



**THE INFLUENCE OF LAND AND BUILDING ACQUISITION TAX
(BPHTB) AND LAND AND BUILDING TAX - RURAL AND URBAN (PBB-
P2) ON REGIONAL FINANCIAL INDEPENDENCE IN REGENCY/CITY OF
WEST JAVA PROVINCE YEAR 2021 to 2023**

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Abstract

This study analyses the influence of Land and Building Acquisition Tax (BPHTB) and Rural and Urban Land and Building Tax (PBB-P2) on regional financial independence in regencies/cities in West Java Province. The approach used was a mixed-methods approach with a sequential explanatory design, beginning with quantitative analysis of secondary data from 2021 to 2023. This phase was followed by qualitative analysis through in-depth interviews with local government officials. The quantitative results indicate that BPHTB and PBB-P2 have a positive and significant influence on the level of regional financial independence. Qualitative findings indicate that these two taxes are significant not just for their ability to generate income but also for how they are managed. Challenges in managing BPHTB and PBB-P2 encompass target establishment affected by non-technical variables, unpredictable revenue potential, uncollectable receivables, data inconsistencies, insufficient fair value benchmarks, and constrained collection authority for national strategic initiatives. Implemented strategies encompass transaction value verification according to NJOP, revaluation of taxable assets, digitalisation of services, public engagement, fiscal incentives, and collaborations with third parties. This study emphasises the importance of effective regional tax management to strengthen fiscal capacity and reduce dependence on transfer funds.

Keywords: BPHTB, PBB-P2, PAD, Regional Original Revenue, Regional Taxes, Mixed Method



INTRODUCTION

Regional autonomy in Indonesia aims to strengthen local government’s ability to independently finance development and public services. One of the indicators used to evaluate this capacity is the regional fiscal autonomy ratio, as outlined in the Ministry of Home Affairs regulation number 19 of 2020 concerning the Assessment of the Regional Financial Management Index. This ratio, calculated by dividing Regional Original Income (PAD) by total regional income, reflects the extent to which a region can fund development and public services without relying heavily on the centralised government. The higher the ratio, the less dependent the region is on external assistance, and vice versa (Intan & Azansyah, 2023). A higher ratio indicates stronger financial independence, while a lower ratio signifies greater dependence on external assistance. Regions with minimal reliance on central assistance are considered financially autonomous (Insani & Hendaris, 2025).

The degree of regional financial independence in Indonesia, especially among regencies and cities in West Java Province, remains markedly low overall. The independence ratios shown in Table 1 also demonstrate significant disparities between regions. Thirteen regions have ratios below 20%, while only six regions achieve ratios above 40%. The average regional financial independence ratio in West Java Province in 2023 was only 25.26%.

Table 1.
Regional Financial Independence Ratios by Regency/City in West Java in 2023

No	Regency/City	Self-Reliance Ratio (%)	No	Regency/City	Self-Reliance Ratio (%)
1	City Depok	46,20%	15	Reg. Cirebon	18,53%
2	City Bogor	45,11%	16	Reg. Sumedang	18,23%
3	City Bekasi	44,45%	17	Reg. Pangandaran	18,20%
4	Reg. Bekasi	43,47%	18	Reg. Subang	18,09%
5	City Bandung	42,50%	19	Reg. Indramayu	17,81%
6	Regency Bogor	40,74%	20	Reg. Majalengka	17,51%
7	City Cirebon	36,55%	21	Reg. Banjar	17,33%
8	Reg. Karawang	32,64%	22	Reg. Sukabumi	17,33%
9	City Sukabumi	32,36%	23	Reg. Cianjur	15,18%
10	City Cimahi	30,43%	24	Reg. Garut	11,20%
11	Reg. Purwakarta	23,39%	25	Reg. Kuningan	10,77%
12	Reg. Bandung Barat	22,94%	26	Reg. Ciamis	9,84%
13	City Tasikmalaya	21,44%	27	Reg. Tasikmalaya	9,49%
14	Reg. Bandung	20,38%		Average ratio	25,26%

