

REGIONAL RETRIBUTION POLICY: ANALYSIS OF REVENUE POTENTIAL AT RECREATION AREAS AND COMMERCIAL AMUSEMENT PARKS

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Abstract

Due to their responsibilities to provide certain infrastructure and services, public authorities have been crucial to the competitiveness of the tourism sector. This has implications and incurs additional expenses, that may be covered by execution fees on fiscal instruments. This study aims to analyze the potential income of commercial recreation and amusement parks in the city of Surabaya, the constraints in determining potential retribution for commercial recreation and amusement parks, and the efforts made to increase the potential for retribution for commercial recreational and amusement parks. This study employs a qualitative approach that takes the form of a case study in terms of its research methodology. Data collection techniques were carried out in several ways including observation, interviews, documentation, and audiovisual. This study revealed that income fluctuates from year to year, experiencing both rises and falls. The highest potential was in 2017 with 100, 58% of IDR 78.468.071.593,00 and the lowest was in 2015 with 94,05% of IDR 53.608.360.804.m97. Throughout this five-year period, average receipts have exceeded the aim. The cost of expenditure is always more than the cost of its income, therefore economic efficiency in tax revenue has never been principled efficiency. Because its implementation is in conformity with Law No. 28 of 2009 concerning Regional Taxes and Regional Retribution, it is considered to have the potential to be suitable as a source of revenue for the region.

Keywords: Regional Original Revenue, Retribution Policy, Potential Analysis, Realization

1. INTRODUCTION

Recently, the tourism sector has become an important mainstay for the development of a country or region. With tourism, an area or area where the tourist object is located will get considerable economic and social benefits because it has an impact on the development of the site (Mansur et al., 2021). The story of the tourism sector in an area will attract other sectors to develop because their products will support the tourism industry, such as agriculture, animal husbandry, plantations, folk crafts, socio-culture, and others. The chain of sectors whose activities are related to the tourism industry will generate foreign exchange and be used to absorb labor to reduce unemployment by increasing employment opportunities (Romadhon, 2022). The progress of tourism in an area will benefit the community, both economically, socially and culturally. On the other hand, if development is not well planned and managed, it can pose a number of challenges that have negative effects on the community. Thus, to ensure that tourism can develop adequately and sustainably and benefit humans and minimize its negative impacts, tourism development needs to be preceded by an in-depth study, namely comprehensive research on all its supporting resources (Butarbutar & Soemarno, 2013).

The development of the tourism sector is essentially an interaction between social, economic and industrial processes (Manhas et al., 2016). Hence, the elements involved in this process

have their respective functions. Community participation is expected to have a significant role in this process. For this reason, the community is placed in positioning, managing, planning, and deciding on programs that involve them. From a social perspective, tourism activities will expand employment opportunities both from the construction of facilities and infrastructure as well as various business sectors that are directly or indirectly related to tourism. Tourism will grow and increase recognition and love for the motherland to motivate tolerance in social interaction, which is a force in nation building. From an economic point of view, tourism activities can contribute regional income from taxes and levies and bring in foreign exchange from foreign tourist visits (Alhempri et al., 2020). The existence of tourism will also grow interrelated economic businesses and support its activities to increase people's income.

Surabaya is the second big city in Indonesia after Jakarta. Still, Surabaya can be considered as an alternative vacation destination. This is evidenced by BPS Surabaya (Central Statistics Agency of Surabaya) data which recorded an increase in visits by domestic and foreign tourists in 2018 in Surabaya. There are many new tourist attractions in Surabaya that have sprung up such as Mangrove Ecotourism in 2010, the Surabaya Carnival Park which was just inaugurated in 2014, the Surabaya Museum which was just developed in 2015, and Surabaya North Quay in February 2017, making these tourist attractions that existed before are becoming increasingly forgotten. For example, like the tourist attractions of the Submarine Monument (known as Monkasel) which was established and inaugurated in 1998. Submarines participating in the Navy since 1962 are tasked with destroying enemy lines. Within this monument complex, there are supporting facilities such as video rama, live music, swimming pool for children and water recreation on the Kalimas river. Many people have the misconception that this historical landmark is not engaging, despite the fact that it contains a vast amount of information about the past. There was a drastic decrease in 2011 since the fire incident in Monkasel. The Tourism Office also made a number of efforts to improve Monkasel, but all of these were not able to increase Monkasel visits.

