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NORMATIVE REVIEW OF REGIONAL TAX LEGAL POLITICAL AS A PILLAR OF DEVELOPMENT AND PEOPLE'S WELFARE IN THE REGION

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ABSTRACT

Good and correct local tax management is one indicator of the achievement of regional financial management objectives as mandated by the legislation. Regional taxes, which are one of the sources of regional original income (PAD), have a strategic role in supporting the region's development. This article aims to describe the legal politics of regional tax management and its relation to encouraging development and people's welfare in the regions. This study is a normative study with a statutory approach and conceptual approach. The study result shows that the legal politics of tax is a policy direction for the allocation and use of taxes based on the achievement of the welfare or prosperity of the people. Furthermore, the legal politics of regional tax is an important part of the political management system of regional finance carried out every year containing policies regarding regional development financed by the regional budget. Every regional financial budgeting using local taxes must be directed at the realization of the welfare and prosperity of the people.

Keywords: *Regional Financial Management; Regional Taxes; Regional Development; and People's Welfare*

INTRODUCTION

Indonesia is a unitary state using decentralization system in regulating relations between central government and regional government. The regions receive rights that come from, or are granted by the central government based on law and based on the constitution.[1] After

[1] RijalPatoni, L Kholif Saputra, Ilham, Moh. Tohariadi, Zoarno. (2021). *Paradox of The Authorities of Regional Governments in The Legal Politics of Regional Autonomy After The Enactment of Law Number 23 of 2014. ULREV,* Volume 5 Issue 1, April 2021, DOI : https://doi.org/10.29303/ulrev.v5i1.102, p.109.

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implementation of the regional autonomy, every province and regency/city has authority to regulate and manage their region in accordance with the characteristics.[2]In managing government affairs, the regional government given authority to manage its own financial, including regional tax and retribution as the source of regional finance.

The reform of state financial management began with the promulgation of Law Number 17 of 2003 concerning State Finances, Law Number 1 of the State Treasury, and Law Number 15 of 2004 concerning Auditing, Management, and Accountability of State Finances. This reform has resulted in various improvements in the system, procedures, management, and accountability of state finances, including the management and responsibility of regional finances. The regional finances are implemented based on Government Regulations Number. 58 of 2005 concerning Regional Financial Management in conjunction with the Minister of Home Affairs Regulation no. 13 of 2006 which has been amended by regulation of the Minister of Home Affairs No. 59 of 2007 and the second amended by regulation of the Minister of Home Affairs No. 59 of 2007 and amended by Permendagri No. 21 of 2011 concerning the Second Amendment to the regulation of the Minister of Home Affairs No. 13 of 2006 concerning Guidelines for Regional Financial Management.[3]

An important aspect in the reform of state financial management is the balance of the budgetary burden between public expenditure (direct expenditure) and apparatus expenditure (indirect expenditure) and the application of good financial governance. Hence the revenue and expenditure budget (APBD) are people's money, it must be allocated for the ideals of the people's welfare. To realize these ideals, the politics of budgeting by the Regional Government (Pemda) and the Regional People's Representative Council (DPRD) have an important role in creating pro-people budget management policies. Pro-people regional financial management reflects the shared aspirations of a country with a democratic government.[4]

In the concept of rechstaats, the state should ensure the creation of mutual welfare in people's lives, covering economic, social, cultural, legal, educational, and political interests. This is in line with the preamble to the 1945 Constitution, especially the fourth paragraph, which states, "Subsequent thereto, to form a government of the state of Indonesia which shall protect all the people of Indonesia and all the independence and the land that has been struggled for, and to improve public welfare...,". This (state) fundament defines state and government obligation to protect and serve all public interests to realize the happiness of all Indonesian citizens.[5]

Therefore, the direction of legal development policies in the field of regional financial management must be stacked on efforts to increase the ideals of people's welfare, strengthen local government, strengthen the role of the community as a form of democratic government and strengthen the development in the spirit of the Unitary State of the Republic of Indonesia (NKRI). Thus, the regulation for the formation of laws and regulations in the field of regional financial management must accommodate local aspirations while still referring to the objectives of legal development in the field of regional financial management. And that is the direction of the legal politics of regional financial management. The focus of this paper is related to the review of the legal politics of local tax management as a pillar of national development and the welfare of the people in the region.