Source: www.djpk.kemenkeu.go.id (data processed, 2025)



The low degree of regional financial independence reflects the continued high dependence on transfer funds from the central and provincial governments. This dependence is considered to hamper regional fiscal flexibility in formulating development policies tailored to local needs and widen the gap in fiscal capacity between regions (Handraini et al., 2024). Furthermore, the low level of independence suggests that available fiscal resources have not been fully utilised. This is due to various factors such as limited institutional capacity, low tax compliance, and weak innovation in managing regional original revenue (Handraini et al., 2024). This situation is a major issue in carrying out regional autonomy, as a primary purpose of decentralisation is to encourage regional governments to independently finance governmental affairs. Therefore, increasing regional original revenue is key to strengthening regional financial independence.

Table 2.
Data on the Contribution of BPHTB and PBB-P2 to PAD

No	Regency/City	Year	Contribution BPHTB	Contribution PBB-P2
1	Bekasi Reg.	2021	35,73%	21,24%
		2022	39,50%	23,14%
		2023	38,59%	20,46%
2	Depok City	2021	33,60%	20,03%
		2022	31,88%	23,26%
		2023	32,55%	21,84%
3	Bogor Reg.	2021	28,28%	15,83%
		2022	26,42%	16,20%
		2023	26,21%	15,39%
4	Bandung City	2021	24,77%	23,21%
		2022	21,07%	19,64%
		2023	20,39%	18,47%
5	Karawang Reg.	2021	20,85%	18,27%
		2022	20,85%	29,08%
		2023	22,35%	28,45%
6	Bandung Reg.	2021	20,57%	10,76%
		2022	20,58%	11,39%
		2023	17,21%	10,04
7	Cirebon Reg.	2021	12,11%	8,12%
		2022	9,92%	8,45%
		2023	13,19%	9,83%
8	Sumedang Reg.	2021	6,96%	12,29%
		2022	6,62%	11,34%
		2023	7,16%	12,10%
9	Ciamis Reg.	2021	2,46%	8,58%
		2022	2,53%	7,84%
		2023	3,17%	8,30%
10	Tasikmalaya Reg.	2021	2,34%	6,36%
		2022	2,92%	10,04%
		2023	2,77%	9,91%

Source: 2021 – 2023 Budget Realization Report (processed data, 2025)

According to Table 2, the contribution of local revenue components in West Java Province, the BPHTB (Local Revenue) and PBB-P2 (Property Tax), shows significant variations across regencies/cities in West Java Province. Several regions, such as Bekasi Regency, Depok City, Bogor Regency, and Bandung City, recorded relatively high contributions of BPHTB and PBB-P2 to local revenue, indicating that these two types of taxes have significant potential as sources of regional revenue. Conversely, in several other regions, such as Cirebon Regency, Sumedang Regency, Ciamis Regency, and Tasikmalaya Regency, the contributions of BPHTB and PBB-P2 are relatively low. This difference indicates



that the influence of BPHTB and PBB-P2 on regional financial independence is not uniform across regions.

This research aims to analyse the impact of BPHTB and PBB-P2 on the level of fiscal autonomy in the regencies and cities in West Java Province. The quantitative stage was used to examine the influence of the two taxes, while the qualitative stage was employed to explore in greater depth the implementation, challenges, and policy strategies in regional tax management in the field. The results of this study are projected to be of practical use in terms of providing information for decision-makers at the Regency/City Government level of West Java Province in increasing regional financial independence and can also assist local governments in formulating strategic policies to optimize regional tax revenues to increase fiscal independence. In addition, this study serves as evaluation material for regional tax administrators in increasing the efficiency of tax collection, especially BPHTB and PBB-P2, and offers suggestions to decision-makers on specific actions for enhancing the administration of locally generated revenue from taxation.

LITERATURE REVIEW

Stewardship Theory

Stewardship theory emphasizes that local governments, as institutions entrusted by the public, have the responsibility to carry out their roles in accordance with applicable regulations, particularly in managing regional finances to meet needs and promote fiscal independence (Illyasa, 2023). This aligns with the research objective, which highlights the government's role in optimizing regional potential to finance its needs independently as part of its commitment to improving public welfare, including through the management of local taxes such as BPHTB and PBB-P2.

