



ANALYSIS OF REGIONAL LEVIES ON LOCAL OWN-SOURCE REVENUE (PAD) IN THE PROVINCE OF CENTRAL KALIMANTAN

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Abstract: This study analyzes the contribution of regional levies to Local Own-Source Revenue (PAD) in Central Kalimantan Province using an integrative approach that combines institutional capacity, levy collection systems, and public awareness. The findings reveal that the contribution of levies to PAD remains low despite strong sectoral potential, primarily due to weak institutional governance, limited digitalization, ineffective supervision, and low taxpayer compliance. A mixed methods approach with a sequential explanatory design was employed, involving 395 quantitative respondents and 34 qualitative informants across seven government institutions. Results show that digital transformation, regulatory reform, and strengthened institutional capacity play a significant role in improving levy performance. The study highlights the need for e-levy systems, strengthened human resources, tariff restructuring, and increased public fiscal literacy to enhance transparency, efficiency, and community participation. The novelty of this research lies in its integrative framework, which positions levies not only as a revenue source but also as a strategic public policy instrument to foster accountability, fairness, and sustainable regional fiscal independence.

Keywords (English): Regional Levies, Local Own-Source Revenue (PAD), Central Kalimantan.

INTRODUCTION:

Indonesia's fiscal landscape reveals a stark imbalance, as many regions—particularly outside Java—remain heavily dependent on central government transfers, limiting true regional fiscal autonomy. The dominance of balancing funds reduces local fiscal flexibility and risks delaying priority programs when central transfers decline. This shows that decentralization has granted authority without being fully supported by sufficient fiscal capacity[1]. Among the potential sources of Local Own-Source Revenue (PAD), regional retribution remains underutilized, despite its strategic role not only as a levy but as a public policy instrument. However, poor data quality, manual administration, low bureaucratic capacity, and outdated regulations misaligned with Law No. 1/2022 on Central–Regional Fiscal Relations hinder optimal retribution performance.



As a result, retribution has not significantly contributed to PAD enhancement. Similar issues appear across provinces, including Central Kalimantan, where despite economic potential, PAD growth averages only 2.6% annually (2022–2026)[2]. The low contribution of retribution to PAD is driven by weak digitalization, limited human resource capacity, and ineffective monitoring. Key challenges include outdated regulations, unclear tariff structures, weak supervision, and low public compliance. Strategic reforms are therefore needed through regulatory updates, e-retribution systems, institutional strengthening, and fiscal awareness campaigns, supported by inter-agency synergy to build an integrated and transparent database.

Strengthening regional retribution is not merely about increasing revenue but about establishing a fair, accountable, and participatory fiscal system. If Central Kalimantan integrates institutional reform, digital modernization, and improved public fiscal literacy, retribution can shift from being viewed as a burden to a fiscal partnership between government and citizens. To optimize PAD, the provincial government should employ a combination of intensification (optimizing existing revenue sources) and extensification (expanding new revenue sources), supported by efficient public spending[3].

Four strategic pillars are essential: (1) revenue intensification through asset optimization and tariff adjustments, (2) revenue extensification via tourism, creative economy, and state-owned enterprises, (3) expenditure efficiency through productive and targeted budgeting, and (4) regulatory and institutional strengthening in alignment with Law No. 1/2022. These strategies collectively form the foundation for a sustainable and transparent fiscal system[4].

The study identifies the core problem as the low contribution of retribution to PAD due to inefficient manual systems, weak transparency, uncoordinated institutions, and low public awareness. The main gap lies between the ideal policy design and actual implementation. The novelty of this research lies in its integrative approach, analyzing institutional capacity, collection systems, and public awareness simultaneously, showing that optimal retribution is shaped by governance quality, transparency, and citizen participation[5].

The research broadens academic insights on retribution as not only a revenue tool but also a public policy instrument supporting fairness and efficiency in service delivery. Limitations of the study include its focus only on retribution (excluding taxes and other revenues), limited geographic scope in Central Kalimantan, and a five-year observation period. Using a mixed-method approach, the study proposes that institutional capacity, digital collection systems, and public awareness have a significant positive impact on retribution performance and PAD growth. The hypothesis suggests that stronger institutions, better administrative systems, and higher public compliance will increase retribution's contribution to PAD[6].



METHODOLOGY:

This study employed a mixed-methods approach with a sequential explanatory design, combining the strength of quantitative analysis with the depth of qualitative exploration to obtain a comprehensive understanding of the contribution of regional retribution to Local Own-Source Revenue (PAD) in Central Kalimantan Province. The research design began with a quantitative phase to measure the contribution of retribution and taxpayer behavior patterns, followed by a qualitative phase to deepen and contextualize the quantitative findings through field informants. A more detailed explanation is presented below[7].