[2]M Galang Asmara, Gatot Dwi Hendro Wibowo, RR.Cahyowati. (2018). *The Authority of Formation Regional Regulation (Perda) Shari'*, *ULREV*, Volume 2, Issue 2, https://doi.org/10.29303/ulrev.v2i2.49, p.181.
[3]Moh. Mahfud MD. (2007). *Membangun Politik Hukum Menegakkan Konstitusi*. Depok: Rajawali Perss.

[4]Hendra Karianga. (2015). *Politik HUkum Dalam Pengelolaan Keuangan Daerah*, Jakarta: Prenamadia Grup, p.69
[5]Luhfi, J. Kurniawan & Mustafa Lutfi. (2017). *Hukum dan Kebijakan Publik*. Malang: Setara Press, p.61

METHOD

This study uses the doctrinal method, which is to examine legal issues by using laws and regulations, legal concepts and principles. The data used in this study is secondary data collected by the library method. Data analysis was carried out using a statutory approach and a conceptual approach.

DISCUSSION

Management of Regional Financial

A democratic government is a government that serves the interests of the people. The politics of budgeting is a process of mutual influence between interested parties in determining the scale of development priorities due to the limited sources of public funds available. Budgeting policies by local governments must accommodate public interests, thus there must be a fair balance in the structure of the regional revenue and expenditure budget (APBD) between public spending (direct spending) and apparatus spending (indirect spending).

Regional finance is an integral part of state finances in allocating economic resources, distributing development results, creating jobs, increasing regional investment, and creating economic stability, social stability, and politics. The role of regional finance is significantly important because of the limited funds that can be transferred through fiscal transfers. In addition, due to the more complex problems faced by the region in managing the potential of regional natural resources, the solution requires active participation from the local community. The role of regional finance will be able to increase regional readiness to encourage the realization of real and responsible regional autonomy.

The dynamics of this budget politics are needed to improve the quality of budget management and regional expenditure revenues (APBD) by the Regional Government in each year of the budget cycle towards a better and accountable direction so that the management of the APBD for the welfare of the people can become a reality. The politics of regional financial management following Law Number 17 of 2003 concerning State Finances, Law Number 1 of 2004 concerning Audit of State Financial Accountability. These two laws have not provided an answer to the pro-people APBD as the ideals of reform, that is regional finance is an embodiment of the spirit of reform of the Indonesian nation in general.

The pro-people APBD can be found in Government Regulation No. 58 of 2006 concerning Regional Finance, Minister of Home Affairs Regulation No. 13 of 2008 jo. PP No. 21 of 2011 concerning Guidelines for Regional Financial Management has not fully accommodated the pro-people budget management. The principle of Good Financial Governance (GFG) has not yet become a major part of financial management, it is better if the government can issue a development policy in the field of national law by enacting a law on regional finance that can accommodate good financial governance starting at the planning, implementation, and accountability stages.

Therefore, to meet the community's needs, the state and the region need a source of funds to realize the national development goals. Tax is one of the instruments that are the source of funds in meeting the sustainability of the welfare of a country or region. So the role of the community in meeting shared needs in the form of taxes is significant. This is in line with the theory of tax justification under Pancasila,tax is a form of community sacrifice to fulfill the common interest without getting the direct return. Taxes can be enforced because the taxes or contributions paid by the community will be reused for the benefit of the people.[6]

[6] *Ibid.*

Management of Regional Tax

According to Article 1 of the Republic of Indonesia Law Number 28 of 2007 concerning the Third Amendment to Law Number 6 of 1983 concerning General Provisions and Tax Procedures, Tax is a mandatory contribution to the state owed by an individual or entity which is compulsory under the law, by not getting a direct reward and being used for the greatest prosperity of the people.