Land and Building Tax (BPHTB)

According to Law Number 1 of 2022, BPHTB is a self-assessment tax on the acquisition of land or property rights through transactions such as sales, gifts, or inheritance. The amount is calculated by applying the tax rate to the Taxable Acquisition Value (NPOPKP), which equals the Acquisition Value (NPOP) minus the Non-Taxable Value (NPOPTKP). If the market value is unknown or lower than the taxable sales value (NJOP), the NJOP is used as the basis for calculation (Lastiani, 2023).

Land and Building Tax (PBB-P2)

PBB-P2 is a tax on land and/or buildings, excluding areas designated for agriculture, forestry, or mining. Classified as an official assessment tax, its

amount is determined by the regional government, which conducts property valuation and issues an official tax notice (Adhitiya, 2025; Akbar et al., 2024). The payable amount is calculated by multiplying the tax rate by the Taxable Sales Value (NJKP), obtained from the Sales Value (NJOP) minus the Non-Taxable Value (NJOPTKP).

Regional Financial Independence

Regional financial independence reflects a local government's capacity to self-fund governance, development, and public services (Halim, 2007; Runjung et al., 2022). According to Minister of Home Affairs Regulation No. 19 of 2020, regional financial conditions are assessed through six indices: planning-budgeting alignment, expenditure allocation proportion in the APBD, transparency level, budget absorption realization, overall financial condition, and BPK audit opinion on LKPD. Independence is measured by comparing Regional Original Income (PAD) to total revenue, where a higher PAD ratio indicates stronger fiscal capacity and reduced reliance on central transfers (Elwan et al., 2023).

Research Framework and Hypothesis Design

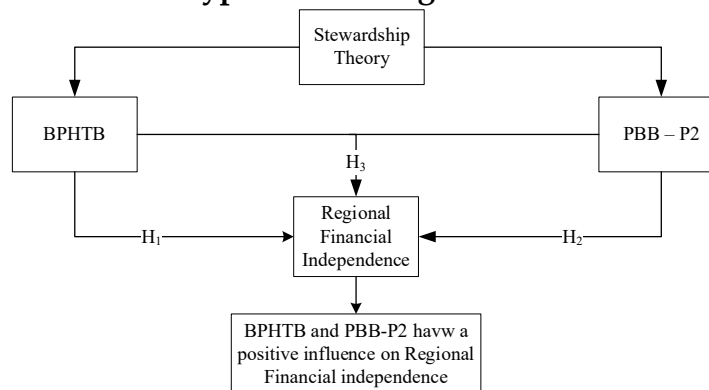


Figure 1.
Research Framework

Hypothesis

The hypotheses of this research are as follows:

H₁: BPHTB has a positive effect on regional financial independence.

H₂: PBB-P2 has a positive effect on regional financial independence.

H₃: BPHTB and PBB-P2 simultaneously have a positive effect on regional financial independence.



RESEARCH METHOD

This study employed a mixed-methods approach with a sequential explanatory design, covering 81 data points from 27 districts/cities in West Java (2021–2023) using saturated sampling for quantitative data (Sugiyono, 2022), obtained from DJPK Kemenkeu. Bandung City was purposively selected for qualitative analysis due to its low regional financial independence despite significant BPHTB and PBB-P2 contributions. Semi-structured interviews were conducted with BAPENDA officials after quantitative analysis to enrich findings. Quantitative analysis involved classical assumption tests, correlation analysis, multiple linear regression, determination coefficient (R²), and significance tests (t-test and F-test) using SPSS 27 (Valentina et al., 2024). Qualitative data were analyzed using the Miles and Huberman model, comprising data reduction, presentation, and conclusion drawing to integrate insights on tax management and fiscal independence (Miles et al., 2014).