Research Approach and Type

The study adopted a mixed-methods approach, integrating quantitative and qualitative methods systematically to provide a holistic understanding of the contribution of regional retribution to PAD in Central Kalimantan. The mixed-methods design, which combines quantitative and qualitative data, serves as a major strength of this research. Quantitative data provides an objective overview of retribution trends, compliance levels, and its contribution to PAD. Meanwhile, qualitative data offers deeper insights into the underlying causes behind the numbers, such as policy effectiveness, institutional capacity, human resource quality, and public perceptions of transparency and service benefits[8].

The integration of both data types creates triangulated validity—statistical data is reinforced by field evidence, while qualitative narratives are supported by empirical analysis. This approach allows the study to simultaneously answer multiple types of research questions. The question “How much is the contribution of regional retribution to PAD?” is addressed through quantitative methods, while the questions “Why is the contribution not yet optimal?” and “How can policies be improved?” are explored through qualitative inquiry[9].

Thus, the mixed-methods approach enables the research not only to measure the magnitude of retribution’s contribution but also to explain how and why such contribution occurs. It examines not only numerical data but also the social, institutional, and policy contexts that shape the dynamics of regional retribution.

The qualitative approach further explores aspects beyond numerical data, such as policy dynamics, administrative challenges, and operational practices in the field. In-depth interviews were conducted with officials from the Regional Revenue Agency (Bapenda), technical offices, and community leaders, while participatory observation was used to directly examine retribution management practices[10]. Qualitative data were analyzed thematically through coding, data reduction, and identification of key themes related to retribution management effectiveness.



Research Location and Period

The study was conducted across several provincial and district/city government institutions in Central Kalimantan to obtain both quantitative and qualitative data related to regional retribution management and its contribution to PAD[11]. The locations were selected based on their strategic roles in fiscal policy, retribution management, and regional licensing administration. The research covered seven selected locations as study sites, as follows:

Table 1 Research Location, Address, Reasons for Selecting the Location

No	Research Location	Complete Address & Postal Code	Reasons for Choosing the Location
1	Central Kalimantan Provincial Government Headquarters	Jl. RTA Milono No. 1, Palangka Raya, Postal Code 73111	A prime location for gaining perspective on provincial fiscal policy. This office serves as the center for fiscal policy formulation and PAD management, providing officials and staff with strategic insight into the direction and priorities of regional financial management.
2	Regional Revenue Agency (Bapenda) Office of Central Kalimantan Province	Jl. RTA Milono Km 5.5, Palangka Raya, Postal Code 73112	Primary data collection site. Provides quantitative data from local revenue (PAD) and retribution reports, as well as qualitative data from officials and technical staff. Plays a strategic role in retribution administration and oversight.
3	Central Kalimantan Province Investment and One-Stop Integrated Services Agency (DPMPTSP)	Jl. RTA Milono No. 2, Palangka Raya, Postal Code 73113	Data source related to licensing fees. Provides information on the licensing fee collection process, technical challenges, and the experiences of those liable for fees.
4	Central Kalimantan Province Environmental Service (DLH)	Jl. Yos Sudarso No. 8, Palangka Raya, Postal Code 73114	Used to explore environmental levies, such as cleaning services and environmental testing, as well as the contribution of the environmental sector to PAD.
5	East Kotawaringin Regency Government	Jl. Pangeran Antasari No. 10, Sampit, Postal Code 74312	Representing districts with high economic activity in the service and trade sectors, providing representative quantitative and qualitative data.
6	Kapuas Regency Government	Jl. Ahmad Yani No. 5, Kuala Kapuas, Postal Code 73511	Representation of other districts with potential service sector levies and licensing. Supports comparative analysis between districts.
7	Palangka Raya City Government	Jl. Tjilik Riwut No. 15, Palangka Raya, Postal Code 73111	Complementing the analysis at the city level, it allows for comparison of the characteristics of levy management between cities, provinces and districts.

Source: Processed by the author, 2025



Population, Respondents, and Research Informants

The study population comprised 6,900 employees and 30,000 levy payers, with 395 quantitative respondents and 34 qualitative informants. The quantitative respondents were selected using stratified random sampling to ensure proportional representation of each stratum based on levy type, region, and socio-economic characteristics[12]. Meanwhile, qualitative informants were selected using purposive sampling to capture strategic, technical, and operational perspectives from various levels of government. The selection of locations, number of respondents, and informants enabled the study to produce valid, representative, and comprehensive data, thus depicting the dynamics of the levy system as a whole.

