Improving incentives for regional tax collectors: Aligning regulations with governance goals

Wendy Kenafiana Assanti[*]

Faculty of Law, Universitas Gadjah Mada, Yogyakarta, Indonesia

ABSTRACT

This study explores inefficiencies in existing tax-collection incentive schemes, emphasizing the misalignment between their intended objectives and actual outcomes regarding performance, governance, and workload management. By employing a normative legal approach, it evaluates regulations governing tax collector incentives and assesses their effectiveness in meeting the desired outcomes. Through a cost-benefit analysis (CBA), the research proposes a more equitable incentive structure that integrates workload and performance-based factors. The findings indicate that result-based incentives often fail to account for the complexity of tax-collection tasks, leading to inefficiencies and undermining fiscal objectives. Moreover, the study demonstrates that workload-sensitive incentives can better align tax collectors' efforts with goals such as improved revenue generation and better governance. These incentives underscore the government's commitment to integrity and professionalism in the tax system. The study concludes that tailoring incentives to workload variations fosters fairness and enhances accountability in tax administration. Offering innovative insights, this study proposes a balanced, workload-sensitive incentive scheme—a relatively unexplored approach in regional tax collection—which could serve as a regulatory reference under the new regional tax law.

HOW TO CITE:
Assanti, W. K. (2025). Improving incentives for regional tax collectors: Aligning regulations with governance goals. *Jurnal Tata Kelola dan Akuntabilitas Keuangan Negara*, *11*(1), 1-12. https://doi.org/10.28986/jtaken.v11i1.1734

*Corresponding author's
Email: wendykenafianaassanti@mail.ugm.ac.id

INTRODUCTION

Recent allegations of corruption involving a regent cutting regional tax-collecting incentives (Rizki, 2024) are not the first cases addressed by law enforcement officials. Similar issues have been reported in various regions (Iskandar, 2024; Almunanda, 2021; Harian Bhirawa, 2019; Yusman, 2023), alongside other violations such as payments that do not comply with regulations (Akbar, 2023; Haluan, 2018; Pelitasumatera, 2023; Putri & Riananda, 2022; Suaramerdeka, 2014). These cases underscore persistent problems in autonomous financial management, highlighting the need to explore why tax-collecting incentive provisions are frequently violated. Corruption and mismanagement in these incentives reflect deeper flaws in their design and policy implementation. Beyond compliance violations, these problems expose structural weaknesses in incentive schemes that cannot effectively support regional financial autonomy. These necessitate a thorough review of incentive schemes to ensure they align with broader development objectives.

Regional taxes form a critical component of Pendapatan Asli Daerah (PAD), or local own-source revenue, which funds development programs and impacts the regional human development index (Sembiring, 2020). Suboptimal PAD leaves regional governments reliant on central government transfers, raising concerns about a flypaper effect (Nadhor, 2019; Rambe et al., 2023). Beyond this effect, fiscal independence remains uneven across regions, showing that autonomy policies introduced in 1999 require further review. According to the 2024 fiscal capacity map of the 38 provinces and 508 disctricts/cities, 30 provinces and 330 districts/cities fall into medium to low fiscal capacity categories. Only eight provinces (21,05%) and 178 districts/cities (35,04%) achieve high or very high capacity (Regulation of The Minister of Finance Number 127 of 2024 concerning Regional Fiscal Capacity Map). Additionally, a 2021 review by the Badan Pemeriksa Keuangan (BPK) found that in 2020, only 10 of 503 regional governments (1.99%) had "independent" fiscal status, while 443 were "not yet independent," and 50 were classified as "toward independent" (BPK, 2021b). These statistics underscore the urgent need for innovative strategies to boost regional fiscal independence.

Fiscal decentralization, a cornerstone of regional autonomy policies, gives local governments authority to design strategies that strengthen development financing and governance through increased PAD (Adiyanta, 2019; Nugroho & Yuniza, 2012). Studies have suggested various strategies to increase regional revenue, including tax extensification and intensification, leveraging digital public services, improving management capacity, fostering community participation, building infrastructure to attract investment, and ensuring robust supervision (Fanea-Ivanovici et al., 2019; Jeddawi, 2021; Riswati, 2022; Safitra et al., 2019). Studies have also analyzed tax-collection mechanisms (Juliarini, 2020; Yakub et al., 2022) and reviewed tax regulations (Astomo & Farhanuddin, 2018; Devi et al., 2021). However, the challenges in implementing regional tax-collecting incentive regulations remain underexplored. Addressing this gap is essential to enhance fiscal autonomy and reduce dependence on central government transfers.

