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Research Article

Assessment of the Regional Government's Effectiveness in Raising Regional Taxes in The Mamasa Regency

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Abstract

This detailed study investigates the efficiency of the local tax collection system in Mamasa Regency, emphasizing its vital role in underpinning the local economy. Acknowledging the critical importance of local tax revenues, this research enhances government fiscal policies. Utilizing a qualitative approach involves in-depth interviews with key stakeholders, participant observation, and thorough documentation analysis, allowing for a comprehensive understanding of the tax system. The findings indicate that while Mamasa Regency's tax collection system is effectively functioning, there are considerable areas for improvement. Key development areas include reinforcing the tax administration system through process streamlining and regulatory framework enhancement, increasing transparency in tax operations to boost taxpayer trust and compliance, and integrating advanced information technology to improve data management and accuracy. These enhancements are pivotal in making tax compliance more accessible for taxpayers. The study also sheds light on the intricate dynamics of local tax collection, revealing insights into operational challenges and taxpayer behavior. It offers strategic recommendations to augment the efficiency of Mamasa Regency's tax system and provide actionable guidance for similar regions. These suggestions serve as a blueprint for jurisdictions seeking to improve their tax collection methods, ultimately leading to greater economic resilience through enhanced fiscal management. This research is valuable for policymakers and governmental bodies aiming to refine tax collection practices and boost economic stability.

Keywords: fiscal policies; economic resilience; policymakers; tax compliance; taxpayer behavior.

1. INTRODUCTION

In the intricate tapestry of a nation's economy, regional revenue emerges as a pivotal thread, underpinning the financial fabric of local governance. This revenue, predominantly generated from a region's unique resources - natural, industrial, or tourism-based - not only fuels the local economy but also reflects the extent of a region's financial autonomy. In the realm of fiscal decentralization, this autonomy is critical, signifying a shift from centralized governmental control to localized financial empowerment (Inman et al., 2015). The significance of such decentralization is underscored in the seminal work of (Oates, 1972), which articulates the efficiency of localized fiscal management, particularly in economically diverse settings. The autonomy afforded by regional revenue is instrumental in reducing dependence on the central government, especially in decision-making processes. This aligns with the principle of subsidiarity, as espoused by (Bird & Vaillancourt, 1998), advocating for local decision-making authority wherever feasible. Such fiscal self-sufficiency not only strengthens local governance but also fosters tailored responses to community-specific needs, enhancing the overall efficacy of public administration.

In the broader spectrum of national development, taxation emerges as a cornerstone of Indonesia's public finance architecture. Accounting for over 80% of the government's revenue, taxes play an indispensable role in mobilizing funds for developmental endeavors. This includes critical infrastructure, education, healthcare, and social welfare. The centrality of effective taxation to sustainable development and poverty alleviation is a well-documented paradigm, finding resonance in the World Bank's report (Bird & Zolt, 2008; World Bank, 2018).

However, the path to harnessing tax revenues is fraught with challenges, notably in ensuring compliance and broadening the tax base. As the (International Monetary Fund, 2019) elucidates, developing nations like Indonesia could reap significant benefits from bolstering their tax administration systems. Efficient tax collection is not merely a fiscal prerogative but a fundamental catalyst for developmental progression. The generation and judicious management of regional revenue and robust taxation strategies are indispensable to Indonesia's national development narrative. These elements facilitate financial decentralization, foster regional independence from central government oversight, and guarantee the financing of essential services and development projects. Thus, policy formulations in Indonesia must pivot towards enhancing tax collection efficacy and optimizing resource management at the regional level. Such strategic initiatives are imperative for ensuring a balanced national development trajectory, where each region contributes to and benefits from the nation's collective growth and prosperity.

In the framework of public finance, it is well-established that a robust government budget typically draws its primary revenue from taxation rather than from exploiting natural resources. This principle aligns with the findings of (Bird & Zolt, 2005), who underscore the importance of a broad-based tax system in maintaining fiscal stability and promoting equitable growth. The critical role of taxation lies in its capacity for economic stabilization. Effective tax policies enable governments to fund essential measures for price stabilization, control inflation, and support related economic activities. This involves the strategic regulation of money flow within society, a concept explored in depth by (Musgrave, 1973) in their seminal work on public finance, emphasizing the balancing act between resource allocation, distribution, and stabilization. The stabilizing function of taxation becomes particularly evident when contrasted with economies dependent on natural resource revenues. Venezuela's economic trajectory under Hugo Chavez's regime, heavily reliant on oil exports, illustrates the pitfalls of such dependency. As elucidated by (Karl, 1997), Venezuela's financial health was inextricably linked to the volatile global oil market, leading to severe economic downturns during oil price declines. This scenario highlights the inherent instability in economies that are overly dependent on natural resources, as discussed in (Auty, 2001) resource curse thesis.