Table 2. Population, Respondents, Informants, and Research Focus: Quantitative and Qualitative Data in Research

No	Research Location	Population	Respondents (Org)	Informant (org)	Reason Election Location
1	Central Kalimantan Provincial Government Headquarters	Officials, fiscal policy management staff (100 people)	5	6	Focus on the strategic perspective of fiscal policy; officials here have insight into the direction and priorities of PAD management.
2	Regional Revenue Agency (Bapenda) Office of Central Kalimantan Province	Technical staff managing levies (150 people)	5	6	The main data collection center for retribution operations; provides information on PAD collection and monitoring mechanisms.
3	Central Kalimantan Province Investment and One-Stop Integrated Services Agency (DPMPSTP)	Technical staff managing permits (50 people)	20	2	Data sources related to licensing fees; capturing the technical processes and constraints of collecting permits
4	Central Kalimantan Province Environmental Service (DLH)	Technical staff managing environmental levies (30 people)	15	2	Focus on environmental fees (cleaning services, environmental testing); capture field practices
5	East Kotawaringin Regency Government	OPD employees are required to pay local levies (6,000 people)	125	6	Representation of districts with high economic activity; quantitative data allows for comparative analysis



6	Kapuas Regency Government	OPD employees, mandatory local levies (5,000 people)	125	6	Representation of other districts; capturing variations in retribution characteristics between districts
7	Palangka Raya City Government	OPD employees are required to pay city levies (4,000 people)	100	6	Complementing the analysis at the city level; capturing the differences in the characteristics of levy management between cities and districts.
Amount		6,900 employees Mandatory Retribution 30,000 people	395	34	Locations were selected for functional and geographic representation; the combination of quantitative and qualitative data provides a comprehensive picture.

Source: Compiled by the author in the field, 2025

Determining the Quantitative Sample Size

Determining quantitative samples in mixed methods research requires a systematic and proportional approach to ensure that the collected data can represent the population in a valid and reliable manner. The study population comprised 6,900 employees and 30,000 levy payers, with 395 quantitative respondents and 34 qualitative informants. In determining the quantitative data, the number of respondents from this large population was determined using a statistical approach, taking into account the confidence level, margin of error, and sampling technique.

Determining the number of respondents in quantitative research is a crucial step to ensure the validity and reliability of the data. According to Israel Glenn D. (1992), sample size should be determined based on the total population, the desired confidence level, and the acceptable margin of error. In the context of this research, the quantitative population consists of two main groups: 6,900 regional retribution management employees spread across 46 Regional Apparatus Organizations (OPDs), and 30,000 retribution payers located in three main regions: Palangka Raya City, East Kotawaringin Regency, and Kapuas Regency. Israel emphasized that sample calculation must consider the proportion of the population to ensure representative survey results, so that the data obtained can reflect the behavior and views of the population as a whole[13].

Qualitative Data: Determination of 34 Research Informants

The qualitative informants in this study were selected using a purposive sampling approach, which involves deliberately selecting individuals based on their relevance, capacity, and competence related to the research topic. This approach allows researchers to obtain in-depth and context-rich



data, as the selected informants have direct experience and a substantive understanding of the management and implementation of regional levies. In other words, qualitative research focuses not on quantity but rather on the depth of information and the quality of insights obtained from appropriate sources[14].

Qualitative informants consisted of various actors who play strategic roles in the retribution system, including the heads of Regional Apparatus Organizations (OPD) managing retribution, revenue treasurers, and technical officials handling retribution operations. The OPD heads provided strategic insights regarding fiscal policy direction and PAD management priorities, while revenue treasurers explained the technical mechanisms for collection and financial reporting, and technical officials described field dynamics, administrative constraints, and policy implementation challenges. The combination of these three types of informants enabled the research to capture perspectives from the macro to the micro levels, as well as from the policy and operational practice perspectives[15].

Sampling Technique: Purposive Sampling

Purposive sampling is a non-probability sampling method widely used in qualitative research and as a qualitative component of mixed methods. In the study, "Analysis of Regional Retributions on Regional Original Income (PAD) in Central Kalimantan Province," this technique was relevant for obtaining data from key informants with a deep understanding of the regional retribution system, financial management, and implementation challenges in the field[16].

Data collection technique

The data collection technique used a mixed method, with data integration being the core of the analysis process that connects quantitative and qualitative results to produce a comprehensive understanding of the phenomenon being studied. Data integration is used to combine two types of data collected sequentially through an explanatory sequential design. The first stage involves the collection and analysis of quantitative data, followed by qualitative exploration to explain the findings that emerged from the initial stage. Quantitative data were obtained from 395 respondents selected using stratified random sampling from a population of 6,900 employees in 46 Regional Apparatus Organizations (OPD), while qualitative data came from 34 key informants from purposive sampling at the provincial and district/city levels[17].

Data Analysis Techniques

In mixed-methods research with a sequential explanatory design, data analysis techniques are crucial for ensuring validity, accountability, and scientific integrity. Data analysis is conducted in stages, starting with quantitative data processing, followed by qualitative data collection and analysis, which serve to explain the quantitative findings in depth. This approach allows for the integration of results from both types of data, resulting in a holistic understanding of the contribution of levies to local revenue (PAD).



