Effectiveness of Potential Tax Region as the Real Local Revenue Sources in Riau Coastal Area

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Abstract: This study aims to analyze the potential of local taxes as a source, the amount of local tax contributions to, and the effectiveness of the tax collection system in Bengkalis Regency during the 2011-2016 budget year. The area studied in this research is the coastal area of Riau, where Bengkalis Regency was chosen as the research area. Data analysis techniques used in this research are descriptive and qualitative. Descriptive analysis using calculation technique in the form of numbers, tabulation and charts. While the qualitative method used is in-depth interview. According to the analysis of the Local Taxes effectiveness in 2011-2016, the effectiveness of Local Taxes fluctuates from year to year. For Hotel Taxes, Restaurant Taxes, Advertisement Taxes and Non-PLN Street Lighting Tax almost every year experience realization that exceeds the target which means the tax is effective. However, for Tax on Acquisition of Land and Building Rights has decreased realization and in 2016 is not effective. From the potential tax interviews that can still be explored and has great potential are the Land and Building Tax. This research produces inputs to the Government of Bengkalis Regency in the case of exploring the potential of real local revenue that has an impact on increase of *Local Own Revenue* (PAD). Thus the development can be carried out optimally which brings impact on the community that is increasing the economy of the community in coastal areas, especially Bengkalis regency.

Keywords: Effectiveness, Potential Tax Region and Locally-generated revenue.

1. INTRODUCTION

Regional autonomy is a consequence of reforms that must be faced by every region in Indonesia, especially districts and cities as implementing units of regional autonomy. To be better prepared to implement regional autonomy, learning process needs to be done for each region in order to change the challenge become an opportunity for the progress of each region. Similarly with the central government, as the party that regulates the development of the concept of regional autonomy, is responsible for the concept of regional

autonomy can be implemented as expected. The enactment of Law No. 22/1999 on regional government and Law No. 25 on central and regional financial balances brings a new paradigm in regional management. Regions have been given authority to manage their resources. Regional autonomy is an effort of regional empowerment in making regional decisions more freely to manage the resources owned in accordance with the potential and interests of the region itself.

Autonomy for local government has been established by the central government. Autonomy given to districts and municipalities is implemented by authorizing local governments to regulate their regions (Muda and Dharsuky, 2015; Lubis *et al.*, 2016 and Dalimunthe *et al.*, 2016). In order to implement regional autonomy, the government should be able to identify potential sectors as the driving force for regional development, especially through the development of the potential of Locally-generated revenue (PAD). The development of local self-reliance potential through PAD can be reflected from the potential development capability and participation of the community through taxes and levies. In the current era of fiscal decentralization and regional autonomy, the function and role of taxes as one source of state revenues are very important. In line with regional autonomy, central and regional financial balances are an important element to be undertaken in relation to the implementation of regional autonomy. Therefore, regional autonomy in managing local finance will increasingly play a role and increasingly important.

This independence is in the form of self-reliance in the planning and in the management of local financial resources. Analysis of local financial management, basically involves three areas of analysis that are interconnected with each other. The three areas of analysis include (Mardiasmo, 2000); 1) Analysis of Acceptance, i.e. an analysis of how much the local government's ability to explore potential sources of income and the costs incurred to increase the income; 2) Expenditure Analysis, i.e. an analysis of how much the costs of a public service and the factors that cause these costs to increase; and 3) Budget Analysis, i.e. an analysis of the relationship between income and expenditure and the projected trends for the future.

PAD is used to measure the ability and financial independence of a region. According to Law Number 33 Year 2004 regarding Financial Balance between Central Government and Local Government, the level of Financial Independence of a region can be seen from the contribution of Local Revenue (PAD) to Regional Revenue in Expenditure Budget (APBD). The higher the proportion of PAD to Regional Revenue in APBD, the better the level of financial independence and the greater the financial capacity of a region to finance the implementation of the tasks of the government and the development (Yahya *et al.*, 2017).

Riau Province is a province which part of its area is in coastal area. These areas include Bengkalis, Meranti, Siak, and Dumai. This area is an area that geographically near with Neighbor country. Therefore, development in the coastal areas of Riau is very important to do, in addition to equitable distribution of infrastructure in Riau Province; coastal development is in order to maintain the security and stability of the country. PAD is one of the elements used to support development in the Coastal Region of Riau. Potential of PAD in Bengkalis Regency is quite large, but its potential is still not fully explored. There are still sources of PAD that have not been optimally explored by the Government.