There is no doubt that the economic potential of tourism in areas that are considered top global tourist destinations. The importance of tourism in economic growth and, in some cases, also in increasing economic development (Cárdenas-García et al., 2015), and consequently, on the welfare of the population (Chen & Chiou-Wei, 2009; Crouch & Ritchie, 1999; Dwyer & Kim, 2003; Holzner, 2011; Kim & Chen, 2006; Ma & Hassink, 2013; Tang & Tan, 2015; Tugcu, 2014), promoting an increase in inflows of tourism, through the allocation of public resources with the aim of increasing their competitive position compared to other destinations (Webster & Ivanov, 2014)

In tourism competitiveness, Public Administration plays a key role (Kerr, 2003; Page & Connell, 2020). Administration is responsible for the provision of certain goods and services (Hall, 2008; Okumus et al., 2012; Ritchie & Crouch, 2003; Stephen, 2009) good for tourists, ensuring that tourists enjoy the experience, as well as for the destination itself, making it more attractive in the tourism market (Fernández & García, 2012). Therefore, public administration has a responsibility to provide a range of public goods and services, which inevitably results in the expenditure of public funds without corresponding increases in tax or fee revenue.

Tourism taxation has been configured, on many occasions, as an instrument for dealing with problems stemming from tourism development (Gooroochurn & Sinclair, 2003), through special tax determination (Cetin et al., 2017) directly devoted to this activity (Litvin et al., 2006) and, therefore, for the enhancement of the tourist experience (Cetin et al., 2017). A large number of governments have shown their support for implementing this tax. Because, in addition to obtaining large amounts of public resources (Ponjan & Thirawat, 2016), from a political point of view, establishing taxes related to tourism activities implies lower risks for national governments, since the payment obligation falls on international tourists (Jensen & Wanhill, 2002).

Table 1: Report on the Realization of Retribution earnings in Surabaya from 2015-2019

Year	Retribution type	Target	Realization	%
2015	General Services	87.479.179.200,00	76.868.892.288,00	87,87
	Business Services	214.428.166.108,00	288.469.679.649,13	134,53
	Certain Permits	147.705.831.409,00	171.981.180.526,00	116,43
2016	General Services	86.132.278.106,00	83.442.955.855,00	96,88
	Business Services	114.517.693.465,00	87.370.207.628,97	76,29
	Certain Permits	142.275.941.222,00	168.640.066.821,90	118,53
2017	General Services	95.523.526.032,00	89.520.431.900,00	93,72
	Business Services	129.684.321.809,00	291.793.862.895,78	225,00
	Certain Permits	167.190.132.960,00	176.652.279.874,00	105,66
2018	General Services	103.137.656.261,00	97.031.573.268,00	94,08
	Business Services	88.119.644.388,00	93.799.986.054,80	106,45
	Certain Permits	173.073.656.400,00	155.967.024.222,00	90,12
2019	General Services	104.966.262.923,00	102.467.613.578,00	97,62
	Business Services	120.213.590.502,00	138.855.125.500,94	115,51
	Certain Permits	170.871.256.321,00	154.922.063.657,00	90,67

Source: Surabaya City Regional Financial Management Agency

Among the sorts of retribution for the Surabaya City region, the business services retribution is the most volatile since, over the past five years, its revenue has exceeded 100 percent of the goal amount, which is a moderate amount. Even though it only reached 76,29% in 2016, the average reception of business services retribution was approximately 131,556%, which is less than the receipt of the general services tax, which reached 94,034%, and some permit service charges, which reached 104,282%. Retribution Revenue Data, indeed there are some that have not been optimal in their reception.

Although the potential revenue from the business services retribution is quite significant given the dimensions of each year's opening of new recreational places, both nature-based and recreational in tourist attractions built by developers, as well as the emergence of commercial amusement parks, the advantages of this study are comparative in the form of determining the reason for the lack of contribution of business service retribution to the mandatory collection of recreational places and commercial amusement parks. Hence, the goal of this study is to

analyze the potential for regional retribution receipts at recreational areas and commercial recreational areas and amusement parks in the city of Surabaya.

2. METHODOLOGY

In this study, we employed a qualitative method using a case study approach. Since the author wishes to have a thorough comprehension of a case, a study was required to comprehend a certain issue, in this case, the possibility of business services retaliation (Moleong, 2018). The study was conducted at the Regional Financial Management Agency (BPKD) Office in Surabaya, East Java, Indonesia, at Jl. Johar No. 19–21. In order to get secondary data, documentation studies were carried out (Sugiyono, 2018), specifically to gather information on numerous topics related to the Surabaya City area retribution. In an effort to acquire data by conducting in-depth interviews with a number of informants, this study seeks to clarify the results of observations and secondary data in the form of an analysis of the potential taxation of recreational areas and commercial amusement parks controlled by local governments. The data and information gleaned from the interview pertain to the study or analysis of the potential levies of venues by commercial recreation, which includes four, namely the analysis of results, aspects of economic usefulness, aspects of ability to implement, and aspects of suitability of regional sources of income.