RESULTS AND DISCUSSION

Descriptive statistics for each variable can be seen in Table 3 as follows:

Table 3.
Summary of Descriptive Analysis Test for 3 research variables

Description	BPHTB	PBB-P2	Financial Independence
N (number of data)	81	81	81
Mean	187704973101.81	147976142391.94	24.62891
Median	52078182453.00	62763788622.00	19.55046
Minimum	3614395900	5367600262	9.49136
Maximum	1106667280217	610491233234	46.20206
Range	1103052884317	605123632972	36.7107
Standard Deviation	280889524426.982	184431061725.333	11.61825
Sum	15204102821247	11986067533747	1994.94143

Source: Output SPSS version 27 (processed 2025)

Land and Building Expenditure (BPHTB)

Revenues in regencies/cities across West Java Province from 2021 to 2023 amounted to IDR 187,704,973,101.81, as shown in Table 3. The highest average



BPHTB revenue was found in Bogor Regency, reaching IDR 1,025,577,261,479. This substantial revenue is supported by Bogor Regency's vast area of about 2,992 km² and a large population of approximately 5.6 million people (BPS, 2024). Its strategic position as part of the Greater Jakarta metropolitan buffer zone, bordering the capital city, drives demand for residential areas due to limited land availability in Jakarta. This condition stimulates active land transactions, significantly contributing to BPHTB revenues (Prana et al., 2024).

Conversely, the lowest average BPHTB revenue was recorded in Banjar City, with an average of IDR 4,158,242,460. The modest revenue reflects its relatively small size of around 132 km² and a population of only about 290,000 people (BPS, 2024). Located at the southeastern tip of West Java and bordering Central Java, Banjar City experiences slower development and urbanization compared to metropolitan or centrally located regions. This limited economic activity and low demand for land transactions reduce its capacity to generate higher BPHTB revenues.

Land and Building Tax (PBB-P2) in Regencies/Cities in West Java Province

Table 3 shows that the average realization of PBB-P2 in Regencies and Cities in West Java Province from 2021 to 2023 was IDR 147,976,142,391.94. Banjar City had the lowest average PBB-P2 realization, at IDR 5,917,414,443. This condition aligns with the low average BPHTB revenue in the region. Furthermore, Bogor Regency recorded the highest average PBB-P2 revenue during the same period, at IDR 600,931,628,161. This high revenue is consistent with the high average BPHTB revenue in Bogor Regency.

Referring to the descriptive analysis in Table 3, it is observed that the lowest amount of PBB-P2 revenue realization is IDR 5,367,600,262, while the higher amount reaches IDR 610,491,233,234. The average PBB-P2 realization value during the study period was recorded at IDR 147,976,142,391.94, with a standard deviation value of IDR 184,431,061,725.333. The large standard deviation value indicates that there is a high level of data dispersion, which indicates significant differences between regions. Furthermore, the median value of the PBB-P2 variable is IDR 62,763,788,622.

Regional Financial Independence in Regencies/Cities in West Java Province

The regional financial independence ratio in West Java during 2021–2023 showed considerable disparities, with Depok City achieving the highest levels (45.26%–46.20%) and Tasikmalaya or Ciamis Regencies recording the lowest (9–11%). While Majalengka and Sukabumi City experienced steady increases, Ciamis and Tasikmalaya showed declining trends. The overall average ratio was 24.63%,



with a median of 19.55% and a standard deviation of 11.62%, highlighting significant variations in fiscal independence among regions.

Quantitative Research Results

Classical assumption tests confirmed the regression model's validity, with residuals normally distributed (Asymp. Sig. 0.200 > 0.05), no multicollinearity (tolerance 0.476; VIF 2.102), no heteroscedasticity (sig. 0.159 and 0.072 > 0.05; random scatterplot), and no autocorrelation (Durbin-Watson 1.797 within 1.700–2.300). These results indicate the model meets all required assumptions for further analysis.

Table 4. Results of Multiple Linear Regression Analysis

Table with 6 columns: Model, Unstandardized Coefficients (B, Std. Error), Standardized Coefficients (Beta), t, and Sig. It shows regression results for Model 1 with predictors (Constant), X1_3, and X2_3.

