

# Analysis of The Effectiveness of Hotel Tax, Restaurant Tax, and Street Lighting Tax in Increasing Regional Tax Revenue of East Lombok Regency in 2018-2022

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## ABSTRACT

This study aims to analyze the effectiveness and contribution of hotel tax, restaurant tax, and street lighting tax in East Lombok Regency in 2018-2022. This study uses a quantitative research type. Data obtained from the Regional Revenue Agency of East Lombok Regency in 2023. The results of this study indicate that the effectiveness of hotel tax in 2018-2022 obtained an average of 42.44%, which falls into the ineffective criteria, the effectiveness of restaurant tax obtained an average of 99.87%, which falls into the effective criteria, and the effectiveness of street lighting tax obtained an average of 98.95%, which falls into the effective criteria, while the hotel tax contribution obtained an average of 0.95%, which falls into the very poor criteria, the restaurant tax contribution obtained an average of 7.35%, which falls into the very poor criteria, and the street lighting tax contribution obtained an average of 41.10%, which falls into the good criteria. The implications of this study explain that strict supervision of taxpayers should be carried out and re-registering taxpayers to ensure that all taxpayers have been registered and fulfill their tax obligations in order to significantly increase regional tax revenues.

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## 1. INTRODUCTION

Regional Revenue and Expenditure Budget (APBD) is a government work plan expressed quantitatively, usually in monetary units that reflect the sources of regional revenue and expenditure to finance regional activities and projects within a period of one budget year [1]–[3]. In essence, the regional

budget (APBD) is one of the tools to improve public services and community welfare in accordance with the objectives of broad, real and responsible regional autonomy [4].

Regional Income is a regional right that is recognized to increase the net wealth value in the relevant year period and does not need to be repaid by the region [5]–[7]. Regional Income includes all cash receipts

through the Regional General Cash Account that increase fund equity, Regional Income consists of Regional Original Income, Balancing Funds, and Other Income [8]–[10]. One component of Regional Income, namely Regional Original Income, comes from the potential of the region itself which is collected based on regional regulations in accordance with applicable laws and regulations [11], [12]. Regional Original Income consists of Regional Taxes, Regional Levies, Separated Asset Management Results, and Other Legitimate PAD [13].

Regional Tax is one of the components of Regional Original Income, Regional tax is one of the main sources of income for a region because it has a major role in financing the government [14]–[16]. Regional Tax is a mandatory contribution to the Region owed by individuals or bodies that are coercive based on the Law, but do not receive direct compensation and are used for Regional needs for the greatest prosperity of the people [17].

Table 1. Target and Realization of Regional Taxes for East Lombok Regency 2018-2022

Year	Target	Realization
2018	Rp.61,322,344,080	Rp.60,559,105,680
2019	Rp.66,732,099,935	Rp.63,324,866,568
2020	Rp.72,658,793,458	Rp.52,934,582,255
2021	Rp.121,668,960,130	Rp.63,266,350,160
2022	Rp.124,328,954,218	Rp.72,657,568,236

Data source: Local Original Income Evaluation System of East Lombok Regency

Table 1 shows that the realization of regional tax revenues in East Lombok Regency in 2018-2022 was unable to meet the targets set by the East Lombok Regency Government.

East Lombok Regency is one of the regencies with the largest population in NTB, in addition East Lombok Regency has several potentials in natural resources, namely in

agriculture, marine industry energy, trade, transportation, and tourism. With these potentials, it will be very profitable if the government can optimize them properly, so that it is expected that the contribution from all tax categories that will be contributed to regional taxes will be large which can spur development and construction in the East Lombok region [18].

Table 2. Target and Realization of Hotel Tax for East Lombok Regency 2018-2022 in Rupiah

Year	Hotel Tax		
	Target	Realization	%
2018	1,053,000,000.00	827,363,204.70	78.57
2019	1,053,000,000.00	863,338,591.00	81.99
2020	814,753,936.00	286,658,336.00	35.18
2021	2,053,000,000.00	290,079,705.00	14.13
2022	2,053,000,000.00	715,250,969.00	34.84

Data Source: Regional Revenue Agency of East Lombok Regency

Table 2 shows that hotel tax revenues from the last 5 years have not been able to reach the target set by the East Lombok Regency government, due to the less-than-optimal collection and collection of hotel taxes, even since the emergence of Covid-19 in

2020 there has been a significant decline which has caused the government to provide relaxation for hotel entrepreneurs as a result of the Covid-19 pandemic, this has caused a decline in the realization of hotel tax revenues until 2022.