3. RESULTS AND DISCUSSION

The analysis of the results refers to the realization of income that has been obtained by the Surabaya City Regional Financial Management Agency, thus the budget realization has been informed in the budget realization, and with this data it can make it easier to see the development of income. The revenue budget is the minimum limit of the total targeted revenue that needs to be obtained by the local government and if the realization of income is below the targeted amount, it is considered not very good or lacking potential and needs further study of the causes of not achieving the target (Kasmir, 2017). The data on the Budget Realization of the retribution for recreational places and commercial amusement parks in the city of Surabaya in the last five years, namely as follows:

Table 2: Target, Revenue, and Percentage of Retribution for recreation areas and commercial amusement parks in the City of Surabaya

No	Year	Target	Realization	Difference	%
1	2015	57.000.000.000,00	53.608.360.804,97	3.391.639.195,03	94,05%
2	2016	62.475.000.000,00	59.893.253.172,00	2.581.746.828	95,87%
3	2017	62.848.250.000,00	68.888.847.423,00	-68.888.847.423,00	109,61%
4	2018	78.014.034.303,00	78.468.071.593,00	-454.037.290	100,58%
5	2019	89.296.785.533,00	89.337.396.435,00	-40.610.902	100,05%

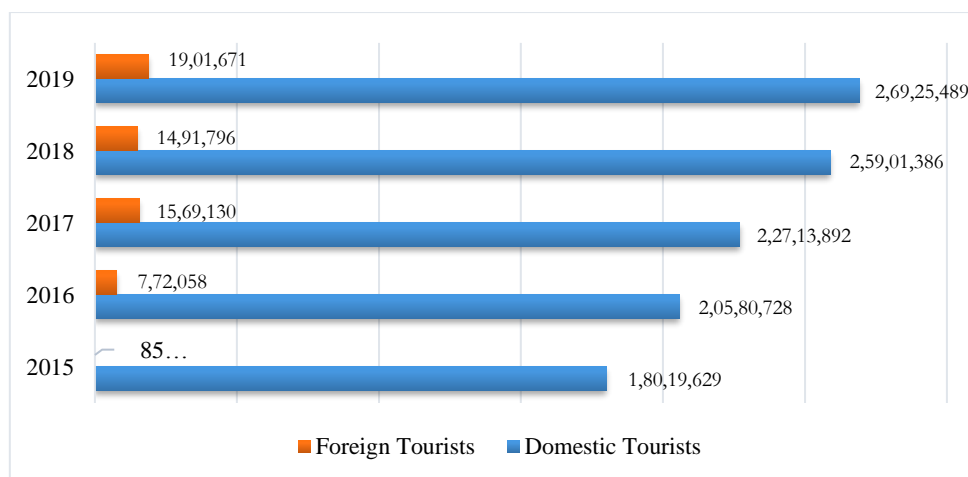
According to these figures, the revenue generated by the retribution on recreational areas and commercial amusement parks has not been maximized. The reason is that every year there is a decline. In 2015, it only achieved 94, 05%; in 2016, it declined to 95, 87%; in 2017, it reached 47, 79%; in 2018, it declined to 100, 58%; and in 2019, it reached 100, 05%.

Surabaya realizes its potential, specifically in its tourism industry. In fulfilling its regional autonomy, Surabaya also develops its potential. As the capital of the province of East Java, Surabaya has had tremendous economic growth with a focus on commerce and services. As a result of its northern location along the Madura Strait, Surabaya offers maritime tourism in the form of mangrove forests and beaches. In addition, Surabaya has historical assets in the form of religious tourism and tourist in the ancient city. Surabaya's metropolitan region, which is inseparable from the city's luxury, includes shopping centers. The expansion of tourism potential has led to an increase in the number of tourists and the emergence and growth of numerous tourism-related industries (Gotama, 2018).

The importance of tourists in the tourism industry is highlighted by the fact that their presence can raise tax revenue from the tourism sector. Tourists who visit an attraction will be charged an admission fee, and those who drive their own vehicles will also be charged a parking cost. In order for the presence of tourists to boost the income of the tax sector through tourist attraction retribution and parking retribution (Sudiana & Widiana, 2015).

The number of tourists that utilize hotels as part of their activities will have an effect on the sector's tax income. In addition to hotels, tourists who dine out as part of their tourism might improve the sector's acceptance. Additionally, tourists attending entertainment establishments such as discos, bars, and nightclubs might improve the sector's acceptance. Where these three sectors' annual tax gains will be deposited as income tax received by a region. Consequently, the presence of these three industries has an impact on the growth of regional revenue (Sudiana & Widiana, 2015).

Figure 1: Number of Visitors to Surabaya City from 2015 to 2019



Source: BPS City of Surabaya, data processed

Based on Figure 1, both domestic and foreign tourist visits to the city of Surabaya continue to rise each year. In 2015, Surabaya was visited by 18.019.629 domestic tourists and 853.779 foreign tourists. There were 20.580.728 domestic tourists and 772.048 foreign travelers in 2016. There were 22.713.892 domestic tourists and 1.569.130 foreign travelers in 2017. There

were 25.901.386 domestic tourists and 1.491.796 international tourists in 2018. There were 26.925.489 domestic tourists and 1.901.677 foreign travelers in 2019 (BPS City of Surabaya, 2020)

In contrast to tax payments, the achievement of regional retribution for the City of Heroes in the quarter missed the set target. The percentage has only reached 88, 86 percent. DPRD Surabaya or Surabaya Regional House of Representatives asked the municipal government to immediately carry out an evaluation. From the data collected, the regional retribution target in the first quarter is IDR 67.129.629.355. Three months later, the income is still lacking. The Surabaya City Government was only able to collect a retribution of IDR 59.649.059.687. Member of Commission B DPRD of Surabaya Zuhrotul Mar'ah said, "Revenue derived from retribution is not optimum. The percentage has only attained 88, 86 percent of the first quarter's entire objective. I trust that the Surabaya City Government will work diligently to reach the retribution target."