The words "used to the fullest for the prosperity of the people are a goal of state/regional financial management, especially in terms of local tax management. The direction of the allocation and use of policies must be based on the achievement of the welfare or prosperity of the people. In the process of collecting taxes, there are several theories, one of which is presented by R. Santoso Brotodihardjo, that is the Insurance theory stated the state can collect taxes from the citizens of the country protects all the people and the people pay premiums to the state. This theory, just like the insurance theory, to get protection there must be a premium payment. Secondly, the theory of development states tax collection is to carry out development to create a just and prosperous society. The third theory is the capability theory which stated that the state in collecting taxes, must give attention to the capability of the taxpayer.[6]

According to Prof. de Langen the meaning of the taxpayer's capability is the ability to pay taxes to the state, counted after the ability of the person concerned is reduced by the "minimum life". SinningheDamste (who was followed by several scholars), argues that the capability style is a result of several components, particularly income, wealth, and family structure of the taxpayer, taking into account the factors that influence his situation.

Tax Functions

The function of the budgetary/budget, taxes as a source of state income (entering as much money as possible into the state treasury), and the government to finance and meet the needs of the state. The function of regulation, that is tax is a tool of government policy in economic and social fields. For example, the policy of providing high tariffs for luxury goods, to reduce the consumptive lifestyle.

With the tax function as a regulator, taxes become a tool to achieve certain goals other than financial goals. Such as the government's policy of issuing the Minister of Finance Regulation Number 28/PMK.03/2020 concerning the Provision of Tax Facilities on Goods and Services needed in the context of Handling the 2019 Corona Virus Disease (Covid-19) Pandemic. The provision of tax incentives aims to provide tax incentives for business actors affected by the Covid-19 pandemic and to support the availability of medicines, medical devices, and other supporting tools for handling the Covid-19 pandemic.

Therefore, taxes are the spearhead of a country's development. So as good citizens, we must obey paying taxes. We are proud to pay taxes, by paying taxes we contribute to nation-building. Taxpayers are given the authority to calculate, report, and pay because the Indonesian tax system relies on a self-assessment system, i.e. taxpayers have been given the authority to self-calculate, self-report, and pay taxes owed themselves. The principle of tax collection in Indonesia is based on justice by adhering to the principle of equality, namely that tax collection that must be carried out by the state must be in accordance with the ability and income of the taxpayer, where the state must not act discriminatory against taxpayers. To get a lot of benefits from this tax collection, it is necessary to make the best efforts to motivate people to have their own awareness in paying taxes. So that the tax does not only apply as a mere obligation, but the payment of taxes is a must in terms of the utilization of its functions.

Based on the definitions and theories of taxes, the elements of taxes include: First, taxes are contributions from the people to the state, Second, taxes must be collected through laws and regulations (because they are compulsory), Third, in taxes there are no direct reciprocal services, and the fourth Tax is used to finance the public interest (state)

Tax Legal Basis in Indonesia:

There are several laws and regulations as the basis of tax management, namely, the 1945 Constitution which is the legal basis of the Indonesian state, is the first and foremost legal basis, Law of the Republic of Indonesia Number 16 of 2009 concerning Stipulation of Government Regulations in Lieu of Law Law Number 5 of 2008 concerning the Fourth Amendment to Law Number 6 of 1983 concerning General Provisions and Tax Procedures in Indonesia, Law Number 36 of 2008 concerning Income Tax, Law of the Republic of Indonesia Number 42 of 2009 concerning the Third Amendment to Law - Law Number 8 of 1983 concerning Taxes, Value Added Goods and Services & Sales Tax on Luxury Goods. Law Number 19 of 2000 concerning Collection of Taxes by Forced Letters, Law Number 20 of 2000 concerning Amendments to Law Number 21 of 1997 concerning Customs for Acquisition of Rights on Land and Buildings, Law Number 14 of 2002 concerning Tax Courts, Law of the Republic of Indonesia Number 12 of 1985 concerning Land and Building Taxes (UU PBB), Law of the Republic of Indonesia Number 28 of 2009 concerning Regional Taxes and Regional Retribution, Law of the Republic of Indonesia Number 13 of 1985 concerning Stamp Duty.