Table 3. Target and Realization of Restaurant Tax in East Lombok Regency 2018-2022 in Rupiah

Year	Restaurant Tax		
	Target	Realization	%
2018	3,620,000,000.00	4,011,764,792.00	110.82
2019	3,620,000,000.00	5,048,523,241,63	139.46
2020	3,769,070,824.00	3,908,178,391.00	103.69
2021	6,000,000,000.00	4,540,414,418.80	75.67
2022	6,000,000,000.00	5,471,569,405.00	91.19

Data Source: Regional Revenue Agency of East Lombok Regency

Table 3 shows that restaurant taxes fluctuate every year and almost every year they are able to achieve the targets set by the East Lombok Regency Government, however, since the Covid-19 pandemic in 2020,

restaurant taxes have decreased, even in 2021 and 2022, restaurant taxes were unable to achieve the targets set by the East Lombok Regency Government.

Table 4. Target and Realization of Street Lighting Tax for East Lombok Regency 2018-2022 in Rupiah

Year	Street Lighting Tax		
	Target	Realization	%
2018	21,380,000,000.00	23,245,688,719.00	108.73
2019	21,380,000,000.00	25,123,182,116,00	117.51
2020	24,730,000,000.00	22,212,131,334.00	89.81
2021	30,204,268,698.00	25,276,715,495.00	83.69
2022	32,204,268,698.00	32,686,124,166.00	101.50

Data Source: Regional Revenue Agency of East Lombok Regency

Table 4 shows that street lighting tax is the tax that contributes the largest revenue among other regional taxes, and almost every year street lighting tax is able to achieve the target set by the East Lombok Regency Government, but since 2020 street lighting tax has decreased due to the Covid-19 pandemic, but in 2022 street lighting tax began to increase and was even able to exceed the target set by the East Lombok Regency Government.

Based on the background of the problems that have been described, hotel tax, restaurant tax, and street lighting tax are focused by the East Lombok Regency Government on collecting these taxes which are believed to result in significant progress in increasing regional taxes. Of course, this will increase regional tax revenues. And also, the inability of the realization of regional tax revenues to reach the target set by the East Lombok Regency Government, one of the problems faced is the low level of taxpayer compliance. So, it is necessary to conduct a

deeper dig regarding the effectiveness and contribution of hotel tax, restaurant tax, and street lighting tax in increasing regional tax revenues.

Based on the background description above, the author is interested in conducting research on the analysis of the effectiveness of hotel tax, restaurant tax, and street lighting tax revenues in increasing regional tax revenues in East Lombok Regency in 2018-2022.

## 2. RESEARCH METHODS

In research, data collection is very important to know the scientific truth of a study. This method uses quantitative methods that are in accordance with the problems and formulations discussed, where data is obtained in the form of numbers from the agencies involved in this study.

In this study, we use quantitative data types that are in accordance with the problems and formulations that have been

discussed, where the data obtained is in the form of figures from the relevant agencies in this study.

The data sources used in this study are data obtained from the Directorate General of Fiscal Balance of the Ministry of

Finance, the Regional Original Income Evaluation System of East Lombok Regency, the Regional Revenue Agency of East Lombok Regency, along with other sources related to this study.

a. Hotel Tax Effectiveness Ratio Analysis

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

b. Restaurant Tax Effectiveness Ratio Analysis

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

c. Analysis of Street Lighting Tax Effectiveness Ratio

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

Table 5. Classification of Regional Tax Percentage Effectiveness Criteria

Presentation	Criteria
> 100%	Very Effective
90.00% - 100%	Effective
80.00% - 90%	Quite Effective
60.00% - 80%	Less Effective
<60%	Ineffective

Data source: Minister of Home Affairs Decree No. 690.900.327 of 2006

a. Hotel Tax Contribution Ratio Analysis

$$P_n = \frac{QX_n \times 100\%}{QY_n}$$

Information:

- P<sub>n</sub> = Regional Tax Revenue Contribution (Rupiah)
- Q<sub>Y</sub> = Amount of Regional Tax Revenue (Rupiah)
- Q<sub>X</sub> = Amount of Hotel Tax Revenue (Rupiah)
- n = Year

b. Restaurant Tax Contribution Ratio Analysis

$$P_n = \frac{QX_n \times 100\%}{QY}$$

Information:

- Pn = Regional Tax Revenue Contribution (Rupiah)
- QY = Amount of Regional Tax Revenue (Rupiah)
- QX = Amount of Restaurant Tax Revenue (Rupiah)
- n = Year

c. Analysis of Street Lighting Tax Contribution Ratio

$$Pn = \frac{QXn \times 100\%}{QY}$$

Information:

- Pn = Regional Tax Revenue Contribution (Rupiah)
- QY = Amount of Regional Tax Revenue (Rupiah)
- QX = Amount of Street Lighting Tax Revenue (Rupiah)
- n = Year

Table 6. Classification of Regional Tax Contribution Percentage Criteria

Presentation	Criteria
0.00% - 10%	Very less
10.00% - 20%	Not enough
20.00% - 30%	Currently
30.00% - 40%	Pretty good
40.00% - 50%	Good
Above 50%	Very good

Source: Minister of Home Affairs Decree No. 690.900.327 of 2006

### 3. RESULTS AND RESEARCH

#### 1. Hotel Tax Effectiveness

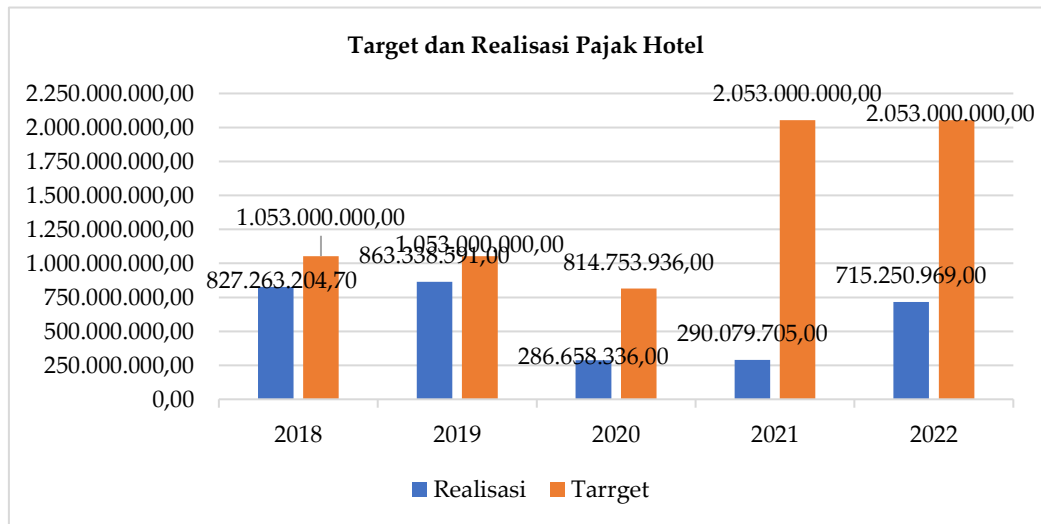


Figure 1. Hotel tax targets and realization in East Lombok Regency 2018-2022

Table 7. Effectiveness of Hotel Tax in East Lombok Regency 2018-2022

Year	Target (Rp)	Realization (Rp)	Percentage (%)	Criteria
2018	1,053,000,000.00	827,363,204.70	78.57	Less Effective
2019	1,053,000,000.00	863,338,591.00	81.99	Quite Effective
2020	814,753,936.00	286,658,336.00	35.18	Ineffective

Year	Target (Rp)	Realization (Rp)	Percentage (%)	Criteria
2021	2,053,000,000.00	290,079,705.00	14.13	Ineffective
2022	2,053,000,000.00	715,250,969.00	34.84	Ineffective
<b>Flat-flat</b>	<b>1,405,350,787.2</b>	<b>596,538,161.14</b>	<b>42.44</b>	<b>No Effective</b>