The city of Surabaya is an area that has quite a lot of entertainment venues. However, the large number of entertainment venues in the city of Surabaya does not significantly affect the contribution of the entertainment tax to original regional revenue (PAD). This can be seen from the entertainment tax contribution to Surabaya's original revenue (PAD) in the last 5 years, which has always been below 3%. Seeing the huge potential for entertainment taxes in the city of Surabaya, hence this is an important matter to pay attention to, especially the Department of Revenue and Financial Management of the city of Surabaya as the local tax collector.

In an effort to increase entertainment tax revenue, the Revenue and Financial Management Office of the City of Surabaya has implemented several efforts. Furthermore, researchers will examine these efforts using the basic principles of regional revenue management according to Mahmudi (2010) in (Fitriani & Maruf, 2019). Revenue Increasing regional revenue revenues can be done in policy settings and administrative improvements ((Mahmudi, 2010) in (Fitriani & Maruf, 2019)). Efforts to broaden the revenue base are one form of increasing income through policy. Meanwhile, expanding the revenue base can be done in several ways, the first is that the Regional Government seeks to find or identify new tax objects, where these objects did not previously exist.

Before identifying new entertainment tax objects, it is necessary to know what existing Surabaya City entertainment tax objects are. The existing Surabaya City entertainment tax object is contained in the Surabaya City Regional Regulation (Perda) Number 4 of 2011 concerning Regional Taxes, such as discotheques the tax rate is 50%, then stunt games such as billiards the tax rate is 35% etc.

It is essential to identify or seek for new entertainment tax objects in order to improve regional revenues. The search for and identification of the new object must adhere to the rules established by the local regulations. The object cannot be implemented or collected if it does not comply with the Regional Regulation. No new entertainment tax items were discovered during the identification of entertainment tax objects in the City of Surabaya; only those specified in Surabaya City Regional Regulation Number 4 of 2011 concerning Regional Taxes.

In addition, the second strategy for expanding the revenue base is examining tax rates. Evaluation is quite vital in both activities and businesses. There has been no adjustment to the entertainment tax rate to yet, however certain entertainment establishments will experience rate modifications. Additionally, evaluation is conducted on tax revenue. The evaluation might be conducted by both internal and external parties.

The monthly evaluation is done internally, by the employees themselves, by comparing the amount of tax collected against the annual goal. In an effort to widen the third revenue base, the tax object database will be expanded. This tax object database is enhanced by analyzing and capturing field-based data on existing tax objects. Often, the Surabaya City Revenue and Financial Management Office discovers unregistered entertainment establishments in shopping malls. When checking directly on incidental entertainment such as exhibitions, tickets that had not been aggregated were still being sold. The final attempt to expand the revenue base is to reevaluate the tax object. This reassessment has close relations to the tax object database. After the entertainment tax object has been collected, it is reassessed based on the object's tax rate appropriateness. In the city of Surabaya, the tax object is not reassessed for the entertainment tax. There will be efforts to increase tariffs, but they have not yet been implemented; they are still being drafted. In order to increase entertainment tax revenues using the fundamental principles of regional revenue management, the revenue base must be expanded and income leakage must be contained.

3.1. Analysis of Economic Efficiency

In order to determine if regional taxes and levies have the capacity to apply the principle of efficiency, a comparison between tax and retribution costs and total costs is employed as a reference. Researchers are unable to gather cost data in the form of fixed costs, non-fixed costs, or total costs, because the data is limited and difficult to disseminate, after conducting field research in the form of interviews with several sources. Nonetheless, after posing questions to multiple speakers, the responses are uniform; that is, expenditures are always greater than income.

Factually, when viewed from a comparison of the allocation of income with the allocation for maintenance, it appears that the average maintenance, maintenance and repair costs are higher. Treatment must be carried out regularly every month. According to records, there are more maintenance costs compared to the income received accumulatively.



Figure 2: Some Conditions of Commercial Recreation and Amusement Parks

Figure 2 shows how examples of Recreation Places and Commercial Amusement Parks in the City of Surabaya that require more costs in their maintenance, for example in the People's Amusement Park which requires regular maintenance, be it in maintenance that must be paid great attention to its facilities. The lack of interest of young people in their own arts and entertainment venues that have switched to more modern malls or shopping centers makes THR (People's Amusement Park) less in demand in its development. With efforts to revitalize and combine the old buildings and environment, Surabaya People's Amusement Park aims to revive and strengthen its function as an Amusement Park in Surabaya.

