

Analysis of Factors Affecting Local Shopping in North Sumatra Province

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Abstract

The purpose of this study was to determine and analyze the effect of taxes in the areas of shopping areas and analyze the impact of levies to the shopping area, analyze the impact of general allocation funds to the shopping areas, analyze the effects of taxes, retribution and general allocation to the shopping area either partially or simultaneously Agency business Regional Tax and Retribution Medan. The approach used in this research is an associative approach. The population in this study is a report on the budget and actual weight of taxes and levies refineries cities terrain while samples that meet the criteria of sampling observations made during 5 consecutive years. Data collection techniques in this study using secondary data. Data analysis techniques in this study using Classical Assumption Test, Multiple Regression, Hypothesis test (t-test and F test), and the coefficient of determination. The data in this study using the SPSS software program (Statistics Package for the Social Sciences) version of the partial 16.00. No significant positive effects of local taxes to the shopping area, there is no negative effect and significant correlation between regional spending. No levies to no positive effect and significant among general allocations to the existing shopping areas. The simultaneous positive and significant influence between local taxes, levies and general allocations of the expenditure on the Agency business areas Taxes and levies of Medan.

Keywords: Shopping Area, Local Taxes, Levies General Allocation Fund

Introduction

General Allocation Fund is a sourced fund from the APBN allocated to bring equality among the regions financial ability to funds the needs of the region in the implementation of decentralization. Distribution of funds to regions through the results tends to cause an imbalance between regions taking into account the needs and potential of the region. Realization of local tax revenue has increased and is followed by increased spending in line with the results of research conducted by (Fitria, 2013) which concluded that local taxes have a significant effect on the area where the shopping area if the tax rise will be followed by increased regional spending. Next is local tax revenue data, regional retribution.

Based on the above table it can be seen that the local tax revenue during the years 2012-2016 never reaches the target due to its still lack of awareness of the taxpayer to report/pay taxes. Where in 2013 the realization of local tax receipts declined from the previous year followed by the realization of the regional expenditure in. The realization of tax levy revenue has increased and is followed by increased spending in line with the results of research conducted by (Sarwono, 2012) which concluded that the tax levy has significant influence to the shopping area where when the levies up it will be followed by an increase in shopping areas.

Judging from the above table it can be concluded that the tax revenue for the year 2012-2016 levies never reach its targets due to the lack of awareness of the taxpayer to pay tax levies. Where in 2014 actual revenues decreased but the realization of regional spending has increased from the previous year. The realization of general allocation funds has been increased and is followed by increased spending in line with the results of research conducted by (Debby Rotinsulu Ch, Kolinug, & Kumenaung, 2013) allocation fund up it will be followed by an increase in shopping areas.

Based on the above data it can be seen that the realization of the general allocation fund of the year 2012-2016 has always hit the target where budgets are made for general allocation funds are used entirely visible from the same budget with the realization that happens but in 2015 the allocation of public funds has decreased from the previous year will be but the realization of regional spending has increased from the previous year.

Judging from the above table it can be concluded that the realization of the shopping areas of the 2012-2016 budget will be issued not exhausted not in accordance with the results of realization or not consumable. Where the budget in 2012 amounted to 4,080,935,935,662,619 and realization 3021,172,391,041, in 2013 the budget was raised to 4,237,560,638,891 and was followed by the realization of 3,224,449,048,408, in the year 2014 the budget was raised to 4,625,169,942,881 in followed by the realization of 3,723,643,299,085 but has not reached the target is determined, in 2015 the budget was lowered to 5,467,952,757,114 and followed backdrop of 4,374,968,274,136 and the 2016 budget year was raised to 5,735,922,591,995 and was followed by the realization of 4,523,672,134.