Quantitative data were obtained from 395 respondents through stratified random sampling and then analyzed using descriptive and inferential statistical techniques. Descriptive analysis aimed to describe respondent characteristics, retribution receipt patterns, and the distribution of retribution contributions to local revenue (PAD). Inferential analysis was used to examine relationships between variables, identify factors influencing the effectiveness of retribution management, and make predictions based on relevant statistical models[18].

Quantitative and Qualitative Data Analysis Techniques

The research employed a mixed methods approach, a combination of quantitative and qualitative analysis. This approach was chosen to capture the complexity of the contribution of levies to local revenue (PAD), which encompasses technical-administrative, institutional, social, and policy aspects. An explanatory sequential design was employed, with quantitative analysis conducted first to provide an overview, which is then explained in more depth through qualitative data.

RESULTS AND DISCUSSION:

Results

Research Results and Discussion is the core part of the study, presenting key findings based on data collected and analyzed, both quantitatively and qualitatively. In the context of this study, it explains how regional levies contribute to Regional Original Revenue (PAD) in Central Kalimantan Province, by presenting statistical data from 395 respondents and in-depth narratives from 34 key informants. The quantitative analysis shows varying levels of contribution based on the type of levy and the capacity of regional institutions in collection. Meanwhile, the qualitative analysis highlights implementation challenges such as limited human resources, weak digital integration, and low awareness of levy obligations. The discussion links the empirical results with the theoretical framework and previous findings, and highlights both inhibiting and reinforcing factors in the management of regional levies. This chapter also includes a comparison between quantitative and qualitative data integrated through a mixed-methods approach, resulting in a more comprehensive synthesis. Thus, Chapter IV not only explains the data descriptively but also critiques and interprets its meaning in the context of regional PAD policies[19].

Overview of Research Location

Research Location, Population, Sample, Research Informants are expected to be able to describe a structured data collection framework. The research identifies not only where data will be collected, but also from whom it will be collected (population, qualitative informants, and quantitative respondents) and the importance of each location in the overall analysis[20]. The research locations are as follows:



Table 3. Research Location Profile

Research Location	Main Official	Treasurer / Head of Retribution Unit	Focus & Role in Research
1. Central Kalimantan Provincial Government HeadquartersJl. RTA Milono No.1, Palangka Raya	Governor H. Agustiar Sabran, SIKomSekda and Heads of related OPDs	Emi Abriyani, SE, M.Si. serves as Head of the Palangka Raya City Tax & Retribution Management Agency	The center for formulating fiscal policy and strategic direction for local revenue (PAD) and levies. Five to seven key officials served as macro informants. Qualitative focus; no quantitative respondents.
2. Regional Revenue Agency of Central Kalimantan ProvinceJl. RTA Milono Km 5.5, Palangka Raya	Head of Bapenda Anang Dirjo, SP., MM	Under official supervision, the retribution unit is managed at Bapenda	The operational heart of tax and levy collection. 5–7 technical staff as qualitative and quantitative data informants. Focus on digitalization efficiency, human resources, and levy standard operating procedures.
3. DPMPTSP Central Kalimantan ProvincePalangka Raya	Head of DPMPTSP (structural official of Central Kalimantan province)	Head of Licensing & Permit Retribution Unit	Management of business sector levies and investment permits. 1–2 qualitative informants + mandatory levies as a quantitative sample. Focus on the contribution of permits to local revenue (PAD).
4. Central Kalimantan Provincial Environmental AgencyJl. Yos Sudarso No. 08, Palangka Raya 73112	Head of the Central Kalimantan Provincial Environmental Agency	Head of Environmental Retribution Unit	Management of waste, garbage, and environmental permit fees. 1–2 key informants + environmental levy payers in a quantitative survey. Focus on the potential and challenges of environmental levy fees.
5. East Kotawaringin Regency GovernmentJl. Jend. Sudirman No. 1, Sampit 74312	Regent of East Kotawaringin	Head of the Regency Retribution Unit	Representative locations for market, parking, and sanitation levy management. 5–7 technical informants + 100–150 levy payers as a quantitative sample. Focus on local implementation.
6. Kapuas Regency GovernmentJl. Pemuda Km 5.5 No. 1, Kuala Kapuas 73515	Regent of Kapuas	Head of Market Retribution & Water Transportation Unit	Focus on public market and river transportation fees. 5–7 technical informants + 100–150 mandatory survey fees. Capturing the geographic dynamics of the lowlands.
7. Palangka Raya City GovernmentJl. RA Kartini, Langkai, Jekan Raya	Mayor of Palangka Raya	Head of City Retribution Unit (e.g. Parking, Market, Parks)	Urban digital retribution management model. 5–7 informants + 100–150 mandatory survey retribution respondents. Allows for comparative analysis.

