

RECONSTRUCTION OF REGIONAL TAX COLLECTION IMPLEMENTED CONSISTENTLY TO FULL JUSTICE FOR WEAK SOCIETY (Research Study On Land And Building Tax, Motor Vehicles Fuel Tax, And Advertisement Tax In DKI Jakarta Province)

¹Evi Yusnita Naibaho, ²M.S. Tumanggor, ³Bernard Nainggolan, ⁴Wiwik Sri Widiarty

^{1,2,3,4}Universitas Kristen Indonesia, Indonesia

*Corresponding Author: eyusnita.n@gmail.com

Abstract

Regional tax collection is a crucial instrument in financing regional development, but its implementation often leads to injustice, particularly for economically and socially disadvantaged communities. This study aims to analyze the need for reconstruction of regional tax collection regulations, specifically related to Land and Building Tax (PBB), Motor Vehicle Fuel Tax (PBBKB), and Advertising Tax in DKI Jakarta Province. The approach used is a normative-evaluative juridical approach, combining Hans Kelsen's Stufenbau theory, Willem de Langen's tax collection theory, and Gustav Radbruch's legal objective theory. The results show that regional tax regulations still do not fully guarantee protection for weak taxpayers, characterized by disproportionate policies, inability to adapt to the community's carrying capacity, and bureaucratic implementation. There is also disharmony between regional regulations and higher regulations, as well as a lack of legal certainty and transparency in tax implementation. Legal reconstruction is needed so that regional taxes function not only as a source of revenue, but also as an instrument of social justice. This reconstruction includes restructuring tax norms that favor the lower classes, simplifying the system, and strengthening the values of justice, utility, and legal certainty.

Keywords: Regional Tax, Fiscal Justice, Legal Reconstruction, Land and Building Tax, PBBKB, Advertising Tax.

INTRODUCTION

Regional taxes, which are a source of regional revenue, must be regulated based on a bias towards vulnerable taxpayers and implemented consistently to have a positive impact on individual and corporate taxpayers, as well as to achieve the functions and objectives of regional taxes (Jefferdian, 2023; Suhayati, 2017; Yulianingsih, 2022). Taxes are mandatory, even coercive, as stated in Article 23A, which states that "Taxes and other compulsory levies for state purposes are regulated by law (1945 Constitution)."

In the development of Regional Tax legislation, there have been many changes regarding the scope of objects or types of taxes, the imposition of tax rates, the authority to collect Regional Taxes, the mechanism for collecting and reporting taxes, supervision of tax collection, and the balance of revenue between the Central Government and Regional Governments. The authority to collect Regional Taxes has changed in relation to the types of taxes that can be collected. At least four types of taxes can be collected by the government. First and 18th level regions types of taxes that can be collected by other regions from first level region based on Emergency Law Number 11 of 1957. Meanwhile, based on Law Number 28 of 2009 concerning Regional Taxes types of taxes that can be collected by provincial governments and 11 types of taxes that can be collected by district/city governments. With the change in tax collection authority, there has also been a change imposition of tax rates, tax collection and reporting mechanisms, supervision of tax collection, and balance of revenue between the Central Government and Regional Governments.

Based on the results of the evaluation of Regional Regulations/Draft Regional Regulations carried out by the National Legal Development Agency, several problematic aspects were found (Ismail, 2013):

- a. Regional taxes are based on decisions/regulations of the regional head, where legally, the levy is not based on regional regulations as mandated by law.
- b. The content/material regulated in regional regulations does not meet the provisions as stipulated in the law which must at least regulate provisions regarding: name, object, subject, basis for imposing tariffs, method of calculating taxes, collection area, tax period, determination, payment and collection

procedures, expiration, administrative sanctions and the effective date of the regional regulation. Meanwhile, regional regulations on regional levies must at least regulate provisions regarding: name, object, subject, levy group, method of measuring the level of service use, principles adopted in determining the structure and amount of levy tariffs, collection area, payment determination, place of payment, installments and delays in payment, administrative sanctions, collection, write-off of expired levy receivables and the effective date of the regional regulation.

c. The taxable objects for certain types of regional taxes and levies are defined more broadly than those stipulated in law. This results in taxpayers paying amounts that are not properly local taxable.

d. Regional levies overlap with central taxes or provincial taxes, where service and licensing functions are the authority of the central government or state-owned enterprises, or are the authority of the province.

e. The levy tends to be tax-like because there is no visible real service provided by the region, and it hinders the flow of goods, resulting in a high-cost economy.

f. The levy period does not correspond to the permit's validity period. The levy, which reimburses administrative licensing fees, is imposed annually by regions under various terms, such as re-registration or renewal, even though the business permit should be valid as long as the business remains operational.

g. Services of a coaching and supervisory nature that do not require large costs and that are related to general government administration, such as business registration and granting of certain permits, should not be subject to levies because these activities are public services that must be provided by the Regional Government.

h. Certain types of regional taxes or levies pay little attention to economic aspects and public interest, so they do not have a strong basis for consideration, whether seen from an economic aspect or public interest.

DKI Jakarta, the nation's capital city with its high density, continuously increasing property values, and massive motor vehicle growth, presents a complex picture of the challenges in implementing Regional Taxes. Several types of taxes that contribute significantly to regional revenue include Land and Building Tax (PBB), Motor Vehicle Tax (PKB), Motor Vehicle Fuel Tax (PBBKB), and Advertising Tax. Specifically for PBB, the continuously increasing taxable value of taxable objects (NJOP) has the potential to create a disproportionate economic burden, especially for those with fixed incomes, such as retirees, or groups that are no longer economically productive.