The Surabaya City Government is committed to providing spaces for folk art performers in the City of Heroes. One form of this commitment will be manifested in the form of revitalization or improvement in the Surabaya People's Entertainment Park (THR) area. The Mayor of Surabaya, Tri Rismaharini, said that previously the THR area was known as a center for creative folk art performers. However, gradually the area turned out to have turned into a residential function. Therefore, in the future the Surabaya City Government will carry out a rearrangement related to the function of land use which is a government asset.

“In accordance with the spatial plan, this THR area is intended for trade and services, not for housing. However, the people who live and live in the area use it as a place to live or live without a legal relationship. They even use facilities from the government, such as electricity and water. Thus, the use of land assets that should be used properly has changed its function. Because of that later, we will help the residents of Surabaya relocate to move to flats. However, for non-Surabaya residents we cannot help,” said Mayor Risma at City Hall, Monday (27/05/2019).

Other dimensions that are evidence of the success of the Surabaya City Government based on data released by the Central Statistics Agency (BPS) of the City of Surabaya (2020) are the human development index which in 2017 was at 81, 07 to 82, 22 in 2019. Furthermore, the poverty rate decreased from 5, 82% in 2015 to 4, 51% in 2019 as well as the gini ratio (social inequality index) which is getting better from 0, 42 in 2015 to 0, 39 in 2017. The original regional revenue (PAD) of Surabaya City also increased from only IDR 908 billion to almost IDR 5 trillion in 2018. The infrastructure aspect of the surabaya city government has built 58 reservoirs and mangrove botanical gardens as much as 2.800 hectares, and the construction of 315 km of new roads (Hakim, 2022).

According to the researcher's analysis of the dimension of economic efficiency, the potential retribution for recreational areas and commercial amusement parks adheres to the efficiency principle. This is due to the fact that the cost of spending for recreational places, commercial amusement parks, and commercial recreational businesses exceeds their revenue. Because maintenance, repair, and management of recreational areas and commercial amusement parks are performed on a daily, weekly, and monthly basis, these expenses are substantial. These expenses are covered by the Surabaya city budget. Consequently, the economic efficiency component of the possible tax on recreational areas and commercial amusement parks is deemed deficient in terms of efficiency principles.

3.2. Implementation Ability Analysis

The extent to which local authorities are able to carry out financial service governance can be seen from their political or administrative capabilities. Comparison of levies in an area compared to the potential for revenue, then this shows that the regional fiscal authority has capability both in managerial business units and in aspects of financial governance.

The ability to implement this is related to political and administrative elements such as the running of regional fees with the applicable law, based on the results of interviews with researchers with several sources related to the ability to implement this related to the human resources that manage it. As stated by the informant, those who manage commercial recreational areas and amusement parks are left to the relevant UPT (Technical Implementation Unit). Based on Surabaya Mayor Regulation Number 75 of 2014 concerning Technical Guidelines for Controlling Space Utilization in the Context of Building Construction in the City of Surabaya.

Each recreational area and commercial amusement park is managed by each UPT, which is recruited by their respective agencies. The task of the Regional Financial Management Agency is only as a coordinator, the more technical one is with the relevant UPT. Regarding the management of objects, facilities, and infrastructure, it is the one that takes care of the UPT and officers in the relevant field. But in this dimension, not all field officers are in accordance with local regulations where each employee must have a professional certificate, so that employees assigned to several recreational places and commercial amusement parks can be proven.

According to the researcher's analysis, in the dimension of the ability to carry out running well, because the officer who manages the recreational area is not in accordance with the regulations where each employee must have a professional certificate. The holding of a professional certificate aims to discipline recreational and sports place officers to be competent in their fields, so that the potential for regional retribution can be explored to the maximum, even before the provision of the professional certificate, education and training are held that can provide great benefits. Based on the description above, the researcher concluded that the ability to carry out in two dimensions, namely political ability or administrative ability, is said to be lacking in potential, because there are several things that are not in accordance with the Surabaya City Regional Regulations.

3.3. Suitability Analysis as a Source of Revenues

The suitability aspect means comparison with other regions at the same level, then comparisons with regions with a more advanced level and other dimensions of how income from retribution is received from regional revenue. Suitability with the inter-regional comparative approach is intended to capture potential sources of revenue matching the regional fiscal needs and the carrying capacity of devices that are linear with the ability to implement.

This implies that the regional fiscal regime demonstrates the ability to optimally manage fees that will contribute to the carrying capacity of regional development. However, if the opposite

condition occurs where the fiscal collection is not accompanied by the ability to implement it, it can be concluded that there is no matching source of income.