The Development of Local Original Income during the last few years can be seen in Table 1 below:

Table 1
Target and Realization of PAD Bengkalis Regency (IDR)

Year	Target	Realization	Percentage
2011	141.040.500.000	216.120.227.163	153,23
2012	214.155.303.000	205.787.541.497,83	96,09
2013	254.446.057.000	181.667.217.189,28	71,40
2014	281.445.949.308,17	253.702.220.754,24	90,14

Source: Bengkalis District Revenue Service (2015).

From the Table above can be seen the achievement of target PAD Bengkalis district from the last few years has increased. However, the realization of PAD for the last 3 years did not reach the target. Therefore, research is needed to explore the potential of PAD Bengkalis district. One of the most important sources of PAD is the Local Tax. Local taxes have enormous potential in increasing PAD. In Bengkalis Regency, the attainment of local taxes is still not optimal, there are still some taxes that have not reached the target (Source: Bengkalis District Dispenda), therefore this research focuses on the effectiveness and potential of local taxes as a source of PAD in Bengkalis Regency. This research is important to support the vision of the University of Riau is to be a brilliant research university based on the development of marine resources and the culture of Malay in 2035. To realize the vision, this research focuses on the resources of waters area that is in the development of the waters area. Bengkalis Regency is one of the districts located in the Watershed. The issue of development becomes an issue that is very important in realizing community development.

Based on the background that has been mentioned above, the research question that will be studied in this research are as follows: (1) How much potential of Local Tax as source of PAD in Bengkalis Regency during fiscal year 2011-2016 ?, (2) How much tax contribution Region to the PAD in Bengkalis District during the 2011-2016 fiscal year ? (3) To what extent is the effectiveness resulting from the local tax collection system in Bengkalis District during the 2011-2016 fiscal year?

In accordance with the research questions described, the main objectives to be achieved in this study are: (1) Analyzing the potential of local taxes as a source of PAD in Bengkalis District during fiscal year 2016, (2) Analyzing the magnitude of local tax contributions to PAD in Bengkalis regency during the year Budget 2016, (3) Analyze the effectiveness resulting from the local tax collection system in Bengkalis District during fiscal year 2016.

2. THEORITICAL REVIEW

2.1. Regional Revenue Source

Regional revenue sources can be interpreted broadly or narrowly. According to Law no. Law No. 22/1999 on the principalities of regional governance, the definition of a broad source of regional income includes not only local revenues but also income derived from balancing funds, regional loans, and other legal revenues. Balancing funds consist of: (1) Regional Section of Land and Building Tax Acceptance (PBB), Acquisition of Land and Building Rights, (2) General Allocation Fund (DAU), and (3) Special Allocation Fund (DAK). Regional borrowings are sourced from: (1) Domestic: central government, financial institution

of Bank, non-Bank financial institution, community, and other sources; and (2) Foreign Affairs: some bilateral or multilateral loans (Muda *et al.*, 2016). Other legal revenues are derived from grants or receipts from other provinces or districts/municipalities.

Local Own Revenue (PAD) is the definition of local revenue sources in a narrow sense. Regional Original Revenue is the revenue earned by the region from sources within its own territory which are levied according to local regulations in accordance with applicable laws and regulations (Tarmizi *et al.*, 2017). Local Original Revenue may be the result of local taxes and charges, the results of local companies and other legitimate business enterprises.

2.2. Local Tax

2.2.1. Taxes

According to Soemitro (1997), as followed by Waluyo and Wirawan in his book "Taxation of Indonesia" (2003), tax is the contribution of the people to the state treasury, based on the law (which can be directly enforced) Counter-achievement) that can be directly demonstrated and used to pay general expenses. From the above definition can be deduced about the characteristics attached to the definition of taxes, namely: (a) Taxes levied by the State under the Act and its implementation rules, (b). In the tax payment cannot be indicated by individual Government's counter-achievement, (c) Taxes levied by the Government, both central and local, (d) Taxes are for government expenditures, (e) Enforceable. The tax elements of the above meanings (Muda *et al.*, 2017) : (a) the public contribution to the state, in the sense that the entitled to collect the tax is the state for whatever reason private or private may not levy taxes, (b) under the Act (which may be imposed) In the sense that even if the state has the right to levy taxes, its implementation shall obtain the consent of its people through the Act, (c) without reciprocity (counter-achievement) of the state which may be directly appointed, in the sense of reciprocal or counter-achievement services Given to its people cannot be directly attributed to taxation, and (d) to finance general public expenditures, in the sense that government expenditures have benefits for society in general.

