SIGn Journal of Social Science

E-ISSN: 2745-374X
jurnal.penerbitsign.com/index.php/sjss/article/view/v3n2-03

Vol. 3 Issue 2: December 2022 – May 2023 Published Online: May 15, 2023

Article Title

Enhancing Regional Revenue through Restaurant Taxes by Implementing Tapping Boxes

Author(s)

A. Murya Ramadhani*
Universitas Sembilanbelas November Kolaka

Yudi Agusman
Universitas Sembilanbelas November Kolaka

Ashari Ashari
Universitas Sembilanbelas November Kolaka

Rahmat Hidayat
Universitas Sembilanbelas November Kolaka

*Correspondence Email
andimuryaramadhani@gmail.com

How to cite:

Ramadhani, A. M., Agusman, Y., Ashari, A., & Hidayat, R. (2023). Enhancing Regional Revenue through Restaurant Taxes by Implementing Tapping Boxes. *SIGn Journal of Social Science, 3*(2), 102-121. https://doi.org/10.37276/sjss.v3i2.326

ABSTRACT

This research aims to explore the contribution of tapping boxes in enhancing Regional Revenue through restaurant taxes. This research uses an inductive qualitative analysis. Inductive analysis is an approach that begins with field facts, analyzes them based on relevant theories and arguments, and ultimately yields a conclusion. The results show that implementing tapping boxes in Kolaka Regency has effectively increased Regional Revenue through restaurant taxes. However, there are shortcomings in the distribution of the devices, resulting in not all qualified restaurants being equipped with tapping boxes. A significant challenge arises from customers adjusting to price changes due to tax transparency, leading to a decrease in customer numbers by up to 30% in some restaurants. Ultimately, although the contribution of restaurant taxes to Regional Revenue has increased significantly, customer satisfaction and the effectiveness of tapping box distribution require further attention to balance fiscal success with the sustainability of restaurant businesses. Therefore, it is recommended that the Local Government and the Regional Revenue Agency of Kolaka Regency improve the effectiveness of tapping box distribution by ensuring that all restaurants meeting the criteria are equipped with the devices while also conducting evaluations and adjusting the installation criteria to avoid discrepancies. Restaurant owners are advised to adopt innovative business strategies to counteract the decline in customer numbers, such as by enhancing service quality or implementing customer loyalty programs. Meanwhile, as customers, the public must be educated about the importance of tax transparency and its contribution to regional development to understand better and accept price changes. Through a collaborative approach among the government, restaurant owners, and the public, a balance between increasing Regional Revenue and the sustainability of restaurant businesses and long-term customer satisfaction is expected to be achieved.

Keywords: *Regional Revenue; Restaurant Taxes; Tapping Boxes.*

INTRODUCTION

A country's development can be assessed by its ability to realize both physical and non-physical aspects of its infrastructure and social programs (Arafat et al., 2022). Blessed with abundant natural resources, Indonesia faces the challenge of managing these resources wisely in its national development efforts. This approach aims to advance infrastructure and enhance citizen welfare, as these elements are fundamental to a nation's progress.

Indonesia's income structure heavily relies on significant contributions from the oil and gas and non-oil and gas sectors, primarily through tax revenues. These sectors play a strategic role in the national economy, providing the largest share of domestic revenue that supports government financing and development. Consequently, active participation from all societal levels in development is crucial, not just in contributing but also in sharing the responsibility for the outcomes that aim to create a prosperous society (Muis, 2022).

Implementing regional autonomy has positively transformed governance in Indonesia, granting regions greater authority to manage their resources. The shift from a centralized to a decentralized government system allows regions to play a central role in development, fostering innovation, and improving financial management (Tulai et al., 2019). As a result, local governments have more significant opportunities to increase their Regional Revenue through more effective and efficient resource management.

The enactment of Law Number 23 of 2014 has significantly impacted the practice of regional autonomy in Indonesia. With this law, regions have broader powers and responsibilities to manage their governmental activities, including financial management independently (Kamal, 2019). It includes optimizing Regional Revenue to enhance regional autonomy in government and development financing. These laws are expected to boost the contributions of local taxes and retributions to national development.

Furthermore, this law offer new opportunities for local governments to explore their potential, mainly through bottom-up planning that prioritizes community aspirations. However, various factors still hinder the optimization of Regional Revenue, including dependence on central government funds (Anggara & Cheisviyanny, 2020), low taxpayer compliance (Ardiansyah, 2019), and weaknesses in legal, administrative, and capacity systems (Rahmi & Nurcahya, 2022). Addressing these barriers requires improvements in administration, database development, and intensification and extension of tax and retribution duties to enhance service quality and tax management effectiveness.

With a deep understanding of their tax and retribution potential, local governments must implement collection systems and procedures that match their regional characteristics (Miyazaki, 2020). The disparity between potential and actual tax and retribution collection often closely relates to the effectiveness of these systems and procedures. Therefore, accurate potential identification and effective system implementation are essential prerequisites for increasing local tax and retribution revenues, which, in turn, will contribute to development financing and improve citizen welfare.

The Kolaka Regency government has implemented strategies to develop and build regional potential by enhancing regional revenue sources. The focus on intensifying and extending revenue sources demonstrates the local government's strong commitment to fiscal autonomy. Initiatives like these are crucial in the context of regional autonomy, enabling Kolaka Regency to be more self-reliant in financing various development programs and public services.

Local taxes and retributions are vital to Kolaka Regency's Regional Revenue structure, significantly contributing to the local budget. Law Number 34 of 2000 provides a legal foundation that allows the regency to establish a restaurant tax as an independent revenue source. However, this also challenges the Regional Revenue Agency in maximizing the sector's potential. These challenges necessitate innovative and adaptive tax and retribution administration approaches to optimize their contributions to regional development.

Kolaka Regency's government has adopted technology in the restaurant tax collection process through online systems and installing tax recording devices or tapping boxes to enhance tax collection efficiency. This innovation aims to ease taxpayers' compliance and increase the accuracy of reported turnover data (Hidayati et al., 2021). The use of technology in tax administration reflects efforts to modernize and digitize public services to improve tax collection performance and minimize revenue leakage (Komarudin & Hermawan, 2022).

