referring to Mayor Regulation Number 12 Year 2014 is concerning the Procedure of Data Collection and Registration of Urban Land and Building Tax Objects, after registration of tax object by the tax payer by filling Tax Object Notification Letter (TONL). The data collection is done by the officer of data collection and assessment to match and adjust the tax object and subject data that exist with conditions on the field. However, the data collection conducted by Local Tax and Retribution Management Agency (LTRMA) on the registration of tax object is not always done by directly enter the field. According to Faisal Iskandar, the officer of Data Collection and Appraiser, for field data collection is mostly directed to potential tax object, whereas the tax object that is not potential, if the data submitted by the tax payer in Tax Object Notification Letter (TONL) and Tax Object Notification Letter Attachment (TONLA) accompanied by the letter from the head of sub district is considered valid, then the officers is no longer needed to go to the field (Iskandar, 2017).

In this case according to the researcher it is not necessarily that all the tax object data set forth in the Tax Object Notification Letter (TONL) and Tax Object Notification Letter Attachment (TONLA) filled honestly and correctly by the tax payers. This can certainly affect the amount of tax revenue, especially when the number of objects that are not potential is quite a lot. Not doing this data collection can also cause a striking difference in the amount of tax debt that has been set for the taxpayer who fills the Tax Object Notification Letter (TONL) correctly by the incorrect one, especially if the location of the objects is close enough, such as the house location. This is contrary to the principle of similarity in tax collection, as well as causing the public to be reluctant to pay the tax on the land and buildings. W.J. Langen cites by Aristanti Widianingsih, the principle of similarity requires in the same condition between taxpayer with each other's should be taxed in the same amount (Treated equally) (Widianingsih, 2017) The data collection activities conducted through the sub district, certainly not all of it was done considering the limited number of personnel in each sub district.

Moreover, human resources for the implementation of billing functions are also limited. This limitation leads to the ineffectiveness of the collection function of the tax arrears. To withdraw tax arrears, the Jambi City Government made a policy by issuing Mayor Regulation Number 23 Year 2014 concerning Principal Reduction Redemption of Tax Stipulation and Elimination of Administrative Sanction of Urban Land and Building Tax Receivables from 2009 to 2013. Then Mayor Regulation Number 25 Year 2015 concerning Principal Reduction Redemption of Tax Stipulation and Elimination of Administrative Sanction of Urban Land and Building Tax Receivables from 2009 to 2015.

6.2.2. Limited Facilities

Facilities factors also become obstacles in the effort to realize the revenue of land and building tax. First, the limited transportation required by the data collection officer to get to the field, according to Faisal Iskandar, staff of the Data and Assessment Division, the operational vehicles to go to the field are only two units of two-wheeled vehicles, thus becoming an obstacle to go to the field when the weather is not good. Operational funds to go to the field are only budgeted for five working days a month (Iskandar, 2017). Based on this case certainly the number of operational vehicles is not comparable with the number of field officers and the vast area of Jambi City, and the number is classified as minimal. This limitation certainly affects the implementation of the task that being carried out.

Second, the limited facility to place the tax payment. From 2014 to August 2016, cooperation for new payment place is made with Bank Jambi. Bank Jambi has four branches which are located in the following places. First, One unit office is located in Kecamatan Danau Teluk (Danau Teluk District). Second, one unit is located in Kecamatan Jambi Selatan (The South district of Jambi City). Third, one unit is located in Kecamatan Jelutung (Jelutung District). Fourth, one unit office is located in Jambi Kecamatan Jambi Timur (Eastern District of Jambi City). The number of payment counter facilities which provided is relatively small and relatively far from the widespread of public settlements. In addition to the minimal amount, the payment counter in the District office is also often complained by the public because the officers are rarely in place, as well as the disruption of network connections that make the payment cannot be made at the payment counter.

Cooperation of receipt of payments with other banks such as Bank BTN (State Saving Bank), Bank Bukopin (Commercial Bank Cooperative Indonesia), OCBC Bank and PT Pos Indonesia (Pos Limited Company Indonesia) are only implemented starting September 2016 or one month before the expiration of land and building tax payment in 2016. Therefore this effort has not much give any effect on the realization of land and building tax revenues until 2016. Therefore, further research is required to see the effect on the realization of tax revenue in year 2017

Third, the limited budget, which is limited funds for the implementation of study task for employees to improve the quality of human resources, resulting in lack of interest and motivation of employees to follow the study task. Limited budget for the data rearrangement activities thus make the data collection activities cannot be done in all of sub districts. In addition to that, there is no budget available to conduct training activities for employees and lack of budget to carry out socialization to the public.

6.2.3. Lack of Public Awareness

The low of realization of revenue compared to the target that has been set indicates the lack of public awareness to pay the land and building tax on time. Generally, land and building tax payments are made when there is a need to deal with government services, such as taking care of residence documents or taking care of licensing. This lack of awareness is not only in the low economic society, but also in the society that has a tax object that is classified as potential. For example, it can be seen based on the data of tax arrears in year 2016. Based on data obtained from the Data and Information Processing section, there are 829 (eight hundred and twenty-nine) of potential tax payers with arrears amounting to

3,842,028,854.00. (Three billion eight hundred and forty two million twenty eight thousand eight hundred and fifty four rupiah, -).