Source: Output SPSS version 27 (processed 2025)

The multiple linear regression analysis findings presented in Table 4 yielded the following regression equation:

Y = 0,708 + 2,010 × 10⁻¹²X₁ + 2,238 × 10⁻¹²X₂

The constant value of -0.708 indicates that if BPHTB and PBB-P2 were zero, regional financial independence would be -0.708, a theoretical figure used to form the regression line. The BPHTB coefficient (2.010E-12) shows that each unit increase in BPHTB revenue raises financial independence by 2.010E-12 units, with a significance level of 0.000 and a t-value of 5.784, confirming a positive and significant effect. The standardized beta of 0.565 further highlights BPHTB as the most dominant influencing factor.

Table 5. Coefficient of determination test Result

Table with 6 columns: Model, R, R Square, Adjusted R Square, Std. Error of the Estimate, and Durbin-Watson. It shows a high R value of .967 for Model 1.

Source: Output SPSS version 27 (processed 2025)



The coefficient of determination shows that BPHTB and PBB-P2 simultaneously explain 93.4% of the variation in the level of regional financial independence in regencies/cities in West Java from 2021 to 2023. This indicates that revenue from the regional taxation sector, particularly from BPHTB and PBB-P2, is a highly strategic source of revenue in strengthening regional financial independence.

Table 6. t-Test Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.708	.038		-18.491	.000
	X _{1,3}	2,01E-09	.000	.565	5.784	.000
	X _{2,3}	2,24E-09	.000	.413	4.229	.000

a. Dependent Variable: REGR factor score 1 for analysis 2

Source: Output SPSS version 27 (processed 2025)

- a. The Impact of BPHTB on Regional Financial Independence
Table 6 shows that the t-test result (4.229 > 1.990) with a significance value of 0.000 (<0.05) confirms PBB-P2 (X₂) has a partial and significant effect on regional financial independence (Y). This finding indicates that changes in PBB-P2 revenue directly influence fiscal independence, highlighting its crucial role in regional original revenue and efforts to strengthen financial autonomy.
- b. The Impact of PBB-P2 on Regional Financial Independence
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Table 7.
F Test Results

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	74.732	2	37.366	553.310	.000 ^b
	Residual	5.268	78	.068		
	Total	80.000	80			
a. Dependent Variable: REGR factor score 1 for analysis 2						
b. Predictors: (Constant), X _{2_3} , X _{1_3}						

Source: Output SPSS version 27 (processed 2025)

ANOVA results show F count (553.310) > F table with a significance of 0.000 (<0.05), leading to the rejection of Ho and acceptance of Ha. This confirms that BPHTB (X₁) and PBB-P2 (X₂) together significantly influence regional financial independence, indicating their combined revenue contributions play a crucial role in shaping fiscal autonomy.

Table 8.
Correlation Coefficient Test Results

Correlations

		X1_3	X2_3	Y_3
X _{1_3}	Pearson Correlation	1	.955**	.602**
	Sig. (2-tailed)		.000	.000
	N	81	81	81
X _{2_3}	Pearson Correlation	.955**	1	.581**
	Sig. (2-tailed)	.000		.000
	N	81	81	81
Y ₃	Pearson Correlation	.602**	.581**	1
	Sig. (2-tailed)	.000	.000	
	N	81	81	81

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Output SPSS version 27 (processed 2025)

The correlation coefficient test results in Table 8 show that X1 has a correlation of 0.602 with Y and X2 has a correlation of 0.581 with Y, both with a significance level of 0.000. These values fall within the 0.40–0.70 range, indicating



a fairly strong positive relationship, meaning that higher revenue realization from BPHTB and PBB-P2 contributes significantly to increasing regional financial independence.

Qualitative Research Results

Challenges in Managing Land and Building Tax (BPHTB)

Informants revealed that BPHTB and PBB-P2 management in Bandung City face issues from the target-setting stage, where BPHTB targets are often politically influenced during DPRD budget discussions rather than based on technical studies. In times of deficit, BPHTB targets are raised despite its fluctuating nature, creating unrealistic projections and risk of failure.

