Analysis of Restaurant Tax Revenue in Medan City During Covid-19 Pandemic

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Abstract: The purpose of this research is to determine the effects of the covid pandemic on restaurant tax revenue in Medan. The method used is qualitative descriptive research for this study sought to describe a social phenomenon that is describing the fact. This study uses primary data and secondary data relating to restaurant tax revenue in Medan before and after the covid pandemic. Data collection techniques used in this research include observation, documentation, and interviews. The result of this study indicates that the covid pandemic affects a decline in restaurant tax revenue caused by decreases in restaurants income, due to business operation hour restrictions and time rules for dine-in visitor regulations. Owing to a decline in restaurant tax revenue and people's weak purchasing power causes numerous restaurants permanently closed. The realisation of restaurant Tax Revenue of 2020-2021 targets set by Taxes & Levies Management Board of Urban Terrain doesn't reach their target. Whereas in 2015-2019 the realisation consistently exceeds the targets.

1 INTRODUCTION

Tax is an essential thing in the journey of a nation. Almost all countries in this world apply the rules or scheme about tax imposition directly or indirectly. No exception in Indonesia itself. Tax is the one of the biggest income sector for Indonesia. The tax revenue fund is allocated by government to fulfill the country needs in general and to reach the society's welfare and prosperity. The more people pay taxes, the more facilities and infrastructure are built (Pandiangan, 2008: 5). One kind of tax is Local Tax. Therefore, Local Tax is prioritized because able to become the one of region financial source to improve the distribution and development of society's welfare in that region. The local tax capability that owned by each region is an indicator of the local government readiness in regional autonomy. Hence, something that obtained from local tax are directed to increase Locally Generated Revenue (LGR) or also known as Original Local Government Revenue, so that region autonomy can be well-executed, therefore to increase the LGR, it also needed the contribution from many sectors, one of them is from food industrial sector. Food industrial or also known as restaurant is the incredible sector. Restaurant industry is fulfilled by potential, prospect, and growing fast along with the times. Restaurant tax that managed by Taxes & Levies Management Board of Urban Terrain (BPPRD) of Medan City is one of the Local Tax that contribute towards good impact to increase LGR because more restaurants in Medan City.

However, in the beginning of March 2020, Indonesia was started the against the Covid-19 virus that enter to Indonesia. Certainly, when the first time Corona Virus in Indonesia, it gives the impact indirectly for Indonesian state especially in economic aspect. The implementation of Large- scale social restrictions (PSBB) rule by government had give the large impact especially on the decline for society's economic activity especially in food industries. And for the tax income data in Medan city itself also decreased and did not reach the target in pandemic era, and here are some of data on Medan city at the time before and while the pandemic occurred.

Table 1: Details of realization of medan city restaurant tax in 2018-2020.

	2018	2019	2020
Total	172.788.503.063,71	209.883.937.063,74	180.477.531.250,00
Target	170.000.000.000,00	204.000.000.000,00	180.000.000.000,00
Perce ntage	101,64%	102,88%	76,93%

Table 2: Target and Realization of Tax.

In 2021, as of May 31, 2021	
Target	250.859.144.759,00
Realization	65.559.352.384,00
Percentage	26,13%

Restaurant in 2021.

Table 3: Target Refocusing on Restaurant Tax.

	Target for restaurant tax before the end of 2020	Initial target of restaurant tax at the beginning of pandemic (secondquarter of 2020)	Intial target of restaurant tax at the beginning of pandemic (secondquarter 0f 2020)
Restaurant	245.000.000.000,00	171.500.000.000,00	180.000.000.000,00

Table 4: Reputation of Restaurant Taxpayer as of July 31, 2020.

Types of taxes	Active taxpaye-r	Inactive taxpayer	Incidental taxpayer	Total
Restau-rant	1629	697	557	2883

Table 5: Recapitulation of Restaurant Taxpayer as of July 31, 2020.