However, the implementation of this technology faces challenges, including taxpayer compliance with the installation of tapping boxes. Regent Regulation Number 24 of 2019 has established administrative sanctions for non-compliance. However, cases of non-compliance persist, including actions that violate rules, such as tampering with or damaging the online tax system. These actions reduce the effectiveness of these innovations in increasing local tax revenue and highlight the need for expanded educational efforts and law enforcement to ensure compliance and enhance restaurant tax revenue realization.

Based on the description above, this research aims to explore the contribution of tapping boxes in enhancing Regional Revenue through restaurant taxes. The benefits of this research will provide insights into the effectiveness of tapping boxes in maximizing Regional Revenue and identify potential challenges and obstacles in their implementation. Thus, the findings are expected to offer valuable input for local governments in devising more effective strategies to increase taxpayer compliance and improve public service quality through technology in tax administration.

METHOD

This research uses a qualitative approach to understand groups of people, objects, situations, conditions, ongoing events, and even thought systems. This research was conducted in Kolaka Regency (Whitney, 1960). This research utilized both primary and secondary data sources. Data was collected through interviews with key informants, field observations, literature study techniques, and document analysis concerning the use of technology in the tax collection process to enhance Regional Revenue. The acquired data was then analyzed using inductive qualitative analysis. Inductive analysis is an approach that begins with field facts, analyzes them based on relevant theories and arguments, and ultimately yields a conclusion (Neuman, 2003).

RESULTS AND DISCUSSION

Effectiveness in achieving objectives or goals is crucial in evaluating any activity or program conducted by an organization, including local tax management (Yang, 2017). The accuracy of goal achievement according to predefined targets serves as a measure of a program's effectiveness. However, various perspectives can be used to assess effectiveness, depending on the criteria applied in the evaluation (Ningsih et al., 2022). It indicates that assessments of a program's effectiveness can vary based on the aspects evaluated and the standards used in the assessment.

As one type of local tax, restaurant tax has continuously growing potential, in line with increased service, construction, and tourism activities, which are crucial for local development policies (Titania & Rahmawati, 2022). In the context of increasingly broad regional autonomy, active involvement from local governments, private sectors, and community groups is vital in enhancing community welfare. In this regard, a region's ability to finance the management of responsibilities delegated by the central government through Regional Revenue, including restaurant taxes, is an essential indicator of that region's autonomy.

Using online tax recording devices, or tapping boxes, in Kolaka Regency is an initiative from the Regional Revenue Agency to monitor transactions at taxed restaurants. This device is expected to accurately compare actual transactions and the taxes due, ensuring no significant discrepancies that could reduce regional income from this sector. Since the enactment of Regent Regulation Number 24 of 2019, tapping boxes are expected to enhance the accuracy and efficiency of restaurant tax collection. However, several challenges remain, including taxpayer honesty in reporting turnover and public acceptance of the restaurant tax, which may affect consumer interest and restaurateurs' turnover (Nurlinda et al., 2022).

Issues arising in the implementation of tapping boxes, such as consumer objections and uneven application across all restaurants, indicate room for improvement in the restaurant tax collection system in Kolaka Regency. The approach used in this research refers to effectiveness measurement theory, provides a framework to comprehensively assess the effectiveness of this program from various aspects (Syah et al., 2021), including success in achieving the program and its targets, satisfaction with the program, and the balance between inputs and outputs produced by the program in the context of achieving overall objectives.

A. Program Success

The tapping box program has been implemented to increase Regional Revenue through restaurant taxes. This program was designed with clear objectives to enhance tax compliance among restaurant owners by integrating technology into the tax system, allowing for real-time and accurate transaction monitoring. This device is expected to bring greater transparency to the restaurant tax deposit process, enhancing taxpayer compliance.

The operational capability in implementing the tapping box program shows directed efforts to achieve the set goals. With effective implementation, this program is expected to simplify the tax recording and reporting process, thus making it easier for restaurant owners to fulfill their tax obligations. Moreover, the success of this program is measured not only by the technical aspect of execution but also by its impact on increasing awareness and compliance among taxpayers (Sunanta & Leonardo, 2021). It indicates that the program focuses on revenue enhancement and building a strong tax compliance culture among business operators.

This program, initiated by the Regional Revenue Agency based on Regent Regulation Number 24 of 2019 and Government Regulation Number 55 of 2016, reaffirms the Local Government's commitment to applying innovations to increase Regional Revenue. With a clear legal foundation, the program has the strength to be implemented consistently and sustainably. The success of this program is determined not only by the efficiency of the tax administration process but also by the positive impact generated, namely an increase in tax payments. In this regard, LP mentioned that:[1]

> *"Tapping boxes are devices installed in restaurants that are tax subjects. Their purpose is to document transactions that occur as a reference for comparing the total transactions in the restaurant with the amount of tax that should be paid. With this program, we at the Regional Revenue Agency hope to increase taxpayer awareness and knowledge regarding their tax payment obligations, especially among restaurant owners. Tapping boxes began in 2019, under Regent Regulation Number 24 of 2019."*

Installing tapping boxes in taxed restaurants has proven effective in documenting transactions, playing a crucial role as a reference for comparing total transactions with the amount of tax that should be paid. This initiative, implemented in 2019 following regional regulations, aims to increase the awareness and knowledge of restaurant owners about their tax payment obligations. The presence of this device has a positive impact on increasing Regional Revenue through restaurant taxes by promoting transparency and compliance in the tax payment process. Regarding the implementation process of the tapping box program, RS explained that:[2]

> *"From the Regional Revenue Agency, we initially conducted socialization at the local office, as directed by the Secretary of the Regional Government, to inform restaurant owners about the procedure for installing tax recording devices. After that, the tapping boxes were installed."*

Implementing tapping boxes by the Regional Revenue Agency is a strategic step in enhancing compliance and transparency in restaurant tax payments and strengthening the source of Regional Revenue. The socialization process led by the Secretary of the Regional Government to restaurant owners regarding the installation procedure demonstrates the area's seriousness in facilitating taxpayer understanding of the importance of tax compliance. Regular installation of tapping boxes marks the region's ongoing efforts to ensure fairness and accuracy

[1]Interview Results with the Secretary of the Regional Revenue Agency of Kolaka Regency, on June 14, 2022.