Source: Processed by the author, 2025



Regional Characteristics and Regional Government

Central Kalimantan Province is one of the largest provinces in Indonesia, covering over 153,564 km², located in the central part of the island of Borneo. Its geographical characteristics include lowlands, swamps, and dense tropical forests, with a network of large rivers, such as the Kahayan and Barito, serving as transportation routes and sources of livelihoods. This topography creates challenges in the distribution of public services, particularly in remote areas with limited accessibility. Most districts are located in remote areas, requiring a specific approach tailored to local conditions.

Demographically, Central Kalimantan has a population of over 2.7 million people spread across 13 regencies and one city, with low density in most rural areas. The province's primary livelihoods are in the agriculture, forestry, plantation, and public services sectors. The highest population concentrations are found in urban areas such as Palangka Raya, Sampit, and Kuala Kapuas. This distribution pattern impacts the potential for Regional Original Income (PAD), as areas with high economic activity tend to have higher potential for retribution than areas with low density and limited access.

The Central Kalimantan Provincial Government is based in Palangka Raya and has the strategic task of coordinating cross-sectoral policies, including the management of regional levies through various Regional Apparatus Organizations (OPD). The Regional Revenue Agency (Bapenda) of Central Kalimantan Province, located at Jalan RTA Milono Km 5.5 Palangka Raya, is the primary technical institution in managing regional revenues, both from taxes and levies. Bapenda is responsible for formulating, setting, and monitoring targets and the realization of levies from the public services sector, business services, and certain licensing. The implementation of data infrastructure and electronic collection systems facilitates oversight, minimizes revenue leakage, and increases transparency.

In addition to Bapenda, the Central Kalimantan Provincial Investment and One-Stop Integrated Services Agency (DPMPTSP) plays a crucial role in business licensing services and the management of certain licensing fees. Located in the center of Palangka Raya, DPMPTSP provides easy access to services for the public and investors, and supports an online licensing system through the Online Single Submission (OSS). This institution serves as the administrative vanguard, simplifying bureaucratic procedures and ensuring legal certainty and compliance with fees from the business sector.

The Central Kalimantan Provincial Environmental Agency (DLH), located on Jalan Yos Sudarso, Palangka Raya, is tasked with environmental management, including waste levies, waste management, and environmental permits. DLH plays a strategic role in maintaining the sustainability of natural resources while utilizing levies as a fiscal and regulatory instrument. However, DLH faces challenges such as incomplete data collection, limited technical human resources, and overlapping authority with districts/cities. This results in lower potential revenue from levies from the environmental sector compared to other sectors. Service digitization and cross-regional coordination are priorities to improve effectiveness and accountability.



East Kotawaringin Regency, with its administrative center in Sampit City, is an area with an economic base of plantations, trade, and services. Its strategic location as a distribution route for goods and services provides substantial potential for local revenue (PAD) through levies. The regency government collects levies from markets, terminals, public facilities, and business services. Relatively good infrastructure and institutional capacity allow for more orderly levy collection, although public awareness and participation in payment still need to be improved through public education and transparency in fund use.

Meanwhile, Kapuas Regency, with its capital in Kuala Kapuas and bordering South Kalimantan, is characterized by its geography of swamps and large rivers. Its economic activities are dominated by wetland agriculture and fisheries. Although the potential for regional revenue (PAD) through levies is significant, management faces geographical constraints such as limited access, widespread population distribution, and institutional limitations. Kapuas requires a different approach, such as strengthening human resource capacity, improving databases, and implementing community-based or mobile services, to effectively collect levies.

Palangka Raya, as the provincial capital and an autonomous city, has an urban character with well-organized centers of government, services, and public facilities. The city has a relatively advanced retribution management system compared to other regencies, encompassing markets, parking, sanitation, and business licensing. Digitization of the retribution system, data integration between regional government agencies (OPD), and strengthening human resource capacity are key to its success. Palangka Raya serves as a model for developing a technology-based retribution system and transparency in public services, and can serve as a laboratory for regional fiscal policy that can be replicated in other regions.

The regional and governmental characteristics of the seven research locations demonstrate geographic diversity and institutional capacity. Provincial governments play a strategic coordinating role, while districts and cities have varying degrees of autonomy in managing levies. The potential for local revenue (PAD) related to levies is strongly influenced by topography, population density, economic activity, and institutional readiness. This variation demands an adaptive approach, with system integration, digitalization, and public participation as key elements in increasing levies revenue efficiently and accountably.

Central Kalimantan Province demonstrates that the success of regional levy management is heavily influenced by a combination of geographic characteristics, institutional capacity, human resource quality, and digital innovation. Palangka Raya City serves as an effective model, while East Kotawaringin and Kapuas Regencies emphasize the need for a differentiation strategy. Adaptive approaches, cross-regional integration, and the use of information technology are key to building a sustainable, transparent, and spatially equitable regional levy system, while also supporting fiscal independence and quality public services.