While limited human resources pose a common challenge, this study focuses on designing an incentive framework that balances costs and benefits while aligning with regional development goals. This study aims to optimize tax-collecting incentives to maximize their contribution to regional development. Specifically, it identifies regulatory imbalances in existing schemes and proposes a structure that better aligns incentive payments with desired outcomes.

RESEARCH METHOD

This study adopts a doctrinal or normative legal approach, relying on secondary data to comprehensively analyze legal norms and regulations. The study examines challenges in implementing tax-collecting incentives within regional governments. The secondary data sources include statutory regulations, audit reports, judicial decisions, and legal and nonlegal academic literature. The study begins with a case-based approach, analyzing reported violations related to tax-collecting incentives to uncover regulatory weaknesses. This is complemented by a statutory approach to evaluate the legal provisions governing incentives. To situate the findings within a broader context, this study applies a contextual approach by discussing regional financial management and fiscal autonomy. These approaches—supported by budget data from a district government as an illustrative example—determine imbalances in the current incentive schemes. The study employs a cost-benefit analysis (CBA) framework to address these imbalances and propose a more balanced incentive structure.

The structure integrates workload and performance-based factors. Initially designated for evaluating environmental regulations, CBA has been applied for finance-related regulations (Posner & Weyl, 2014, 2015). Furthermore, the OECD's regulatory impact assessment framework supports this analysis by emphasizing direct and indirect costs and benefits (OECD, 2020). The legal foundation for this approach is recognized in Law Number 13 of 2022, which amends Law Number 12 of 2011 on the Formation of Legal Regulations. The scope of the CBA is limited to regional governments to minimize bias, excluding impacts on businesses or the public. The analysis is enriched by Eric A. Posner's perspective on social norms and tax compliance. Posner's signaling model highlights that compliance is driven by both legal sanctions and social expectations, including reputational concerns (Posner, 2000). This perspective underscores how well-designed tax collection can enhance performance and professionalism among tax collectors. By fostering fairness, these incentives show the government's commitment to integrity. Combining doctrinal analysis with CBA and Posner's framework, this study provides a comprehensive exploration of regulatory gaps and offers practical solutions to improve the tax-collecting incentives' effectiveness.

RESULT AND DISCUSSION

Adam Smith's principle of efficient tax collection highlights the need to minimize administrative costs, as excessive expenses diminish net tax revenues (Andriani et al., 2022; du Preez, 2018; Smith, 1938). A World Bank working paper similarly emphasizes the difficulty local governments face in developing countries allocating scarce administrative resources (Cochrane, 2010). This issue is particularly significant when designing tax-collection systems that include effective performance-based incentives for tax collectors. This emphasizes the need for a more efficient tax-collection framework, where incentive structures for tax collectors are carefully evaluated to ensure they align with broader fiscal goals and operational realities. Disproportionate incentives unaligned with the actual workload of tax collectors can undermine the effectiveness of tax collection. While this issue remains underexplored, Indonesia's evolving fiscal regulatory environment provides a timely context for exploring this topic.

Law Number 1 of 2022 on Financial Relations between National and Regional Governments regulates tax-collection incentives in Articles 104 and 190. These articles stipulate that current incentive systems remain applicable only until civil servant remuneration regulations are enacted,

incorporating job classifications related to tax and levy collection. In the interim, Government Regulation Number 69 of 2010 on the Procedures for Providing and Utilizing Incentives for Regional Tax and Levy Collection remains applicable, as mandated by Law Number 1 of 2022, until new implementing regulations are enacted. This regulation defines incentives as additional income granted for specific performance in tax-related activities, including data collection, assessment, billing, and payment monitoring. However, while the framework is result-oriented, it lacks comprehensive mechanisms to ensure accountability in these processes. Addressing these shortcomings will be crucial in designing the forthcoming regulations.

Principles of Regional Tax Management

Building on the regulatory framework for tax-collection incentives, evaluating the foundational principles of regional tax management in Indonesia is crucial. A core principle is the necessity of a clear legal basis for tax collection. Article 23A of the 1945 Constitution mandates that taxes and other coercive levies for state purposes must be regulated by law. Prior to its amendment, the article used the phrase "based on," allowing taxes to be implemented under any regulation delegated by law. Following the amendment, the term was changed to "regulated," requiring that tax laws adhere to the legislative hierarchy established by Law Number 12 of 2011, as recently amended by Law Number 13 of 2022 (Pracasya, 2021). This principle also governs regional taxes, which must be enacted through regional regulations (Peraturan Daerah) agreed upon by the regional government and the Regional People's Representative Council (DPRD). This legal framework reflects the principle of legality central to Indonesia's status as a legal state (negara hukum) (Asshidiqie, 2022). Moreover, regional regulations must align with national laws and their implementing regulations, ensuring compliance with the unitary state principle. For example, the provisions for tax collection in Government Regulation Number 69 of 2010 must be integrated into specific regional or regent regulations to maintain consistency and compliance at the local level.