Based on the laws and regulations, taxes can be divided into two broad types of taxes, namely central taxes and local taxes. Central tax is a tax that is managed directly by the central government (Directorate General of Taxes/DGT) under the Ministry of Finance. Central Tax According to the Indonesian Law dictionary is a tax collected by the central government, the administration of which is carried out by the tax service office for financing state households in general.

Whereas Regional Tax is the tax managed by the Regional Government at the Provincial and Regency/City levels. The definition of regional tax according to the Indonesian dictionary is a mandatory contribution made by an individual or entity to the region without a balanced direct reward, which can be imposed based on the applicable laws and regulations, which is used to finance the implementation of regional government and regional development. Meanwhile, according to the Law, Regional Tax is a mandatory contribution to the region that is owed by an individual or entity that is coercive under the law, without receiving direct compensation, and is used for regional needs for as much as possible. for the benefit of the people.

Referring to those definitions, the characteristics of Regional Taxes are: First, collected by local governments based on the provisions of laws and regulations. Second, the collection is carried out if there are circumstances or events which according to laws and regulations may be subject to local taxes. Third, the collection can be forced, if the taxpayer does not fulfill the obligation to pay local taxes, he can be subject to administrative and criminal sanctions. Fourth, there is no direct relationship between the payment of local taxes and the amount of compensation or services directly. Fifth, the results of regional tax receipts are deposited into the regional treasury. Sixth, it is used for regional purposes for the greatest benefit of the people.[7]

The greatest prosperity is a concern and reference in managing local taxes. Therefore, the tax revenue process must be carried out effectively and utilized as efficiently as possible. Therefore, the amount of tax revenue will be directly proportional to the level of welfare of the people. To administer the government, the region has the right to impose retribution towards the community based on the Constitution of the Republic of Indonesia. Taxes and other retributions that are coercive are regulated by Law Number 18 of 1997 concerning Regional

[7]Ida Zuraida, (2014). *Teknik PenyusunanPeraturan Daerah*. Jakarta:Sinar Grafika

Taxes and Regional Levies as amended by Law Number 34 of 2000 concerning Amendments to Law of the Republic of Indonesia No. 18 of 1997 concerning Regional Taxes and Regional Retribution.

Type of Local Tax

Several types of regional taxes that are managed solely for the benefit of regional development and the fulfillment of people's welfare are Motor Vehicle Taxes. The Motor Vehicle Tax is taxes collected based on ownership and/or mastering of motorized vehicles, and fees of title transfer for Motorized Vehicles. Based on article 9 of Law Number 28 the Year 2009 Concerning Regional tax and Retribution stated that the object of tax of fees of title transfer of motor vehicles is the transfer of ownership of motorized vehicles, including wheeled motorized vehicles and their trailers which are operated on all types of land roads and motorized vehicles operated in water with a gross volume of GT 5 (Five Gross Tonnage) up to GT 7 (Seven Gross Tonnage). Other tax is Motor Vehicle Fuel Tax and Surface Water Tax. According to Article 1 of the Regional Tax and Retribution Regional, the definition of surface water tax object is the extraction and/or utilization of surface water. Surface water is all types of water found on the surface of the land, excluding sea water, both in the sea and on land. The subject of surface water tax is an individual or entity that can take and or use surface water. Surface water taxpayers are individuals or entities that take and or use surface water.[8]

In addition, is a cigarette tax, which is also levied to protect the public from the negative effects of smoking. Cigarette tax collection is motivated by the need to increase funds for public health services. The cigarette tax is a levy on cigarette excise levied by the central government (Article 1 of the Regional Tax and Retribution Law). Cigarette tax collection is the authority of the level I local government or provincial government (Article 2 paragraph 1 of the PDRD Law). Based on Article 181 of the Regional Tax and Retribution Law, provisions regarding cigarette taxes have legal force on January 1, 2014. Local governments wishing to collect cigarette taxes must draw up local regulations governing cigarette taxes.