Regional Characteristics and Local Government: Seven Research Locations

This research was conducted at seven government locations in Central Kalimantan Province using a mixed methods approach using an explanatory sequential design. The study, entitled "Analysis of Regional Retributions on Regional Original Income (PAD) in Central Kalimantan Province,"



aims to describe the retribution management system and its contribution to PAD, taking into account institutional factors, collection systems, and public awareness.

1. Central Kalimantan Provincial Office (Palangka Raya): Geographically, it is located in the center of Kalimantan Island and serves as the provincial government center. This region boasts the most comprehensive government infrastructure and serves as a coordination center between regional government agencies (OPD). The provincial government plays a primary role in overseeing and implementing macroeconomic policies related to regional levies.
2. Central Kalimantan Provincial Revenue Agency: Located at Jalan RTA Milono Km 5.5, Palangka Raya, this institution plays a key role in the planning, implementation, and evaluation of regional revenues, particularly those derived from levies. Bapenda has a large civil servant population, reflecting its strategic institutional capacity.
3. DPMPTSP of Central Kalimantan Province: Acting as a one-stop licensing service center, this institution is a key point in managing certain licensing fees. Its operational area covers all provinces and directly interacts with businesses and investors.
4. Central Kalimantan Provincial Environmental Agency: Located at Jalan Yos Sudarso No. 08, the Environmental Agency (DLH) is responsible for collecting environmental management fees, such as sanitation and waste management fees. Its operational area covers strategic environmental areas throughout the province.
5. East Kotawaringin Regency Government: Sampit City, the regency capital, is a region with high economic activity. Market, parking, and business service fees are the mainstays of the region. The local government manages these fees using a digital approach based on regional cash.
6. Kapuas Regency Government: Located in Kuala Kapuas, this region is characterized by an agricultural and river-based economy. The management of fees here still faces challenges in terms of accessibility and public awareness.
7. Palangka Raya City Government: Unlike the province, this city focuses more on managing city service fees, such as parking, markets, and permits. The city government has a strategy for digitizing services and promoting fee awareness campaigns.

The seven locations offer diverse geographic, demographic, and institutional contexts, strengthening the relevance of a mixed methods approach. The analysis is based on a survey of 395 quantitative respondents from 6,900 regional government agencies (OPD) and 30,000 levy payers, as well as in-depth interviews with 21 qualitative informants from these strategic institutions. The characteristics of the regions and local governments in the seven research locations are as follows:



Table 4 Regional Characteristics & Regional Revenue: Seven Research Locations

No	Government Location	Wide Region (km ²)	Amount Resident (2025)	Main Characteristics of Government
1	Central Kalimantan Province	153,564	±2,750,000	A provincial government with a coordinating function across districts/cities. Its primary focus is macro-fiscal governance and the development of retribution policies.
2	Regional Revenue Agency of Central Kalimantan Province (Palangka Raya)	-	-	A provincial technical institution that focuses on planning, reporting, and collecting PAD from the regional tax and retribution sector.
3	DPMPTSP of Central Kalimantan Province	-	-	A provincial one-stop service unit that handles licensing fees, investment supervision, and management of paid public services.
4	Central Kalimantan Provincial Environmental Agency	-	-	The environmental technical service that manages waste management fees, pollution control, and environmental permits.
5	East Kotawaringin Regency	16,796	±426,000	The district government contributes large amounts of revenue from the market, parking and cleaning sectors in Sampit City as an economic center.
6	Kapuas Regency	14,999	±420,000	Agricultural and fisheries areas, with geographical challenges in the form of swampy areas and rivers, affect the management of water transportation and market retribution services.
7	Palangka Raya City	2,853	±307,000	The provincial capital city has contributions from the parking, cleaning, small and medium business permits, and waste management services sectors.

Source: Processed by the author, 2025



Regional Retribution Management System

The regional retribution management system at seven research locations in Central Kalimantan Province exhibits complex dynamics involving administrative, technological, and social aspects, which influence the contribution of retribution to Regional Original Income (PAD). This study uses a mixed methods approach with an explanatory sequential design to analyze the relationship between institutional capacity, collection systems, and public awareness.

At the provincial level, retribution management is coordinated across regional government agencies (OPDs) with support from macro-fiscal policies. Institutional strengthening is carried out through the development of derivative regulations and cross-sectoral data consolidation, although information systems are still largely manual and public participation is suboptimal. The Regional Revenue Agency (Bapenda), as the primary agency, has developed an integrated web-based information system, but challenges remain with interoperability and real-time data updates. Bapenda has also begun educating retribution payers through social media and digital counters, with success dependent on the commitment of regional heads and budget availability.

The Central Kalimantan Provincial Department of Public Works and Public Housing (DPMPTSP) has digitized some licensing retribution services through the SIPPADU application, but not all service types are integrated. The main challenges are limited human resources and resistance from users of conventional services, despite the development of time-based standard operating procedures (SOPs) as a tariff reference. The Environmental Agency (DLH) manages environmental retribution semi-digitally, with some processes still manual and limited monitoring and evaluation, although it has begun collaborating with the private sector.