Literature Review

Local Tax

In-Law No. 28 of 2009 Article 2 (1) and (2) it is stated that the kinds of Provincial Taxes and Tax District/City, namely:

- 1) Provincial Tax Type according to law No. 28 of 2009 Article 2, paragraph 1 consists of:
 - a) Vehicle tax;
 - b) Customs of Vehicle;
 - c) Motor Vehicle Fuel Tax;
 - d) Surface water tax; and
 - e) Cigarette tax.
- 2) Type of Tax District/City according to law No. 28 of 2009 Article 2, paragraph 1 consists of:
 - a) Taxes;
 - b) Restaurant tax;
 - c) Entertainment Tax;
 - d) Advertisement tax;
 - e) Street lighting tax;
 - f) Metallic Minerals Tax and rocks;
 - g) Groundwater Tax;
 - h) Tax Swallow's Nest;
 - i) Tax on Land and Building Rural and Urban; and
 - j) Tax on Acquisition of Land and Buildings.

Retribution

Levies a fee to the government can be forced and turning services are appointed. Here is economic coercion for anyone who does not feel the back of government services he will not be charged the fee. Retribution by (Mardiasmo, 2013) is a regional levy as payment for services or certain special permits provided and/or supplied by the regional government for the benefit of private persons or entities. Retribution area by (Ahmad, 2008) is the local charges as payment for services or certain special permits provided and/or supplied by the local government for the benefit of private persons or entities.

Shopping Area

Regional Shopping by Kepmendagri No. 29 of 2002 is all cash disbursements in the period FY area to be certain that the load area. According to Law No. 23, 2002, Shopping area is the local government liabilities recognized as a reduction to net worth in the fiscal year concerned.

Shopping areas (cash basis) are all spending by the local treasurer that reduces the current equity in the relevant fiscal year period that will not be earned back by the government payment. Expenditure (accrual basis) is a government obligation recognized as a deduction from the value of further net wealth.

Conceptual Framework

Against local tax effect of shopping area

Taxes are the contributions of the people to the state treasury under the legislation that can be imposed by not receiving reciprocal services (contra) directly demonstrated and used to pay expenses generally. According to previous studies conducted by (Fitria, 2013) concluded that local taxes be (variable X) positive and significant impact on regional spending to be (Y). This means that if the local tax increases then followed by an increase in shopping areas.

Effect of retribution against local shopping

Levies are payments for services rendered by the agency to the people who have used the services provided by the government. According to previous studies conducted concluded levies to be (variable X) is positive and significant impact on regional spending to be (variable Y). This means that if the levies increase then followed by a rise in shopping areas and vice versa.

Effect of general allocation fund against local shopping

General Allocation Fund is derived from the state budget funds allocated to bring equality between the financial ability to fund the expenditure needs. According to previous studies conducted by (Juliandi, Manurung, & Sapriyal, 2014) concluded general allocation funds into (variable X) positive and significant impacts on regional spending to be (variable Y). This means that if the general allocation fund increases then followed by a rise in shopping areas and vice versa.

Effect of local taxes, levies and general allocation against local shopping

Shopping areas are all cash disbursements areas or liabilities is recognized as a reduction to net asset value in the one year period that the budget will not be gained back by the government. Area tax payment is a tax that has been set and levied by local governments with the Regional Government that the authority levied implemented by local governments in implementing the government administration and development areas and is listed in the Regional Budget (APBD). Levies a fee to the government can be forced and turning services are appointed. Here is economic coercion for anyone who does not feel the back of government services he will not be charged the fee.

Research Methods

Population and Sample

The population in this study is the Annual Financial Statements refineries Agency Tax and Levies of Medan, which is expressed in the statement of the budget and the actual tax and charge of the City of Medan. Whereas the samples used in this study are five (5) years contained in the budget report and the realization of tax and charge in the city field ranging from 2012 to 2016 on the Board of Taxes and Levies refineries Medan.

Data Analysis Technique

Data analysis technique used in this research is quantitative data analysis methods. The method of quantitative data is the data analysis method using the calculation of the figures, which means will be used to make a decision in solving the problem and the data obtained were analyzed using the theories that have been activated in general, so it can be drawn a conclusion and to test

whether formulated the hypothesis that can be accepted or rejected, while the analytical tools used in this research are multiple linear regression.