On the operational side, Indonesia adopted the self-assessment system following tax reforms in 1983 (Bawazier, 2011; Cahyadini et al., 2023). Self-assessment assumes that tax administrations cannot accurately estimate taxpayers' liability (Okello, 2014). Although it relies on voluntary compliance, the system has proven effective in enhancing revenue generation (Bawazier, 2011). Under Article 5 of Law Number 1 of 2022, regional taxes are categorized into those collected via official assessment, such as the land and building tax, and those based on taxpayers' self-assessment, such as the electricity consumption tax. This duality complicates tax collection, as each system demands distinct administrative approaches and resources.

Government Regulation Number 69 of 2010 outlines that collection incentives are integral to tax management. These incentives are granted exclusively to agencies whose core primary responsibilities include tax collection, following principles of propriety, reasonableness, and rationality aligned with the agency's duties, regional needs, and conditions. Furthermore, managing regional taxes must adhere to the principles of good governance as specified in Law Number 28 of 1999 and Law Number 30 of 2014, ensuring integrity, transparency, and accountability. Since taxes contribute to regional finances, their management must also comply with financial management principles under Article 3, paragraph (1) of Government Regulation 12 of 2019, including being orderly, efficient, economical, effective, responsible, and compliant with legal provisions. However, interpreting these principles remains subjective because of the lack of definitive parameters, creating potential implementation challenges.

Regulatory Imbalances

Expanding on the previously identified challenges, this section examines the disparities between the costs and benefits of tax-collecting incentives. Incentive structures that emphasize outcomes over processes can create vulnerabilities, leading to inefficiencies, embezzlement, and improper deductions. Three primary imbalances are evident, each analyzed in the following discussion.

Incentive objectives and opportunities for deviation or misuse

Government Regulation Number 69 of 2010 aims to enhance tax collection by adhering to good governance principles. However, violations persist in practice. Audits have identified embezzlement of payments (BPK, 2015, 2022) and calculation errors (BPK, 2016). While visible financial discrepancies often reveal these violations, certain modes of misuse, such as illegal deductions, may escape detection. For instance, employees may sign receipts acknowledging full payment but later transfer part of the incentive to another party (KPK, 2024). Systemic gaps in oversight mechanisms facilitate this misuse.

From the perspective of the fraud triangle, these practices are driven by pressure (e.g., superiors' instruction), opportunity (e.g., weak regulatory oversight), and rationalization (e.g., turning deductions into slush funds for unbudgeted expenses) (Jambi District Court, 2021; The Supreme Court, 2020). These factors indicate that the current regulatory framework fails to address governance gaps, potentially impacting taxpayer compliance and, hence, require careful attention. Compliance costs for taxpayers depend not only on tax laws but also their implementation by tax authorities. Tax authorities' behavior influences both "soft" aspects, such as perceptions of fairness and trust, and "hard" aspects, such as compliance costs. Additionally, distributing administrative costs between taxpayers and authorities potentially affects the tax system's overall efficiency (Eichfelder & Kegels, 2014). Although incentives aim to promote good governance, they inadvertently create opportunities for fraud because of insufficient alignment between objectives and operational realities.

Between incentive values and workload

The allocation of incentives does not adequately reflect the differences in workload between tax types or collection methods. This study focuses on operational costs using the incentive budget due to its clear visibility. Personnel, administration, and other office operational expenses are integrated with other activity expenditures, making precise extraction difficult. The analysis was conducted using data from a district government (Table 1).

Table 1 reveals that the incentive allocation is not based on the type of assessment or the number of taxpayers. Official assessment taxes, such as land and building taxes, involve higher workloads because of activities such as issuing and distributing tax assessment letters and maintaining large taxpayer databases. If payment is not made, the amount stated in the assessment letter will be recorded as a regional government receivable. Hence, each tax assessment letter must provide accurate calculations to present the correct receivable value in the financial statements. Conversely, self-assessment taxes, such as the electric power tax, typically involve minimal effort but generate higher revenue. Taxpayers calculate their taxes, and an examination regarding the correctness of the reported value will be conducted when irregularities are found, or samples are selected randomly and not on a population basis as in the official assessment. Thus, the officer's responsibility for correcting the tax value in the official assessment is greater than in the self-assessment. If the workload is not differentiated, employees tend to give the same effort to all tax

types. Furthermore, part of the electric power tax revenue is used to pay the government's electricity bills. This is quite significant, reducing its net value compared to the land and building tax. These discrepancies highlight the misalignment between incentive values and actual workloads.