The Surabaya City area has also implemented the provisions according to the law, which collects fees, considering their origins, because fees for commercial recreation areas and amusement parks are subject to retribution that is worth collecting if the land, buildings and managed by the local government. If these conditions are met, the regional government can only withdraw it. However, based on the statement of the implementing informant, the withdrawal by the regional government was not based on the size of the income, but based on genealogy if it really belonged to the City of Surabaya, but if the land belonged to the province, then it would be used by the province. However, if the province hands it over to the local government to manage and use it, then the City of Surabaya can use it.

The original regional revenue (PAD) of the City of Surabaya, East Java, in the first semester of fiscal year 2021 has only reached around 40,93 percent or IDR 2.276.429.791.713 from the initial target of IDR 5.561.555.949.381. The Regional Revenue and Expenditure Budget (APBD) of the City of Surabaya 2021 reached a figure of IDR 9.828.392.793.866. As for the 2021 APBD budget posture in terms of revenue of IDR 8.634.034.904.370 with the largest projected contribution from PAD of IDR 5.535.188.169.410, in the regional expenditure sector consisting of operational expenditures, capital expenditures, unexpected expenditures and transfer expenditures. The projected total regional expenditure is IDR 9.828.392.793.866. Overall, total revenue reached 41,45 percent with details, revenue consisting of PAD, central transfers, provincial transfers and other transfers worth IDR 8.660.402.684.341 with an achievement of IDR 3.563.424.499.145. PAD's achievement was able to record PAD acquisition with a value of 40,93 percent. The details are the target of IDR 5.561.555.949.381 with an achievement of IDR 2.276.429.791.713. While the achievement that contributes high is regional taxes. The regional tax target is IDR 4.442.976.688.357 with an achievement of IDR 1.736.950.523.206 or equivalent to 39,09 percent. Meanwhile, central transfer income includes such as profit sharing funds (DBH), general allocation funds, physical and non-physical special allocation funds (DAK). The total percentage of central transfers in the second quarter was 53,34 percent. In detail, the target is IDR 2.021.185.078.000 with an achievement of IDR 1.078.036.944.006. Further, for other central government transfers from the regional incentive fund (DID), the special autonomy fund percentage is 49,99 percent. In detail, the target is IDR 48.197.603.000 with an achievement of IDR 24.098.801.000. Then for relatively small achievements there is in the transfer sector from the East Java Provincial Government with a value of IDR 184.858.962.426 from the target of IDR 822.319.053.960. The percentage in the provincial transfer sector is 22,48 percent.

According to the researcher's analysis, the dimension of suitability as a source of regional revenue can be said to be potential because the determination of the object and its implementation are in accordance with the applicable regulations and have not yet been subject to an addendum to the main regulations.

3.4. Obstacles and efforts to increase potential retribution for Commercial Recreation and Amusement Parks

There are numerous obstacles to assessing the potential, including the following: 1) Insufficient public awareness. It is characterized as mandatory retribution, which has a significant impact on the potential for retribution if it is not comprehended. If people are well-informed, then the revenue generated by each tourist attraction and sports venue will be maximized. Inadequate infrastructure and facilities. Means serve as a conduit for achieving a given objective. Infrastructure is described as a component necessary for the operation of enterprises or activities. Recreation Places and Commercial Amusement Parks cannot be isolated from the element of infrastructure and facilities; these venues will be maintained by the government and will benefit the community. Infrastructure consists of all required resources, such as roads leading to tourist destinations, water, bridges, and so on. Yet, in recreational areas such as Taman Remaja Surabaya, the government was compelled to close the park, which had been founded on February 20, 1971. Unfortunately, it does not meet several development needs. The abandoned condition of the park, which was previously anticipated to be a popular tourist destination, is horrifying.

Figure 3: Facilities and Infrastructure



Before the Surabaya Youth Park (Taman Remaja Surabaya) existed, the urban poor were used to depending on landlords or capital owners. Thus, the existence of the Surabaya Youth Park in 1971 opened up a great opportunity for the community to look for a field. Prior to the existence of the Surabaya Youth Park, the urban poor were used to depending on landlords or capital owners. Thus, the existence of the Surabaya Youth Park in 1971 opened up great opportunities for the community to look for fields

The decrease in the number of visitors resulted in a lack of income received by Surabaya Youth Park. This resulted in the management of the Surabaya Youth Park, namely PT.STAR, being unable to pay taxes to the Surabaya City Government. PT.STAR also took various actions that violated the regulations that had previously been agreed upon with the Surabaya City Government. So that in 2018 PT.STAR as the manager of Surabaya Youth Park received a warning letter for the third time which resulted in the suspension of Surabaya Youth Park IMB (Effendi, 2018).

The Surabaya City Government is ready to revitalize the People's Amusement Park (THR) area on Jalan Kusuma Bangsa, Surabaya City, and East Java, which has been functioning more as a

residential area. In line with the narrative of the Mayor of Surabaya Tri Rismaharini at the Surabaya City Hall.

“We will reorganize the function of land use which is an asset of the government. So then we will be in order, because we will arrange the area, as this THR area is intended as trade and services, not for settlements. However, the people who live and live in the area use it as a place to live or live without a legal relationship.”