[2]Interview Results with the Head of Data Collection and Determination Division of the Regional Revenue Agency of Kolaka Regency, on June 13, 2022.

in recording transactions that occur, ultimately contributing to the effectiveness of restaurant tax collection. In this regard, AN expressed that:[3]

> *"Yes, the tapping box has been installed in my restaurant. The installation was carried out by officials from the Local Government who came directly. However, regarding the communication before installation, there was no prior notification. According to the rules, installing this device is mandatory, and as a business owner, I cannot refuse the government's regulations."*

Installing tapping boxes in restaurants as an initiative from the Regional Revenue Agency has received feedback from business owners, confirming that the installation procedure was carried out without prior notification but acknowledged as a mandatory obligation. This step shows the Local Government's commitment to increasing taxpayer awareness of the importance of tax contributions to regional economic progress. Although there are shortcomings in pre-installation communication, the program is expected to increase Regional Revenue through restaurant taxes by ensuring transparency and fairness in transaction recording. In this regard, BG stated that:[4]

> *"Indeed, there has been an increase in the amount of tax paid because all transactions are known to the Local Government, and there is always a review. So, now we pay taxes more transparently."*

Based on interviews with various stakeholders, it has been revealed that implementing tapping boxes in Kolaka Regency has significantly impacted the restaurant tax payment process, directly contributing to the increase in Regional Revenue. This initiative started in June 2020 with a target installation of 184 devices out of 203 tax subjects. Through structured socialization and implementation, taxpayer compliance regarding tax payment obligations has improved, especially among restaurant owners (Rudianti, 2021).

The direct involvement of the local government through the Regional Revenue Agency in the installation process demonstrates seriousness in overseeing commercial transaction transparency. Although challenges include a need for prior notification to restaurant owners, awareness and understanding of the importance of tax contributions to regional progress have grown. Restaurant owners acknowledge that the presence of tapping boxes facilitates accurate transaction recording, which in turn increases the amount of tax paid.

The positive results from this program are evident from the feedback given by restaurant owners, who report a tax increase paid. It demonstrates the effectiveness of tapping boxes in creating a more transparent and accountable tax payment system. Thus, the installation of tapping boxes by the Regional Revenue Agency has successfully achieved its primary goal of increasing taxpayer awareness

[3]Interview Results with a Restaurant Owner in Kolaka Regency, on May 17, 2022.
[4]Interview Results with a Restaurant Owner in Kolaka Regency, on May 17, 2022.

and optimizing restaurant tax revenue to increase Regional Revenue. This success reflects the Local Government's commitment to managing financial resources and enhances taxpayer participation in supporting regional development.

B. Target Success

The successful implementation of tapping boxes is crucial to enhancing Regional Revenue through restaurant taxes. This target ensures restaurant owners meet their tax obligations more efficiently and accurately (Widjaja & Siagian, 2017). The success of this program lies in its ability to target the correct tax subjects, namely restaurant owners, who must integrate an online payment system through the tapping box. Thus, taxpayer compliance with the regulations set by the Regional Revenue Agency is a crucial indicator in assessing this program's effectiveness.

Adapting technology in the tax payment process represents a significant step forward in improving the taxation system (Ooi, 2021). By implementing tapping boxes, restaurant transactions can be recorded in real time, facilitating more transparent and accurate tax collection. This aligns with Regent Regulation Number 24 of 2019, which governs the obligations of restaurant owners regarding tax payments. The program is designed to capture all restaurant transactions, including the sale of food and beverages and certain taxed services.

The success of this target is measured not only by the implementation of technology but also by the level of compliance of restaurant owners with the applicable regulations (Baining, 2018). This compliance reflects the program's effectiveness in achieving its goal: increasing Regional Revenue through restaurant taxes. In this context, LP stated:[5]

> *"All restaurants are required to use tapping boxes. However, since the number of devices available still needs to be increased to cover all taxpayers, we prioritize their distribution. Typically, we allocate based on customer traffic; a higher number of visitors indicates a higher volume of transactions in that restaurant. Currently, only 184 devices are available, while there are about 203 restaurants recorded."*

From the information above, it is clear that there is a gap between the number of available devices and the number of restaurants required to install them, with only 184 tapping boxes available for 203 registered restaurants. The priority for device distribution is given to restaurants with high visitor volumes, which are presumed to have more significant transactions. The success of this initiative is measured through increased taxpayer compliance and the effectiveness of tax collection, marking a step by the Regional Revenue Agency in optimizing Regional Revenue sources through restaurant taxes using technology. However, AN commented:[6]

[5]Interview Results with the Secretary of the Regional Revenue Agency of Kolaka Regency, on June 14, 2022.

[6]Interview Results with a Restaurant Owner in Kolaka Regency, on May 17, 2022.

> *"Considering the crowd, my café is not very busy as it has only been operational for four months and is not yet well-known."*

Similarly, LA expressed:[7]

> *"The criteria for installing tapping boxes still need to be clarified. I have noticed busier establishments than mine that have yet to be equipped with a device. More attention is needed, mainly because the installation has not been uniform."*

In the context of enhancing Regional Revenue through restaurant taxes using tapping boxes, there is a variation in implementation dynamics on the ground. Several restaurant owners have expressed concerns about the unclear criteria for installing these devices, leading to discrepancies between selected restaurants for installation and the actual conditions of busyness and revenue potential. For example, some restaurants that have recently started operations and need to be more well-known have been equipped with tapping boxes. At the same time, some busier establishments have received different attention.

Based on interviews with various stakeholders, it is revealed that according to data available at the Regional Revenue Agency, 203 restaurants are registered as tax subjects. However, only 184 tapping boxes are available for distribution. From the perspective of program target success, the placement of these devices has been effective. Several restaurants that meet the criteria for tapping box installation still need to be equipped with the device. In contrast, some restaurants that still need to meet the criteria have installed the tax recording device.