In contrast, a tax-based revenue system offers more consistency and predictability, as argued by (Besley & Persson, 2013) in their analysis of taxation and development. For developing countries, in particular, the stability provided by a tax-centric fiscal system is vital for nurturing a robust private sector, an essential engine for sustainable economic growth. (Zagler & Dürnecker, 2003) supports this view, emphasizing the role of government policies, including taxation, in facilitating private sector development in emerging economies.

Therefore, a fiscal strategy centered around taxation emerges as a more resilient and sustainable approach for government budgeting. It supports stable and continuous economic development, even amidst global market fluctuations, as observed by (Tanzi & Zee, 2000) in their study on tax policy for emerging markets. This approach underpins government efforts to create an environment conducive to private sector growth, crucial for the economic progress of developing nations (Ahmad et al., 1991). Revenue generation is a linchpin in the financial architecture of any nation, more so in a diverse country like Indonesia, which is ambitiously pursuing its NAWACITA program. This program, integral to Indonesia's national policy, aims to bolster the development of regions and villages within a cohesive framework, thereby enhancing infrastructure across the archipelago. Indonesia's geographic and administrative structure, comprising numerous provinces subdivided into districts or cities, presents a complex tapestry of governance. This complexity often poses significant challenges in ensuring smooth administration and efficient delivery of services at the local level.

The Indonesian government's strategic shift from a centralized to a decentralized system has been a pivotal reform in addressing these challenges. This transition, aligning with fiscal federalism principles discussed by (Oates, 1972), has paved the way for greater regional autonomy. Such autonomy empowers local governments, granting them substantial authority to manage their internal affairs. This shift is a practical embodiment of the principles enshrined in Pancasila and the 1945 Constitution of the Republic of Indonesia, advocating for a fair, prosperous, and equitable society. Understanding and efficiently managing tax revenue in this decentralized framework becomes imperative for local governments. This is not just a fiscal responsibility but a fundamental aspect of governance that directly impacts the ability to finance local development projects and provide essential services to the community. The role of tax revenue in local governance and development is well-articulated in the works of (Bird & Zolt, 2008), who emphasize the importance of effective tax systems for sub-national governments in achieving financial self-sufficiency and sustainable development.

Furthermore, successfully implementing regional autonomy in Indonesia necessitates a strong understanding of local fiscal dynamics. This involves collecting and managing taxes and making informed decisions on budget allocations to various sectors such as education, health, infrastructure, and social welfare. These goals are realized by the local government's ability to harness and utilize their financial resources judiciously on the challenges and opportunities presented by fiscal decentralization (R. W. Bahl & Linn, 1984; R. Bahl & Wallace, 2005).

The devolution of financial authority to local governments is a significant step in harnessing and strengthening the economic potential of regions. This decentralization enables local authorities to explore various economic sources for regional income, of which local taxes are crucial. The autonomy in determining local taxes, as guided by each region's specific regulations and the potential implementation of local income tax, reflects the essence of fiscal federalism, a concept explored by (Oates, 2008), emphasizing the efficiency and responsiveness of decentralized fiscal systems.

The Indonesian Law No. 23 of 2014 serves as a legislative backbone in this regard. As expounded by IB Gedhe Wahyu Pratama and I Ketut Suardika, this law affirms that local governments are endowed with equal rights and responsibilities in governance, a sentiment resonating with the principles of democratic decentralization. The law's scope extends to mandatory and optional governmental enterprises, covering various services, including education, healthcare, public works, land use planning, housing, public order, social protection, and addressing social issues. This comprehensive approach aligns with the arguments presented by (R. W. Bahl & Smoke, 2003; Smoke, 1994), who discuss the importance of local governance in providing essential services and its impact on improving public welfare.