Table 1. Comparison of Revenue Targets and Tax-Collection Incentive Budgets

| Taxes | Assessment type | | Number of taxpayers | Year 2021 (in thousand IDR) | |
	Official	Self		Revenue target	Tax-collecting incentives budget
Land and building tax on rural and urban areas	v		108.070	12.550.000	688.962
Lighting tax or a certain goods and services tax on electric power		v	1	22.123.937	1.006.196

Source: BPK's audit report on the performance of a district government's regional income management (BPK, 2021a)
Note: The provisions regarding the electricity tax in Law Number 1 of 2022 have accommodated the Constitutional Court's decision number 80/PUU-XV/2017. Law Number 28 of 2009 calls it "Pajak Penerangan Jalan," whereas the object of this tax is the use of electric power. In the new law, Law Number 1 of 2022, this tax is referred to as a certain goods and services tax on electric power.

Relationship between incentive impacts and expected performance

Government Regulation Number 69 of 2010 establishes that incentives are designed to improve tax agency performance and morale. However, the regulation solely defines performance as achieving revenue targets, neglecting the processes and quality of tax collection. This result-oriented approach discourages innovation and sustained effort. For instance, tax-collection activities may stop once revenue targets are reached, leaving untapped tax potential. Such stagnation undermines the broader goal of achieving fiscal independence. In 2021, the regional government's financial statements (Table 1) show that tax realization accounted for only 31.53% of total regional original revenue and a mere 3% of total revenue. Consequently, the regional government relies heavily on the national government to fund its development activities.

The regulation lacks synchronization with older and newer legislation, such as Law Number 28 of 2009 and Law Number 1 of 2022. The latter promotes a holistic approach to fiscal management, which contrasts with the narrow, revenue-target-driven focus of Government Regulation Number 69 of 2010. This lack of alignment creates significant gaps in policy implementation, particularly in integrating short-term incentives with long-term fiscal objectives. Although the laws aim to enhance employee performance and motivation through incentives, their structure appears misaligned. For instance, some regional governments calculate incentives based on realized revenues rather than planned revenues, deviating from regulatory provisions (BPK, 2019a, 2019b). This practice highlights dissatisfaction with the current incentive system, which fails to recognize process-based performance and innovation adequately.

Recently, reforms such as integrating incentives into additional income formulations have been proposed. However, these reforms risk perpetuating the misalignment between incentive design and workload distribution, as current job grading does not distinguish between responsibilities in self-assessed and officially assessed taxes. To address this issue, a process-oriented incentive scheme is required to ensure fairness, enhance employee performance, and contribute to achieving regional fiscal independence.

Proposed Tax-collecting Incentive Payment Scheme

Given the limited taxpayer awareness and the need to motivate employee performance, incentives remain essential. To address the identified imbalances, this study proposes an alternative incentive structure. Table 2 outlines the costs and benefits of various tax-collecting incentive

schemes, demonstrating that schemes incorporating workload considerations yield greater benefits relative to costs. Prioritizing workload as the key determinant can enhance motivation and encourage innovation. Additionally, incentive costs must align with performance improvements, ensuring revenue growth outpaces operational expenses, fosters sustainable income trends, and supports fiscal independence.

Table 2. Costs and Benefits of Tax-Collecting Incentive Schemes

Schemes	Costs	Benefits
No incentives	− Taxpayers' low awareness leads to low revenue − Employee motivation and innovation are not triggered − Income potential not explored optimally	− Cost savings − No calculations required
Incentives without differentiating workload by tax-collection type	− Costs involved − Employees are not motivated for official tax assessments − Waste arises from the absence of performance measures − Fraud risks emerge as employees rationalize inadequate compensation	− Potential income explored more optimally − Incentive calculations are simpler − Employees demonstrate greater effort than without incentives
Incentives differentiated by workload according to tax-collection type	− Costs involved − Complex incentive calculations require workload measurement	− Potential income explored more optimally − Fairer because of workload considerations − Employees perform better, knowing that performance counts − Reduces fraud potential, such as illegal deductions, as employees tend to defend the rights obtained from their sacrifices − Effective performance reduces waste, increases taxpayer awareness and enhances the income received