The self-assessment system in BPHTB also poses challenges, as taxpayers set transaction values without a clear standard, especially in secondary housing, leading to underreporting and revenue loss. Moreover, central government policies, such as in National Strategic Projects like the Jakarta–Bandung high-speed rail, restrict local governments from collecting BPHTB, limiting potential income.

Challenges in PBB-P2 Management

In the management of PBB-P2, the primary challenge arises from the substantial tax receivables handed over by the central government to regional governments in 2013. Informants explained that these receivables, amounting to approximately IDR 646 billion, were not accompanied by adequate supporting documentation, such as proof of payment and clear details of the taxable object. This made it difficult for regional governments to verify and collect. In many cases, taxpayers claimed to have made payments but lacked supporting evidence, while the system still recorded the receivables.

Furthermore, not all receivables can be collected, particularly those related to taxable objects whose physical condition has changed. One example cited by informants is land that has been split or divided into several plots, but the master data is still recorded in the system as receivables. This discrepancy between field conditions and the information in the database presents an obstacle to the collection process. This problem is further complicated by institutional limitations, as formal write-offs of receivables can only be conducted through audits by tax bailiffs. Currently, the Bandung City government does not have such bailiffs. As a result, many receivables that are no longer relevant are still recorded in the system. These receivables are no longer collectible, but remain, appearing as a burden in tax administration. This results in inaccurate receivables



data, complicating the preparation of revenue targets. Consequently, the set targets become less realistic, placing full realization of PBB-P2 revenue at risk.

BPHTB Optimization Strategy

One effort to optimize BPHTB is to implement a provision that transaction values must not be lower than the NJOP (Value-Based Land Tax). This provision aligns with Law Number 1 of 2022 on the Financial Relations between the Central Government and Regional Governments. This aims to prevent underreporting of sales values, which could reduce potential regional revenue. The Bandung City Government is confident in implementing this provision because, according to informants, the current NJOP is closer to the real market value. This is supported by three NJOP adjustments since the authority to manage PBB-P2 (land tax and land tax) was transferred to the region: in 2014, 2017, and 2020.

The government then verifies transaction values by considering the characteristics of the reported property. Transactions originating from property developers generally have clearer and more accurate pricing information. This is due to the reputation and image the developer seeks to maintain, reducing the likelihood of price manipulation in transaction documents. Meanwhile, for secondary home transactions, market prices are compared using online buying and selling sites as a benchmark. While the assessment of fairness is relative, these steps are an approach to maintaining the fairness of transaction values. Furthermore, a written statement of the selling price from the seller and buyer is also required as supporting documentation to strengthen the validity of the transaction reporting.

Land and Building Tax (PBB-P2) Optimization Strategy

A key strategy to optimize PBB-P2 revenue is reassessing taxable objects when their function or value changes, ensuring tax data stays accurate (Muhammad & Larasati, 2025). This expands the taxpayer base, increases SPPT issuance, and boosts both PBB-P2 and BPHTB revenues. For instance, vacant land turned into apartments may generate hundreds of SPPTs after reassessment. Such evaluations are carried out annually with independent appraisal teams.

Equally vital is strengthening taxpayer compliance through outreach by the Bandung City Government via media, social platforms, and roadshows. Services like the Land and Building Tax Friend app and direct SPPT distribution make access easier, while incentives such as gifts from BJB Bank or tax reductions during COVID-19 encourage participation. These efforts balance revenue growth with community financial capacity (Ajhari & Hendaris, 2025).



Integration of Quantitative and Qualitative Results

The quantitative results show that both the Land and Building Tax (BPHTB) and the Land and Building Tax (PBB-P2) significantly and positively influence regional financial independence, with significance values of 0.000 for each variable. This indicates that these taxes substantially strengthen the local government's capacity to finance expenditures without depending heavily on central government transfers. Interviews with informants also confirmed that BPHTB and PBB-P2 are the primary sources of local revenue (PAD) in Bandung City. Although BPHTB is influenced by property market fluctuations, it still makes a large contribution, while PBB-P2 provides more stable and consistent revenue each year.