Classic Assumption Testing

Before testing the hypothesis of this study, first conducted the classical assumption test. The classic assumption test is used to determine whether the results of multiple linear regression analysis were used to analyze in this research free of irregularities include the classical assumption of normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test is heteroscedasticity, linearity and multicollinearity.

Results and Discussion

Classic Assumption Test

Normality test

Rainy normality tests whether the regression, the dependent variable and independent variables both have a normal distribution or not. A good regression model is to have a normal or near-normal data distribution. If the data spread around the diagonal line and follow the direction of the diagonal line and follow the diagonal direction then the regression model assumptions normality meet. The normality test was conducted by the author is to use Kolmogrov Smirnov test.

Kolmogorov-Smirnov Test Results One-Sample Kolmogorov-Smirnov Test

		Residual unstandardized
N		10
Normal Parameters, b	mean	,0000290
	Std. deviation	303,258,537,50
Most Extreme Differences	Absolute	0.0000000
	positive	,181
	negative	,181
Test Statistic		,165
Asymp. Sig. (2-tailed)		,181
		,200C, d

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Significance Lilliefors Correction.
- d. This is a lower bound of the true significance.

Source: SPSS 16:00

Based V.5 table above can be seen that the value significant ($\text{sig } 0.200 > 0.05$) means that the data between the dependent variable and the independent variables have a relationship or a normal distribution or meet normality assumption test.

Test Multikoleniritas

Based V.6 table above can be seen that the value VarianceInflation Factor (VIF) for local tax variable (X1) of 1,724 variable levies (X2) of 1,384 and a variable general allocation fund (X3) of 1.292. Of each independent variable does not have a value greater than the value of 5. Likewise tolerance value on local tax variable (X1) of 0.580 variable levies (X2) of 0.723 and a variable general allocation fund (X3) of 0.774. From each variable tolerance value greater than 0.1 so that it can be concluded that no symptoms of multicollinearity between the independent variables are indicated on each independent variable tolerance value greater than 0.1 and VIF smaller than 5.

Test Results Multicollinearity			
Coefficients^a			
Model	Collinearity Statistics		
	Tolerance	VIP	
1 (Constant)			
Local tax	.580	1,724	
retribution	.723	1384	
General Allocation Fund	.774	1,292	

a. Dependent Variable: Shopping Area

Source: SPSS 16:00

Multiple Linear Regression

Multiple linear regression model used is the shopping area as the dependent variable and local taxes, levies, general allocation fund as an independent variable. Where multiple analysis is useful to determine the effect of each independent variable on the dependent variable. Here are the results of data management by using SPSS version 16 o'clock.

Multiple Linear Regression Test Results					
Coefficients^a					
Model	Coefficients		standardized	T	Sig.
	unstandardized				
	B	Std. Error	beta		
1 (Constant)	-1.763E6	1.113E6		-1584	.164
Local tax	5,055	1054	.900	4,798	.003
retribution	-.280	3,104	-.015	-.090	.931
General Allocation Fund	.460	.835	.089	.550	.602

a. Dependent Variable: Shopping Area

Source: Results of data processed SPSS

From the table above V.8 known values as follows:

- 1) Constant = -1.763
- 2) Local tax = 5.055
- 3) retribution = -0.280
- 4) General Allocation Fund = 0.460

Results are incorporated into the multiple linear regression equation in order to know the following equation:

$$Y = -1.763 + 5.0551 \text{ to } 0.2802 + 0.4603$$

Information :

- 1) The constant of -1.763 indicates that if the value of the independent variables held constant then the shopping precinct at refineries weight of taxes and levies amounting to 1,763 city field.
- 2) β_1 sebesar 5.055 with the direction of a positive relationship indicates that if the local tax had passed it will be followed by an increase in regional expenditures amounted to 5.055 assuming other independent variables held constant.
- 3) β_2 of -0.280 with the direction of the negative relationship indicates that if the levies had passed it will be followed by a decline in regional expenditures amounted to -0.280 assuming the other independent variables held constant.

- 4) β_3 sebesar .460 with the direction of a positive relationship indicates that if the allocation of public funds experienced an increase will be followed by an increase in regional expenditures amounted to 0.460 assuming other independent variables held constant.