Based on Posner's insights from Law and Social Norms, incentives for tax collectors can be interpreted as a signal reflecting the government's stance on tax officials' and tax system performance overall. Fair incentive structures signal a government's commitment to integrity and dedication to enhancing local revenue, motivating tax collectors to maintain professionalism. Conversely, inadequate incentives risk signaling unfairness, diminishing motivation, and ultimately undermining the tax system's legitimacy (Posner, 2000). Employees should consider incentives as motivating and encouraging compliance with expected work patterns. Conversely, unfair incentives should foster resistance, diminishing workplace climate and coordination systems, leading to inefficiency and reduced organizational effectiveness (Burton et al., 2015). Revenue targets must be designed to reflect discrepancies between incentives and performance. The target should not be adjusted downward because of mid-year performance trends. Legislative oversight by the DPRD plays a critical role in ensuring that regional budgets are met without arbitrary modifications (Akbar, 2013). Incentives tied to specific tasks, such as electric power tax collection or land and building tax assessments, must be linked to demonstrable performance. Indicators of effort and merit include ensuring payment accuracy, identifying potential taxpayers who have not yet been registered, and mitigating adverse environmental impacts from electricity generation. Incentives should be based on tax collectors' performance, reflecting their efforts in improving taxpayer awareness and facilitating compliance. Moreover, these incentives must maintain fairness, ensuring the rewards are proportionate to actual contributions made by tax collectors.

Implementing these recommendations requires a coordinated strategy to ensure success. Regional governments must establish transparent and reliable performance metrics that account for workload variations, fostering equity and motivation within incentive structures. This aligns with prior research emphasizing that well-crafted performance measurement systems not only integrate organizational strategies with actionable metrics but also enhance the effective use of performance data (Johnsen et al., 2024). Furthermore, robust oversight mechanisms and a whistleblower system are indispensable for addressing irregularities and upholding accountability. Organizational structures must be optimized to support these mechanisms (Burgess et al., 2017), enabling effective implementation and ongoing adaptation to evolving fiscal challenges.

Incentive schemes should undergo regular evaluations to align with fiscal and governance standards. Although efficiency wages and tax-collecting incentives can enhance performance, their success depends on minimizing corruption, ensuring perceived fairness in tax burdens, and implementing robust monitoring mechanisms (Besley & McLaren, 1993). Penalties for irregularities, such as delayed payments to regional treasuries or inaccurate receivables, strengthen the incentive system's credibility. Additionally, integrating whistleblower systems provides employees with a secure platform to report issues without fear of retaliation, enhancing the system's integrity and bolstering public trust. By adopting these measures, regional governments can design incentive structures that align with fiscal and governance objectives, fostering sustained improvements in revenue collection and taxpayer confidence.

CONCLUSION

This study investigates the inefficiencies within current tax-collecting incentive schemes, focusing on their misalignment with workload, governance standards, and performance expectations. It reveals how result-oriented incentives often foster misuse, fail to account for the complexity of tax-collection tasks, and hinder broader fiscal objectives. The research demonstrates that workload-sensitive, process-based incentives yield greater benefits than costs, motivating tax collectors and enhancing their performance. The findings emphasize that incorporating workload into incentive schemes improves fairness and aligns employees' efforts with desired outcomes, such as increased revenue and improved governance practices. When designed in this way, incentives signal the government's commitment to integrity and professionalism in tax administration.

To implement these recommendations, regional governments must establish transparent metrics for measuring workload and performance, create strong oversight mechanisms, and develop systems for monitoring and reporting irregularities. Legislative supervision ensures that incentive structures align with short-term revenue targets and long-term fiscal independence. This study offers a blueprint for designing equitable, effective incentive schemes. Such reforms are vital to improve tax-collection systems, foster innovation, and enhance public trust in fiscal governance. Future research should explore the criteria for developing region-specific incentive models based on available resources.

