Analysis of the Efficiency of Rural and Urban Land and Building Tax Receivables Management (PBB–P2) in Bukittinggi City, West Sumatra, Indonesia

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ABSTRACT*: This study aims to analyze the management of Rural and Urban Land and Building Tax (PBB-P2) receivables at the Bukittinggi City Finance Agency, identify factors influencing the high level of income, and formulate strategies to minimize these receivables. This study uses a descriptive qualitative approach. Data were collected through in-depth interviews with key informants, namely structural and functional officials at the Bukittinggi City Finance Agency. The results show that the management of PBB-P2 receivables includes the administration, collection, and write-off processes. However, the write-off only reaches the accounting stage, because there is no regional regulation regarding legal debt cancellation. The high level of arrears is caused by various factors, such as low taxpayer awareness, outdated and inaccurate taxpayer/property data, limited access to payment methods, weak supervision, and a lack of human resources. To reduce receivables, the Finance Agency has implemented several strategies, including data updating, digitizing tax information, active collection, community outreach, providing incentives, and increasing human resource capacity. This study recommends formulating regulations on the elimination of receivables, strengthening human resources, accelerating the digitalization of the tax system, and improving taxpayer education as strategic steps to reduce the ever-increasing amount of taxes.*

KEYWORDS-*Analysis of Land Tax Receivable Management Efficiency .*

I. INTRODUCTION

Rural and Urban Land and Building Tax (PBB-P2) is a type of regional tax that makes a significant contribution to supporting Regional Original Income (PAD). Since the transfer of authority from the central government to the regions through Law Number 28 of 2009, the challenges in managing PBB-P2 have become increasingly complex. Regional governments must not only ensure the accuracy of data on tax objects and subjects, but are also required to be able to reduce tax receivables that continue to swell every year. In Bukittinggi City, this condition is reflected in the still high number of PBB-P2 receivables that have not been optimally resolved. The urgency of this research arises from the fact that the management of PBB-P2 receivables in Bukittinggi City has not been fully effective. The results of an audit by the Supreme Audit Agency (BPK) indicate that there is no concrete policy regarding the write-off of expired receivables.

This is exacerbated by weak human resource capacity and a suboptimal tax digitalization system, as revealed in research by Mutia Anggraweni (2022), which noted the slow execution of PBB-P2 receivables write-offs due to a shortage of personnel and weak implementation of regional regulations.1 Similar problems have also been found in other regions. Research in Palembang by Desi Jayanti (2024) stated that the main obstacles to receivables management are the weak handling of non-performing receivables, as well as the lack of policy innovation to expedite receivables disbursement.2 Meanwhile, research in Subang (Ramadhan, 2022) and South Minahasa (Timporok, 2024) showed that taxpayer tracing strategies and collaboration with law enforcement agencies such as the prosecutor's office can have a significant impact on the effectiveness of receivables collection.3 However, studies that discuss the integrated discussion of receivables issues, digitalization strategies, write-off regulations, and human resource development are still very limited.

This constitutes a research gap that this article aims to address. A study by Ekawati (2016) highlighted the weakness of implementing regulations for the write-off of receivables as one of the main obstacles to tax management in Batu City[5]. Dwi Anita (2020) also revealed that the internal control system for the administration of PBB-P2 receivables is still weak, which impacts the validity of financial reports[6]. Thus, this article aims to: (1) analyze the actual condition of PBB-P2 receivables management at the Bukittinggi City Finance Agency; (2) identify the factors causing high receivables; (3) evaluate the effectiveness of the strategies that have been implemented; and (4) offer policy recommendations based on strategic pillars that include data updating, system digitization, active collection, increased compliance, and institutional accountability.

II.   RESEARCH METHODS

This research uses a descriptive qualitative approach. This approach was chosen because it is able to provide a detailed and in-depth picture of the actual conditions of the management of Rural and Urban Land and Building Tax (PBB-P2) receivables at the Bukittinggi City Finance Agency. Descriptive qualitative research focuses on understanding social phenomena holistically, naturally, and contextually, so it is suitable for studying aspects of policy, institutions, and administrative behavior in managing tax receivables. The research location is the Bukittinggi City Finance Agency, specifically the Revenue Division which is responsible for the management of PBB-P2. The location was chosen purposively because it is the most relevant technical unit in answering the research focus, namely related to administration, collection, write-off of receivables, factors causing high receivables and strategies undertaken to minimize PBB-P2 receivables.