District/City Local Taxes:

Regency/City taxes also have different objects. The category of Regency/City Taxes covering; Entertainment Tax is a tax levied on entertainment service fees that have an additional fee or collection fee. The object of the entertainment tax is the entertainment provided, while the subject is those who enjoy the entertainment. Second, Advertising Tax, Advertising Tax is a tax taken or levied on objects, or media created for commercial purposes to attract public attention. Examples such as billboards, billboards, Videotron, Megatron, and so on. The Three Hotel Taxes The object of this tax is the services provided by the hotel with payment, including supporting services and sports and entertainment facilities. Fourth Restaurant Tax The object of this tax is the service provided by the restaurant, which is included in the food and beverage service provided to the buyer, whether consumed at the service place or elsewhere. used for household purposes, agriculture, people's fishing, and worship. Sixth Parking Tax Parking tax is a tax levied on the construction of a parking lot outside the road body, both related to the main business, including the provision of space provided for vehicles, Seventh Street Lighting Tax, Street lighting tax is a tax levied on the use of electricity, both self-produced and from other sources, the Eighth Tax on Non-Metal Minerals and Rocks is a tax imposed on non-metallic minerals such as asbestos, limestone, pumice, granite, and so on. Ninth Rural and Urban Land and Building Tax It is a tax imposed on land or buildings that are owned, controlled, or utilized. Tenth, Swallow's Nest Tax Is a tax imposed on the collection and/or

[8]Abdul Qoni. (2021). *Pajak Untuk Kesejahteraan Rakyat dan Membangun Indonesia.*

exploitation of Swallow's Nests. Eleventh Land and/or Building Rights Acquisition Tax It is a tax imposed on land or buildings owned by individuals or certain entities, for example through sale and purchase transactions, exchanges, grants, inheritance, and others.

The functions of district taxes are as follows: First, local taxes are used for routine funding such as personnel expenditures, goods expenditures, maintenance, and development, and also as local government savings. Both local governments regulate economic growth through local tax policies. Funds from local taxes can be used as a tool to achieve government economic goals and reduce economic problems in the region. Second, the continued existence of funds from local taxes can help the government in stabilizing the prices of goods and services to reduce inflation. Third, it is used to finance all public interests, including opening new jobs so that income distribution occurs.

Tax Management for People's Development and Welfare

Regional Development Concept

MudrajadKuncoro stated that when talking about regional development, is certainly closely related to regional economic development planning. This planning is considered a plan to improve the use of various public resources available in the regions. Through regional economic development planning, an area is seen as an economic unit (Economy), in which there are interactions with each other.[9]

Three elements of regional economic development, when linked to central and regional relations: First, Realistic regional economic development planning requires an understanding of the relationship between regions and the national environment of which the region is a part. Fundamentally related between the two, and the final consequences of the interaction, Second Something that looks good nationally is not necessarily good for the region, and vice versa, what is good for the region is not necessarily good for the nation. The three institutional tools available for regional development, such as administration, decision-making processes, and authority, are usually very different from each region to those available at the center.

Law Number 28 of 2009 concerning Regional Taxes and Retribution states that in the context of administering the government, the Republic of Indonesia is divided into provincial regions, and provincial regions are also divided into regencies and cities. And each district and city area have the right and obligation to regulate and manage its own government affairs to improve the efficiency and effectiveness of government administration and services to the community.[9]

People's Welfare Concept

Community empowerment is one of the concepts contained in the Indonesian constitution, both in the preamble and in its body, there are terms that refer to the will to establish people's welfare, as a common goal. This is in line with what was expressed by Jeremy Bentham through the theory of Utilitarianism that the purpose of law is toprovide the greatest benefit and happiness to as many citizens as possible. Therefore, it put the concept of benefit as a legal goal. This principle guarantees happiness to individuals, then to many. "The greatest happines of the greatest number" (The greatest happiness of as many people as possible).[10]

