

## **Programs and Services Management Capacity of the Revenue Department in Managing Land and Building Tax in Cimahi City**

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### **ABSTRACT**

Law on Local Taxes and Charges is the consequence of fiscal decentralization policy of the central government of Indonesia. Cimahi City is one of the local governments which have been delegated to manage Land and Building Tax in Cimahi City area. This situation implied the workload of the Revenue Department of Cimahi City. This institution has more duties and should manage the program and services harder. The purpose of this research is to analyze the capacity of the Revenue Department of Cimahi City in managing Land and Building Tax after the fiscal decentralization. This research used Lusthaus' theory (2002) about programs and services management capacity. Programs and services management capacity consists of planning, actuating and evaluating. The research method used in this research was the qualitative method. The data collection technique was conducted through literature study, field study, and in-depth interviews. The validity technique was done by triangulation. The research result indicates that the programs and services management in Cimahi City has not yet been effectively planned. This condition is indicated by the lack of preparation of facilities, organization structure and human resources, either in quantity or quality. The implementation of program and services is not good enough. It can be seen in the organization's performance in managing Land and Building Tax. The last, the Revenue Department has not had effective management in handling feedback resulted from the evaluation process.

Keywords: Capacity, Programs and Services Management, Land and Building Tax

### **I. INTRODUCTION**

Based on Law No. 28 of 2009 on Local Taxes and Charges, since 2001 the management of some taxes has been transferred from the Central Government to the Local Governments. One of the taxes is Urban Land and Building Tax.

Then, in order that the management of Urban Land and Building Tax runs smoothly, consistency and balance among regions in determining Tax Object Sale Value (NJOP), tariff policies, maintenance of service quality and the accuracy of data on taxable subjects and objects must not be ignored. With this transfer, the revenue of Urban Land and Building Tax is received entirely by Local Governments.

In 2013 the Revenue Department of Cimahi City has officially managed Urban Land and Building Tax. Based on observations and the initial interviews, the results are as follows:

*First*, changes in Tax Object Sale Value (NJOP) have not been carried out actively. The Revenue Department of Cimahi City still waits for the request of changes on the basis of filing or the public awareness. The example of the case occurs in parts of the housing, in which it turns out that in the Letter of Notification of Owed Taxes (SPPT) they are still listed as vacant land, although in fact house buildings have stood on the site. This resulted in tax revenue that is not optimum.

*Second*, the public awareness is still low. It can be seen from the persistence of delinquent taxable subjects who fail in completing payments of Urban Land and Building Tax.

*Third*, the implementation of programs and services is less supported by mature planning. Other factors are the absence of the organizational structure, the lack of facilities and infrastructure, as well as the shortage of human resources, both in quality and quantity.

Based on the above explanation, we are interested to explore and learn more about the matters through a research.

## II. LITERATURE

The capacity of an organization will show how far the organization is able to run programs or tasks. In other words, organizational capacity describes a wide range of capabilities, knowledge and resources organizations use in carrying out specific assignments, activities or programs (Solanke, 2011).

The quality of the organization relates to the management of the program. In this case, the program management as the additional management in a project will ensure that they relate to the organization as a whole. It is in line with Booth's opinion (1998) in Lusthaus (2002) that "*Program management is regarded as "an additional layer of management sitting above the projects and ensuring that they remain pertinent to the wider organization ""*".

The program management is well established due to their supporting aspects, such as planning, implementation, and evaluation. Lusthaus (2002) argued, "*Program planning ranges from working out what to do on a day-by-day basis to long-term strategic planning*". Program planning has many levels and each has a time limit so there are short, medium and long term plans.

One major task of leadership is to put the organization's program into a work activity. Not everyone is able to easily implement the program, so that not just a few people who have difficulties. To overcome this requires appropriate employees with proper skills and expertise, in addition to monitoring and evaluation, so that at least they are able to minimize errors in completing the work. It is as stated by Lusthaus (2002) that "*Program implementation requires organization and having staff who can put their skills to work*". This aspect is another stage, in which the organization can combine all of its resources in order to achieve organizational goals.

## III. RESEARCH METHOD

This research applied the qualitative research method. Data and information were collected through interviews and observations and to ensure the data validity we

used the technique of triangulation. The Head of Revenue Department of Cimahi, the Secretary, the Head of Section, employees and communities they serve are the informants in this study.

#### **IV. RESULTS AND DISCUSSION**

In the program management, especially the program planning, the Revenue Department of Cimahi City has completed the planning of management tasks of Urban Land and Building Tax which has been transferred from the Central Government. In particular, the Central Government's policy requires Local Governments to make preparations so that the process of the transfer and its management become a successful program. This is in line with the results of interviews with informants who stated that Cimahi Government originally had planned to take over the management of Land and Building Tax in 2011, but because it needed some preparation, especially in the area of local legal instruments, the management has not been able to be implemented until 2013. It is intended that all parties were really ready to take over the management of Urban Land and Building Tax.

In addition, almost all employees support the process of the management of Land and Building Tax, because it is the duty of every employee. However, in practice, some employees are directly related and some are indirectly because they have other duties and functions.

In addition to the program management, the aspect of service management has influence in forming the capacity of an organization. The quality of service shown by the Revenue Department in Cimahi is a reflection of the success of the service management.

One of the efforts which have been made to improve the quality of service and fairness for taxable subjects, especially in Urban Land and Building Tax in Cimahi City is the change in the amount of the Sale Value of Non-Taxable Tax Objects (NJOPTKP). It is a form of the realization of the principles of equity and justice.

In line with the accuracy of monitoring and management systems, it can be said that the performance has been appropriate but it still needs improvement. Monitoring of the management of Urban Land and Building Tax has already done by each field or section, but in the process there are still weaknesses due to human resources, limited ownership of facilities, and optimization of the results of monitoring as feedback for the whole program.

#### **V. CONCLUSION**

The results shows that the programs and services management capacity of the Revenue Department of Cimahi City in serving Urban Land and Building Tax still needs some improvements. This is seen from the lack of facilities and lack of human resources, both in quantity and quality. Additionally, optimization of the monitoring system needs to be done.

#### **VI. RECOMMENDATION**

There is a need for the addition of facilities for the programs and services management. The addition of employees and training is also needed.

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