2.2.2. Understanding Effectiveness

Effectiveness is a measure of success over the failure of an organization to achieve a goal. Local tax collection is said to be effective if the effectiveness rate is e" 100 percent. The potential of local taxes is intended as the strength or ability to generate tax or proper ability taxable capacity in a state of 100 percent therefore must be distinguished between the potential and the circulation (turnover) which amount becomes the basis of taxation (tax base).

3. RESEARCH METHODS

This type of research is qualitative descriptive research. Qualitative research is a descriptive research and tends to use analysis and further highlight the process and meaning rather than results (Gusnardi *et al.*, 2016). The purpose of this qualitative research is a deeper understanding of a problem studied. The research location is on the coastal area of Riau by selecting Bengkalis district as the research location. This election is based on the magnitude of potential PAD in Bengkalis Regency. Data collection is done by field survey method, that is researcher directly go to research object. The data used in this research are secondary data

and primary data. Secondary data is needed is data Target PAD and Realization of PAD in 2017. Medium right Primary data is data sourced directly from participants i.e. information about the potential of PAD. The source of this data is the head of SKPD associated with PAD.

Data analysis techniques used are descriptive and qualitative techniques. Descriptive analysis using the technique of calculation in the form of numbers, tabulation and graphs, while the qualitative method used is by interview in depth (in-depth interview). With the steps undertaken: (1) identify potential PAD that has not been optimally explored, (2) Analyze the potential of local taxes, (3) Calculate contributions, and (4) Calculate effectiveness.

4. RESULT AND DISCUSSION

4.1. Local Government Revenue

Identification of PAD is done by looking at the Regulation of the Minister of Home Affairs and comparing with the regional regulations. The research was done by descriptive analysis. Data used in this research is Secondary Data. According to the Regulation of the Minister of Home Affairs of the Republic of Indonesia number 64 of 2013 Type of Regional Tax is:

1. Motor Vehicle Tax
2. Motor Vehicle Title of Transfer
3. Motor Vehicle Fuel Tax
4. Surface Water Tax
5. Cigarette Tax
6. Hotel Tax
7. Restaurant Tax
8. Entertainment Tax
9. Advertising Tax
10. Road Lighting Tax
11. Parking Tax
12. Ground Water Tax
13. Swallow's Nest Tax
14. Non-Metallic and Stone-Mineral Minerals
15. Land Tax and Rural and Urban Building
16. Acquisition of Land and Building Rights (BPHTB)

While Source of PAD from Regional Tax in Bengkalis Regency according to regional regulation year 2015 consists of:

1. *Tax Hotel Others*
2. *Restaurant Tax*
3. *Entertainment Tax*
4. *Advertising tax*
5. *PLN Street Lighting Tax*
6. *Non-PLN Street Lighting Tax*
7. *Parking Tax*
8. Ground Water Tax
9. Swallow's Nest Tax
10. Non-metallic mineral and rock taxes
11. Tax on Acquisition of Land and Building Rights (BPHTB)
12. Land and Building Tax

Comparison of types of local taxes contained in the number 64 of 2013 with Regional Regulation Bengkalis in 2016 that is there are 16 types of local taxes at Permendagri no 64 in 2013 while 12 types of Regional Taxes according to Bengkalis District Regulation. There are 4 types of local taxes that are not collected by Bengkalis districts, namely Motor Vehicle Tax, Motor Vehicle Name Duties, Motor Vehicle Fuel Tax and Cigarette Tax. The taxes are collected by the Provincial Government. According to the data obtained, the percentage of realization of Local Tax against its target during 2011-2016 fluctuated every year. This can be seen in Table 2 below.