This implementation raises questions about the criteria and selection process for restaurants to install tapping boxes. Testimonies from several restaurant owners indicate unclear and inconsistent application of these criteria. For instance, some newly operational restaurants that are not yet busy have been equipped with a tapping box, while busier restaurants have yet to receive the device. This situation indicates the need for a review of the selection and distribution process for tapping boxes to ensure that the devices are installed in the most strategic locations to enhance the efficiency of tax collection.

The alignment between the criteria for installing tapping boxes and the actual conditions on the ground is vital to increasing the success of this program. Therefore, the Regional Revenue Agency needs to enhance its observation and evaluation to determine the priority for device installation. A more structured and transparent approach to setting criteria can help prioritize restaurants with high transaction volumes and significant potential tax contributions. With this strategic adjustment, the tapping box installation program will more effectively enhance Regional Revenue through restaurant taxes.

[7] Interview Results with a Restaurant Owner in Kolaka Regency, on May 15, 2022.

C. Satisfaction with the Program

Satisfaction with the tapping box program is a crucial indicator in assessing the program's effectiveness in enhancing Regional Revenue through restaurant taxes. This satisfaction directly relates to the quality and convenience of the online tax payment system for restaurant owners. This satisfaction not only influences the successful implementation of the program but also affects restaurant owners' willingness to adhere to established procedures (Fauzan, 2021).

The quality of the program provided to restaurant owners is the primary factor determining their level of satisfaction. High-quality programs typically include easy access, time efficiency, and the accuracy of the data produced by the tapping boxes (Paramitha & Theresia, 2019). Restaurant owners who find this system helpful tend to give positive feedback and feel satisfied with the implemented program. This satisfaction increases compliance with tax payments and encourages restaurant owners to participate actively in program improvements.

The efficiency generated by implementing the online tax payment program supports restaurant owners' satisfaction (Ai et al., 2021). Suppose this system successfully increases the amount of tax paid without causing a burden or negative impact on restaurant owners. In that case, it can be said that the program meets their expectations and needs. In this context, HR stated:[8]

> *"It is excellent because it makes it easier for us to pay taxes, and it is more apparent, too, because the Local Government directly records the transactions in the restaurant."*

In enhancing Regional Revenue through restaurant taxes, tapping boxes have received positive feedback from restaurant owners, who note the ease of tax payments and the clarity of transaction data recorded directly by the Local Government. This program implementation by the Regional Revenue Agency is recognized as providing tangible benefits to business operators in the restaurant sector, who now experience transparency and efficiency in tax management. However, MI stated:[9]

> *"The program is good. However, it dramatically affected customers; many protested because the price that was usually IDR 10,000 is now IDR 11,000."*

This opinion is also confirmed by BG, who said:[10]

> *"It is very influential because the payment method is different and more transparent than before. Many customers protest because they are not yet familiar with the taxes paid by customers. What we used to pay directly to the collector is now based online. There can be no more data falsification because it is already recorded directly by the local government. The number of customers in my restaurant has been affected because there was a decline of up to 30% in customers at the beginning of the installation."*

---

[8]Interview Results with a Restaurant Owner in Kolaka Regency, on May 17, 2022.
[9]Interview Results with a Restaurant Owner in Kolaka Regency, on May 15, 2022.
[10]Interview Results with a Restaurant Owner in Kolaka Regency, on May 15, 2022.

Implementing programs in business has created specific community perceptions and acceptance dynamics (Sari & Sudarti, 2021). The price increase resulting directly from this tax transparency has caused some customers to object, reflected in protests over the price adjustment from IDR 10,000 to IDR 11,000. Although restaurant owners acknowledge that the program supports transparency and eliminates potential data falsification, the direct impact on customers must be addressed. A decline of up to 30% in customers at the start of the installation indicates resistance to this change.

Based on interviews with various Restaurant Owners, it was revealed that the use of tapping boxes in the restaurant sector has significantly impacted customer transaction dynamics, as reflected in the experiences of restaurant owners. Implementing this system aims to increase transparency and efficiency in collecting restaurant taxes, which is expected to boost Regional Revenue. However, challenges have arisen, mainly related to customer acceptance of the price changes caused by the now more transparent taxes.

From the restaurant owners' perspective, objections arise due to the direct price increase felt by customers. Initially, the price of an item that was IDR 10,000 becomes IDR 11,000 after tax. This change affects not only customers' price perception but also the number of customers visiting the restaurant. As reported, some restaurants have experienced a decline in customer numbers by up to 30% following the installation of tapping boxes. It shows that, although the program's initial intentions positively enhance tax discipline, its direct impact on consumer behavior presents a significant challenge.

Another challenge is the need for more customer understanding about the tax structure applied, which needed to be more precise before using tapping boxes. A more transparent payment system brings benefits in tax compliance and reduction of data falsification practices. However, this also requires more intensive socialization with the public to understand the reasons behind the price changes they experience. With adequate understanding, customers can perceive these changes positively, ultimately affecting restaurant visits.

Overall, it is clear that the tapping box program, while beneficial in increasing tax transparency and efficiency, also presents challenges for restaurant owners and customer acceptance. Balancing the government's interest in enhancing Regional Revenue and customer satisfaction needs attention, where tax education and public socialization are vital to supporting the success of this program (Zakir et al., 2021).

D. Input and Output Levels

The input and output levels in the context of tapping boxes play a crucial role in assessing the program's efficiency designed to increase Regional Revenue through restaurant taxes (Raihan et al., 2021). Comparing the inputs, which include operational costs and initial investments for system implementation, with the outputs, namely the increase in taxes collected from restaurants, is vital in determining the program's efficiency. Supported by the Corruption Prevention Coordination and Supervision (KORSUPGAH) and the Local Government with funding from Bank SULTRA, this program aims to maximize Regional Revenue through taxes on restaurants, hotels, and entertainment venues.

The efficiency of this program can be measured by its impact on the financial performance of restaurant owners who are tax subjects. If the implementation of the online tax payment system contributes to an increase in taxes paid without causing a decrease in restaurant business transactions, the program can be considered efficient. It shows that the online tax payment program successfully increases Regional Revenue and supports the continuity of restaurant owners' businesses without burdening their operations.