REFERENCES

Adiyanta, F. C. S. (2019). Karakteristik responsif peraturan daerah tentang pajak-pajak daerah sebagai representasi dan partisipasi kehendak publik. *Administrative Law and Governance Journal, 2*(3), 380–399. https://doi.org/10.14710/alj.v2i3.380-399

Akbar, B. (2013). *Sistem pengawasan keuangan negara di Indonesia*. CV. Bumi Metro Raya

Akbar, H. (2023, Juli 4). BPK ungkap insentif PPJ Rp 777. Juta di Lombok Tengah langgar ketentuan. *DetikBali*. https://www.detik.com/bali/nusra/d-6806165/bpk-ungkap-insentif-ppj-rp-777-juta-di-lombok-tengah-langgar-ketentuan

Almunanda, F. (2021, June 21). Kepala BPPRD Kota Jambi jadi tersangka dugaan korupsi insentif pajak. *Detiknews*. https://news.detik.com/berita/d-5614757/kepala-bpprd-kota-jambi-jadi-tersangka-dugaan-korupsi-insentif-pajak

Andriani, F., Nurmayani., & Deviani, E. (2022). Hotel tax imposition on households review of the principles of tax collection (the four maxims Adam Smith). *Proceedings of the Universitas Lampung International Conference on Social Sciences (ULICoSS, 2021)*, 576–578. https://doi.org/10.2991/assehr.k.220102.078

Asshidiqie, J. (2022). *Konstitusi ekonomi*. Penerbit buku Kompas.

Astomo, P., & Farhanuddin, F. (2018). Politik hukum pajak daerah di Kabupaten Polewali Mandar Sulawesi Barat. *Kanun Jurnal Ilmu Hukum, 20*(3), 511–524. https://doi.org/10.24815/kanun.v20i3.11175

Bawazier, F. (2011). Reformasi pajak di Indonesia. *Jurnal Legislasi Indonesia, 8*(1), 1–12. https://doi.org/10.54629/jli.v8i1.344

Besley, T., & McLaren, J. (1993). Taxes and bribery: The role of wage incentives. *The Economic Journal, 103*(416), 119–141. https://doi.org/10.2307/2234340

Bhirawa, H. (2019, October 22). Pemotongan insentif pajak daerah di BPPKAD, Sekda Gresik ditetapkan sebagai tersangka. *BPK RI*. https://jatim.bpk.go.id/kasus-aktual/pemotongan-insentif-pajak-daerah-di-bppkad-sekda-gresik-ditetapkan-sebagai-tersangka/

BPK RI. (2015). *Audit Report on the Financial Statements of Local Government A*. Unpublished document.

BPK RI. (2016). *Audit Report on the Financial Statements of Local Government B*. Unpublished document.

BPK RI. (2019a). *Audit Report on the Financial Statements of Local Government C*. Unpublished document.

BPK RI. (2019b). *Audit Report on the Financial Statements of Local Government D*. Unpublished document.

BPK RI. (2021a). *Audit Report on the Performance of Regional Income Management of Local Government F*. Unpublished document.

BPK RI. (2021b). *Laporan hasil reviu atas kemandirian fiskal pemerintah daerah tahun 2020* (Nomor 26f/LHP/XV/05/2021). https://www.bpk.go.id/assets/files/lkpp/2020/lkpp_2020_1624341245.pdf

BPK RI. (2022). *Audit Report on the Financial Statements of Local Government E*. Unpublished document.

Burgess, S., Propper, C., Ratto, M., & Tominey, E. (2017). Incentives in the public sector: Evidence from a government agency. *The Economic Journal, 127*(605), F117–F141. https://doi.org/10.1111/ecoj.12422

Burton, R. M., Obel, B., & Håkonsson, D. D. (2015). *Organizational design* (3rd ed.). Cambridge University Press. https://doi.org/10.1017/CBO9781316160787

Cahyadini, A., Hutagalung, J. I. G., & Muttaqin, Z. (2023). The urgency of reforming Indonesia's tax law in the face of economic digitalization. *Cogent Social Sciences, 9*(2). https://doi.org/10.1080/23311886.2023.2285242

Cochrane, G. (2010). *Policies for strengthening local government in developing countries* (SWP 582, Washington, D.C.: World Bank Group). http://documents.worldbank.org/curated/en/230821468739192344/Policies-for-strengthening-local-government-in-developing-countries

Devi, R. S., Zulkarnaen, N. J. R., & Pratiwi, R. I. (2021). Tinjauan yuridis terhadap pajak daerah dan retribusi daerah studi pelaksanaan di unit pelayanan pajak daerah Samsat Kota Binjai. *Jurnal Rectum, 3*(2), 195–211. https://doi.org/10.46930/jurnalrectum.v3i2.1177

duPreez, H. (2018). Constructing the fundamental principles of taxation through triangulation. *The ATA Journal of Legal Tax Research, 16*(2), 25–45. https://doi.org/10.2308/jltr-52190

Eichfelder, S., & Kegels, C. (2014). Compliance costs caused by agency action? Empirical evidence and implications for tax compliance. *Journal of Economic Psychology, 40*, 200–219. https://doi.org/10.1016/j.joep.2012.08.012