Table 2
Fluctuation Percentage Realization of Local Taxes

No	Types of Tax	Percentage Realization (%)					
		2011	*2012*	*2013*	*2014*	*2015*	*2016*
1	Tax Hotel miscellaneous	116,80	150,42	187,63	67,09	103,52	86,29
2	Restaurant tax	135,93	116,65	135,06	138,89	118,40	100,24
3	Entertainment Tax	44,76	47,24	282,36	118,49	240,30	85,00
4	Advertisement tax	100,56	112,42	115,11	155,21	117,42	110,77
5	PLN Street Lighting Tax	278,40	150,20	115,74	122,63	95,49	147,22
6	Non-PLN Street Lighting Tax	98,64	58,44	65,41	94,34	88,17	49,04
7	Parking Tax	-	45,04	185,92	155,84	246,65	107,19
8	Groundwater Tax	-	90,99	134,60	95,46	32,05	98,00
9	Swallow's Nest Tax	32,76	29,31	105,02	84,62	54,70	101,97
10	Non-metallic and rock mineral taxes	43,89	1,29	374,17	368,43	346,59	129,97
11	Tax on Acquisition of Land and Building Rights (BPHTB)	200,80	144,42	153,40	584,39	65,02	50,32
12	property tax	-	-	-	85,46	86,69	88,30

Source: Research Result, 2017 (processed data).

The percentage of realization of Hotel Tax every year fluctuates and decrease in 2016. Realization of restaurant tax despite exceeding target but also decreased two years later. The entertainment tax of 2014 experienced a high surge, advertisement tax and PLN street lighting tax also exceeded the target although non-PLN road lighting tax did not reach the target. Parking tax since it is set every year has increased realization, swift let nest tax, and nonmetallic mineral taxes. BPHTB has declined and the UN is still under target.

4.2. PAD Potential Analysis

Analysis of PAD potential is done by interviewing with head of BPKD and head of tax collection department. The conclusions of this interview are as follows:

(a) Potential Regional Original (PAD) that has a high potential is the Land and Building Tax (PBB), but the UN in Bengkalis District has not been recorded, both in the city and in the village, there are still many taxpayers and lands that have not been recorded.

(b) Lack of community knowledge and insight into taxes.

(c) Absence of tax penalties resulting in a lack of public awareness to pay the taxes and no deterrent effect on people who do not pay taxes.

(d) For other areas in general have applied tax sanctions, as for all matters must attach proof of tax repayment, so that the public will feel obligated and have responsibility to pay taxes.

(e) Examples of other PADs, Land Acquisition Duties (BPHTB), other areas such as Java, all sale and purchase activities either using Certificate of Indemnity (SKGR) or Land Certificate (SKT) must pay BPHTB, but for Bengkalis Regency itself BPHTB shall be taxable only if it has a certificate or deed, if there is no such sale under the hand is not subject to BPHTB. Whereas in the regulation explained that every transaction is either certified or not subject to BPHTB.

(f) For other taxes such as hotel and restaurant taxes are running, the sanctions are not yet effective and optimal.

(g) The largest source of PAD in Bengkalis Regency is the Road Handling Tax and Land and Building Acquisition Rights (BPHTB).

(h) For the future development of local tax optimization, as it can be billed but not yet optimally executed.

(i) Each year the PAD is set by its target, as the UN 2016 reaches 5 Billion but if it is fully collected it can reach 20 Billion, if the public is aware of the taxes and land that has not been recorded recorded and registered.

(j) Taxes depend on economic levels and public awareness.

The tax system is forcing but there is a leniency due to taxes paid on their own. (Self Assessment & Official Assessment)

1. *Self Asessment*   :   Hotel Tax, Entertainment Tax, Parking Tax, Swallow Nest Tax
2. *Official Assessment* :   Land Water Tax, Advertisement Tax, Land and Building Tax

(k) Surface water taxes: managed by the province, with criteria for river or canal passing through several cities.

(l) Ground Water Tax: springs coming from the ground like a wellbore, but if it is used for activities that produce (business) other than households such as hotels, restaurants, and car wash it will be taxed.

(m) Street lighting tax (Non-PLN): self-administered lighting or own machine (Non-PLN).

(n) Non-metallic mineral and rock-like minerals (in the Rupat area)

4.3. Result of Analysis of Local Tax Contribution.

To know the amount of local tax contribution collected by BPKD Bengkalis district during fiscal year 2016. The amount of tax contribution area can be measured by using the formula:

$$Y = \frac{TPD}{PAD} \times 100\%$$

Where: Y is the Percentage of Local Tax Contribution to PAD, TPD is Total Regional Tax, and PAD is Local Original Income. Here is the contribution table of PAD Bengkalis Regency for the last 6 years can be seen in Table 3 below.

Table 3
Contribution of Local Tax to Local Original Income Bengkalis Regency in 2011-2016

Years	Local Taxes Total	Locally-generated revenue	Contribution of Local Taxes
2011	40.227.006.897	216.120.227.163,05	18,61%
2012	28.552.254.530,63	205.787.541.497,83	13,87%
2013	37.585.201.687,28	181.667.217.189,28	20,69%
2014	88.705.114.523,19	253.702.220.754,24	34,96%
2015	51.035.362.940,42	257.943.710.718,18	19,79%
2016	47.854.327.923,41	199.008.268.547,10	24,05%

Source: Research Result, 2017 (processed data).

