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# Analysis of Potential Land and Building Tax Revenue in Kali Village, Biau District, Buol Regency Based on Regional Tax Regulations

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## Abstract

This study aims to analyze the potential revenue of Land and Building Tax for Rural and Urban Sectors (PBB-P2) in Kali Village, Biau District, Buol Regency, based on the statutory tax framework under Law No. 1 of 2022 on Financial Relations between the Central Government and Regional Governments (UU HKPD). The research methodology employs a descriptive qualitative approach combined with quantitative financial analysis. Data collection was conducted through field observations, structured interviews, and documentation studies with village administrative personnel. The results indicate that Kali Village contains a taxable land area of 29,668 m² valued at IDR 200,000/m² and a building area of 2,113 m² valued at IDR 250,000/m², yielding a total Sales Value of Tax Object (NJOP) of IDR 6,461,850,000. Based on the statutory calculations under Law No. 1 of 2022, with an assessed net taxable base of IDR 323,092,500 at a baseline regional tax rate of 0.1%, the potential PBB revenue for Kali Village is IDR 32,309,250. The study emphasizes the necessity of maintaining database accuracy and conducting routine supervision by village officials to optimize local tax collection.

**Keywords:** *Land and Building Tax; Tax Potential; Local Revenue; UU HKPD; Kali Village*

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## introduction

Taxation serves as a primary financial mechanism for national and regional development aimed at enhancing public welfare sustainably. The implementation of regional autonomy requires regency and municipal governments to continuously optimize local revenue sources (PAD) to fund administrative governance and public services (Rahman & Hidayat, 2024). One of the regional tax components that plays a strategic role in local treasury receipts is the Land and Building Tax for Rural and Urban Sectors (PBB-P2).

Buol Regency is an autonomous region consisting of 11 districts and 115 villages/sub-districts, with a total area of 3,507 km² and a population of 132,352 residents. This extensive territorial coverage and demographic scale indicate that the potential for PBB-P2 in Buol Regency is substantial. Kali Village, located in Biau District, represents a rapidly growing residential and economic area, necessitating a thorough evaluation of the potential tax revenue that local governments are entitled to collect. Previous empirical studies have identified various factors influencing the optimization of PBB-P2 receipts:

1. Waluyo (2016) demonstrated that taxpayer understanding significantly influences taxpayer compliance in paying PBB in Palu City (Waluyo, 2016).
2. Tuwo (2016) revealed that taxpayer attitude has no significant effect on PBB payment compliance in Tara-tara Village, Tomohon City (Tuwo, 2016).
3. Nuraisyah (2016) highlighted that the effectiveness of PBB-P2 collection in Sigi Regency remains sub-optimal due to administrative and database constraints (Nuraisyah, 2016).

In light of regulatory evolutions, the governance of PBB-P2 previously governed under Law No. 28 of 2009 on Regional Taxes and Retributions has been updated through Law No. 1 of 2022 on Financial Relations between the Central Government and Regional Governments (UU HKPD) (Republik Indonesia, 2022). Therefore, this study addresses the following central question: How large is the potential Land and Building Tax revenue in Kali Village, Biau District, Buol Regency under standard calculation formulas and updated tax regulatory frameworks?

## METHODOLOGY

This study employs a qualitative approach with a descriptive quantitative design. The research was conducted in Kali Village, Biau District, Buol Regency, over a three-month period from July to August 2020.

The collected data encompass primary and secondary data sources. Data collection was executed using three primary research instruments:

1. Observation: Direct field observation of land plots, building structures, and land utilization across Kali Village.
2. Interviews: Structured interviews with Kali Village administrative officials and community leaders regarding tax collection procedures and operational constraints.
3. Documentation Study: Compilation of official tax object recapitulation records, village geographical profiles, and statutory tax regulations (Republik Indonesia, 2022).

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Data analysis integrates descriptive qualitative narrative with mathematical tax potential formulations. The analysis evaluates two distinct regulatory frameworks:

Valuation of Land NJOP:

$$\text{Land NJOP} = \text{Land Area } (\text{m}^2) \times \text{Sales Price per m}^2$$

Valuation of Building NJOP:

$$\text{Building NJOP} = \text{Building Area } (\text{m}^2) \times \text{Sales Price per m}^2$$

Total NJOP:

$$\text{Total NJOP} = \text{Land NJOP} + \text{Building NJOP}$$

Tax Basis:

$$\text{Tax Base Net Value} = \text{Total NJOP} - \text{NJOPTKP}$$

PBB Payable Computation:

$$\text{Potential PBB Payable} = \text{Tax Rate } (0.1\%) \times \text{Tax Base Net Value}$$

# RESULTS AND DISCUSSION

## RESULTS

### General Overview of Kali Village

Kali Village encompasses a administrative territory of 829.5 Ha (8,295,000 m²). The spatial distribution of land usage in Kali Village is presented in Table 1.

**Table 1. Land Allocation in Kali Village**

| No | Land Use Classification | Area (Ha) | Percentage (%) |
|---|---|---|---|
| **1** | Residential Area | 479.5 | 57.81 |
| **2** | Agriculture and Plantation | 289.0 | 34.84 |
| **3** | Offices and Public Infrastructure | 58.0 | 6.99 |
| **4** | Others | 3.0 | 0.36 |
| **Total** | | **829.5** | **100.00** |

Source: Secondary Data of Kali Village, processed (2025)

As detailed in Table 1, the total administrative land area of Kali Village spans 829.5 hectares (8,295,000 m²). The spatial allocation demonstrates that residential areas represent the largest land classification, covering 479.5 hectares or 57.81% of the total village area. This indicates that Kali Village predominantly functions as a residential zone with dense settlement activity. Agriculture and plantation land constitutes the second-largest share at 289.0 hectares (34.84%), highlighting the strategic role of primary agricultural space in the local economy. Meanwhile, land designated for offices and public infrastructure comprises 58.0 hectares (6.99%), and other miscellaneous uses account for 3.0 hectares (0.36%). Overall, this land distribution profile emphasizes that residential and agricultural properties form the primary tax base for evaluating Land and Building Tax (PBB-P2) revenue potential in Kali Village.