At the district and city levels, management systems vary. East Kotawaringin remains predominantly manual, with initial digitalization efforts through e-PAD, but significant data and cross-agency coordination challenges remain. Kapuas Regency is developing a digital system based on a local platform, but socialization and human resource training remain challenging. Palangka Raya City is the most advanced model, with all levies technology-based, integrated, and supported by QR codes and payment gateways, although improvements in big data management and digital inclusion are still needed.

Research confirms that optimizing the contribution of levies to PAD depends on institutional capacity, the effectiveness of the collection system, and public awareness, not just the rates or number of levies, but also the quality of governance and digital infrastructure that supports public participation.

Institutional strengthening through supportive regulations, the development of adaptive and integrated digital systems, and education and outreach to the community paying levies are strategic directions for increasing the contribution of regional levies to local revenue (PAD) in Central Kalimantan Province. This step will ensure the sustainability of inclusive and accountable regional development financing. Explanation of the Regional Retribution Management System at the seven research locations in Central Kalimantan Province, along with explanations:

Table 5. Regional Retribution Management System



No	Research Location	Regional Retribution Management System	Excess	Challenge
1	Central Kalimantan Provincial Office (Regional Secretariat)	Cross-OPD macro coordination and general retribution policies; synchronization of PAD programs between districts/cities.	Have regulatory authority for cross-sector policy integration.	Limited authority for technical execution of sectoral or specific levies.
2	Regional Revenue Agency (Bapenda) of Central Kalimantan Province (Jl. RTA Milono Km 5.5)	The main unit for implementing provincial levy management; integration of digital-based levy information and service systems.	Implementing e-retribution and mapping potential retribution per sector.	Limited technical human resources in the field; digitalization has not yet been evenly distributed across all districts/cities.
3	DPMPTSP Central Kalimantan Province	Withdrawal of certain licensing fees (business permits, space utilization); integration of OSS and one-stop services.	The service system is already based on OSS-RBA; procedures are transparent and standardized.	There are still inconsistencies between sectoral technical regulations and suboptimal guidance for districts/cities.
4	Central Kalimantan Province Environmental Service (DLH), Jl. Yos Sudarso No. 08, Palangka Raya	Managing environmental service fees such as waste management, sewage, and environmental permits.	Having a technical unit with full authority over environmental monitoring; a strong legal basis for levies.	Minimal integration of payment information systems; low awareness among service users.
5	East Kotawaringin Regency Government, Jl. Jend. Sudirman No. 1, Sampit	Regional retribution management through technical agencies is not yet fully digitally integrated.	High PAD potential from the market and parking sectors; quite responsive to digital innovation.	Limited IT human resources; manual collection leads to potential leaks and inconsistencies in recording.
6	Kapuas Regency Government, Jl. Pemuda KM 5.5 No. 1, Kuala Kapuas	Levies are managed by sectoral OPDs; integration with Bapenda is being developed through a local e-billing system.	Encouraging early-stage digitalization with the regent's support; mandatory retribution education program begins operating.	Digital infrastructure and connectivity are not evenly distributed; not all regional government agencies (OPDs) have access to centralized systems.
7	Palangka Raya City Government, Jl. RA Kartini, Kel. Langkai, District. Jekan Raya	Retribution management is now e-Government-based, using a retribution monitoring dashboard and QR codes for payments.	The most advanced in the application of digitalization and public information disclosure.	System interoperability with provinces needs to be improved; routine human resource development is not yet systematic.

Source: Processed by the author, 2025



Data Description and Respondent Characteristics

The study employed a mixed methods approach with an explanatory sequential design. This design began with quantitative data collection, which was then reinforced by qualitative analysis to explain the statistical results in more depth through interviews with key informants. The study population included 6,900 employees from 46 Regional Apparatus Organizations (OPDs) managing levies and approximately 30,000 levy payers. The quantitative sample consisted of 395 respondents selected through stratified random sampling, while qualitative data were obtained from 21 key informants using purposive sampling.

Table 6. Data Description and Respondent Characteristics

No	Respondent Characteristics	Category	Number of people)	Percentage (%)
1	Gender	Man	208	52.66
		Woman	187	47.34
2	Age	< 25 years	12	3.04
		25 – 34 years old	106	26.84
		35 – 44 years old	158	40.00
		45 – 54 years old	89	22.53
		> 55 years	30	7.59
3	Last education	High School/Equivalent	35	8.86
		Diploma (D3)	57	14.43
		Bachelor degree)	259	65.57
		Postgraduate (S2/S3)	44	11.14
4	Position	Executive Staff	198	50.13
		Technical Officer/Supervisor	127	32.15
		Structural Officials (Echelon III–IV)	70	17.72
5	Length of work	< 5 years	41	10.38
		5 – 10 years	135	34.18
		> 10 years	219	55.44

Source: Processed by the author, 2025.