Fanea-Ivanovici, M., Muşetescu, R. C., Pană, M. C., & Voicu, C. (2019). Fighting corruption and enhancing tax compliance through digitization: Achieving sustainable development in Romania. *Sustainability, 11*(5), 1–24. https://doi.org/10.3390/su11051480

Haluan. (2018, November 12). Upah pungut 11,4 miliar tuai sorotan. *BPK RI*. https://sumbar.bpk.go.id//wp-content/uploads/2018/11/2018_KLI_SB_HALU1211.pdf

Iskandar, T. D. (2024, March 1). Kejari Aceh Barat usut dugaan korupsi pajak daerah miliaran rupiah. *Antaranews*. https://aceh.antaranews.com/berita/355182/kejari-aceh-barat-usut-dugaan-korupsi-pajak-daerah-miliaran-rupiah

Jambi District Court. (2021). *The Corruption Court at the Jambi District Court decision No. 23/Pid. Sus-TPK/2021/PN*. https://sipp.pn-jambi.go.id/index.php/detil_perkara

Jeddawi, M. F. H. (2021). Alternatif strategi menekan kesenjangan kemandirian fiskal antar daerah di Indonesia. *Jurnal Pallangga Praja (JPP), 3*(2), 51–57. https://doi.org/10.61076/jpp.v3i2.2065

Johnsen, Å., Solholm, K., & Tufte, P. A. (2024). Performance measurement system design as a link between strategy formulation and performance information use in public sector organizations. *Public Performance and Management Review, 47*(4), 1–36. https://doi.org/10.1080/15309576.2024.2360158

Juliarini, A. (2020). Komparasi penerimaan pajak daerah kota dan kabupaten di Indonesia setelah berlakunya undang-undang pajak daerah dan retribusi daerah. *Jurnal BPPK: Badan Pendidikan dan Pelatihan Keuangan, 13*(2), 1–10. https://doi.org/10.48108/jurnalbppk.v13i2.227

KPK. (2024). KPK tetapkan Bupati Sidoarjo tersangka pemotongan uang insentif pegawai. *KPK*. https://www.kpk.go.id/id/ruang-informasi/berita/kpk-tetapkan-bupati-sidoarjo-tersangka-pemotongan-uang-insentif-pegawai

Nadhor, R. A. (2019). Pengaruh dana perimbangan dan pendapatan asli daerah (PAD) terhadap belanja daerah pemerintah (Studi kasus pada 34 provinsi di Indonesia periode 2017–2018). *Jurnal Ilmiah Mahasiswa FEB Universitas Brawijaya, 8*(2), 1–38. https://jimfeb.ub.ac.id/index.php/jimfeb/article/download/6746/5841

Nugroho, A. D., & Yuniza, M. E. (2012). Pengaturan pajak daerah di Provinsi Daerah Istimewa Yogyakarta dan Kota Yogyakarta. *Mimbar Hukum, 24*(1), 130. https://doi.org/10.22146/jmh.16150

OECD. (2020). *Regulatory impact assessment, OECD best practice principles for regulatory policy*. OECD Publishing. https://doi.org/10.1787/7a9638cb-en

Okello, A. (2014). Managing income tax compliance through self-assessment. *IMF Working Papers, 14*(41). https://doi.org/10.5089/9781475515237.001

Pelitasumatera. (2023, June 24). Berpotensi rugikan negara Rp19,4 M akibat bagi-bagi insentif, Kepala Bapenda Sumsel terkesan bungkam. *BPK RI*. https://sumsel.bpk.go.id/2023/06/24/berpotensi-rugikan-negara-rp194-m-akibat-bagi-bagi-insentif-kepala-bapenda-sumsel-terkesan-bungkam/

Posner, E. A. (2000). Law and social norms: The case of tax compliance. *Virginia Law Review, 86*(8), 1781–1819. https://doi.org/10.2307/1073829

Posner, E. A., & Weyl, E. G. (2014). The case for cost-benefit analysis of financial regulations. https://www.cato.org/regulation/winter-2013-2014/case-cost-benefit-analysis-financial-regulations

Posner, E. A., & Weyl, E. G. (2015). Cost-benefit analysis of financial regulations: A response to criticisms. *The Yale Law Journal Forum, 124.* https://www.yalelawjournal.org/forum/cost-benefit-analysis-of-financial-regulations

