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The Legal Awareness of Taxpayers in Paying Land and Building Taxes: A Study in Lhokseumawe Municipality

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Abstract

There are many challenges to public awareness in paying Land and Building Tax. These challenges will be answered with the following problem formulations; How is the legal awareness of taxpayers in paying Land and Building Tax. What are the inhibiting factors and what efforts can be made by the Regional Financial Management Agency (BPKD) of Lhokseumawe City to increase legal awareness in paying Land and Building Tax? The type of research used is qualitative research, which is a type of descriptive research and tends to use analysis as the main source of reference. The approach used in this study is an empirical legal approach often also called a sociological legal approach, namely an approach based on binding norms employing researchers carrying out actions, or a way for researchers to

establish relationships with people who want to be studied. Taxpayer legal awareness in paying PBB still requires more attention, especially in terms of education, transparency, and service. With consistent and targeted efforts, it is hoped that the level of legal awareness of taxpayers can increase, thus contributing to the optimization of PBB revenue as one of the sources of regional income. The obstacles faced by the Lhokseumawe City Regional Financial Management Agency are the lack of taxpayer knowledge of the importance of land and building tax for the Development of Lhokseumawe City. Efforts made by the Lhokseumawe City Regional Financial Management Agency to increase legal awareness in paying Land and Building Tax are to conduct socialization or counseling to taxpayers.

Keywords: Legal Awareness, Taxpayers, Land and Building Tax

Introduction

Tax is a source of state revenue carried out by the government and regulated by law. Tax also has a very vital role in a country.¹ Law Number 28 of 2009 concerning General Provisions and Tax Procedures Article 1 number 2 states that "what is meant by Taxpayers is individuals or entities that according to the provisions of tax laws and regulations are determined to carry out tax obligations, including tax collectors or tax withholdings."² Many taxpayers do not feel obliged to pay Land and Building Tax so the Legal Basis for Land and Building Tax was formed as stated in Law Number 12 of 1985 concerning Land and Building Tax and Law Number 12 of 1994 concerning Amendments to Law Number 12 of 1985 and Lhokseumawe City Qanun Number 1 of 2024 concerning City Tax and City Retribution.³ However, in reality, there are still many Land and Building Taxpayers, especially in Lhokseumawe City who do not fulfill their obligations. According to data obtained at the Regional Financial Management Agency office regarding the comparison of those who fulfill their obligations by paying Land and Building Tax and those who do not pay Land and Building Tax. Based on data from the Regional Financial Management Agency, the PBB revenue target is often not achieved, and many taxpayers do not fulfill their obligations on time. This low awareness creates serious problems for local governments, considering the large potential for tax revenue that is not optimally utilized. Taxpayer legal awareness in paying Land and Building Tax is the success of tax collection. Legal awareness

¹ Bayu Ageng, Pengaruh Sikap Kesadaran Wajib Pajak Dan Pengetahuan Perpajakan Dalam Membayar Pajak Bumi Dan Bangunan *Skripsi* Program Studi Sarjana, Fakultas Hukum, Universitas Islam Negeri Syarif Hidayatullah Jakarta, 2011., p.12.

² MARIHOT PAHALA SIAHAAN, *Pajak Bumi dan Bangunan di Indonesia*., Yogyakarta: Graha Ilmu, 2009.p.13.

³ Oktaviani, Kesadaran Masyarakat Dalam Membayar Pajak Bumi Dan Bangunan Di Kecamatan Gajah Mungku, *Jurnal Hukum Elektronik*, Fakultas Hukum, Universitas Wahid Hasyim E-Issn: Vol 5, Semarang, 2011.,p.15.

includes taxpayers' understanding of their obligations, knowledge of payment procedures, and compliance in fulfilling obligations. The existence of high legal awareness among taxpayers can help the government in collecting Land and Building Tax more efficiently. In increasing public awareness in paying Land and Building Tax, there are many challenges, some of which include lack of understanding, difficulty in implementing law enforcement, and socio-economic inequality. Thus, this becomes an obstacle in paying Land and Building Tax.

Based on the description above, several things are the formulation of the problem, including the legal awareness of taxpayers in paying Land and Building Tax (PBB) in Lhokseumawe City, the obstacles faced by the Regional Financial Management Agency (BPKD) of Lhokseumawe City in increasing taxpayer legal awareness in paying Land and Building Tax and the efforts are made by the Regional Financial Management Agency (BPKD) of Lhokseumawe City to increase legal awareness in paying Land and Building Tax.

