

CHAPTER I

INTRODUCTION

1.1 Background

Indonesia is one of the developing countries in the world that relies on revenue from a variety of sources of funds which are derived from domestic and abroad. The source of the funds that come from the Interior of one of it i.e. tax revenues. Taxes have a major influence on the success and prosperity of society Indonesia. Taxes are divided into seven sectors, namely income tax, value added tax, sales tax, luxury goods Tax upon the Earth and buildings, export taxes, taxes international trade as well as import duty and excise tax.

Aside from the tax division by sector, taxes also can be divided based on the authorities, which picked up his collector or institution namely central tax and local tax. Outline that includes central tax there is an income tax (PPH), value-added tax (VAT), luxury goods tax (PPnBM), land and building Tax (PBB) P3 Sector and stamp duty. While it contains the local tax according to the Law of the Republic of Indonesia Number 28 year 2009 which is the local tax and changes, includes five types of Provincial Taxes and 11 (eleven) type of Tax Districts or city. Provincial taxes consist of vehicles tax, excise for transferring ownership of motor vehicles, motor vehicle fuel tax, surface water tax, and cigarette tax while the district or city tax comprises, hotel tax (boarding house tax), restaurant tax, entertainment tax, advertisement tax, street lighting tax, tax on non-metal mineral and rock, parking tax, groundwater tax, swallow's nests tax, property land and building tax, excise on acquirement of right on land and building (BPHTP).

Local taxes are taxes collected by the regional government which will later be used to finance regional households. One of the regional taxes which is the district tax that is the tax has a division and criteria for collecting taxes. The hotel tax regulated in Regional Regulation of Padang

No. 8/2011 explains that hotel taxes are collected on services provided by the hotel. In this regulation also explains the criteria for hotels that can be levied tax on rental services, namely lodging services including other related services with a fee, which also includes motels, inns, tourism shacks, tourism houses, guest houses, lodging houses and similar, and more lodging of 10 (ten) rooms.

As time changes, there is development in Padang between facilities and infrastructure, a significant development also occurred with the increase in population. The population is in various circles, students, workers, and people who are looking for life in the city of Padang. Indirectly, the construction of dwellings is also developing, not only that the development of universities also develops along with the needs of the community for proper education. In addition, the level of education can also be interpreted as an important indicator in calculating the intellectual level of a region.

The increasing number of a boarding house in Padang, in 2011, the government issued Regional Regulation of Padang No. 8 of 2011. The regulation was clarified in Regional Regulation No.8/2011, the first part concerning Hotel tax article 4 paragraph 3 contained in letter E explained which included the object of hotel tax namely boarding house classified as having rooms more than 10 rooms with a maximum tariff of 10%. However, Regional Regulation No. 8 of 2011 has not been implemented properly, precisely in January 2013 the regulation was socialized and implemented gradually.

One of the criteria that include hotel tax is boarding houses that have rooms more than 10. According to the Regional Regulation No.9 Year 2016 concerning the management of boarding houses, boarding houses are houses or buildings that are used partially or wholly for residences that are rented to someone or a group of people. Regional Regulation of Padang No.9 Year 2016

basically a boarding house has a manager which is carried out by a person or entity that has an obligation to regulate and manage every activity carried out to create a safe and peaceful boarding house. Managers of boarding houses are entitled to collect fees or rent intended for tenants of boarding houses which in the collection of rent and hotel taxes which will be deposited as Regional Taxes to Regional Revenue Agency.

The Regional Revenue Agency has difficulties in implementing tax collection and lack of awareness of boarding house owners to report their business. Although socialization has been carried out by the Padang City Government with billboards, classified ads, print media, radio and local television (Talmera, 2016). The results of the research about self-assessment that the implementation of self-management systems has not been commonly applied by individual taxpayers, especially business owners of boarding houses because they often do not report income tax (Prawagis, A, & Mayowan, 2016). Ananda (2015) found that boarding houses do not understand the income tax regulations for leasing land and buildings.

As the problem that government face during applicable this regulation, the government has not been effective in implementing the Regional Regulation No.8/2011 which has been regulated since 2011 in Padang. Basically the rules are made referring to the law regarding taxation. So some questions arise why the Regional Regulation No.8 / 2011 is not effective? One of the influencing factors is the level of understanding and awareness of taxpayers in addressing the Regional Regulation No.8 / 2011.

So that this research needs to be done to find out the level of understanding of boarding house taxpayers and level of awareness of boarding house owners to Regional Regulation of Padang City Number 8 Year 2011 as Perda No.8/2011. Which is carried out qualitatively involving

the boarding-house areas around campus and in accordance with data registered in Regional Revenue Agency at Padang.