Since 2020 the Surabaya City Government has been carrying out a revitalization with the waterfront concept, at the Kenjeran Beach Amusement Park (THP). The revitalization targeted for completion in 2023 will be carried out in five blocks simultaneously with goals representing THP as the leading marine tourism destination for the City of Heroes.

Wiwiek Widayati, Head of the Surabaya City Culture, Youth and Sports and Tourism Office (Kadisbudporapar), said, that this step is expected to improve the economy of local residents, by involving them in the revitalization.

“In other words, it has to be an economic opportunity for the local residents, because that was the goal from the start. For example, residents who have MSME products can be offered as souvenirs, then fishermen there can rent out their boats to visitors to certain destinations. In fact, we can even provide coaching to local residents to become tour guides,” said Wiwiek after becoming a resource person for the Semanggi Suroboyo program on Radio Suara Surabaya, Friday (26/8/2022).

The Surabaya City Government has budgeted funds reaching more than IDR 70 billion for the revitalization which will take place from 2020 to 2023. With these funds, there will be many new centers with a more contemporary and Instagram able concept, to attract tourists, especially young people.

The Surabaya City Culture and Tourism Office will begin the revitalization of the old city area in Surabaya this week. The initial target was implemented in the area of Jalan Kembang Jepun and Jalan Karet.

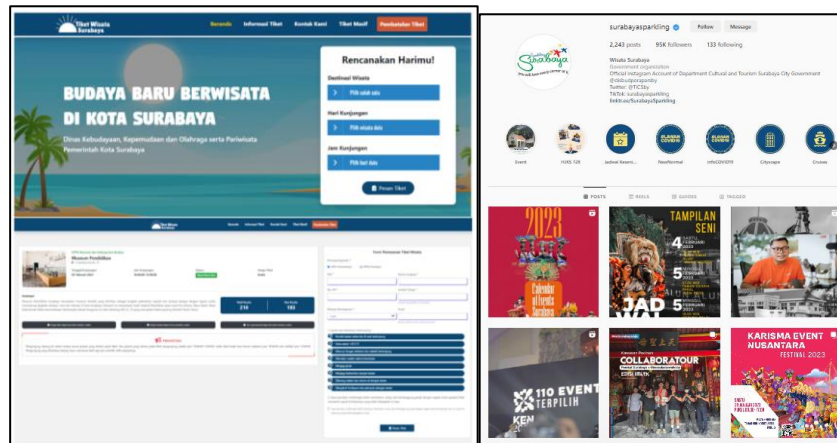
“These types of areas include Chinatown buildings, colonial buildings, and modern buildings,” said the Head of the Surabaya City Tourism Office Antiek Sugiharti after an Socialization on the Improvement of the Old Town Area on Jalan Kembang Jepun and Jalan Karet, Monday, January 28 2019.

Antiek said there are 140 cultural heritage buildings that will be revitalized in the area. He appealed to residents on Jalan Kembang Jepun and Jalan Karet to immediately apply for administrative permits in accordance with RI Law No. 11 of 2010 concerning cultural heritage.

Efforts made by BPKD in increasing regional fiscal potential a). Promotion as the key to success in increasing tourist or visitor numbers in a tourist attraction or sports venue is tourism promotion. Tourists or visitors will disseminate information through tourism promotion so that tourists are aware of the existence of fascinating sites to visit. Through this tourism promotion, the public will get knowledge.

In addition, related efforts are not only carried out through exhibitions, but are currently actively promoting digital media or what is currently trending in various circles from teenagers to even the elderly, namely social media. In this millennial group, various social media applications can be used and utilized to strengthen tourism potential.

Figure 4: Tourism Promotion



A variety of available social media such as websites, Instagram, Twitter, Facebook, WhatsApp, YouTube and other social media applications that can be utilized by local governments or managers of recreational objects and commercial amusement parks with an interest. Digital media which is considered relatively cheap, but its impact is massive. Besides that, social media is also very interesting and interactive, people can immediately comment and respond to what is promoted on social media.

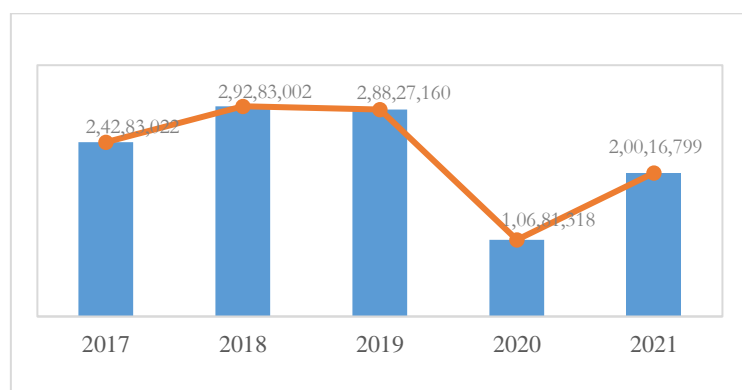


Figure 5: The number of tourist visitors to the city of Surabaya between 2017-2021