Methodology

The type of research used is qualitative research, which is a type of descriptive research and tends to use analysis as the main source of reference.⁴ The approach used in this study is the empirical legal approach often also called sociological legal, namely an approach based on binding norms through researchers carrying out actions, or a way for researchers to establish relationships with people who want to be studied.⁵ To conduct this research, the author chose the research location at the Lhokseumawe City Regional Financial Management Agency Office. This location was chosen because it was considered appropriate with the data needed by the author related to the legal awareness of taxpayers in paying Land and Building Tax in Lhokseumawe City. The data sources in this study needed by the researcher to answer the problems studied are: Secondary data as support for the author in this study, namely through literature studies, namely by collecting various sources related to the problems studied. in the form of:

- a. Primary Legal Materials In this study, primary legal materials consisting of laws and regulations, in the form of: the 1945 Constitution of the Republic of Indonesia, Law Number 12 of 1994 concerning Land and Building Tax, Law Number 28 of 2009 concerning Regional Taxes and Regional Retributions.
- b. Secondary Legal Materials, Secondary legal materials that explain the primary legal materials in this study, the author refers to the results of scientific works from previous researchers such as books and related scientific journals.
- c. Tertiary Legal Materials, tertiary legal materials as a guide for further explanation of primary legal materials or secondary legal materials originating from dictionaries, encyclopedias, magazines, and newspapers.

Data collection in this study was carried out by the author through two activities, namely field studies (field research)

⁴ Moch Nazir, *Metode Penelitian Jakarta Grafika Indonesia* 2008. p.22.

⁵ Rohman. A, *Metode Penelitian*, Kencana Prenada Media Group, Jakarta, 2021.p.30

which aim to obtain information related to the focus of this research. Also, literature studies or library studies (library research) were carried out as a series of research activities.⁶

Discussion

1. The legal awareness of taxpayers in paying Land and Building Tax (PBB) in Lhokseumawe City

Taxpayer legal awareness is one of the awareness that must be increased because tax is a source of regional income.⁷ Therefore, it is necessary to strive so that income from the Land and Building Tax sector can be obtained optimally.⁸ However, until now it is still very difficult to realize it because of various problems in the thinking of the people of Lhokseumawe City. The level of taxpayer compliance in paying PBB in Lhokseumawe varies relatively, depending on the region, level of education, and public awareness of the importance of taxes. Most people tend to pay PBB only when they receive official notification or when they are going to take care of land documents. Many people do not fully understand the obligation to pay PBB as a form of contribution to regional development.⁹ This is often influenced by the lack of information about tax obligations.¹⁰ Some people only pay PBB to avoid administrative sanctions or fines. Ratna Rahayu as Head of Regional Revenue Data Collection and Reporting explained that, "The people of Lhokseumawe City will only pay Land and Building Tax when needed. For example, when they want to make a sale and purchase transaction for the land they own, or when it will be distributed to heirs, this event causes them to pay Land and Building Tax has an interest. several aspects that affect public awareness in paying Land and Building Tax.

a. Public Knowledge Level

Many people do not fully understand the importance of Land and Building Tax for regional development so awareness to pay taxes is often low.

b. Compliance Level

Tax Compliance High awareness of tax obligations is usually accompanied by a good level of compliance.

c. Economic Conditions

The economic ability of the income level and the economic ability of the community also affect their awareness of paying taxes. In areas with a weaker economy, people may find it difficult to pay Land and Building Tax.

d. Government Services

Public Services or government services If the community feels that their PBB payments do not provide direct benefits in the form of infrastructure development or better public services, the motivation to pay taxes can decrease.

e. Socialization and Education

⁶ Sugiono, *Metode Penelitian Pendidikan Pendekatan Kualitatif*, Alfabeta, Bandung, 2016., p.15.

⁷ Burhan Bungin. M, *Penelitian Kualitatif: Komunikasi, Ekonomi, Kebijakan Publik, Dan Ilmu Sosial Lainnya*, Kencana Prenada Media Group, Jakarta, 2010., p.22.

⁸ Chaizi Nasucha, *Reformasi Administrasi Publik*, Jakarta: Penerbit Grasindo, 2004., p.41.

⁹ Ety Murwaningsari, *PBB Perdesaan dan Perkotaan: Dasar Pengelolaan dan Implementasi di Daerah*, Kencana, Jakarta, 2017., p.17.

¹⁰ Ismawan. *Memahami Reformasi Perpajakan 2000*, Jakarta: Pt. Elex Media Komputindo, 2007., p.35.

The Socialization Program of the local government that actively educates the public about the importance of Land and Building Tax and how the tax is used for local development can increase public awareness. Campaigns through social media, seminars, or direct counseling can be effective in this regard.

Payment of Land and Building Tax which increases every year is a burden to think about money to pay Land and Building Tax if it is not paid later it will be fined and have to add to the budget again but paying Land and Building Tax is our obligation as citizens who own houses and land". Legal awareness for taxpayers in paying Land and Building Tax is still lacking, causing fines for taxpayers to increase every year because the people of Lhokseumawe City still do not have full awareness of their obligations as good citizens by obeying regulations related to paying Land and Building Tax (PBB) on time. This is due to dissatisfaction from the public with public services that are not yet optimal such as road damaged that has not been repaired using the tax budget that has been paid by the community in advance. In addition to officers, all levels of society must also play an active role in making the government's efforts a success by paying Land and Building Tax on time and reminding others to pay Land and Building Tax.