To maximize their contribution, the Bandung City Government has taken measures such as adjusting NJOP values, updating taxable object data, and improving public services. Digital innovations and outreach programs are used to boost taxpayer compliance, but challenges remain in the form of unrealistic revenue targets and tax receivables transferred from the central government without sufficient supporting data. Thus, integrating quantitative and qualitative findings reveals that beyond revenue generation, effective administration, transparency, and adaptability are crucial for promoting financial independence. These findings emphasize that increasing revenue must be supported by stronger systems, service innovation, and accountable implementation.

The Influence of BPHTB on Regional Financial Independence

The partial hypothesis test results indicate that BPHTB significantly influences regional financial independence. This conclusion is supported by the t-test, where the calculated t-value (5.784) exceeds the critical value (1.990) with a significance level of 0.000, well below 0.05. Consequently, the null hypothesis (H_0) is rejected, and the alternative hypothesis (H_a) is accepted, confirming that BPHTB revenue has a positive and significant relationship with regional financial independence.

Qualitative evidence from Bandung City further supports these findings, as BPHTB contributed notably to PAD during 2021–2023, amounting to 24.77%, 21.07%, and 20.39% respectively. Despite its vital role, BPHTB management is challenged by reliance on property market fluctuations, transaction volumes, and fairness in self-assessed values. Applying stewardship theory, this underscores the government's responsibility to manage revenues transparently and accountably. Measures such as setting minimum transaction values based on NJOP, verifying market prices, and collaborating with developers illustrate



Bandung City Government's efforts to enhance accountability and optimize BPHTB collection.

The Influence of PBB-P2 on Regional Financial Independence

The partial hypothesis test confirms that PBB-P2 significantly influences regional financial independence. This is evident from the t-test result, where the calculated t-value (4.229) is higher than the critical value (1.990), with a null hypothesis (H_0) is rejected, and the alternative hypothesis (H_a) is accepted, indicating a positive and significant relationship between PBB-P2 revenue and regional financial independence.

Supporting evidence from Bandung City further strengthens these findings, as PBB-P2 contributed 23.21% in 2021, 19.64% in 2022, and 18.47% in 2023 to Regional Original Revenue (PAD). Interviews highlighted that PBB-P2 remains a vital revenue source due to its annual collection and broad tax base, though challenges persist, particularly in managing old receivables lacking documentation from the central government. Guided by stewardship theory, the Bandung City Government seeks to ensure accountable and effective PBB-P2 management by updating tax object data, adjusting NJOP, and enhancing services through digitalization and participatory strategies to secure sustainable regional revenue.

The Influence of BPHTB and PBB-P2 on Regional Financial Independence

The analysis shows that BPHTB and PBB-P2 simultaneously have a significant positive effect on regional financial independence, as indicated by the F value ($553.310 > 3.11$) and a significance level of $0.000 < 0.05$, leading to the rejection of H_0 and acceptance of H_a . This demonstrates a strong statistical relationship between these tax revenues and financial independence, where the Bandung City Government, in line with stewardship theory, fulfills its responsibility through accountable and adaptive tax management. Interviews with informants further highlight concrete strategies such as updating taxable object data, adjusting the NJOP, digitizing services, and conducting public outreach, all of which aim to enhance taxpayer compliance and strengthen accountability in regional tax administration.

CONCLUSION

The analysis reveals that BPHTB and PBB-P2 significantly and positively influence regional financial independence in West Java regencies/cities (2021–2023), accounting for 93.4% of its variation, though implementation showed fluctuating trends. Qualitative findings highlight challenges in target setting,



property market volatility, valuation fairness, and unresolved old receivables, yet optimization strategies such as data updating, NJOP adjustments, digitization, outreach, and tax incentives have improved accountability and efficiency. These results support stewardship theory, underscoring the government's role in sustaining fiscal capacity and public service quality. Future studies should extend the observation period, include more provinces and additional tax variables, and conduct interviews across multiple regions for broader insights. Practically, regional governments should strengthen inter-agency coordination, enhance data accuracy, and advance digital innovations like the Teman PBB application to boost compliance and optimize revenue management.

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