4. Discussion

The discussion highlights that the contribution of regional levies to Local Own-Source Revenue (PAD) cannot be assessed solely by the nominal amount collected, but must be viewed through three key dimensions: institutional capacity, the levy collection system, and public awareness. This integrative perspective evaluates levy effectiveness not only from administrative and financial aspects, but also from institutional and socio-behavioral factors influencing public fiscal compliance.

This research applied a mixed-methods approach with a sequential explanatory design, combining quantitative survey data with qualitative interviews. Quantitative data were obtained from 395



respondents selected through stratified random sampling from 6,900 employees across 46 levy-managing regional government agencies (OPDs), while qualitative insights were gathered from 21 key informants, including OPD heads, regional leaders, treasurers, and technical officers. This design allowed for a comprehensive understanding of the underlying causes behind the suboptimal performance of regional levies.

The study identifies the core issue as the underutilization of retribution potential due to structural and technical barriers—such as limited digitalization of the collection system, weak cross-sectoral coordination, insufficient human resource capacity, and low public awareness. Addressing this complexity requires analytical approaches that go beyond numerical assessment and incorporate collaborative, governance-based solutions.

Interpretation of Regional Retribution Contributions to Local Own-Source Revenue (PAD)

The interpretation of regional levy contributions to Local Own-Source Revenue (PAD) in Central Kalimantan shows a strong linkage between institutional, social, and technical dimensions of regional fiscal governance. Drawing from a population of 6,900 employees across 46 levy-managing Regional Apparatus Organizations (OPDs) and around 30,000 levy payers—represented by 395 quantitative respondents and 21 qualitative informants—the study provides a comprehensive picture of current levy management conditions. The findings indicate that levy contributions to PAD remain suboptimal despite substantial sectoral and demographic potential. This shortfall is mainly driven by weak institutional capacity, inefficient collection systems, and low public awareness.

Institutionally, most OPDs lack an integrated information management system for data collection, levy processing, and financial reporting, leading to slow decision-making and weak monitoring of collection performance. The continued use of manual or semi-digital systems increases the risk of revenue leakage and reduces efficiency. From a good governance standpoint, strong and accountable institutions are a prerequisite for maximizing PAD through levy instruments.

Similar challenges are found in the collection system. Heavy reliance on direct interactions between officers and taxpayers creates risks of moral hazard and limits collection reach, especially in rural areas. The implementation of a digital, electronic-based collection system (e-retribution) is therefore essential to improve transparency, efficiency, and public accessibility.

From a social perspective, public awareness significantly influences levy compliance. Many citizens still lack understanding of the role of levies in financing public services such as sanitation, parking, and permits. Low awareness, combined with inadequate service quality, weakens public perception and willingness to fulfill levy obligations.



Table 7, Interpretation of Regional Retribution Contributions to Regional Original Income (PAD)

Contribution Indicator	Quantitative Findings	Qualitative Findings	Interpretation	Implications for PAD
Percentage of contribution of levies to total PAD in the last 5 years	Fluctuates between 7 percent–13 percent	Considered not optimal by key informants	The performance of levies is not yet stable and is not significant to the total PAD	Requires optimization of the collection system and expansion of the base of retribution objects
Growth rate of retribution contributions from year to year	Average annual growth <5 percent	Hampered by institutional weaknesses and low awareness	Low growth rate indicates stagnation of tax policy	It is important to carry out institutional reforms and incentives for tax payers.
Composition of dominant types of levies	General service fees (highest)	Lack of innovation in developing new types	Reliance on traditional types of levies	There is a need for diversification and evaluation of the potential for new levies.
Effectiveness of levy collection	Realization is only 60–75 percent of the target	Many leaks and weak supervision	Effectiveness is not optimal due to low accountability	Need for digitalization and strengthening of internal reporting and audit systems
Public perception of the benefits of levies	Not satisfied with the service	Feeling non-transparent and unfair	Low awareness because the benefits are not felt directly	Improving public services funded by levies to increase acceptability

Source: Processed by the author, 2025.

CONCLUSIONS

This study concludes that the contribution of regional levies to Local Own-Source Revenue (PAD) in Central Kalimantan remains suboptimal despite substantial economic potential. The findings reveal that weak institutional capacity, limited digitalization of levy collection systems, and low public awareness significantly hinder effective levy management. Strengthening institutional governance, implementing integrated e-retribution systems, and enhancing fiscal awareness among citizens are essential to increasing PAD performance. The study's integrative approach—linking institutional, systemic, and social dimensions—offers a comprehensive framework for improving levy effectiveness and serves as a reference for developing innovative, accountable, and sustainable regional fiscal policies.



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Conflicts of Interest

The author declares that there is no conflict of interest related to the research, authorship, or publication of this study. The research was conducted independently, free from any financial, institutional, or personal influence that could affect the objectivity of the findings.

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