The subjects in the research were local government officials tasked with managing PBB-P2. They consisted of six informants, namely: (1) Head of Finance Agency, (2) Head of Revenue Division, (3) Head of Determination and Reporting Section, (4) Head of Examination and Objection Section, (5) Functional Officer of Central and Regional Financial Analysis, and (6) IT staff managing the regional tax application system. The selection of informants was carried out using a purposive sampling technique, namely based on the consideration that the informants have direct knowledge and experience in the process of managing PBB-P2 receivables. Data collection was carried out using three main techniques: in-depth interviews, documentation, and field observation. Interviews were conducted in a semi-structured manner with pre-prepared guide questions. Documentation includes data on PBB-P2 revenue realization, accounts receivable reports, copies of internal regulations, and information from the tax information system (SISMIOP and SIPBB).

Meanwhile, observation was used to directly observe the service process, billing, and updating of taxpayer data carried out by employees at the Financial Agency office . In this study, the main instrument was the researcher herself, who was directly involved in the data collection and analysis process. To maintain objectivity, the researcher prepared interview guidelines based on indicators from taxation theory (Adam Smith), accounts receivable accounting theory (Kieso & Weygandt), and the principles of good governance. In addition, data and source triangulation techniques were also used to increase the validity of the findings, namely by matching the results of interviews, documentation data, and observations. Data analysis was carried out using the Miles and

Huberman model, which consists of three stages: data reduction, data presentation, and drawing conclusions/verification. Data reduction was carried out through a thematic categorization process based on issues such as taxpayer compliance, regulatory weaknesses, digitalization, and supervision.

Data presentation was carried out in the form of a systematic narrative, while drawing conclusions was carried out through cross-checking between information until a valid and complete understanding was obtained. To ensure the validity of the data , checking was carried out using member checking techniques with key informants, triangulation of methods and sources , and systematic recording of the research process for an audit trail . With this approach, the data obtained is believed to be able to represent the reality that occurs in the management of PBB-P2 receivables in Bukittinggi City in a valid and reliable manner..

III. DISCUSSION

1. Management of PBB-P2 Receivables in Bukittinggi City

The management of PBB-P2 receivables in Bukittinggi City is not yet fully optimal. Based on the interview results, the administration process has been carried out through cross-sector reconciliation and updating of tax object data. However, data validity remains a major issue. Many SPPTs are returned to the office due to incorrect addresses or missing taxable objects, resulting in increasing receivables each year. This aligns with Weygandt and Kieso's (2018) theory, which states that the validity of receivables recording determines the quality of financial reports.

In collection, the approach used is administrative and does not yet refer to the classification of receivables quality. Active collection, including sending warning letters and field visits, has not been implemented optimally. These results support the findings of Mardiasmo (2016), who emphasized that tax receivables collection must be active and structured to prevent accumulated receivables from burdening regional financial balance sheets.

The write-off of receivables is also still limited to "write-off", not "write-off". This is because there are no regional regulations that legally regulate deletion. This is consistent with the findings of Timporok et al. (2024) that weak write-off policies are a common obstacle in many regions. According to Government Regulation No. 35 of 2023 and Minister of Home Affairs Regulation No. 77 of 2020, the write-off of receivables requires a rigorous administrative evaluation and a valid legal basis, which are not yet available in Bukittinggi.

2. Factors Causing High PBB-P2 Receivables

Findings in the field indicate that high receivables are caused by various factors, including:

a. Low taxpayer awareness and compliance:
   Many taxpayers do not understand the importance of local taxes. This aligns with Fischer's (1992) tax compliance theory, which states that compliance is influenced by perceptions of fairness and tax education.

b. Invalid and outdated tax data
   Results in SPPT not being delivered to taxpayers, which exacerbates the accumulation of receivables. Research by Ekawati (2016) and Anggraweni (2022) shows that data inaccuracy is the root cause of ballooning receivables.

c. Human resource and technology limitations:
   A shortage of field staff and minimal technical training exacerbate accounts receivable management. This is supported by Fitriani's (2020) study in Banyumas, which found weak internal oversight and a lack of technological expertise to be significant inhibiting factors.

d. Absence of regulations on debt write-offs
   Bukittinggi City does not yet have a Mayoral Regulation or Regional Regulation on debt write-offs. Research in Subang and Palembang (Ramadhan & Anita, 2022; Jayanti, 2024) indicates that

regulation is a primary prerequisite for resolving inherited receivables from the central government.3. Strategy to Minimize PBB-P2 Receivables

3. **To address these challenges, the Bukittinggi City Finance Agency developed a strategy based on five pillars:**
   a. Data Updates
      With a field approach and remapping of tax objects, the regional government is trying to regulate duplicate or invalid SPPTs.
   b. The digitalization of systems and application services
      Such as SIPBB and the planned use of WhatsApp Blast, is expected to improve collection efficiency. This aligns with Kurniawan's (2017) research findings, which suggest that digitalization strengthens the effectiveness of regional tax services.
   c. Active and Responsive Collection
      Collaboration between collectors in the sub-district and officials of the Financial Agency is carried out through sending letters , home visits, and even cooperation with the prosecutor's office for stubborn taxpayers.