Moreover, the responsibilities of elected local governments extend beyond mere administrative tasks. They are charged with the vital role of enhancing the inherent potential in each area they govern. This encompasses sectors as diverse as maritime and fisheries, tourism, agriculture, forestry, energy, mineral resources finance, trade, industry, and migration. The strategic development of these sectors is crucial for local economic growth and sustainability. The emphasis on sectoral development is supported by findings highlighting the importance of localized economic strategies in regional development (Rodríguez-Pose & Tijmstra, 2007).

Law No. 23 of 2014 further elucidates the division of regional government authority, providing a clear framework for local governance. An example of this can be seen in the Mamasa Regency, part of West Sulawesi Province. The regional government here is tasked with evaluating and implementing budget proposals in alignment with the overall budgetary constraints and objectives. This budget evaluation process is essential for ensuring fiscal discipline and aligning expenditures with regional priorities, as discussed in the context of local government financial management (Stenberg & Austin, 2007).

Efficiency measures the success of a program based on achieving or not achieving set goals. The efficiency ratio illustrates a local government's ability to achieve planned regional income relative to established objectives. Measuring public sector efficiency has three purposes: improving government operations, supporting local governments in tax collection focus, and enhancing public sector organizations' effectiveness and efficiency in public service delivery, especially in local tax revenue in Mamasa Regency.

2. METHODOLOGY

2.1. Research Approach

Expanding upon the proposed research model that employs a descriptive research method with a qualitative approach, this model is meticulously crafted to explore the intricacies of the phenomena experienced by the study's subjects. Qualitative research aims to gain a deep understanding of the meaning and nature of experiences from the perspective of those who experience them (Creswell, 2021). This approach provides a holistic view of the subject matter, considering the complexity of human behavior and the societal and cultural contexts in which people live (Denzin & Lincoln, 2011). Qualitative data analysis involves thematic or narrative analysis (Braun & Clarke, 2006). This involves identifying patterns and themes from the data and providing insights into the subjects' experiences and perspectives.

2.2. Location Study

The research was conducted in Mamasa Regency, specifically at the Regional Tax Office of Mamasa Regency, from March to June 2023. This location and timeframe were chosen to facilitate data collection and analysis related to the performance of the local government in improving regional tax revenue. The research within the tax office allowed for direct access to relevant data and insights into the strategies employed by the government to enhance tax collection. The study's timeframe provided a sufficient duration to gather comprehensive information and assess the effectiveness of these strategies over several months. This research aimed to contribute valuable insights into the efforts made by the local government to boost tax revenue, ultimately impacting the region's financial stability and development initiatives.

2.3. Research Subjects

The informants in this research are knowledgeable, understand, and have experienced the issues addressed in this study. The research subjects in this paper are the local government of Mamasa Regency. The selection of research subjects is based on the sampling technique using target sampling, specifically purposive sampling, which involves the selection of data sources with specific considerations (Hair et al., 2015). In the Mamasa Regency, the selection of research subjects is based on the sampling technique using purposive sampling, which involves the selection of data sources with specific considerations (Creswell, 2014). Data sources are individuals considered to be the most knowledgeable about the information sought, from whom the author gathers information about the performance of the Regional Government regarding the strategies employed to improve the local tax revenue collection performance in Mamasa Regency.

2.4. Research Instruments

Research instruments encompass the researcher as a human tool and the specific tools used in research activities, especially for measurement and data collection. These tools can take various forms, such as questionnaires, sets of test questions, observation sheets, and more. Research instruments also serve as vehicles designed to receive and process various data collected for research purposes. In addition to data collection, these tools are also related to the data processing methods employed, which is one of the stages of research. This aligns with another interpretation of the term, which refers to a source for individuals conducting research. The available tools vary and depend on the type of research being conducted.

In the case of survey-related research, questionnaires containing relevant questions and answers are used as instruments. If observations are employed, observation tables are used, and the content of these tables is tailored to the researcher's observational needs. Furthermore, if the research technique involves interviews, an interview guide, which consists of a set of questions prepared for the interview process, is utilized. In data processing, the observation panel often uses rating or rating scales for assessment.