Source: BAPENDA East Lombok Regency, 2023 (processed data)

### 2. Restaurant Tax Effectiveness

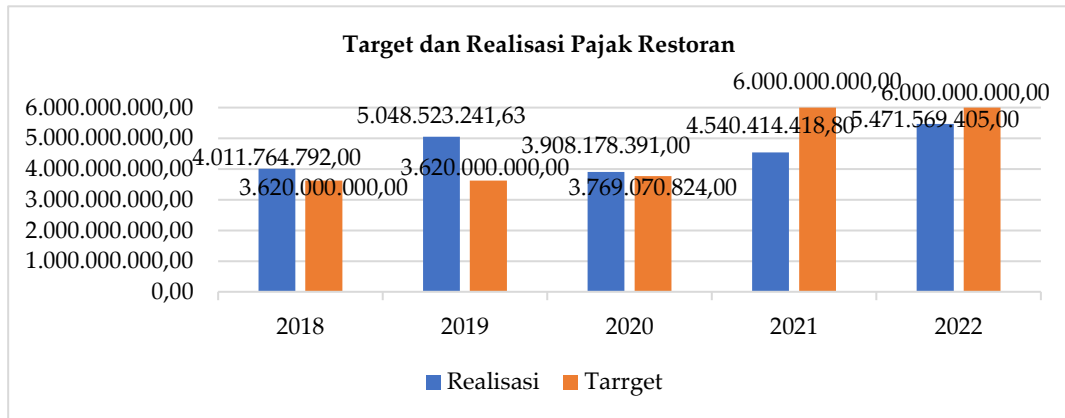


Figure 2. Restaurant tax targets and realization in East Lombok Regency 2018-2022

Table 8. Effectiveness of Restaurant Tax in East Lombok Regency 2018-2022

Year	Target (Rp)	Realization (Rp)	Percentage (%)	Criteria
2018	3,620,000,000.00	4,011,764,792.00	110.82	Very Effective
2019	3,620,000,000.00	5,048,523,241,63	139.46	Very Effective
2020	3,769,070,824.00	3,908,178,391.00	103.69	Very Effective
2021	6,000,000,000.00	4,540,414,418.80	75.67	Less Effective
2022	6,000,000,000.00	5,471,569,405.00	91.19	Effective
<b>Flat-flat</b>	<b>4,601,814,164.8</b>	<b>4,596,090,049,686</b>	<b>99.87</b>	<b>Effective</b>

Source: BAPENDA East Lombok Regency, 2023 (processed data)

### 3. Effectiveness of Street Lighting Tax

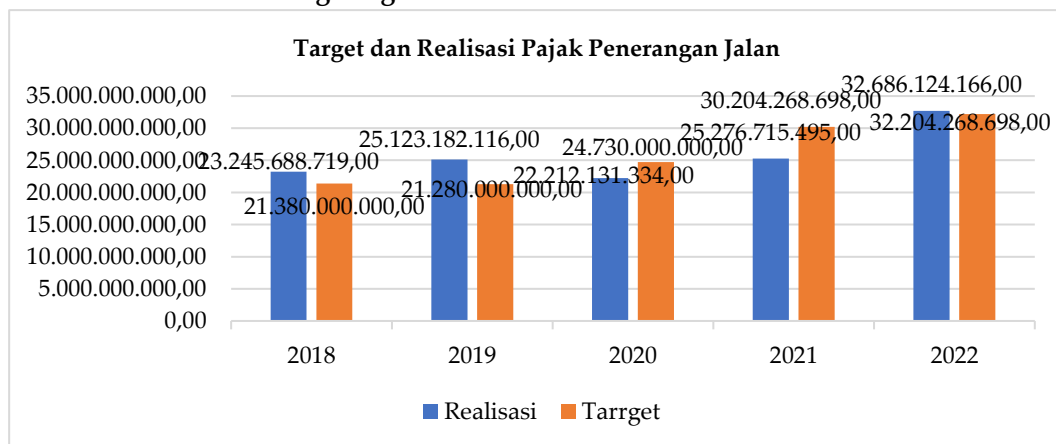


Figure 3. Target and Realization of Street Lighting Tax in East Lombok Regency 2018-2022