2. The Obstacles Faced by the Regional Financial Management Agency (BPKD) of Lhokseumawe City in Increasing Taxpayer Legal Awareness in Paying Land And Building Tax

In reality, there are still many obstacles that occur in increasing the legal awareness of taxpayers in paying Land and Building Tax. The types of obstacles are as follows: The types of obstacles faced by the Regional Financial Management Agency are as follows:

1. Low Knowledge of Taxation

Low knowledge of taxation causes problems that affect individuals, businesses, and the economy as a whole. These problems consist of Difficulty Fulfilling Tax Obligations and Incorrect filling of SPTs caused by a lack of understanding of filling out Tax Returns (SPT).

2. Lack of Enthusiasm of the Community Towards Counseling or Socialization

The obstacles that we usually face as counseling implementers have asked permission from the Village to notify and invite the community to come to the Office Sub-district to hold counseling but the response of the residents was not as enthusiastic as we expected, only a few residents came to the counseling location.¹¹

3. Increase in Land and Building Tax Burden

The increase in Land and Building Tax every year indirectly increases the taxpayer's budget to set aside a little of their income to pay Land and Building Tax.¹²

4. Weak Regulation

Another obstacle that causes obstacles in paying land and building taxes is due to weak regulations in the field of taxation itself,

5. Lack of Information Factor from the Government to Taxpayers

The lack of information and counseling carried out by the government can cause a decrease in public awareness to pay Land and Building Tax.

6. Leakage Factor in Tax Collection.

This leakage factor occurs due to a lack of control and supervision from the government regarding officers, thus giving rise to a negative view from the public. Such as money that has been paid by taxpayers to pay Land and Building Tax Buildings is corrupted by tax officers for personal interests and needs. indirectly reducing taxpayer trust in officers and the government.

7. Inappropriate Time

Another obstacle is the inappropriate time, the extension team must find the right time to hold the extension so that many people can follow it.

8. Community Economic Condition Factors

Not all taxpayers in Lhokseumawe City have the same income and have the same job.

3. The Efforts Made By The Regional Financial Management Agency (BPKD) of Lhokseumawe Municipality to Increase Legal Awareness in Paying Land and Building Tax

Some efforts by the Lhokseumawe Municipality Regional Financial Management Agency to increase taxpayer legal awareness in paying land and building taxes are as follows:

1. Providing an Understanding of the Function of PBB

The public needs to understand that Land and Building Tax is a contribution they make to regional development. The better the infrastructure and public services in an area, the greater the benefits felt by the community.¹³

2. Providing Easy Access to Payments

Providing convenience in the payment process, such as through digital platforms, banks, or easily accessible outlets, can encourage people to be more disciplined in paying Land and Building Tax.

3. Providing Incentives and Sanctions

Providing incentives for those who pay Land and Building Tax on time, such as tax deductions, as well as imposing sanctions for those who do not pay, can be effective tools to increase compliance.

4. Providing Trust in the Government

If the public sees that the funds they pay through Land and Building Taxes are used properly and transparently, trust in the government will increase.

5. Conducting socialization or counseling to taxpayers

The importance of paying Land and Building Tax must be fostered in taxpayers to carry out their obligations as obedient citizens in paying Land and Building Tax. Interview with the statement of the Head of Data Collection and Determination, who stated that: Providing counseling to the public if there is a tax month that has been determined by the government, the provision of information is carried out by sending a letter to each sub-district to reminding its citizens to immediately pay Land and Building Tax, or putting up banners in front of the sub-district office, on strategic roads that can be read by the public, counseling activities are carried out in stages. Counseling regarding taxes provided by the authorities is expected to provide

¹¹ Trisna Putra, interview with the Revenue Office of Lhokseumawe, on 27 May 2024.

¹² Jefri, interview with the Taxpayers in Lhokseumawe on 28 May 2024.

¹³ Kapulmuna, interview with the Registration and Determination, Revenue office of Lhokseumawe.

solutions to taxpayers to be able to pay Land and Building Tax on time.¹⁴

6. Creating a Fine-Free Program

The Regional Financial Management Agency has created a fine-free program for taxpayers who have been in arrears for more than ten years. From May to December 2024, there is a fine-free program for taxpayers who have been in arrears for more than ten years so that they can pay according to the amount of their principal tax and a fine of two percent of each year is eliminated, on the condition that each taxpayer must come to the Regional Financial Management Agency office to register and explain their complaints about why they have not paid Land and Building Tax for years.

Conclusion

Based on the results of the research that I have done, the following conclusions can be drawn:

1. Legal awareness of taxpayers in paying PBB still requires more attention, especially in terms of education, transparency, and service. With consistent and targeted efforts, it is hoped that the level of legal awareness of taxpayers can increase, thereby contributing to the optimization of PBB receipts as one source of regional income.
2. The obstacles faced by the Lhokseumawe City Regional Financial Management Agency are the lack of taxpayer knowledge about tax sanctions and their consequences can cause taxpayers to violate regulations without realizing it.
3. Efforts made by the Lhokseumawe City Regional Financial Management Agency to increase legal awareness in paying Land and Building Tax by conducting socialization or counseling to taxpayers are expected to provide information, consultation and guidance on PBB, thereby increasing taxpayer knowledge about the importance of paying PBB.

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