Conversely, suppose the online tax payment system implementation results in a decrease in restaurant owners' revenue that is disproportionate to the tax increase. In that case, the program can be considered inefficient. In this case, HR stated:[11]

> *"Yes, each menu item sold is taxed at 10%. So, every customer who shops, no matter the amount, is taxed, and the customers pay this cost."*

MI also stated:[12]

> *"Yes, there has always been a tax, but it used to be agreed directly with the collector. The amount was fixed each month, so no matter how many customers there were, the tax paid was the same every month."*

The above statements reveal that applying a 10% tax on each menu item sold has become a common practice, where the customers directly bear the cost. This mechanism marks a significant shift from the previous system, where the tax was determined by an agreement between the restaurant owner and the collector, and the amount was fixed, regardless of customer fluctuation. Implementing tapping boxes has shifted the tax burden from restaurant owners to customers while ensuring transparency and consistency in tax collection. Transitioning to this more structured system clarifies tax responsibilities and contributes to an increase in Regional Revenue through restaurant taxes by optimizing input and output aspects of tax collection. The continuity of this process indicates a positive impact on increasing transactions at the involved restaurants, which aligns with the original goal of implementing this technology to enhance efficiency and accuracy in tax collection (Urohmah et al., 2022). However, HR added:[13]

[11] Interview Results with a Restaurant Owner in Kolaka Regency, on May 17, 2022.
[12] Interview Results with a Restaurant Owner in Kolaka Regency, on May 15, 2022.
[13] Interview Results with a Restaurant Owner in Kolaka Regency, on May 17, 2022.

> *"There is an impact; it simplifies tax payments and adds transparency. There is no more data falsification. However, the impact on transactions is very harmful; many customers protest because prices have increased."*

LA also conveyed:[14]

> *"Indeed, this system simplifies things because it is online. However, its impact on turnover is significant; it decreases because the customers directly bear the tax. Many in the community still need to understand the tax issues."*

The above information reveals that although this system introduces ease and transparency in tax payment, its impact on restaurant revenue is only partially positive. Restaurant owners highlight that the more transparent and automatic imposition of taxes on customers leads to price increases that could be better received by some customers, resulting in decreased transaction numbers. This unease is exacerbated by a lack of public understanding of the tax structure, contributing to adverse reactions to these price adjustments. As a result, while there is an increase in input aspects such as efficiency and clarity in the tax payment process, the expected output of increased turnover still needs to be achieved. Instead, there are indications of decreased revenue as a direct consequence of the tax burden now more keenly felt by consumers (Yanto, 2020).

Based on interviews with various restaurant owners, it was revealed that there are several challenges to implementing this program. One major issue identified is the additional burden felt by restaurant owners as a direct result of implementing this system. Although the online tax payment system is designed to simplify the tax payment process and increase transparency, it also negatively impacts customer numbers. Restaurant owners report decreased transactions, which can be linked to customer resistance to the price increase caused by implementing this more structured tax. This decrease not only affects restaurant turnover but also potentially reduces the program's effectiveness in increasing Regional Revenue.

Furthermore, interviews also revealed that many in the community still need to fully understand the structure and reasons behind the implementation of this tax. This lack of understanding contributes to adverse reactions to the price increase customers bear, affecting their decision to visit restaurants. It indicates a need for more extensive socialization and education programs for the public to understand better the benefits of taxes for regional development and how this system works, thereby reducing the negative impact on restaurant businesses.

Overall, although the initiative to implement tapping boxes has a noble goal of increasing tax transparency and efficiency, the challenges in its implementation show the need for a more comprehensive approach. Improved cooperation and

[14] Interview Results with a Restaurant Owner in Kolaka Regency, on May 15, 2022.

communication between local governments, business operators, and the public are necessary to ensure that the program increases Regional Revenue and does not burden the business sector and consumers. It includes effective public education strategies and possible policy adjustments needed to address the challenges faced by restaurant owners under this new tax system.

E. Comprehensive Goal Achievement

Achieving comprehensive goals in implementing the tapping box program is crucial in evaluating the program's success in enhancing Regional Revenue through restaurant taxes. This indicator measures how effectively the local government and related agencies execute their roles and functions to meet the program's established targets (Yafid & Muzakkir, 2020). The evaluation criteria cover various aspects, from taxpayer compliance to significant increases in tax revenue.

The organization's effectiveness in running this program can be seen from how well the program meets the set expectations (Nabilah & Moorcy, 2022). It includes improving transparency in the tax payment process, making it easier for restaurant owners to fulfill their tax obligations, and enhancing efficiency in collecting and managing transaction data. A successful program increases the amount of tax collected and strengthens the relationship between restaurant owners and the local government in creating a fairer and more effective taxation system.

Moreover, the general assessment of achieving the program's comprehensive goals includes evaluating its long-term impact on the local economy (Sayuti, 2020). This evaluation focuses on enhancing Regional Revenue through restaurant taxes and other positive impacts, such as creating a more conducive business environment, increasing taxpayer compliance, and strengthening local financial governance. In this regard, LP states:[15]

> *"Looking at the increase in the amount of tax paid, you can see it from the change in the system from manual to online. However, there have been some complaints from restaurant owners about its impact on customers; some have protested. There are increases in the amount of tax paid. For example, in 2021, restaurant taxes contributed 7.28% to the total Regional Revenue, up from 4.27% in 2020."*

LP further stated:

> *"As for the Regional Revenue, I know that in 2020, it was IDR 177,416,199,330.69, and in 2021, it was IDR 122,696,958,082.32. As for taxes from restaurants, in 2020, it was about 1.5 billion, and in 2021, it increased to about 2.8 billion."*

[15]Interview Results with the Secretary of the Regional Revenue Agency of Kolaka Regency, on June 14, 2022.