In 2011 the contribution of Local Tax to Local Revenue was 18.61%. In 2012 decreased to 13.87%, but in 2013 and 2014 increased again by 20.69% and 34.96%. In 2015 again decreased to 19.79% and in 2016 amounted to 24.05%. Fluctuation Local taxes from year to year are due to the addition of the type of Local Tax Parking Parking and Groundwater in 2012. Then in 2014 the transfer of rights of the United Nations urban and Rural to Regional Taxes.

4.4. Analysis of the Effectiveness of Local Taxes

To know the effectiveness of taxes Bengkalis district area during fiscal year 2017 Local taxes are said to be effective if the effectiveness of e"100 percent. The effectiveness can be measured using the formula (Halim, 2001):

$$\text{Effectiveness} = \frac{\text{Realization of Tax Revenue}}{\text{Target of Tax Revenue}} \times 100\%$$

Here are the conclusions of the calculation of the Effectiveness of Local Tax Bengkalis District year 2011-2016 is as follows.

[1] In 2016, the effectiveness analysis shows that advertisement tax, PLN street lighting tax, parking tax, non-metallic mineral and rock taxes are very effective, because the average realization exceeds 100%. Restaurant Tax, Ground Water Tax, and Effective Swallow's Nest Tax. While Hotel Taxes and others, Entertainment Tax, and the UN is quite Effective and Non PLN Street Lighting Tax is less effective.

[2] In 2015, Hotel Taxes, Restaurant Taxes, Entertainment Taxes, Advertising Taxes, Parking Taxes and Non-Metallic Mineral Taxes are very Effective, as their realization average exceeds 100%. Meanwhile, PLN Street Lighting Tax is effective, Non-PLN Street Lighting Tax and Land and Building Tax is quite effective. BPHTP is less effective and Swift let nest tax is ineffective.

[3] In 2014, the most effective taxes are Restaurant Tax, Entertainment Tax, Advertisement Tax, Non-Metallic Mineral Tax and Land and Building Acquisition Tax (BPHTB) Tax. Tax of effective

Non-PLN Street Lighting and Swift let's Nest and Land Tax and Building Tax is Effective. The most effective tax is Swallow's Nest Tax and Land Tax and Hotel Tax Building in 2014 is less effective.

[4] In 2013, Hotel Taxes, Restaurant Taxes, Entertainment Taxes, Advertising Taxes, PLN Street Lighting Taxes, Non-Metal Mineral and Precious Metals Taxes, Parking Taxes, Ground Water Tax and BPHTB are very effective. The average of its realization exceeds 100%. Meanwhile, PLN Street Lighting Tax is not effective, and Swallow's nest is quite effective.

[5] In 2012, Hotel Tax, Restaurant Tax, Advertising Tax, PLN Street Lighting Tax, and BPHTB are very effective. The average of its realization exceeds 100%. While the Entertainment Tax, Non-PLN Street Lighting Tax, Non-Metallic Mineral, Parking Tax and Swift let nest tax is not effective.

[6] In 2011, Hotel Tax, Restaurant Tax, Advertising Tax, PLN Street Lighting Tax, and BPHTB are very effective. The average of its realization exceeds 100%. Non-PLN Street Lighting Tax is effective. While Entertainment Tax, Non Metallic Minerals, Parking Tax and Swift let nest tax is not effective.

[7] Actual tax realization can be achieved even if it exceeds target if socialization from government routinely implemented and implementation of reward and punishment. Those who do not pay taxes are liable to sanctions and those who pay taxes are rewarded for the taxes they paid to the Government.

Some of the problems faced by the Regional Revenue Service in an effort to increase the Regional Income are complete and accurate data of object and Subject of Local Taxes and Levies so can not describe the actual potential (Muda *et al.*, 2016); Public awareness in paying the Local Taxes and Levies still needs to be improved; Coordination between agencies related to the operationalization of local revenue collection still needs to be improved; The coverage of field officers is limited due to limited facilities and infrastructures such as mobility tools, inadequate computerized systems and lack of operational costs and technical capabilities of the management apparatus. The economic crisis that has not been so good and the unfavorable business climate greatly affects the current revenue revenues (Sirojuzilam *et al.*, 2016).