Types of taxes	Active taxpayer	Inactive taxpayer	Incidental taxpayer	Total
Restaurant	1894	697	559	3150

2 LITERATURE REVIEW

2.1 Tax

Tax is public's dues to the State treasury based on the law (which can be enforced) by not receiving reciprocal services (counter-achievements), which can be shown directly and used to pay general expenses (Djojohardikusuma, 2006:1).

2.1.1 Regional Tax

Regional Tax is a mandatory contribution to the region owed by an individual or entity that is coercive under the law without receiving direct compensation and is used for regional purposes for the greatest prosperity of the people. Examples: Vehicle Tax, Vehicle Transfer Fee, Surface Water Tax, Cigarette Tax, Hotel Tax, Restaurant Tax, Entertainment Tax, Advertising Tax, Street Lighting Tax, etc.

2.1.2 Restaurant Tax

Restaurant Tax is a tax on services provided by restaurants, while restaurant is a facility providing food and beverages with a fee, which also includes restaurants, cafeterias, canteens, stalls, bars, and the like, including catering / catering services (Marihot Pahala Siahaan, 2010:15).

2.1.3 Restaurant Tax Subject and Taxpayer

According to Marihot Pahala (2010: 330), those who are subject to the restaurant tax are individuals or entities who buy food and or drinks from restaurants. In simple terms, the tax subjects are consumers who buy food and drinks in restaurants. Meanwhile, the taxpayer is an individual or entity operating a restaurant, namely an individual or entity in any form within the company or work environment conducting business in restaurant or dining sector.

2.1.4 Restaurant Tax Collection Method

According to Tax Law article 8 (1) of the restaurant tax imposition base is the amount of received payment or properly received for restaurant. The collection of restaurant tax can not be bought by the entire stock that means the entire process of restaurant tax collection activity are can not be handed over to third parties. However, there is the probability of cooperation with third parties in tax collection process, such as the tax form printing, the delivery of letters to taxpayer, or the collecting data of tax object and tax subject. Some activities that can not be collaborated with third parties are the activity of the calculation of amount owed tax, the control of tax deposition, and collecting taxes.

3 METHODS

This type of research used in this study is qualitative by conducting data studies in descriptive or descriptive form. This method of research attempts to describe and interpret the objects in accordance with reality. The descriptive method is implemented because the data analysis is presented descriptively. The study was conducted in Taxes & Levies Management Board of Urban Terrain Medan. Medan City Taxes & Levies Management Board of Urban Terrain was selected as the research setting by considering their tasked, collecting regional taxes on provincial taxes, which include restaurant taxes.

To obtain the representative data, the key informant and the main informant are necessarily needed who comprehend and related to the problem being studied as well as the additional informant who can provide the information even though not directly involved in studied social interactions.

4 RESULT AND DISCUSSION

4.1 Taxes & Levies Management Board of Urban Terrain's Profile (BPPRD)

Before regarded as the Taxes & Levies Management Board of Urban Terrain (BPPRD), it was known as the Regional Revenue Service (DISPENDA). In the beginning, DISPENDA of Medan City was the sub-section of finance division that managed the revenue and regional income. In this subsection, there are no more sub-sections, because at this time, there were no many taxpayers or levies that domiciled in Medan City. With consideration of development and the rate of population growth in Medan city, towards the Regional Regulation, the financial sub-section was changed into the revenue section. In the income section, several sub-sections manage the tax revenue and regional levies that are the obligations for taxpayers or levies in Medan city area, which involve 21 sub-districts such as Medan city, Medan Area, Medan Maimun, Medan Polonia, Medan Denai, Medan Baru, Medan Amplas, Medan Barat, Medan Johor, Medan Selayang, Medan Sunggal, etc.