**Calculation of Potential PBB Revenue**

Based on official taxpayer records in Kali Village for 2025, the total registered land area subject to tax is 29,668 $m^2$ with a market sales value of IDR 200,000/$m^2$, while the total registered building area is 2,113 $m^2$ with a market sales value of IDR 250,000/$m^2$. The step-by-step valuation of the Sales Value of Tax Object (NJOP) for both land and buildings, along with the calculation of the potential Land and Building Tax (PBB) payable under Law No. 1 of 2022 (Republik Indonesia, 2022), is summarized in Table 2 below.

**Table 2. Calculation of Potential Land and Building Tax (PBB) Revenue in Kali Village (2025)**

| No | Valuation & Tax Element | Calculation / Formula | Amount (IDR) |
|---|---|---|---|
| 1 | Land NJOP | 29,668$m^2$ x IDR 200,000/$m^2$ | IDR 5,933,600,000 |
| 2 | Building NJOP | 2,113 $m^2$ x IDR 250,000/$m^2$ | IDR 528,250,000 |
| 3 | **Total NJOP (Sales Value of Tax Object)** | **Land NJOP + Building NJOP** | **IDR 6,461,850,000** |
| 4 | Tax Base Net Value (NJOPTKP Deduction Base) | Deducted Taxable Base | IDR 323,092,500 |
| 5 | Regional Tax Rate | Baseline Rate | 0.1% |
| 6 | **Potential PBB Payable** | **0.1% × IDR 323,092,500** | **IDR 32,309,250** |

Source: Processed Data (2025)

Based on the calculation results presented in Table 2, the total Sales Value of Tax Object (NJOP) for property in Kali Village amounts to IDR 6,461,850,000, comprising IDR 5,933,600,000 for land and IDR 528,250,000 for building structures. Following the statutory tax assessment provisions set forth under Law No. 1 of 2022 (UU HKPD) (Republik Indonesia, 2022), applying the net taxable assessment base of IDR 323,092,500 at a standard tax rate of 0.1% yields a total potential Land and Building Tax (PBB) revenue of IDR 32,309,250 for Kali Village in 2025. This calculated figure demonstrates the significant financial potential of the PBB-P2 sector in boosting regional revenue (PAD) for Buol Regency when tax collection management and database accuracy are properly maintained (Rahman & Hidayat, 2024).

## DISCUSSION

The empirical analysis indicates that Kali Village possesses a substantial fiscal foundation, generating a cumulative Sales Value of Tax Object (NJOP) of IDR 6,461,850,000 and a potential Rural and Urban Land and Building Tax (PBB-P2) revenue of IDR 32,309,250 under the statutory provisions of Law No. 1 of 2022 on Financial Relations between the Central Government and Regional Governments (UU HKPD) (Republik Indonesia, 2022). This calculated fiscal capability underscores the strategic contribution that the local property tax sector can deliver toward bolstering Regional Original Revenue (PAD) and funding essential municipal infrastructure, public service delivery, and community development initiatives across Buol Regency (Rahman & Hidayat, 2024).

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However, field observations and structured interviews conducted during 2025 revealed critical operational and administrative bottlenecks that actively impede the complete realization of this revenue potential (Nuraisyah, 2016; Pratama & Setiawan, 2023). A primary constraint stems from persistent data discrepancies between the actual physical dimensions of land and buildings inspected on site and the administrative records reflected on Notification of Tax Due (SPPT) documents. These inaccuracies inevitably lead to miscalculated tax obligations, which foster taxpayer dissatisfaction and diminish voluntary compliance (Waluyo, 2016). Furthermore, internal governance procedures among village administrative personnel suffer from a lack of systematic operational supervision and structured evaluation frameworks, allowing collection delays and administrative oversights to persist unaddressed throughout the fiscal year (Pratama & Setiawan, 2023).

## CONCLUSION

Based on the evaluation of Land and Building Tax potential in Kali Village, Biau District, Buol Regency under Law No. 1 of 2022 (UU HKPD), the village encompasses a total taxable land area of 29,668 m² and a building area of 2,113 m², resulting in a combined Sales Value of Tax Object (NJOP) of IDR 6,461,850,000. Under the enacted legal framework, this taxable base translates into a total potential PBB-P2 revenue of IDR 32,309,250 for the 2025 fiscal period. These findings affirm that Kali Village holds significant untapped local tax capacity capable of driving regional financial independence if administrative practices are modernized (Rahman & Hidayat, 2024).

To optimize local tax collection efficiency and bridge the gap between theoretical tax potential and actual fiscal receipts, three strategic actions are strongly recommended. First, village authorities must establish a comprehensive and digitized taxpayer database that is verified and periodically updated to reflect current land ownership and physical property changes (Pratama & Setiawan, 2023). Second, administrative personnel and tax collectors must enforce strict precision during field data entry to eliminate spatial discrepancies on SPPT notices, thereby enhancing tax assessment accuracy and taxpayer trust (Waluyo, 2016). Finally, village leadership should institutionalize routine monitoring, oversight, and evaluation mechanisms to proactively detect, analyze, and resolve field collection bottlenecks as they arise (Pratama & Setiawan, 2023).

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