Every individual desired welfare. Welfare is created so that each individual is able to develop their quality of life. Fulfillment of desire needs to be supported by the role of state institutions,

[9]Sarkawi. (2019). *Hukum Pajak*. Mataram: MataramUnivercity Press, p.121

[10]As cited from Besar, *Utilitarianisme Dan TujuanPerkembangan Hukum Multimedia Di Indonesia,* *https://business-law.binus.ac.id/2016/06/30/utilitarianisme-dan-tujuan-perkembangan-hukum-multimedia-di-indonesia/,* (accessed December 2021).

particularly in local communities. Hence the growth of life quality in most regions in Indonesia is uneven and the government's policies do not have a great impact in major areas of Indonesia, therefore as a democratic country, the government should fulfill all regions' needs in a fair and equitable. Regional autonomy is an effort that aims at the public service sector, community welfare, and increasing competitiveness between regions. Implementing regional autonomy is expected to maximize the respective local government institutions so that the community may enjoy directly the benefits of regional autonomy through high-quality public services. Regional autonomy shall give attention to the diversity of an area and the specialty or privileges of certain regions, but still in the framework of *Bhineka Tunggal Ika*, Unity in Diversity.

Innovative regional heads can develop their regions without always relying on the central government, especially during the current pandemic. With the classic issue of regional budgets, regional heads can develop innovation and increase creativity, especially in the economic sector, with the concept of development not always funding from the central government but may come from investors, MSMEs, and other large businesses in the area. The challenges in the current Covid-19 pandemic era namely handling Covid-19 and economic stability, regional heads are expected to make breakthroughs to find other sources of funding, such as corporate social responsibility, government collaboration with business entities, and regional loans. the local government shall be trying not to rely solely on the regional revenue (APBD).

In managing regional finances, there shall be public participation starting at the planning, implementation, and accountability stages. Public participation aims to minimize the potential for budget leakage that can harm the public interest. Some basic issues that must be managed by regional finances are: (1) Management of regional goods; (2) more transparent Local government accounting and financial reports through the government accounting system (SAP); (3) Strengthening internal supervision by the Audit Board of Indonesia (BPK) and the inspectorate; (4) The role of Regional House of Representative (DPRD) in a healthier and more participatory political budgeting; (5) The procurement of goods and services for capital expenditures must be well managed and prioritize the principles of transparency and accountability; and (6) development of a regional financial information system to provide more accurate budget information, to facilitate reporting and control, and to facilitate obtaining information.

To organize the local government, the region has the right to impose tax and retribution on the community. It is stated in the 1945 Constitution which places taxation as a manifestation of the implementation of broad, real and responsible regional autonomy that requires sufficient funds and continues to increase, under the increasing demands of the community, government activities and development.

These funds are collected through the ability to explore potential financial sources. In addition, it is supported by the balance of central and regional finance as a source of financing. Therefore, regional finance is a benchmark for determining regional capacity in implementing autonomy tasks, along with other benchmarks such as natural resource capability, demographic conditions, regional potential, and community participation.

To empower local governments based on the principle of regional autonomy, the desired perspective of change in regional financial management and regional budgets is that regional financial management must rely on the public interest (public-oriented). This is not only seen from the size of the budget allocation for the public interest, but also from the community participation (DPRD) in regional planning, implementation, and supervision.

The responsibility for managing regional finances has political, legal, and administrative dimensions. Political dimension, closely related to the position of the regional head and autonomous rights according to the provisions of Law no. 32 of 2004 concerning Regional

Government. The legal dimension relates to the authority of the regional head to ratify the regional regulation on the Regional Revenue and Expenditure Budget (APBD) together with the Regional House of Representatives (DPRD), and the regional head regulation issued as an elaboration of the regional regulation concerning Regional Revenue and Expenditure Budget (APBD). The administrative dimension relates to the accounting system that must be applied in recording every expenditure and income as well as the appointment of regional financial management administrative officials by the regional head. The great authority possessed by the regional head tends to be misused if the financial management aspect is not used as a strong spirit as a safety framework.