Pracasya, D. P. (2021). Penerapan peraturan perundang-undangan pajak daerah atas perubahan pasal mengenai perpajakan dalam Undang-Undang Dasar Republik Indonesia tahun 1945. *Dharmasisya, 1*(2), 743–764. https://scholarhub.ui.ac.id/dharmasisya/vol1/iss2/13/

Putri, M. E., & Riananda, M. (2022). *Laporan kegiatan penyusunan kajian dampak penerapan Undang-Undang Nomor 1 Tahun 2022 tentang hubungan keuangan antara pemerintah pusat dan pemerintah daerah terhadap pemungutan pajak daerah dan retribusi daerah di Kota Bandar Lampung*. http://repository.lppm.unila.ac.id/51845/1/2022%20Kajian%20Akademik%20Dampak%20Penerapan%20UUHKPD%20Di%20Kota%20Bandar%20Lampung.pdf

Rambe, R. A., Purmini., & Hutapia. (2023). Fenomena flypaper effect pada provinsi yang mengalami pemekaran di Indonesia. *Media Ekonomi*, *31*(1), 115–128. https://doi.org/10.25105/me.v31i1.18308

Regulation of the Minister of Finance Number 127 of 2024 concerning Regional Fiscal Capacity Map (Peraturan Menteri Keuangan RI Nomor 127 Tahun 2024 tentang Peta Kapasitas Fiskal Daerah). https://peraturan.bpk.go.id/Details/313088/pmk-no-127-tahun-2024

Riswati. (2022). Analisis kebijakan pengelolaan pajak daerah dalam meningkatkan PAD di Kabupaten Bandung. *Jurnal Ekonomi dan Keuangan Publik, 9*(1), 12–22. https://doi.org/10.33701/jekp.v9i1.2780

Rizki, M. J. (2024, April 16). Potong insentif pegawai, KPK tetapkan Bupati Sidoarjo tersangka korupsi. *Hukumonline.com*. https://www.hukumonline.com/berita/a/potong-insenitif-pegawai--kpk-tetapkan-bupati-sidoarjo-tersangka-korupsi-lt661e31655d809/

Safitra M. N., Nursadik, M., & Yunus, M. (2019). Strategi peningkatan pendapatan asli daerah (PAD) melalui intensifikasi dan ekstensifikasi penerimaan pajak dan retribusi daerah di Kabupaten Enrekang. *JAKPP (Jurnal Analisis Kebijakan & Pelayanan Publik), 5*(1), 37–48. https://doi.org/10.31947/jakpp.v1i1.6500

Sembiring, T. A. (2020). Pengaruh pendapatan Asli Daerah (PAD), dana alokasi umum (DAU), dan dana alokasi khusus (DAK) fisik terhadap pembangunan manusia di Provinsi Sumatera Utara (periode 2016–2018). *Indonesian Treasury Review: Jurnal Perbendaharaan Keuangan Negara dan Kebijakan Publik, 5*(1), 77–91. https://doi.org/10.33105/itrev.v5i1.167

Smith, A. (1938). An inquiry into the nature and causes of the wealth of nations. *American Journal of Sociology, 43*(5), 852–853. https://doi.org/10.1086/217862

Suaramerdeka. (2014). *Langgar PP 69/2010, insentif dan biaya pungut PBB ditarik lagi.* https://www.citasco.com/news/langgar-pp-69-2010-insentif-dan-biaya-pungut-pbb-ditarik-lagi/

The Supreme Court. (2020). The Supreme Court Ruling No. 1429 K/Pid.Sus/2020. https://putusan3.mahkamahagung.go.id/direktori/download_file/bbe60fdcf53f9e9f8e261024dc4c3c0b/pdf/zaec3bb0aadc32e49377313434343130

Yakub, H., Wijaya, A., & Effendi, A. S. (2022). Analisis efektivitas dan efisiensi pajak daerah serta retribusi daerah dan kotribusinya terhadap pendapatan asli daerah. *Kinerja, 19*(1), 15–28. https://doi.org/10.30872/jkin.v19i1.10789

Yusman, D. (2023, October 12). Dugaan korupsi pajak, lima pejabat di Lhokseumawe jadi tersangka. *RRI.* https://www.rri.co.id/anti-korupsi/397400/dugaan-korupsi-pajak-lima-pejabat-di-lhokseumawe-jadi-tersangka

Zemtsov, T. A., & Sorokin, M. A. (2022). Risk assessment in risk-oriented audits by internal audit units. *Vestnik Tomskogo Gosudarstvennogo Universiteta: Ekonomika, 57*, 129-144. https://doi.org/10.17223/19988648/57/9