



The effect of hotel and restaurant tax revenue on the original income of the blitar City Area

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Article Info	ABSTRACT
Article history: Received Sep 13, 2025 Revised Sep 19, 2025 Accepted Sep 26, 2025	This study aims to determine the Influence of Hotel Tax and Restaurant Tax on Original Income of Blitar City. The sample of this study uses annual data on Regional Taxes and Regional Original Revenues. The number of samples used is 5 years from 2020-2024. The hypothesis test in this study used multiple linear regression analysis with SPSS. The results of the research on hotel taxes and restaurant taxes have an effect but are not significant on the Original Revenue of the Blitar City Area. The results of the study show that the influence of hotel tax revenue and restaurant tax is quite strong.
Keywords: Hotel Tax; Regional Original Revenue; Restaurant Tax.	

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1. INTRODUCTION

Regional financial resources to carry out management are sourced from regional revenues and regional financing. The regulation in Law Number 12 of 2008 concerning the second amendment to Law Number 32 of 2004 concerning Regional Government brings changes in regional development. This law explains that the regions are given the authority to regulate and/or take care of the interests of the local community based on the aspirations of the community or in other words, based on the amendment of the law, the regions are given the authority to exercise regional autonomy.

The Optimization of Regional Original Revenue aims to provide a buffer for the implementation of local government activities. Regional Original Revenue indicates the ability of a region to finance routine activities and development. In the context of regional financial theory, regional fiscal policy plays an important role in realizing fiscal independence. According to (Mardiasmo, 2023), regional fiscal independence is reflected in the ability of regions to finance their expenditures through Regional Original Revenue (PAD), without relying too much on transfer funds from the central government. Hotel and restaurant taxes as part of regional taxes are fiscal policy instruments that directly contribute to the Regional Original Revenue (PAD) of Blitar City. Based on Law Number 12 of 2008, the source of Regional Original Revenue is regional tax revenue, regional levy revenue, revenue from regional companies and the results of separate regional wealth management, and other legitimate regional revenue revenues.

Blitar City is one of the cities in East Java Province that implements regional autonomy and makes Regional Original Revenue as one of the sources to meet the needs of government spending and regional development. Blitar City has abundant natural resources, in addition to producing agricultural products, Blitar City has beautiful nature and panoramas. The city of Blitar is also known

as a tourist attraction, which is the tomb of the first president of the Republic of Indonesia, namely President Ir. Soekarno, with attractive tourism, this will increase hotel and restaurant tax revenue. grow in line with attention to the components of the service and tourism sector of Blitar City, so that it can contribute to tax revenue and can increase Regional Original Revenue. This is evidenced by data obtained from the Blitar City BPKAD office data, hotel tax revenue in 2020-2024 is large.

Based on data from the Blitar City BPKAD office, the following is the growth of hotel tax revenue in 2020-2021 of Rp. 117,526,859.00, in 2021-2022 of Rp. 416,203,154.00, in 2022-2023 of Rp. 155,031,250.00 and in 2023-2024 of Rp. 709,105,346.00. The growth of restaurant tax revenue in 2020-2021 amounted to Rp. 974,572,818.00 in 2021-2022 amounted to Rp. 1,355,596,806.00, in 2022-2023 amounted to Rp. 323,870,259.00 and in 2023-2024 decreased by Rp. 1,110,516,078.00.

The data above shows that Blitar City shows a positive contribution from hotel and restaurant taxes, although the proportion is relatively lower than large cities in East Java which indicates the potential for expansion based on tax revenue, improved compliance, and increased tourism promotion to increase the role of the tax component in Regional Original Revenue (PAD). The calculation of contribution is carried out by comparing the realization of hotel and restaurant tax revenues to the total realization of Regional Original Revenue (PAD) of each region in the 2020-2024 period which is sourced from data from Bapenda, BPS, and city PAD reports showing the results of differential pattern calculations, namely large cities with a larger tourism and service base for example: Malang, Surabaya tend to have a percentage of restaurant and hotel tax contribution revenue to The higher Regional Original Revenue (PAD) can reach ~20% compared to Blitar City. The influencing factors are from the potential of the region or city which includes the economic scale of tourism, the number of hotel rooms, the intensity of restaurant/retail activities, and the capacity of regional tax administration in collecting and supervising.

2. RESEARCH METHODS

This type of research is quantitative, the variables to be studied are Hotel Tax, Restaurant Tax and Regional Original Revenue which refers to data analysis techniques using the SPSS application. The free variables used are the application of hotel tax and restaurant tax. Meanwhile, the bound variable used is the region's original income. The instruments used in this study are intended to produce accurate data, namely using data analysis techniques whose content is in accordance with the needs in data collection carried out by researchers.

The number of residents in this study is a tax revenue report for the Original Region of Blitar City, and the sample is the realization of hotel taxes and restaurant taxes for 2020-2024. To obtain data in this study, interviews and documentation were conducted. The data analysis techniques in this study are descriptive analysis, classical assumption test, while hypothesis test is through T test, F test, and R² test. According to Fristiani (2022), taxes are rules made by the state in the form of warning letters, bills, and administrative sanctions to discipline taxpayers in reporting taxpayer obligations in the form of money that must be deposited into the state treasury. Hotel Tax is a tax on services by making payments for additional services as hotel equipment that provide the comfort of the facilities provided, including sports and entertainment facilities Lidyawati (2021). According to Apriliani and Sunaningsih (2022), restaurant tax is the rate paid for the services that restaurants provide to their customers. The hotel and restaurant tax rate is 10%.