Handling efforts that have been undertaken and will continue to be improved include the following are efforts to create a regional revenue information system that can accurately provide a comprehensive picture of potential data of Local Taxes, Levies and other levies so that it can be known how big potential revenue in an area that can be explored and developed and managed professionally. Intensive, continuous and integrated counseling or dissemination of various regulatory tools in the field of local levies to the community and persuasively assist the community in fulfilling its obligations (Lutfi *et al.*, 2016). Quality and quantity Coordination between agencies will continue to be improved, among others through various coordination meetings and evaluation of regional income to establish and create a common vision for all relevant agencies in seeing how important the effort of excavation and development of regional income in this era of autonomy. In addition, other efforts undertaken in the management of local revenue, especially handled by Dispenda conducted by Dispenda officials ranging from the process of data collection of tax objects, calculations, determination up to the collection process. For the land tax and rural and urban buildings by updating the NJOP data of land which causes a significant increase in tax rates. For that it takes the role of all parties both apparatus Dispenda as tax collectors and urban village officials to help

provide accurate explanation to the taxpayer. Nurzaimah *et al.*, (2016) states in relation to the increase of apparatus resources, it is important that the apparatus and the local government in regency are equipped with knowledge and skills that can support the performance in the field, in order to improve performance in an effort to increase Local Own Revenue. The main facilities and infrastructure related to the operationalization of levies such as transportation, computerization and other supporting facilities will get more attention, so as to overcome the obstacles of the extent of tax object and to accelerate service to the community (Tarmizi *et al.*, 2016) and revitalize a strategic economy-based economy that has a broad economic scale in order to grow and empower the community at large.

5. CONCLUSIONS, IMPLICATIONS AND LIMITATIONS

5.1. Conclusion

Comparison of types of local taxes contained in the number 64 of 2013 with Regional Regulation Bengkalis in 2016 that is there are 16 types of local taxes at Permendagri no 64 in 2013 while 12 types of Regional Taxes according to Bengkalis District Regulation. There are 4 types of local taxes that are not collected by Bengkalis districts, namely Motor Vehicle Tax, Motor Vehicle Name Duties, Motor Vehicle Fuel Tax and Cigarette Tax. The taxes are collected by the Provincial Government. From the results of potential tax interviews that can still be explored and has a large tax potential is the Land and Building Tax. In the prediction there is still a potential tax of 20 billion, but the new can be billed is about 6 billion. This is due to UN data collection is not optimal and still lack of public awareness to pay the UN. Land and Building Tax have just been transferred to the blood tax since 2014. The former tax became Central Tax. But until now the data collection of land and buildings is not complete.

According to the analysis of the effectiveness of Local Taxes from 2011 to 2016 the effectiveness of Local Tax fluctuates from year to year. For hotel taxes, restaurant taxes and street lighting taxes and Non-PLN Street Lighting almost every year experience realization that exceeds the meaningful targets for these four types of taxes is very effective. However, for the Tax on Acquisition of Land and Building Rights from year to year decreased realization and in 2016 was not effective. This is due to taxes BPHTB unpredictable revenue is due to its realization only if there is a sale of land transactions in the community. This decline is also associated with a decrease in investment in Bengkalis District resulting in a decrease in community land demand.

In 2011 the contribution of Local Tax to Local Revenue was 18.61%. In 2012 decreased to 13.87%, but in 2013 and 2014 increased again by 20.69% and 34.96%. In 2015 again decreased to 19.79% and in 2016 amounted to 24.05%. Fluctuation Local taxes from year to year are due to the addition of the type of Local Tax Parking Parking and Groundwater in 2012. Then in 2014 the transfer of rights of the United Nations urban and Rural to Regional Taxes.

5.2. Implications

This research produces inputs to the Government of Bengkalis Regency in terms of extracting potential PAD which has an impact on increasing PAD. Thus the development can be carried out optimally which brings impact on the community that is increasing the economy of the community in coastal areas, especially Bengkalis district. This research supports the vision of the University of Riau that can be the development

of coastal areas of Riau. With the analysis of the potential of Regional Tax will have an impact on increasing the PAD Bengkalis so that it can be used to increase regional development?

5.3. Limitations of Research

This research is only conducted in Bengkalis Regency by analyzing Local Tax as PAD Potential. This study does not analyze other PAD potentials such as Revenue Levy, and other legitimate PAD.

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