Implementing tapping boxes has proven effective in enhancing Regional Revenue through restaurant taxes, as evidenced by the increase in restaurant tax contributions to the total Regional Revenue. In 2020, the restaurant tax contribution was 4.27%, which increased to 7.28% in 2021. This rise indicates a significant improvement in restaurant tax revenue, reflecting the online system's efficiency and effectiveness in managing and collecting taxes. Nonetheless, the transition to this online system is not without challenges, where there have been reports of complaints from restaurant owners highlighting the negative impact on customer numbers due to the price increase they must now cover. In this case, HR expressed:[16]

> *"Customers protest because the tax is imposed on them. Sometimes, people refuse to pay because they still do not understand it. Previously, restaurant owners would pay the tax directly to the local government collector, and customers were not taxed."*

BG also noted:[17]

> *"For the impact here, it is tough for both restaurant owners and consumers because the consumers pay the tax. However, the restaurant owners also feel the impact because of the fewer buyers. At the beginning of the installation, the number of customers in my restaurant decreased by about 30%."*

Implementing tapping boxes has elicited various responses from restaurant owners and customers. The transition to a more transparent tax payment system has made customers feel more burdened because the tax is now explicitly imposed on them, unlike the previous practice where restaurant owners handled taxes. As a result, some customers have reduced their frequency of restaurant visits, with one restaurant reporting a 30% decrease in customer numbers in the initial phase of the system's implementation. Although this system aims to improve accuracy and efficiency in tax collection, the main challenge is decreasing consumer interest in dining out due to a lack of understanding of this new tax mechanism.

Based on interviews with various stakeholders, it was revealed that the implementation of tapping boxes in the restaurant sector has indicated a significant increase in the contribution of restaurant taxes to Regional Revenue. Data from the Regional Revenue Agency shows that restaurant tax contributions rose from 1.5 billion in 2020 to 2.8 billion in 2021. This increase reflects the new system's effectiveness in improving accuracy and transparency in tax collection while affirming the role of the restaurant sector as a vital source of tax revenue for the region.

However, transitioning to a more open tax payment system presents challenges, particularly for restaurant owners and consumers. From the

[16] Interview Results with a Restaurant Owner in Kolaka Regency, on May 17, 2022.
[17] Interview Results with a Restaurant Owner in Kolaka Regency, on May 15, 2022.

perspective of restaurant owners, there are concerns about the reduction in customer numbers caused by the additional tax burden explicitly felt by consumers. The initial experience of one restaurant recorded a 30% decrease in customer numbers, a condition that signals the direct impact of the change in the tax system on consumption habits.

One root problem that has arisen is the need for more public understanding of the mechanisms and significance of the new restaurant tax (Sustiyo & Hidayat, 2020). This lack of understanding leads to some customers' reluctance to bear the additional costs arising from the tax, given that previously, these costs were not explicitly imposed on them. This situation not only reduces restaurant revenue but also has the potential to affect the achievement of Regional Revenue targets through restaurant taxes.

More intensive efforts in socialization and education for the public are needed to achieve the comprehensive goals of implementing this system. A better understanding of the tax system and its contributions to regional development can encourage the public to participate actively in the new taxation system. It will support the increase in Regional Revenue and minimize the negative impact on the restaurant sector, a crucial pillar in the local economy.

CONCLUSIONS AND SUGGESTIONS

Based on the results and discussion, it can be concluded that implementing tapping boxes in Kolaka Regency has effectively increased Regional Revenue through restaurant taxes, indicating the program's success in enhancing taxpayer awareness and optimizing tax revenue. However, there are shortcomings in the distribution of the devices, resulting in not all qualified restaurants being equipped with tapping boxes. A significant challenge arises from customers adjusting to price changes due to tax transparency, leading to a decrease in customer numbers by up to 30% in some restaurants. It indicates that, despite the increase in Regional Revenue, restaurant revenue has negative consequences due to the loss of customers. Ultimately, although the contribution of restaurant taxes to Regional Revenue has increased significantly, customer satisfaction and the effectiveness of tapping box distribution require further attention to balance fiscal success with the sustainability of restaurant businesses.

Based on the conclusions above, it is recommended that the Local Government and the Regional Revenue Agency of Kolaka Regency improve the effectiveness of tapping box distribution by ensuring that all restaurants meeting the criteria are equipped with the devices while also conducting evaluations and adjustments to the installation criteria to avoid discrepancies. Restaurant owners are advised to adopt innovative business strategies to counteract the decline in customer numbers, such as by enhancing service quality or implementing customer loyalty programs. Meanwhile, as customers, the public must be educated about the importance of tax transparency and its contribution to regional development to understand better and accept price changes. Through a collaborative approach among the government, restaurant owners, and the public, a balance between increasing Regional Revenue and the sustainability of restaurant businesses and long-term customer satisfaction is expected to be achieved.

REFERENCES

Ai, H. T., Dao, H. M. T., & Bui, T. V. (2021). Factors Affecting the Satisfaction of Businesses Using Online Tax Payment Services at the Tax Department of Ho Chi Minh City, Vietnam. *The EUrASEANs: Journal on Global Socio-Economic Dynamics, 26*(1), 19-32. https://doi.org/10.35678/2539-5645.1(26).2021.19-32

Anggara, E., & Cheisviyanny, C. (2020). Pengaruh Pendapatan Asli Daerah, Ukuran Pemerintah Daerah, Tingkat Ketergantungan Pemerintah Daerah Terhadap Tingkat Pengungkapan Laporan Keuangan Pemerintah Daerah. *Jurnal Eksplorasi Akuntansi, 2*(1), 2162-2184. https://doi.org/10.24036/jea.v2i1.205

Arafat, A., Syahrir, S. N., & Triani, N. (2022). Implementation of the Tourism Park Development Program in Unamendaa Village. *SIGn Journal of Social Science, 3*(1), 55-74. https://doi.org/10.37276/sjss.v3i1.322

Ardiansyah, R. (2019). Kepatuhan Wajib Pajak Memoderasi Pengaruh Pajak Daerah dan Retribusi Daerah terhadap Pendapatan Asli Daerah. *Jurnal Ekonomika, 10*(2), 31-46. https://doi.org/10.35334/jek.v10i2.767