Statistics t-test or Partial Test

For t in this study is used to determine the ability of each independent variable on the dependent variable used effects. Another reason t-test done is to test whether the independent variable (X1) are an individually significant relationship

Effect of Local Tax (X1) against Expenditure (Y)

The t-test is used to determine whether taxes affect individual regions (partial) had a significant relationship or no to the shopping area. For criteria t-test conducted at the level of $\alpha = 0.05$ with a value of t for $n = 10 - 2 = 8$ is 2.306. Based on the partial test results influence local taxes to shopping areas obtained $4.798 > 2.306$. And has a significant number of $0.003 < 0.05$. Based on these results showed that part there is positive and significant influence between local taxes to the shopping area on the governing body of Taxes and Levies of Medan. This means that if the higher tax realization reception area will be followed by an increase in shopping areas.

Influence of Retribution (X2) Against Expenditure (Y)

The t-test is used to determine whether individual levies (partial) effects have a significant relationship or no to the shopping area. For t-test criteria conducted at the level of $\alpha = 0.05$ with a value of t for $n = 10 - 2 = 8$ is 2,306. Based on the partial test results the influence of local taxes to shopping areas is obtained $-0.090 > -2.306$. And has a significant number of $0.931 > 0.05$. Based on these results indicate that partial no negative influence and significant correlation between levies to the shopping area on the governing body of the Regional Tax and Retribution Medan. If the higher levies will not be followed by an increase in shopping areas.

Effect of General Allocation Fund (X3) against Expenditure (Y)

The t-test is used to determine whether the effect of general allocation funds individually (partial) has a significant relationship or no to the shopping area. For t-test criteria conducted at the level of $\alpha = 0.05$ with a value of t for $n = 10 - 2 = 8$ is 2,306. Based on the partial test results influence the allocation of public funds to the shopping area gained $0.550 < 2,306$. And has a significant number of $0.602 > 0.05$. Based on these results showed that the part there is no positive and significant influence among the general allocation to the shopping area on the governing body of Taxes and Levies higher Medan. If the City general allocation area will be followed by an increase in regional expenditure incurred.

Simultaneous Significant test (test F)

Test F or also called a simultaneous significant test is intended to look at the overall capability of independent variables: local taxes, levies and general allocation funds to make or explain behaviour or the diversity of the dependent variable is the shopping area. F also means test to determine if all of the variables have the regression coefficients equal to zero. Based on the results of data processing with SPSS version 16 o'clock, then the results are as in following table.

Based on test results simultaneously by using test of F and F table tax effect, retribution and general allocation to the acquired local shopping 14.343 with significantly 0,004. Value of F (14.343) > F table (4.74), and significant values (0.004) < of a probability value (0.05). From the results, SPSS calculations above show that there is a positive and significant influence between local taxes, levies and general allocation to the shopping area the Management Board of Tax and Levies of Medan.

Simultaneous Test Results (Test-F)

ANOVA b						
	Model	Sum of Squares	Df	mean Square	F	Sig.
1	Regression	5.936E12	3	1.979E12	14 343	.004a
	residual	8.277E11	6	1.379E11		
	Total	6.764E12	9			

a. Predictors: (Constant), General Allocation Fund, Retribution, Local Taxes

b. Dependent Variable: Shopping Area

Source: SPSS Data

The coefficient of determination (R-Square)

The coefficient of determination is used to describe the proportion of the variation in the dependent variable (Y) described by the free variable together. Multiple linear equations if the value of the better the greater the coefficient of determination (approaching 1) and tended to increase in value in line with the increase in the number of variables are true. In its consumer, the coefficient of determination is expressed as a percentage (%). To determine the extent of the contribution or the percentage of local taxes, levies and general allocation to the shopping areas it can be seen through the test of determination.