2.5. Instrument Development Procedure

In research, the use of instruments or tools is of utmost importance as research instruments play a critical role in determining the quality of a study. The validity and reliability of the data obtained are highly dependent on the quality of the instruments used, in addition to the data recording procedures that will be employed. These instruments can transform facts into data. Therefore, the instruments' quality should be valid and reliable to ensure that the obtained data aligns with the actual facts or conditions of the occurrences in the research environment. Even if an instrument is of poor quality, meaning it has low value and reliability, the resulting data may not be valid or correspond to the actual reality, leading to incorrect conclusions. The acquisition of relevant information or data depends on the measuring instrument. Therefore, research measurement instruments must have validity and reliability guided and directed by specific questions.

- Validity of Measurement Instruments: A measurement instrument is considered valuable if it accurately measures what should be measured. Two crucial factors inseparable from the principle of value are precision and accuracy. A measuring instrument is considered accurate if it can be used with a certain level of precision concerning its objectives. Similarly, a measuring instrument is considered accurate if it can provide precise measurements of the scale or magnitude of a phenomenon or part of a phenomenon to be measured, especially in more abstract social sciences.
- Reliability of Measurement Instruments: A measurement instrument is deemed reliable if it exhibits constant, stable, or accurate properties. Therefore, an instrument is considered reliable when tested on a group of subjects, and the results remain the same, even when tested at different times or when applied to a different subject matter or field of study.

2.6. Data Validity Testing Procedure

Data validity testing is a crucial aspect of qualitative research, upholding the scientific rigor of the study and assessing the quality of the collected data (Moleong, 2007). In qualitative research, ensuring the validity of the data is essential to establish the credibility and trustworthiness of the findings. By addressing these aspects of data validity, qualitative researchers can enhance the trustworthiness of their research findings and contribute to the overall quality of qualitative research.

- Credibility: Credibility refers to the extent to which the research findings accurately represent the experiences and perspectives of the participants. To enhance credibility, researchers often employ member checking, peer debriefing, and prolonged engagement with participants (Graziano & Raulin, 1993; Lincoln & Guba, 1985).
- Dependability: Dependability involves the stability and consistency of the research findings over time and under different conditions. Researchers achieve dependability through audit trails, where they document their decision-making processes and research activities to allow for future verification (Erlandson, 1993).
- Transferability pertains to the extent to which the findings can be applied or transferred to other contexts or settings. Researchers establish transferability by providing a rich and detailed description of the research methods, context, and participants to enable readers to assess the applicability of the findings to their situations (Nowell et al., 2017).
- Confirmability: Confirmability refers to the objectivity and neutrality of the research findings, indicating that the researcher's biases or preconceptions do not influence them. Researchers maintain confirmability by employing reflexivity and maintaining an audit trail to document their potential biases and the steps to minimize them (Guba & Lincoln, 1989).

2.7. Data Analysis

Data analysis in qualitative research is a process that occurs throughout the data collection and continues until a specific period. Researchers begin preliminary analyses of the obtained responses during interviews or other data collection methods. If the initial analysis results are deemed unsatisfactory or insufficient understanding, researchers will proceed with further questioning or data collection. This process may repeat until a particular stage where researchers believe the collected data has reached sufficient credibility and trustworthiness. The qualitative data analysis process is iterative, where researchers continuously return to the data to ensure the accuracy and validity of the findings. This also allows researchers to delve deeper and understand the broader context of the collected data. Data analysis includes data collection, data reduction, data presentation, and drawing conclusions and verification (Miles et al., 2013).

3. RESULT AND DISCUSSION

3.1. Result

As an autonomous region with city status in the West Sulawesi Province, the Mamasa City Government plays a pivotal and strategic role in its locality. A comprehensive understanding of the conditions in the Mamasa Regency is the foundation for planning, particularly in formulating strategies, policy directions, and development programs for the regency. Deeply comprehending regional revenue is paramount in decision-making and effective development planning. By analyzing the sources of revenue, the Mamasa City Government can allocate resources wisely to enhance the community's welfare and overall regional development. The report on the Regional Budget (APBD) of the Mamasa Regency Government shows a record of the Mamasa Regency's Regional Revenue. This data can be found in the following Table 1:

Table 1. Realization of Regional Tax Revenues in Mamasa Regency

No	Type of Income	Target income (Rp.)	Total Realized Income (Rp.)	More/less (Rp.)	Percentage (%)
1	Hotel Taxes	35,000,000.00	43,390,003.00	(8,390,003.00)	123.97%
2	Restaurant Taxes	1,100,000.00	2,124,524,785.00	(1,024,524,785.00)	193.14%
3	Entertainment Tax	16,000,000.00	7.800,003.00	8,199,997.00	48.75%
4	Advertising Tax	220,000,000.00	158,097,880.00	61,902,120.00	71.86%
5	Road Lighting Tax	1,624,862,900.00	1,883,594,353.00	(258,731,453.00)	115.92%

Sources: Data Realization of Regional Tax Revenue in Mamasa Regency, (2022)

Table 1 illustrates the realization of regional tax revenues in Mamasa Regency. It compares the target income, total realized income, variance, and percentage. The data indicates that the regional revenue fell short of the budgeted amount. This discrepancy can be attributed to the underperformance of specific revenue sources, namely entertainment and advertising taxes, which did not achieve their budgeted targets. These findings underscore the importance of a comprehensive analysis of revenue sources and the need for strategies to effectively enhance the collection of taxes related to entertainment and advertising to meet budgetary goals. Such strategies are essential for ensuring the financial stability and development of Mamasa Regency.

Table 2 presents data on the regional tax budget in Mamasa Regency for 2017 to 2022. The table includes specific tax categories, such as hotel taxes, restaurant taxes, entertainment taxes, advertising taxes, and road lighting taxes, along with their respective figures for each year.

Table 2. Data on Regional Tax Budget in Mamasa Regency

Years	Hotel Taxes	Restaurant Taxes	Entertainment Tax	Advertising Tax	Road Lighting Tax
2017	29,620,000	926,031,019	8,100,000	59,006,550	1,904,592,066
2018	18,290,000	1,092,366,345	7,050,000	144,211,530	1,363,797,159
2019	49,270,000	1,158,476,027	7,750,000	149,093,775	1,484,062,732
2020	15,642,200	712,968,238	2,650,000	228,923,233	1,539,642,253
2021	26,512,000	1,537,913,280	2,000,000	263,960,550	1,679,928,816

Sources: Data on Regional Tax Budget in Mamasa Regency, (2022)

A notable observation from the table is the significant variation in revenue figures across these years. This variance suggests there may have been inefficiencies or mismanagement of resources during this period. It also indicates that the budget's role in controlling operational processes may not have been fully optimized. However, it is worth highlighting that 2019, there was a profitable difference, signifying that revenue exceeded the budgeted amount for that particular year. This aligns with the notion put forth, which states that when the realization surpasses the budget, it is considered unprofitable. In contrast, it is deemed profitable if the realization falls short of the budget (Syafri Harahap, 2003). These findings emphasize the need for a comprehensive analysis of the factors contributing to revenue discrepancies, focusing on optimizing budgetary control mechanisms to ensure efficient resource allocation and financial stability in Mamasa Regency.

3.2. Discussion

3.2.1. Analysis of the Effectiveness of Regional Tax Revenue

Regional taxes play a vital role in supporting the allocation of funds for regional development activities undertaken by the government. This can be achieved effectively when financial resources, including those from the taxation sector, are available to finance these initiatives. To facilitate the successful implementation of these activities, the Regional Revenue and Financial Management Agency (DPPK) of Mamasa Regency, responsible for tax collection, must take positive measures.

One of these measures involves intensifying and extending the reach of taxation types with revenue potential. Setting targets and realizing revenue collection are vital focuses for the DPPK of Mamasa Regency for the fiscal years 2017-2021, with a specific emphasis on the effectiveness of regional tax collection. The effectiveness of regional tax collection is assessed using the effectiveness levels presented in the following Table:

Table 3. Effectiveness Formula

No.	Effectiveness Presentation	Criteria	Formulas
1	100%	Very effective	$$\textbf{Effectiveness} = \frac{\textbf{Tax Realization}}{\textbf{Tax Targets}}$$
2	100%	Effective/stable	
3	>100%	Ineffective	

Efficiency is the extent to which the resources expended can achieve the established objectives. It serves as a measure to assess the relationship between tax collection outcomes and the predetermined goals or targets. Table 4 illustrates the calculation of the efficiency of Regional Tax Revenues in Mamasa Regency.