In addition to the lack of awareness of paying the land and building tax, it is also the lack of public awareness to register the tax object that they owned. This according to researcher is caused by the procedure in the registration service in the management of tax payments of land and building. These are classified as complicated. Based on observations that researcher does on the registration of land and building tax on Local Tax Retribution Management Agency (LTRMA) of Jambi City. The registration of land and building tax is done by the taxpayer by filling out the application form and Tax Object Notification Letter (TONL) with the Tax Object Notification Letter Attachment (TONLA) has been provided clearly, true and complete. In the registration, the taxpayer must attach supporting documents in the form of (a) Copy of Certificate, (b) Copy of Identity Card (ID card). (c). A reference from the head of sub district (d) Photocopy of tax receipt of neighbouring land and buildings. After all the requirements are complete, taxpayers are waiting for Notification of Tax Due to be issued as a basis for taxpayers to be able to pay tax on land and building in more than 3 weeks, especially when the number who registered are quite a lot.

The administrative procedures is in the registration service of land and building tax require a long time for taxpayers. Requirements that must be fulfil also require a long bureaucracy, start from requesting reference from the head of sub district. Meanwhile, to request the head of sub district reference, the public must first request a certificate from the local neighbourhood association head. And there is the existence of additional requirements which is must attach the proof of payment of land and building tax owned by neighbours, which of course difficult for taxpayers. This certainly affects the emergence of a lazy attitude for the public to register their tax object to pay tax. Moreover, Aristanti Widianingsih says that the tax collection system should be simple (Widyaningsih, 2017).

6.2.4. The Low Assessment of the Selling Value of Tax Object as the Basic for Imposition of Land and Building Tax

The base of land and building tax is the value of tax object. Based on Local Regulation Number 4 Year 2013, the value of tax object is the average price obtained from a fair sale transaction. The amount of sale value of taxable object is determined by Mayor Regulation every 3 years, except for certain object that can be determined every year according to regional development.

When viewed from the Mayor Regulation Number 16 Year 2014 concerning the Classification and Stimulation of the Selling Value of Tax Objects as the Basis of Taxes on Land and Buildings, it looks not synchronized with the provisions contained in the local regulation, because the amount of value of tax object stipulated in the Mayor Regulation is very low and not in accordance with the current fair price. According to Ahmad Fikri Aiman, staff of Data and Information Processing Division, the amount of the Selling Value of Tax Object Determination in Mayor Regulation Number 16 Year 2014 is still using the standard selling value in 1994 (Aiman, 2007).

This is certainly no longer appropriate the current market value development, especially in Jambi City as a region that is the centre of economy and government. On the other hand, the Local Government has set high land and building tax targets, but is not in proportion to the increase in the number of new

land and building tax objects (the amount of Notification of Tax Due (NTD) as seen in the 2015 and 2016 targets. When the City Government dares to set high revenue targets, then it must be followed by the Government's courage to establish the new Value of Tax Object by renewing the Mayor's Regulation Number 16 Year 2014. It is just that this matter needs a deep study, because high tax will make it difficult for the public as well.

6.2.5. Weak Implementation of Tax Sanctions for Taxpayers and the Tax Collection has not been Properly Implemented

Based on Regional Regulation Number 4 Year 2013, sanctions for taxpayers who do not carry out the obligation to pay taxes accordingly is an administrative sanctions in the form of fine. In Article 14 paragraph 2 of Regional Regulation Number 4 Year 2013 is stated that " Notification of Tax Due (NTD) which is not or less paid after the due date of payment shall be imposed with administrative sanctions in the form of a fine of 2% (two percent) per month and billed by the Regional Tax Collection Letter (RTCL)". In practice, the application of this fine sanctions is only done by Local tax and Retribution Management Agency (through a designated Bank or Post Office). Moreover, the Taxpayer pays the land tax and building of the current year. This means that when the taxpayer who will pay the tax on the land and building of the current year know that it has tax arrears of the previous year. The taxpayer is required to pay off the tax arrears along with the fine sanction as determined before making the current tax payment. This means that if the Taxpayer does not make the current tax payment, then the imposition of fine sanctions and withdrawal of tax arrears are not implemented. Thus, it can be said that the application of sanctions against taxpayers who do not carry out tax obligations can be said to be weak .J.B.J.M. Ten Benge as cited by Aminuddin Ilmar claims that the governmental sanction are at the core of government law enforcement. The sanction is needed to ensure the enforcement of governmental law (Ilmar, 2014). Although Article 17 Paragraph 1 and 2 of Regional Regulation Number. 4 Year 2013 has been regulated on tax collection by a forced letter against taxpayers who did not pay the tax bills that have been submitted. But the tax collection with forced survey has not been implemented by Local Tax and Retribution Management Agency (LTRMA). The tax collection by this forced letter is a series of billing actions accompanied by concrete action against the taxpayer for the taxpayer to pay off his tax debt. Roristua Pandiangan says that the government's action in this tax collection consists of: (1). Executing instantaneous and simultaneous billing (2). Notifying the force letter. (3). Proposing Prevention. (4).Carrying out the foreclosure. (5). Carrying hostages. (6).Selling the confiscated goods (Pandiangan, 2015).

Lastly, it can be seen that problems that hampered the efforts of Local Tax and Retribution Management Agency (LTRMA) in realizing the target of tax revenue of the land and buildings in Jambi City are on the implementation of the regulations of the land and building tax.

7. Conclusion

Thus, it can be concluded that the efforts of Local Tax and Retribution Management Agency (LTRMA) in realizing the target revenue of land and building tax in Jambi City from year 2014 to 2016 are not yet optimal. Some actors that hinder the efforts of Local tax and Retribution Management

Agency (LTRMA) in realizing the target revenue of land and building tax in Jambi City are (1) Limited human resources, (2) limited facilities for land and building tax collection until August 2016 (one month before the 2016 land and building tax bill), limited supporting facilities for data collection officers to go to the field, including limited budget that is need to increase the quality of human resources (3) lack of public awareness of paying tax and registering tax object that they owned, and (4) low Value of Tax Object as the basis for taxation of land and building and it is not relevant with the high target that has been set as well as (5) weak implementation of tax sanctions for taxpayers who have tax arrears.

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