   d. Socialization and Incentives:
      This strategy includes waiving fines at certain times and using social media to spread awareness about the benefits of paying taxes. This aligns with a study by Romi & Larasati (2018), which emphasized the importance of incentive programs such as *sunset policies* and public education.
   e. Improving Human Resources and Accountability
      The government plans technical training and increasing the number of staff in the revenue sector. Weber (1947) emphasized the importance of bureaucratic systems and controls in promoting fiscal accountability, which is relevant in this context.

4. **Theoretical Contributions and Implications**
The findings of this study confirm most of the established theories, such as:
   a. Public administration theory by Max Weber: the importance of control and legality in accounts receivable procedures;
   b. theory of taxation : the principles of justice and ease in tax collection are not fully reflected in the current system;
   c. Accounts receivable accounting theory by Kieso & Weygandt: valid recording of receivables forms the basis for reliable reporting;
   d. Good Governance by UNDP: the principles of transparency and accountability have not been fully achieved in regional receivables management practices.

This research not only confirms existing theories, but also modifies them by proposing the need for a digital-based receivables management model, periodic data reconciliation, and vertical integration between regional and central governments.

IV.   CONCLUSION AND SUGGESTION

Management of Rural and Urban Land and Building Tax (PBB-P2) receivables in Bukittinggi City shows that even though administration and collection efforts have been carried out, the accumulation of receivables remains high. This is due to limitations in the validity of tax object and subject data, a weak active collection system, and the absence of regional regulations governing the legal mechanism for writing off receivables. The current receivables write-off process is limited to administrative write-offs, thus failing to substantively address the problem.

The main factors contributing to the high level of PBB-P2 receivables include low taxpayer awareness and compliance, outdated tax data, limited access to payments, weak internal oversight, and a lack of competent and trained human resources in regional taxation. These conditions indicate that institutional aspects and information systems are not yet capable of supporting optimal receivables management.

The strategy implemented by the Bukittinggi City Finance Agency to minimize PBB-P2 receivables includes five main pillars: (1) regular updating of tax object and subject data, (2) digitalization of the tax information system to expand the reach and efficiency of services, (3) implementation of active collection through administrative and field approaches, (4) organizing socialization and providing incentives to taxpayers, and (5) strengthening the capacity of the apparatus and increasing institutional accountability. This strategy is considered to be in line with the direction of necessary improvements, but still requires regulatory support and more comprehensive structural improvements.

Thus, the conclusion of this article indicates that the management of PBB-P2 receivables in Bukittinggi City is not yet fully effective and efficient, despite various strategic efforts. Regulatory strengthening, digital system integration, and human resource development are needed as strategic steps to sustainably improve the performance of regional tax receivables management.

V.   SUGEGESTIONS/ RECOMMENDATIONS

The author's suggestions or recommendations are written in this section. If there is none, then section IV is simply written with a conclusion. Based on the conclusions that have been outlined, the author makes several suggestions as follows:
1. The Bukittinggi City Regional Government needs to immediately draft and establish regional regulations, such as a Mayor's Regulation (Perwako) or Regional Regulation (Perda), which specifically regulates the mechanism for writing off tax receivables (debt write-offs), so that the process of settling uncollectible receivables has a strong and accountable legal basis.
2. Updating tax object and subject data must be done periodically, involving cross-sectoral collaboration, including sub-districts, districts, and land agencies. Data validity and accuracy are key to preventing new receivables in the future.
3. Increasing taxpayer literacy and compliance needs to be optimized through more creative, massive, and segmented outreach strategies, utilizing social media, local media, and direct education to the public.
4. Digital transformation of tax services , such as the development of online reporting, billing, and receivables tracking applications, must continue to be enhanced. Expansion of payment channels is also crucial to reach taxpayers with limited access to offline services.
5. Strengthening human resource capacity in the revenue sector, particularly in mastery of technology, public service communication, and understanding of tax regulations, is an urgent need so that accounts receivable management can be carried out professionally and efficiently.
6. Internal evaluation and periodic monitoring of the collection and recording of receivables processes need to be carried out systematically to ensure integration between information systems, administrative procedures, and institutional accountability.

By implementing these suggestions, it is hoped that the management of PBB-P2 receivables in Bukittinggi City can run more effectively, efficiently, and accountably and provide optimal contribution to increasing Regional Original Income (PAD).

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