3. RESULTS AND DISCUSSION

The following data is processed attached to the target and realization of Hotel Tax, Restaurant Tax and Original Revenue for the city of Blitar from 2020 to 2024: Based on data, the percentage growth of Hotel Tax revenue in 2020 was 135.72%, in 2021 it was 119.35%, in 2022 it was 119.20%. in 2023 it will be 118.40% and in 2024 it will be 158.16%.

The COVID-19 pandemic that occurred in the 2020-2022 period had a major impact on the tourism, services, and public consumption sectors. Social restriction policies, temporary closures of tourist attractions, and a decrease in public mobility have caused hotel occupancy rates to decrease

drastically and visits to restaurants to decrease significantly. This condition directly affects hotel and restaurant tax revenues, which are elastic to economic activity.

Based on data from the Blitar City BPKAD (2020–2023), hotel tax revenues have fluctuated in their income, while restaurant taxes have also been depressed because people are doing more activities to eat at home. This phenomenon is in line with regional financial theory which states that PAD, especially regional taxes, is greatly influenced by macroeconomic external conditions and social factors.

The following are the results of descriptive statistical analysis of the variables of hotel tax, restaurant tax, and Regional Original Revenue:

Table 1 Descriptive Statistical Test

	N	Minimum	Maximum	Mean	Hours of deviation
Hotel	5	2056124609	77578485900	3.42E10	3.479E10
Restoran	5	4973516199	6.E11	3.95E11	2.425E11
PAD	5	2.E11	2.E11	5.06E11	6.956E11
Valid N (listwise)	5				

1. Hotel taxes affect the original income of the Blitar City Area, hotel taxes have an effect but are not significant on the Original Regional Revenue. This is due to the small number of hotels in the city of Blitar. In addition, the hotel tax rate is only 10% so hotel taxes contribute but are not significant to the Regional Original Revenue. The results of this study are related to the existence of internal factors of taxpayers' knowledge about tax regulations. Taxpayers understand well and correctly regarding tax provisions and regulations so that taxpayers pay taxes. In addition, a conducive tax situation or environment can determine taxpayers to be compliant in paying taxes.
2. Restaurant taxes affect the original income of the Blitar City Area, restaurant taxes show that they have an influence but not significantly on Native Territory Revenue. This is because in the process of collecting restaurant taxes, there are still taxpayers who do not comply or feel burdened to pay taxes set by the local government so that they do not pay taxes according to the nominal tax that has been set. The knowledge possessed by taxpayers is an important component that can determine whether or not taxpayers will comply or not in carrying out their obligations. Tax knowledge is used to implement taxpayer compliance, but taxpayers are often constrained by technical knowledge of taxation, even awareness of the importance of knowing taxes is still lacking. Compliance with paying taxes is a form of responsibility for the government and society, where both have rights and obligations.
3. Hotel taxes and restaurant taxes affect the original income of the Blitar city area, the results of the hypothesis test show that hotel taxes and restaurant taxes have an effect but are not significant on Regional Original Revenue. This is because the Blitar City government does not encourage development such as apartments, hotels, restaurants and others, so that hotel tax revenue and restaurant tax revenue do not occur significantly. The increase in regional taxes will certainly have an impact on increasing Regional Original Revenue.

4. CONCLUSION

This study aims to determine the influence of hotel and restaurant tax revenues on regional revenue in Blitar City. Based on the data that has been collected and the results of the tests that have been carried out, it can be concluded that the influence of hotel taxes on regional revenue from 2020 to 2024 is still relatively low from the overall over the last 5 years, especially after the covid pandemic, which means that hotel taxes contribute positively to the Original Regional Revenue of Blitar City. Meanwhile, the restaurant tax has an effect but does not meet the entire budget of the Blitar City Regional Original Revenue. Hotel taxes and restaurant taxes have an effect on regional revenues for 2020-2024 but do not occur significantly.

For the Blitar City Government, it is recommended to take more concrete strategic steps in increasing the contribution of hotel and restaurant taxes to Regional Original Revenue. First, the

digitization of the tax system needs to be accelerated through the implementation of an online-based application that makes it easier for taxpayers to report, pay, and monitor in real-time, while increasing the transparency of regional revenues. Second, the government can provide investment incentives in the form of tax breaks or ease of licensing for investors who build hotels, restaurants, and tourism support businesses so that they can expand the regional tax base. Third, the importance of strengthening supervision and monitoring of taxpayer compliance through routine audits, increased socialization of tax rules, and strict sanctions for taxpayers who do not comply. With these strategic steps, it is hoped that regional tax revenues can increase more significantly, in line with the development of the service and tourism sector in Blitar City. The author realizes that the author's experience and knowledge are limited theoretically and practically. However, the author hopes that future research will present more quality research results. Where further research can add independent variables such as entertainment taxes and others. The level of satisfaction with services, facilities, and tax awareness so that its influence on regional revenue is increasing.

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