Table 4. Level of Effectiveness of Regional Tax Revenue in Mamasa Regency (2017-2021)

No	Type of Income	Target income (Rp.)	Total Realized Income (Rp.)	More/less (Rp.)	Percentage	Effectiveness
1	Hotel Taxes	35,000,000.00	43,390,003.00	(8,390,003.00)	123.97%	Very Effective
2	Restaurant Taxes	1,100,000.00	2,124,524,785.00	(1,024,524,785.00)	193.14%	Very Effective
3	Entertainment Tax	16,000,000.00	7.800,003.00	8,199,997.00	48.75%	Ineffective
4	Advertising Tax	220,000,000.00	158,097,880.00	61,902,120.00	71.86%	Ineffective
5	Road Lighting Tax	1,624,862,900.00	1,883,594,353.00	(258,731,453.00)	115.92%	Very Effective

Efficiency is a pivotal factor in assessing the effectiveness of tax collection within a region. It is critical to gauge the extent to which allocated resources contribute to achieving predetermined objectives. The efficiency of Regional Tax Revenues in Mamasa Regency for 2017-2021, as outlined in Table 4, provides valuable insights into the performance of tax collection efforts.

The efficiency and effectiveness of regional tax collection in Mamasa Regency vary across different income types. Hotel Taxes demonstrated exceptional efficiency, surpassing the target by 123.97% and efficiently utilizing resources. Restaurant Taxes also performed impressively, with a 193.14% collection rate over the target, indicating both effectiveness and efficiency. In contrast, the Entertainment Tax exhibited lower efficiency at 48.75%, suggesting the need for improved resource allocation and collection methods. Similarly, the Advertising Tax had room for enhancement with a 71.86% collection rate. However, the Road Lighting Tax exceeded its target by 115.92% while maintaining high efficiency, ensuring established objectives were realized.

Efficiency is a critical determinant in optimizing regional tax revenues. While specific categories, such as hotel and restaurant taxes, showcased exceptional efficiency, others, such as entertainment and advertising taxes, indicated opportunities for enhancement. Overall, the effective and efficient collection of regional tax revenues plays a significant role in the administration and development of the Mamasa Regency.

3.2.2. Analysis of Obstacles in Regional Tax Revenue

The Department of Revenue and Financial Management (DPPK) of Mamasa Regency encounters several obstacles in its efforts to boost local tax revenue. These multifaceted challenges contribute to the suboptimal performance of tax collection for the regional income.

Firstly, there is a notable disconnect between the predetermined tax targets and the actual revenue potential of the region. The targets set by the department do not always align with the actual capacity of the local businesses and residents to meet these targets. This mismatch between expectations and reality can hinder revenue collection efforts. Similarly, the established regional revenue targets often do not mirror the actual revenue realization. This discrepancy suggests that the department's revenue planning and forecasting processes may need refinement to ensure more accurate estimates. There is a lack of synchronization between the existing revenue potential within the region and the actual tax revenue collected. This points to the need for a more efficient and practical approach to identifying and tapping into the revenue sources available within the community. The absence of local regulations specifying sanctions for non-payment of taxes poses a challenge. Clear legal consequences for tax evasion can deter and promote compliance among taxpayers. Lastly, the local population still has limited awareness and willingness to fulfill their tax obligations. This underscores the importance of education and outreach efforts to inform the community about the benefits of taxation and its role in supporting local development.

Collectively, these challenges contribute to the less-than-optimal performance of tax revenue collection within Mamasa Regency. Addressing these obstacles will require a concerted effort by the Department of Revenue and Financial Management (DPPK) to refine its strategies, improve forecasting, enhance regulatory frameworks, and engage with the community to foster greater tax compliance.

3.2.3. Analysis of Government Efforts to Increase Regional Tax Revenue

In response to the challenges of increasing tax revenue, particularly in the Mamasa Regency, the Local Government has recognized the need for proactive measures within the Department of Revenue and Financial Management. These strategic steps are crucial to enhancing tax collection and local income, ensuring financial stability and fulfilling the region's responsibilities in managing and providing essential services to its residents.

One of the primary actions is to thoroughly review the alignment between set revenue targets, the region's revenue potential, and the actual realized revenue. By conducting a comprehensive assessment and employing more effective planning, the Local Government aims to establish tax targets that are realistic and attainable. This strategic approach helps prevent revenue imbalances and ensures a more stable financial foundation. Another essential step involves formulating local regulations that specify penalties for individuals or entities failing to meet their tax obligations within the defined timeframes. These regulations serve as a deterrent and provide a legal framework for enforcing timely tax payments, contributing to increased revenue collection.