Baining, M. E. (2018). Pelaporan Kewajiban Perpajakan Dilihat dari Tingkat Pemahaman, Tingkat Kepatuhan, dan Ketegasan Sanksi Perpajakan Pemilik UMKM di Kota Jambi. *Imara: Jurnal Riset Ekonomi Islam, 2*(1), 39-49. https://doi.org/10.31958/imara.v2i1.1040

Fauzan, H. S. (2021). Implementasi Kebijakan Sistem Informasi Manajemen Pelaporan Wajib Pajak Berbasis Online pada Hotel dan Restoran di Kabupaten Garut. *Jurnal Publik: Jurnal Ilmiah Bidang Ilmiah Administrasi Negara, 15*(2), 115-121. https://doi.org/10.52434/jp.v15i2.172

Government Regulation in Lieu of Law of the Republic of Indonesia Number 2 of 2014 on Amendment to Law Number 23 of 2014 on Local Government (State Gazette of the Republic of Indonesia of 2014 Number 246, Supplement to the State Gazette of the Republic of Indonesia Number 5589). https://peraturan.go.id/id/perppu-no-2-tahun-2014

Government Regulation of the Republic of Indonesia Number 55 of 2016 on General Provisions for Regional Taxes and Regional Retributions (State Gazette of the Republic of Indonesia of 2016 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5950). https://peraturan.go.id/id/pp-no-55-tahun-2016

Hidayati, M., Andayani, W., Kumala, R., Subagiyo, A., & Arimbhi, P. (2021). Modernization of Administration of Parking Tax Collection with Tapping Box as A Supervision and Compliance Function of Regional Taxpayers in Bekasi City. *Ilomata International Journal of Tax and Accounting, 2*(4), 295-303. https://doi.org/10.52728/ijtc.v2i4.367

Kamal, M. (2019). Hubungan Pemerintahan Daerah dalam Mengelola Pendapatan Asli Daerah (PAD) Berdasarkan Undang-Undang 23 Tahun 2014. *SIGn Jurnal Hukum, 1*(1), 18-28. https://doi.org/10.37276/sjh.v1i1.32

Komarudin, & Hermawan, P. (2022). A Study of Trust Base Voluntary Tax Compliance through Tax Administration Digital Transformation in Indonesia. *International Journal of Current Science Research and Review, 5*(8), 3227-3238. https://doi.org/10.47191/ijcsrr/v5-i8-53

Law of the Republic of Indonesia Number 18 of 1997 on Regional Taxes and Regional Retributions (State Gazette of the Republic of Indonesia of 1997 Number 41, Supplement to the State Gazette of the Republic of Indonesia Number 3685). https://jdih.dpr.go.id/setjen/detail-dokumen/tipe/uu/id/551

Law of the Republic of Indonesia Number 34 of 2000 on the Second Amendment to Law Number 18 of 1997 on Regional Taxes and Regional Retributions (State Gazette of the Republic of Indonesia of 2000 Number 246, Supplement to the State Gazette of the Republic of Indonesia Number 4048). https://jdih.dpr.go.id/setjen/detail-dokumen/tipe/uu/id/397

Law of the Republic of Indonesia Number 23 of 2014 on Local Government (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587). https://jdih.dpr.go.id/setjen/detail-dokumen/tipe/uu/id/1605

Law of the Republic of Indonesia Number 2 of 2015 on Enactment of Government Regulation in Lieu of Law Number 2 of 2014 on Amendment to Law Number 23 of 2014 on Local Government Into Law (State Gazette of the Republic of Indonesia of 2015 Number 24, Supplement to the State Gazette of the Republic of Indonesia Number 5657). https://jdih.dpr.go.id/setjen/detail-dokumen/tipe/uu/id/1626

Law of the Republic of Indonesia Number 9 of 2015 on the Second Amendment to Law Number 23 of 2014 on Local Government (State Gazette of the Republic of Indonesia of 2015 Number 58, Supplement to the State Gazette of the Republic of Indonesia Number 5679). https://jdih.dpr.go.id/setjen/detail-dokumen/tipe/uu/id/1628

Miyazaki, T. (2020). Intergovernmental Fiscal Transfers and Tax Efforts: Regression-Discontinuity Analysis for Japanese Local Governments. *Regional Science and Urban Economics, 84*, 1-46. https://doi.org/10.1016/j.regsciurbeco.2020.103554

Muis, A. (2022). The Local Economic Development Based on Social Capital through Farmer Community. *SIGn Journal of Social Science, 3*(1), 1-13. https://doi.org/10.37276/sjss.v3i1.179

Nabilah, B., & Moorcy, N. H. (2022). Analisis Efektivitas, Efisiensi, dan Capaian Kinerja Penyerapan Anggaran Periode 2019 – 2021 Pemerintah Kota Balikpapan. *Media Riset Ekonomi, 2*(2), 95-103. https://doi.org/10.36277/mreko.v2i2.276

Neuman, W. L. (2003). *Metodologi Penelitian Sosial: Pendekatan Kualitatif dan Kuantitatif* (Trans. by E. T. Sofia). PT. Indeks.

Ningsih, S., Agusman, Y., Asis, L. A., Hidayat, R., & Muzakkir, A. K. (2022). The Supervisory Function of PT ASDP over Ferry Service Providers at Kolaka Port. *SIGn Journal of Social Science, 3*(1), 38-54. https://doi.org/10.37276/sjss.v3i1.321

Nurlinda, N., Indahwati, R., & Sipahutar, T. P. (2022). The Effect of Implementing An Integrated Taxpayer Database System for BPPRD Pemko Medan and Digitizing Local Tax Reporting Services (E-Tax) in Increasing Optimization of Regional Tax Revenue (Survey of Restaurants in City Medan). *Jurnal Syntax Transformation, 3*(12), 1589-1597. https://doi.org/10.46799/jst.v3i12.658

Ooi, V. (2021). Adapting Taxation for the Digital Economy in Singapore. *Asia-Pacific Tax Bulletin, 27*(1), 1-10. https://doi.org/10.59403/237vg2j