4.2 Description of Main Duties and Functions of Taxes & Levies Management Board of Urban Terrain (BPPRD)

The following are the forms of strategies or efforts carried out by the One-Stop Integrated Investment and Licensing Service Office Province North Sumatra to increase investment in North Sumatra Province based on the indicators:

According to the decision of the Mayor Medan city, Number 27 Year 2017 about Main Duties and Functions of Taxes & Levies Management Board of Urban Terrain (BPPRD) of Medan city, towards this decision what is meant by

1. The region is Medan city.
2. Regional Government is the administration of government affairs by regional government and Regional Houses of Representatives according to the principle of autonomy and assistance tasks with the principle of autonomy as wide as possible in the system and principle of Unitary State of the Republic of Indonesia (NKRI) as referred to the 1945 Constitution of the Republic of Indonesia.
3. Regional Government is the Mayoralty as the administration element of Regional Government that lead the implementation of the Government affairs also the authority of autonomous region.
4. The mayor is Mayor of Medan city.
5. Regional Secretary is the Regional Secretary of Medan city.
6. Agency is the Taxes & Levies Management Board of Urban Terrain (BPPRD) of Medan city.
7. The Head of the Agency is the Head of the Taxes & Levies Management Board of Urban Terrain (BPPRD) of Medan city.

8. Secretary is the Secretary of the Taxes & Levies Management Board of Urban Terrain (BPPRD) of Medan city.
9. State Civil Apparatus, herein after abbreviated as ASN employees is the profession for the Civil Servant and the government staff with work agreements working for government agencies.
10. State Civil Apparatus Employees, herein after abbreviated as ASN is the profession for the Civil Servant and the government staff with work agreements by the service supervisor and assigned tasks in government position or entrusted with other state duties and paid according to the laws and regulations.
11. Civil Servant, herein after abbreviated as PNS are Indonesian citizens who fulfill certain requirements, are appointed as the ASN employees on a permanent basis by staffing officials to occupy government positions.
12. Government Affairs is the power of government as the President obligation which its implementation managed by the state ministry and Regional Government administrators to protect, serve, empower, and prosper the community.
13. Regional Apparatus Work Unit, herein abbreviated as SKPD is the regional apparatus in the regional government as the budget or goods user.
14. Regional Apparatus is the supporting element of Mayor and DPRD in the administration of government affairs as the region authority.

4.3 Data Presentation

In obtaining the necessary data to answer the research problem, there are some steps that carried out by the author, involve: First, the research begins with the collection of various written documents. Second, the author conducts the interview with some selected informants to obtain the information with comprehensive facts regarding to the problem research. Informants in this research were four peoples as the employees or staff in the Taxes & Levies Management Board of Urban Terrain (BPPRD) of Medan city.

The type of interview that chosen by the author is systematic interview type, where before the interview is starting, the first step is the author compiles the asked questions list. The compiled questions clearly related with the Effect of Pandemic Covid-19 Virus on Restaurant Tax revenues in Medan city. However, within the process itself, the author does not rule out the emergence of new questions that can learn in-depth the information from the informant.

In this interview, there are some question which asked to the informants about the problem of Pandemic Impact of Covid-19 towards Restaurant Tax revenues in Medan city. The author only sorts some informant as the main informants according to their relevant field and position with the result that the entire raised problems in this research could be answered.

According to the research and observation results that was conducted by the author, can be concluded that: The impacts that occur because of pandemic virus towards Restaurant Tax revenues in Medan city is decrease because decreased restaurant's income and the restriction of visitors amount that cause the absence of consumers at certain hours and the decrease of consumers amount. Taxes & Levies Management Board of Urban Terrain (BPPRD) of Medan city has the annual tax target with different nominal in every year. However, during the pandemic Covid-19 era, Taxes & Levies Management Board of Urban Terrain (BPPRD) of Medan city provide the dispensation for restaurant because the decline of public consumption so that causes many restaurants are permanently close. Taxes & Levies Management Board of Urban Terrain (BPPRD) of Medan city provide the dispensation for many restaurants that affected by pandemic era such as the tax delays for several months.

From 2015-2019, the number of realizations always exceeds the biggest target, especially in 2019. From the year before pandemic era, taxpayers always increase and during the pandemic era in 2021, taxpayers continued to increase than 2020. There is no difference in calculation of tax payment in restaurant and Micro, Small, and Medium Enterprises (UMKM). The criteria of restaurant and UMKM that must be taxed are if that restaurant has gross income of IDR 9,000,000 each month. However, there is no specific policy for UMKM to pay the tax before pandemic era.

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