Table 8. Effectiveness of East Lombok Regency Street Lighting Tax 2018-2022

Year	Target (Rp)	Realization (Rp)	Percentage (%)	Criteria
2018	21,380,000,000.00	23,245,688,719.00	108.73	Effective
2019	21,380,000,000.00	25,123,182,116,00	117.51	Effective

Year	Target (Rp)	Realization (Rp)	Percentage (%)	Criteria
2020	24,730,000,000.00	22,212,131,334.00	89.81	Effective
2021	30,204,268,698.00	25,276,715,495.00	83.69	Effective
2022	32,204,268,698.00	32,686,124,166.00	101.50	Effective
<b>Flat-flat</b>	<b>25,979,707,479.2</b>	<b>25,708,768,366</b>	<b>98.95</b>	<b>Effective</b>

Source: BAPENDA East Lombok Regency, 2023 (processed data)

#### 4. Hotel Tax Contribution

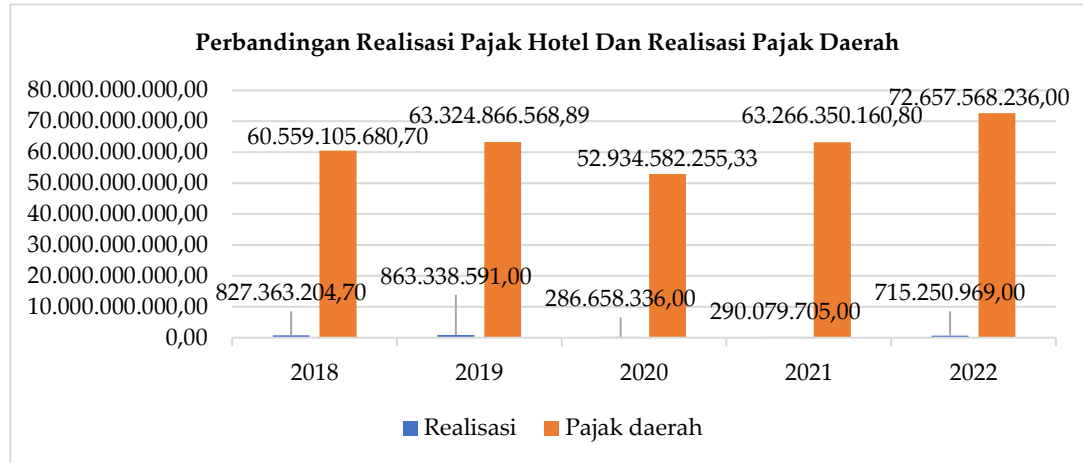


Figure 4. Comparison of hotel tax realization and regional tax realization in East Lombok Regency in 2018-2022

Table 9. East Lombok Regency Hotel Tax Contribution 2018-2022

Year	Realization (Rp)	Regional Tax (Rp)	Percentage (%)	Criteria
2018	827,363,204.70	60,559,105,680.70	1.37	Very less
2019	863,338,591.00	63,324,866,568.89	1.36	Very less
2020	286,658,336.00	52,934,582,255.33	0.54	Very less
2021	290,079,705.00	63,266,350,160.80	0.46	Very less
2022	715,250,969.00	72,657,568,236.00	0.98	Very less
<b>Flat-flat</b>	<b>596,538,161.14</b>	<b>62,548,483,780,344</b>	<b>0.95</b>	<b>Very less</b>

Source: BAPENDA East Lombok Regency, 2023 (processed data)