Determination Test Results

Model Summaryb					
Model	R	R Square	Adjusted R Square	Std. An error of the Estimate	
1	.937a	.878	.816	3.71413E5	

a. Predictors: (Constant), General Allocation Fund, Retribution, Local Taxes

b. Dependent Variable: Shopping Area

From the table above it can be seen that the R-value of 0.937 or 93.7%, which means that the relationship between the shopping area with the independent variables, local taxes, levies and general allocation funds are tight. In the R-square value in this research, the amount is set to 0.878, which means 87.8% of the variation is explained by the shopping area independent variables: local taxes, levies and general allocation funds. While the remaining 12.2% is explained by other variables not examined in this study. Rated R-Square (R2) or the coefficient of determination in this research that is equal to 0.816, which means 81.6% of shopping areas of the city can be explained by the tax field, retribution and general allocation funds. While 18.4% can be explained by other factors not examined in this study. Then the standard error of the estimated means is to measure the variables of the value of the estimated error predicted. Standard is also called standard deviation. Standard error of the estimated in this study was 3.71413 where the smaller standard deviation means that the model is getting better at predicting shopping areas.

Conclusion

Effect of Local Taxes to Local Shopping

(5-9) explained that the local tax is an obligatory contribution made by the regions to the individual or entity without direct payment balance, which can be imposed by legislation in force, which is used to finance the implementation of local government and regional development.

(Fajariani, 2013) Levies are compulsory payments from residents to the state for their specific services provided to the population of individual countries. Thus, local taxes and levies are obligations stipulated by the Local Government Regulation (Perda), which authorized the collection held Local Government and the results are used to finance the expenditure of Local Government in implementing governance and development in the area.

Retribution against the influence of local expenditure

Based on the result of levies to the shopping area on the governing body of taxes and levies town t count field t table $-2.306 -0.090$ while and have a significant number of $0.931 > 0.05$ means that H_0 is accepted and H_a is rejected, which indicated that partially not there is a negative and significant influence between the levies to the shopping area on the governing body of the regional Tax and retribution retribution Medan. This means that the city area is only a fraction field in the Medan area. (Bastian, nd) City revenue sources are fees for services rendered by the agency to the community have used the services provided by the Regional government Retribution according (Mardiasmo, 2013) is a regional levies as payment for services or certain special permits provided and/or supplied by the regional government for the benefit of private persons or bodies. Research is in line with the results of previous research done concluded levies to be (variable X) is positive and significant impact on regional spending to be (Y).

Effect of General Allocation Fund Against Local Shopping

Based on the result of the general allocation of funds to shopping areas on the governing body of taxes and levies terrain town t count $0.550 < t_{table}$ of 2.306 and has a significant number of $0.602 > 0.05$ means that H_0 is rejected and H_a is accepted which shows that partially no positive and significant influence among the general allocation to the shopping area of the governing body of Taxes and Levies Medan. This means that City when the general allocation fund increases will be followed by increased spending in areas where the general allocation fund is part of a shopping area in the budgeted annually. General Allocation of funds is derived from the state budget funds allocated to bring equality among the regions financial ability to finance spending needs. This study contradicts the results of previous studies conducted by (Juliandi et al., 2014) (Ocean, 2015) concluded general allocation funds into (variable X) positive and significant impact on regional spending to be (Y).

Effect of Local Taxes, Levies and General Allocation Fund Together Against Local Shopping

Based on the result between local taxes, retribution and general allocation to the shopping area on the governing body of taxes and levies, the city field was obtained value of F (14.343) Shopping areas are all cash disbursements area or liability is recognized as a reduction to net asset value in the period of one year budget will not obtain payment back by government by Law 23, 2002, Shopping area is the local government liabilities recognized as a reduction to net worth in the fiscal year concerned (Widiyanto, 2012).

Shopping areas (cash basis) are all spending by the local treasurer that reduces the current equity in the relevant fiscal year period that will not be earned back by the government payment. (Halim & Kusufi, 2013) Expenditure (accrual basis) is a government obligation recognized as a net worth deduction. Area taxes are predetermined and taxes levied by local governments with the Regional Government which is authorized the collection implemented by local governments in implementing the government administration and development areas and listed in the Regional Budget (APBD). Levies a fee to the government can be forced and turning services are appointed.

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