Furthermore, expanding the revenue base is a crucial strategy for boosting tax revenue and local income. This expansion encompasses several aspects, including identifying new potential taxpayers and thoroughly reviewing the existing taxpayer base. To achieve this, the Local Government focuses on enhancing the database of tax objects and subjects through field data updates. Additionally, they improve the assessment process by inspecting taxpayers' operations in the field and at their offices. These actions collectively contribute to a more accurate and comprehensive understanding of the region's revenue potential.

Ultimately, these strategic steps aim to calculate the revenue capacity, allowing the Local Government to set realistic tax targets that align with the region's financial capabilities. The Local Government can establish a fair and balanced revenue system by implementing effective tax policies and enforcement mechanisms. This system supports regional development and ensures that the community's needs are met, promoting financial stability and sustainable growth in the Mamasa Regency.

The efforts undertaken have proven effective in mitigating and addressing the existing obstacles successfully. This is evident from the consistent increase in tax revenue and its contribution to boosting the region's income year after year. As a result, tax revenue and its contributions to enhancing the Regional Income at the Department of Revenue and Financial Management (DPPK) of Mamasa Regency can be deemed optimal. In a broader context, this research answers the research problem formulation. The answers to each research question point to the underlying issues of tax ineffectiveness, local levies, revenue from separated regional wealth management, and other legitimate local revenues that have failed to meet their annual targets.

Based on the findings of this research, the Regional Financial Management and Asset Management Agency of Mamasa Regency need to collaborate across budgetary sectors. This collaboration will involve proposing budgets to the Regional People's Representative Council (DPRD) responsible for budget approval. By working together effectively, these entities can contribute to better financial planning and management, ultimately leading to improved revenue collection and allocation to benefit the Mamasa Regency's development and public service provision.

The performance measurement tool employed in this research is the analysis of regional revenue performance. This tool assists in analyzing the performance of local governments, particularly in the context of Mamasa Regency, West Sulawesi. The heightened demand for local government performance and accountability has led to the need to measure the performance of local governments. The objectives of measuring local government performance include enhancing performance and increasing accountability.

Local governments are expected to establish robust performance metrics, which may involve various measures for different purposes. This diversity in performance metrics can sometimes lead to conflicts and interdependence among different units within a single organization.

To evaluate the financial performance of Mamasa Regency in West Sulawesi, an analysis of the financial performance of Mamasa Regency's local government in managing its finances is necessary. Performance reflects the level of achievement of activities in realizing an organization's goals, objectives, missions, and visions as outlined in its strategic planning. On the other hand, performance measurement involves assessing work progress against predetermined goals and objectives.

Efficiency ratios, such as the effectiveness ratio, can indicate a local government's ability to self-finance its activities, development, and services to the tax-paying public. A higher effectiveness ratio signifies a higher level of financial independence for the local government.

In analyzing a local government's financial management performance, financial and non-financial measurement tools can be utilized. The measurement of local government performance serves three primary purposes: focusing the government on the goals and objectives of its programs, enhancing the efficiency and effectiveness of public service delivery, allocating resources, and making decisions. These performance measures help achieve public accountability and improve institutional communication. Financial ratios formed from elements in the Accountability Report are a common performance assessment form.

4. CONCLUSION

Regional autonomy allows local governments, such as Mamasa Regency, to manage local revenue. This is crucial in supporting local development. Local governments will struggle to fulfill their duties and responsibilities without adequate revenue. One strategic step that can be taken by the Local Government is to optimize the performance of relevant officials, including the Head of the Tax Office and the Head of the Regional Finance Office. They need to have a good understanding of the potential revenue sectors. Concrete steps involve improving the understanding of tax regulations, tax collection efficiency, and regional financial administration best practices. Good cooperation between relevant agencies is also a key to success. Increasing local tax revenue is essential for sustainable development. With sufficient revenue, local governments can more effectively provide public services, develop infrastructure, and meet the community's needs. Investment in the capacity of relevant officials and improvement of the tax collection process are strategic steps toward achieving regional development goals.

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