1.2 Problem Statement

1. How is the level of understanding of taxpayer toward boarding house tax that regulates in Regional Regulation No.8/2011?
2. How is the level of awareness of the taxpayer to pay the boarding house tax that regulates in Regional Regulation No.8/2011?

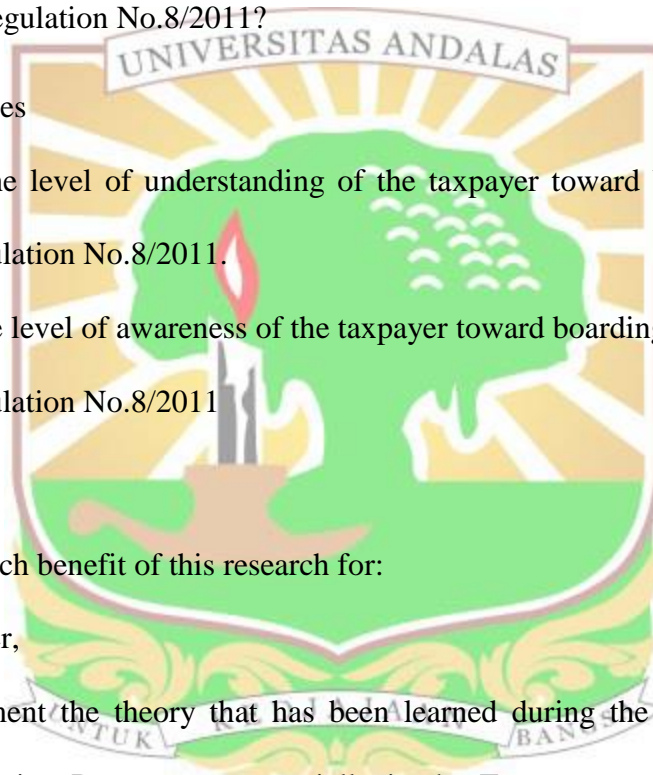
1.3 Research Objectives

1. To find out the level of understanding of the taxpayer toward boarding tax set by the Regional Regulation No.8/2011.
2. To find out the level of awareness of the taxpayer toward boarding tax in accordance with Regional Regulation No.8/2011

1.4 Research Benefit

There is the research benefit of this research for:

1. The Researcher,
 - a. Implement the theory that has been learned during the course of study in the Accounting Department, especially in the Tax course and understand and add insight into taxes such as regional taxes, especially the boarding tax contained in hotel tax regulated in Perda No.8/2011 in the form of collection or system used.
 - b. Recognizing the importance of learning about public awareness in reporting and paying taxes by comparing theories that have been learned during college with conditions and obstacles in the field



2. The Reader, provide information to readers regarding the material for hotel taxes collected, especially boarding houses. As well as how the boarding house owners understand and their awareness in depositing and reporting taxes that should be collected as stipulated in Perda No.8/2011.
3. The Owner of boarding house, know thoroughly how important board owners report boarding business and provide information so boarding owners are aware of Perda No.8/2011 so that the tax can increase local tax contributions in the city of Padang.
4. The Academician can make a reference for future researchers who wish to conduct in-depth research on similar problems.
5. The Government, through the results of this study, can be a strategic input by the tax authorities to collect and record taxpayers who should register their boarding business and can be a good strategy by the government to increase local tax revenues.

1.5 Writing Systematic

Writing systematic is a design in presenting scientific papers to explain clearly the research plot. It will make easier for readers to understand the contents of the study. The writing system of this research consists of five chapters that have a function in each chapter. The first chapter is an introduction that describes the background of problems, the problem statements, the research objectives, the research benefits and the last is systematic of research. The second chapter is the literature review. This chapter explains about the concepts and theories of taxation, taxpayer and characteristic of tax, the function of tax, tax assessment system, local tax, hotel taxes, boarding house, understanding of taxpayers, awareness of taxpayers as well as a review of previous research and the last conceptual framework and then hypotheses. The third chapter is a research method which contained all methods that can be used in developing

this research. It explains the design of research design, the type, and source of data, and then sample, population and sampling methods. This chapters also explains data collection methods, research variable, as well as analysis methods.

The fourth is result and discussion which explain the results of the research that has been done based on data and information which has gathered, answers of hypotheses developed and discussed. It begins with a description of Padang city, description of sample and location that research do as well as the analysis of the test. Its start from the analysis of each variable based on the data, explain regarding the interview result and combine it. The last chapter in this research is closing. The five chapters contain conclusions from analysis data, the implication of the research, research limitations, and research suggestions as feedback.