Paramitha, M., & Theresia, T. (2019). Implikasi Penerapan, Kewajiban dan Kemudahan Penggunaan E-SPT Pajak Pertambahan Nilai (PPN) pada Efisiensi Pemrosesan Data Perpajakan. *Jurnal Analisa Akuntansi dan Perpajakan, 3*(1), 40-55. https://doi.org/10.25139/jaap.v3i1.1575

Rahmi, S., & Nurcahya, S. B. (2022). Analisis Penerapan Sistem Informasi Manajemen Korespondsi dalam Meningkatkan Pendapatan Daerah pada Badan Pendapatan Daerah Kabupaten Bandung Barat. *Jurnal Administrasi Perkantoran dan Kesekretariatan, 1*(1), 41-54. https://doi.org/10.59820/apk.v1i1.24

Raihan, M., Sarumpaet, S., & Sukmasari, D. (2021). Penerimaan Pajak Daerah Kota Bandar Lampung Sebelum dan Sesudah Penggunaan Tapping Box. *Iqtishaduna: Jurnal Ilmiah Ekonomi Kita, 10*(1), 91-108. https://doi.org/10.46367/iqtishaduna.v10i1.337

Regent Regulation of Kolaka Number 24 of 2019 on Online-Based Payment and Collection of Local Taxes and Local Retributions (Regency Gazette of Kolaka of 2019 Number 24).

Rudianti, W. (2021). Tarif, Kesadaran dan Sosialisasi Pajak terhadap Peningkatan Penerimaan Pajak melalui Kepatuhan Wajib Pajak sebagai Variabel Intervening (Implementasi PP 23 Tahun 2018). *Medikonis, 12*(1), 69-90. https://doi.org/10.52659/medikonis.v12i1.34

Sari, I. K., & Sudarti, S. (2021). Analysis of Community Perception on the Impact of Sand Mining in Mujur River and Regoyo River. *SIGn Journal of Social Science, 2*(2), 1-12. https://doi.org/10.37276/sjss.v2i2.120

Sayuti, M. (2020). Peranan Pajak Daerah dan Retribusi Daerah Terhadap Pendapatan Asli Daerah (PAD) di Kabupaten Lombok Barat. *JPEK (Jurnal Pendidikan Ekonomi dan Kewirausahaan), 4*(2), 196-206. https://doi.org/10.29408/jpek.v4i2.2781

Sunanta, S., & Leonardo, L. (2021). Pengaruh Kesadaran Wajib Pajak dan Pengetahuan Perpajakan Wajib Pajak Terhadap Kepatuhan Wajib Pajak. *Jurnal SIKAP (Sistem Informasi, Keuangan, Auditing dan Perpajakan), 6*(1), 86-95. https://doi.org/10.32897/jsikap.v6i1.710

Sustiyo, J., & Hidayat, R. T. (2020). Literasi Keuangan dan Pajak Pertambahan Nilai (PPN) pada Generasi Z. *Jurnal Pajak Indonesia (Indonesian Tax Review), 3*(1), 24-34. https://doi.org/10.31092/jpi.v3i1.635

Syah, N. A., Jamal, J., & Jopang, J. (2021). Analisis Efektivitas Kerja Pemungutan Pajak Daerah Berbasis Daring pada Badan Pendapatan Daerah Kabupaten Kolaka. *Pamarenda: Public Administration and Government Journal, 1*(1), 65-80. https://doi.org/10.52423/pamarenda.v1i1.19863

Titania, E. B., & Rahmawati, I. D. (2022). The Effect of Hotel Tax and Restaurant Tax on Local Own-Source Revenue (PAD). *Indonesian Journal of Public Policy Review, 19*, 1-6. https://doi.org/10.21070/ijppr.v19i0.1264

Tulai, O., Petrushenko, Y., Glova, J., Sydor, I., & Ponomarenko, O. (2019). The Impact of Decentralization on the Financial Support of Regional Development. *Investment Management and Financial Innovations, 16*(4), 1-15. https://doi.org/10.21511/imfi.16(4).2019.01

Urohmah, V. A., Zanaria, Y., & Kurniawan, A. (2022). Pengaruh Transaksi Online (E-Commerce), Modal Usaha dan Penggunaan Sistem Informasi Akuntansi terhadap Pendapatan UMKM di Kecamatan Metro Barat. *Expensive: Jurnal Akuntansi dan Keuangan, 1*(2), 141-158. https://doi.org/10.24127/exclusive.v1i2.3007

Whitney, F. L. (1960). *The Elements of Research*. Prentice-Hall, Inc.

Widjaja, H., & Siagian, A. J. (2017). Analisis Penerapan E-System Perpajakan pada Wajib Pajak Pribadi terhadap Pelaksanaan Self-Assesment System dalam Memenuhi Kewajiban Perpajakan. *Jurnal Ekonomi, 22*(3), 440-447. https://doi.org/10.24912/je.v22i3.279

Yafid, B. M., & Muzakkir, A. K. (2020). The Role of the Supervision and Observation Judge on Guidance for Inmates. *Sovereign: International Journal of Law, 2*(2), 40-56. https://doi.org/10.37276/sijl.v2i2.33

Yang, L. K. (2017). Financial Management Conservatism under Constraints: Tax and Expenditure Limits and Local Deficit Financing during the Great Recession. *Local Government Studies, 43*(6), 946-965. https://doi.org/10.1080/03003930.2017.1365711

Yanto, Y. (2020). Pengaruh Pemeriksaan Pajak, Omset, dan Sanksi Perpajakan terhadap Kepatuhan Wajib Pajak Hotel dan Restoran di Kabupaten Jepara. *Jurnal Akuntansi dan Perpajakan, 6*(1), 39-51. https://doi.org/10.26905/ap.v6i1.4126

Zakir, M., Rahmah, S., & Romus, M. (2021). Analisis Kontribusi Pajak Daerah dan Retribusi Daerah dalam Meningkatkan Pendapatan Asli Daerah pada Badan Pendapatan Daerah Kab. Kampar Ditinjau Menurut Perspektif Ekonomi Islam. *Kutubkhanah: Jurnal Penelitian Sosial Keagamaan, 20*(1), 80-101. https://doi.org/10.24014/kutubkhanah.v20i1.13345