The historical journey of the formation of the law on the management of state finances and regional finances cannot be separated from the paradigm of Indonesia as a unitary state which focuses on decentralization and regional autonomy. The regional autonomy in the unitary state of Indonesia aims to develop and empower the capacity of the regions to accelerate the realization of social welfare. Therefore, the entire process of establishing financial law State and regional financial law is directed at the welfare of the community as the embodiment of the state's objectives as stated in the preamble to the 94th Constitution of the Republic of Indonesia.

Therefore, the management of state finances, especially regional finance, is in the dimension of respect and protection of the human rights of the community in the economic, social, and cultural fields. This has implications, and consequences for the management of state and regional finances, which are placed not only as legal rights but more as that, the management of state and regional finances is constitutional rights.

Welfare is highly desired by every individual and created so that everyone can develop their quality of life. The fulfillment of social welfare needs to be supported by the role of state institutions, especially in local communities. The growth in the quality of life in most regions of Indonesia is uneven. Moreover, not all regions in Indonesia felt the impact of the government's policies. Therefore, as a democratic country, all people in all regions of Indonesia should fulfill their needs fair and equitably. Regional autonomy aims at the public service sector, community welfare, and increasing competitiveness between regions.

Regional autonomy expected to maximize the respective local government institutions so that the local peoplemay directly experience the benefits of regional autonomy through high-quality public services. Therefore, regions can compete with other regions. Furthermore,authonomishallimplemented by respecting and regardingthe diversity of an area and the specificity or privileges of certain regions but remainpreserved the nation's motto "Bhineka Tunggal Ikaâ", which mean Unity in Diversity.

Regional development is an effort to embodyingenhancement of social welfare by improving public services, community empowerment, community welfare as well as community participation. Therefore, the effectiveness of local tax revenue, greatly affects the achievement of these development goals.

Regional development shall be in line and integral with national development. This concept is embodied in the Regional Medium-Term Development Plan (RPJMD) also refers to the National Medium-Term Development Plan (RPJMN) following Law Number 23 of 2014 concerning Regional Government. Regional development is an integral part of national development. Therefore, under Law 23 of 2014 article 263, the regional government shall prepare regional mid-term plans which must be integrated with synchronization between central policy and regional policies.[11]

[11]Laporan Keterangan Pertanggung jawaban Bupati Lombok Barat (LKPJ) Tahun 2020.

Under the policy direction of the Government Work Plan (RKP) year 2020 which carries the theme "Improving Human Resources (HR) for Quality Growth," the 2020 RKP has Five National Priorities, namely: Human Development and Poverty Alleviation; Infrastructure and Regional Equity; Real Sector Added Value, Industrialization, and Job Opportunities; Food, Water, Energy, and Environment Security; and Defense and Security Stability.

The national priority agenda for 2020 includes human development with poverty alleviation efforts, connectivity and equity, job opportunities, food security, water and environment, and defense and security. The disbursement of funds issued by the Central Government through the Regional Revenue and Expenditure Budget (APBD), it is hoped that the Regional Government capable to allocate the budget proportionally following national priority programs relating to mandatory, absolute, congruent, and optional affairs. The implementation of mandatory affairs that form the basis of the government, includes education, health, public works, spatial planning, residential housing, as well as order, peace, and community and social protection. Therefore, these six obligations will be carried out through the APBD to fulfill their basic obligations.

The regional government shall give concern to its role in realizing the welfare of the community. It is also hoped that the Regional Government will refer to the national priority programs which are also revealed in the RPJMD of each region according to the characteristics of each region.

CONCLUSION

The legal politics of regional tax is an important part of the political management system of regional finance carried out every year containing policies regarding regional development financed by the regional budget. The management of local taxes by the provincial and district governments is simply purposing to realize national development. Independent regional taxes management by the regional government will accelerate the region's development as a pillar of national development. Every regional financial budgeting using local taxes must be directed at the realization of the welfare and prosperity of the people.

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