The figure 5 above shows that in a period of 5 years, the highest number of tourist visits to Surabaya was in 2019 with 28.827.160 tourists, but in 2020 it has decreased to 27,035%, one of the things that has caused the decrease in the number of tourist visits is one of them due to the impact COVID-19. Based on the Decree of the National Disaster Management Agency of the Republic of Indonesia concerning the Extension of the Emergency Status for the COVID-

19 Disaster, it also has an impact on the tourism sector. As a result of the impact that the COVID-19 pandemic is having on the tourism industry, many of the tourist sites in the city of Surabaya have been forced to temporarily close. This is done to anticipate or prevent the spread of COVID-19. The closure of these tourist attractions causes there is no place for educational learning outside of school, and all mankind lost its need for recreation and entertainment. Based on BPS data for the City of Surabaya, from 2014 to 2019 it has continuously experienced an increase in GRDP growth. It can be seen that the city of Surabaya is a city that is very influential on the conditions that exist in Indonesia when viewed from the level of economic growth in the city of Surabaya.

Improving the arrangement of objects for commercial recreation and amusement parks, tourism arrangement is an effort to improve, build or create tourism arrangements and activities that are encouraged and supported by effective and efficient facilities and infrastructure in a certain place on the basis of the potential of commercial recreation areas and amusement parks owned. The local government seeks to improve the arrangement of objects for commercial recreation and amusement parks in several aspects, such as first, improving facilities and infrastructure and increasing benefits in the economic field of objects for commercial recreation and amusement parks for the local community. The understanding of the arrangement of tourist objects must be based on the principles of sustainable development, namely the arrangement of tourist objects must be able to develop local social life.

Second, the arrangement of objects for commercial recreation areas and amusement parks must be able to boost the economy of the local community and the surrounding community, and third, the arrangement of objects for commercial recreation areas and amusement parks must respect the environment and ensure environmental sustainability. In this case the arrangement must be integrated with the development of the environment, so that the environment is not only built at the beginning of the establishment of the arrangement, but also cared for and maintained properly so that it does not change the quality of the environment and even the environment is getting better every year.

This is in line with the findings of Adedoyin et al. (2023) which suggests that using tourism tax revenues to repair budget deficits and grow the economy has implications for tourism policy in the economy of a tourism-dependent region regarding the management of inbound tourism volumes despite high taxes and budget deficit problems. Hence, an increase in tourism taxes that is not matched by a significant increase in government tourism spending is contractionary and consequently hurts the tourism industry by slowing international tourist arrivals. Thus, policies that can integrate the benefits of tourism tax revenue with improving the destination's image and competitiveness are highly desirable and, for each country,

The coefficient of economic decline during a crisis still requires the government to increase spending in several sectors to develop and encourage people's economic activities. This condition is very dilemmatic because the government faces a choice between creating fiscal space or encouraging economic activity through government programs. This is one of the reasons for the unclear pattern of government spending. Based on empirical research evidence carried by Zainal et al. (2022), which emphasized the review of fiscal reforms in Indonesia.

The State Finance Law has not been effective in influencing the shift in fiscal policy to be countercyclical. The important thing to note, since the law was effectively implemented in 2005, has not experienced any changes. At the same time, economic shocks and fluctuations are very dynamic. The law seems very rigid and applies permanently (Dioikitopoulos, 2018; Guerguil et al., 2017; Kumhof & Laxton, 2009). This limits the government's space for movement, so it tends to make procyclical fiscal policies. Therefore, this study contributes to the findings of fiscal policy procyclicality in Indonesia. One reason is the current rigid design of the State Finance Law. In addition, it is necessary to analyze several fiscal designs in other countries that have successfully transitioned to countercyclical fiscal policies

4. CONCLUSIONS

Revenue earnings vary continuously from year to year, experiencing both rises and declines. The highest potential was in 2017 with 100,58% of IDR 78.468.071.593,00 and the lowest was in 2015 with 94,05% of IDR 53.608.360.804,97. Throughout this five-year period, average receipts have exceeded the aim. The cost of expenditure is always more than the cost of its income, therefore economic efficiency in tax revenue has never been principled efficiency. Because its implementation is in conformity with Law No. 28 of 2009 concerning Regional Taxes and Regional Retribution, it is considered to have the potential to be suitable as a source of revenue for the region. Recreational areas and commercial amusement parks in the city of Surabaya have the potential to be further developed in order to boost regional revenue. In determining the potential retribution for recreational places and commercial amusement parks under the supervision of the Surabaya City Regional Financial Management Agency Office, there are difficulties in the form of a lack of public awareness of mandatory retribution because there are still many retribution obligations that do not comply with paying levies, inadequate facilities and infrastructure, as seen from road access and facilities in a number of recreational places and commercial amusement parks.

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