#### 5. Restaurant Tax Contribution

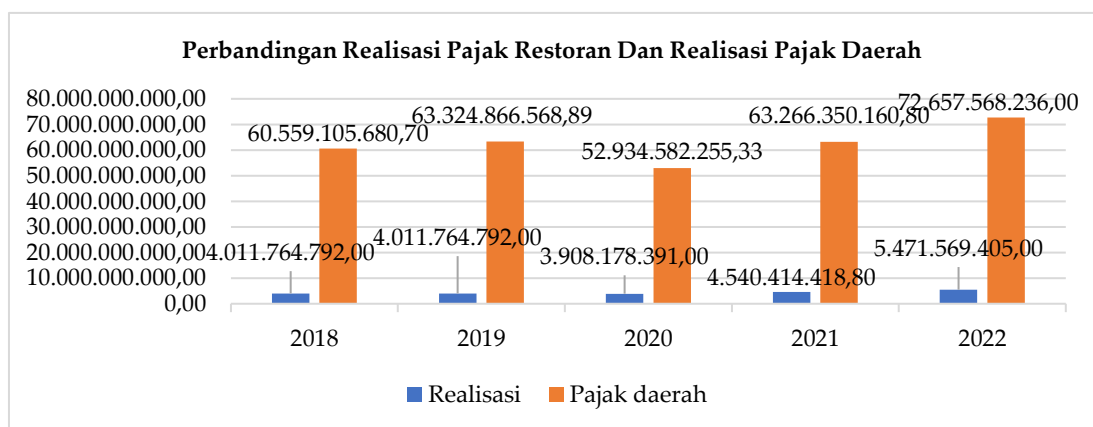


Figure 5. Comparison of restaurant tax realization and regional tax realization in East Lombok Regency in 2018-2022

Table 10. East Lombok Regency Restaurant Tax Contribution 2018-2022

Year	Realization (Rp)	Regional Tax (Rp)	Percentage (%)	Criteria
2018	4,011,764,792.00	60,559,105,680.70	6.62	Very less
2019	5,048,523,241,63	63,324,866,568.89	7.97	Very less
2020	3,908,178,391.00	52,934,582,255.33	7.38	Very less
2021	4,540,414,418.80	63,266,350,160.80	7.18	Very less
2022	5,471,569,405.00	72,657,568,236.00	7.53	Very less
<b>Flat-flat</b>	<b>4,596,090,049,686</b>	<b>62,548,483,780,344</b>	<b>7.35</b>	<b>Very less</b>

Source: BAPENDA East Lombok Regency, 2023 (processed data)

6. Restaurant Tax Contribution

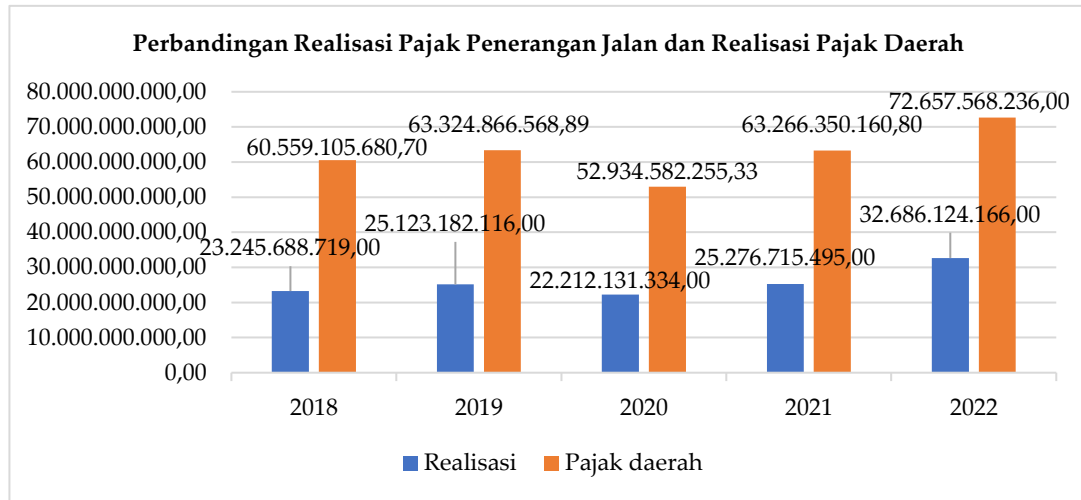


Figure 6. Comparison of street lighting tax realization and regional tax realization in East Lombok Regency in 2018-2022

Table 11. East Lombok Regency Street Lighting Tax Contribution 2018-2022

Year	Realization (Rp)	Regional Tax (Rp)	Percentage (%)	Criteria
2018	23,245,688,719.00	60,559,105,680.70	38.38	Pretty good
2019	25,123,182,116,00	63,324,866,568.89	39.67	Pretty good
2020	22,212,131,334.00	52,934,582,255.33	41.96	Good
2021	25,276,715,495.00	63,266,350,160.80	39.95	Pretty good
2022	32,686,124,166.00	72,657,568,236.00	44.96	Good
<b>Flat-flat</b>	<b>25,708,768,366.00</b>	<b>62,548,483,780,344</b>	<b>41.10</b>	<b>Good</b>

Source: BAPENDA East Lombok Regency, 2023 (processed data)

4. DISCUSSION

1. Hotel Tax Effectiveness

Based on the results of the research that has been conducted, the effectiveness of hotel tax in East Lombok Regency from 2018 to 2022 fluctuates, where the highest hotel tax effectiveness is in 2019 while the lowest is in 2021. Overall, the average hotel tax effectiveness falls into the ineffective criteria.

2. Restaurant Tax Effectiveness

Based on the results of the research that has been conducted, the

effectiveness of restaurant tax in East Lombok Regency from 2018 to 2022 fluctuates, where the highest restaurant tax effectiveness is in 2019 while the lowest is in 2021. Overall, the average effectiveness of restaurant tax falls into the effective criteria.

3. Effectiveness of Street Lighting Tax

Based on the results of the research that has been conducted, the effectiveness of street lighting tax in East Lombok Regency from 2018 to 2022 has fluctuated. Where the



highest effectiveness of street lighting tax was in 2019 while the lowest was in 2021. Overall, the average effectiveness of street lighting tax falls into the effective criteria.

#### 4. Hotel Tax Contribution

Contribution analysis was conducted to determine how much hotel tax contributed to increasing regional taxes in East Lombok Regency from 2018 to 2022, based on the research results that the largest contribution of hotel tax to regional taxes was in 2018 while the smallest was in 2021 and overall, the average contribution was in the very low category.

#### 5. Restaurant Tax Contribution

Based on the research results, the largest contribution of restaurant tax to regional taxes was in 2019, while the smallest was in 2018, and overall the average contribution fell into the very low category.

#### 6. Street Lighting Tax Contribution

Based on the research results, the contribution of street lighting tax to regional taxes was the largest in 2022, while the smallest was in 2018 and overall the average contribution was in the good criteria, the contribution of street lighting tax was the largest compared to other types of regional taxes.

### 5. CONCLUSION

Based on the results of data analysis in this study, it can be concluded that:

1. The effectiveness of hotel tax in East Lombok Regency in 2018 to 2022 was obtained at an average of 42.44%, falling into the ineffective criteria, the effectiveness of restaurant tax in East Lombok Regency in 2018 to 2022 was obtained at an average of 99.87%, falling into the effective criteria, and the effectiveness of street lighting tax in East Lombok Regency in 2018 to 2022 was obtained at an average of

98.95%, falling into the effective criteria.

2. The hotel tax contribution in East Lombok Regency in 2018 to 2022 was obtained with an average of 0.95%, which falls into the very low category, the restaurant tax contribution in East Lombok Regency in 2018 to 2022 was obtained with an average of 7.35%, which falls into the very low category, and the street lighting tax contribution in East Lombok Regency in 2018 to 2022 was obtained with an average of 41.10%, which falls into the good category.

Based on the research results, there are several suggestions from researchers that can be carried out to increase regional tax revenues in East Lombok Regency, namely:

1. Determination of the target for hotel tax, restaurant tax, and street lighting tax revenue by the East Lombok Regency government, the government should pay attention to the realization in the previous year and pay attention to the obstacles in its receipt, so that in the following year its effectiveness and contribution can increase and achieve the criteria of very effective and very good.
2. The East Lombok Regency Government and the provincial government should be able to increase supervision of taxpayers and provide more frequent outreach to taxpayers to pay taxes, so that this will have an impact on increasing hotel tax, restaurant tax and street lighting tax receipts.
3. For further researchers, it is recommended to conduct research not only from the hotel tax, restaurant tax, and street lighting tax sectors, but also from other tax sectors, so that later the effectiveness and contribution of other tax sectors can be known.

Future research should not only concentrate on tax income but also investigate the allocation of these funds towards

infrastructure development and public services that enhance community quality of life. This would offer a more thorough comprehension of the effects of taxation on societal well-being.

Adhering to this advice, subsequent researchers may enhance the comprehension of regional tax policies and their execution within a wider framework.

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