The largest regional tax revenue grouping in DKI Jakarta Province comes from Land and Building Tax and Land and Building and Building Tax (BPHTB), with land as the tax object. Second place is Motor Vehicle Tax, Motor Vehicle Ownership Transfer Fee, and Land and Building Tax (PBB), with motor vehicle and fuel as the tax object. Third place is Restaurant Tax and Hotel Tax, with tourism as the tax object.

Land and Building Tax is the type of tax with the highest revenue in DKI Jakarta Province. The basis for collecting Land and Building Tax is the Taxable Object Sales Value (hereinafter abbreviated as "NJOP") of Land and Buildings. Land NJOP is determined based on the Land Value Zone (hereinafter abbreviated as "ZNT"). ZNT is a geographical zone consisting of a group of taxable objects that have an Average Indicative Value limited by the limits of control/ownership of taxable objects in one village/sub-district administrative area. ZNT is not bound by block boundaries (Regulation of the Governor of the Special Capital Region of Jakarta Number 24 of 2018 concerning the Sales Value of Land and Building Taxable Objects in Rural and Urban Areas in 2018).

The land area in the DKI Jakarta Province area from 2019 to 2021 was 664.10 km², consisting of cities and districts starting from the largest recorded as follows:

East Jakarta Administrative City:	182.70 km ²
Administrative City of South Jakarta:	154.32 km ²
Administrative City of North Jakarta:	139.99 km ²
West Jakarta Administrative City:	124.44 km ²
Central Jakarta Administrative City:	52.38 km ²
Thousand Islands Regency:	10.18 km ²

East Jakarta has the largest land area, but it contributes relatively less than other regions, such as Central Jakarta, West Jakarta, North Jakarta, and South Jakarta. South Jakarta contributes the most to Land and Building Tax Revenue in DKI Jakarta, with the second largest area after East Jakarta. Based on Land and

Building Tax Revenue data, land area is not directly proportional to the amount of Land and Building Tax Revenue. There are areas with high, medium, and low NJOP.

The imposition of advertising tax on taxable objects of almost the same size is interpreted and applied unevenly by different regional governments, for example, the Regional Tax Collection Service Units of South Jakarta, West Jakarta, and East Jakarta in DKI Jakarta Province. In one region, advertising tax is levied at a very large rate, while in another region, advertising tax is levied at a medium or small rate.

The costs of obtaining permits related to Environmental Permits and Building Construction Approvals, formerly known as Building Construction Permits, are lengthy and expensive. This impacts the business sector's ability to operate. Regional regulations do not clearly stipulate the timeframe for granting permits. Such regional regulations create problems for entrepreneurs and companies, as they can further impact business uncertainty. Entrepreneurs and companies that have already opened businesses in a particular location may consider relocating their operations elsewhere, with regional taxes and levies appropriate to their capabilities.

The method of collecting Regional Taxes and Regional Levies paid by taxpayers consists of direct taxes and indirect taxes (Vivian, 2022). Examples of direct taxes are Land and Building Tax, Motor Vehicle Tax, and Advertising Tax. Examples of indirect taxes are Land and Building Tax (PBBKB), Entertainment Tax, and Restaurant Tax.

The billing and collection system for Regional Taxes and Regional Levies such as Advertising Tax, Groundwater Tax, Land and Building Tax (PBB), Building Approval Levies (previously known as Building Construction Permits), and others, is slow and requires a long process because the procedures are not simple, lack transparency, and tend to be complicated, and cannot be carried out systematically and simply. This is exacerbated by the slow licensing process, resulting in a high cost economy that impacts the business world and the community. The tax collection system that is not simple does not encourage taxpayers to report their taxes and to fulfill their tax obligations, so this has an impact on the receipt of Regional Taxes and Regional Levies (Ismail, 2013).

The purpose of this study is to analyze and explain the urgency of legal reconstruction of regional tax collection, particularly Land and Building Tax, Motor Vehicle Fuel Tax, and Advertising Tax in DKI Jakarta Province, to make it fairer, more consistent, and more pro-poor. This study also aims to examine the extent to which current regional tax collection regulations and practices have fulfilled the principles of fiscal justice and provided protection for vulnerable groups such as the elderly, people with disabilities, and small business owners. In addition, this study is intended to identify the legal values that should underlie the regional tax system within the framework of a state based on the rule of law that upholds social justice, public benefit, and legal certainty.

METHOD

This research is a normative-evaluative juridical research (Widiarty, 2024) on regional tax collection that emphasizes library research that examines and reviews secondary data, because the problem being studied as an object is the relationship between one regulation and another and its application in society. The normative-evaluative juridical method is a research that requires requirements that must be met, namely the existence of criteria, benchmarks, or standards used as a comparison for the data obtained. After the data is processed and represents the actual condition of the object being studied, this evaluative research aims to collect data on policy implementation. The data obtained from data sources are collected, summarized, analyzed, and interpreted descriptively, analytically, qualitatively and evaluatively (Widiarty, 2024).

The specifications of normative or doctrinal legal research that will be used in this dissertation research are an Interdisciplinary approach, namely Legal Science, Public Economics, and Philosophy of Science, which includes:

- a. Historical approach (*historical approach*), namely a research approach to determine the historical values that form the background and influence the values contained in statutory regulations.
- b. Legislative approach (*statute approach*), this approach is to examine whether the applicable laws and regulations do not conflict with other laws and regulations, either vertically, namely higher laws and

regulations, or horizontally, namely laws and regulations that apply to other laws and regulations of the same level concerning the same field (Soekanto, 2007).

c. Conceptual approach, namely an approach in legal research that provides a perspective in analyzing problems and their solutions from the aspect of legal concepts, as well as analyzing the values contained as norms in a regulation in relation to the legal concept used.

The data used in this study is secondary data. Secondary data is data obtained through literature studies related to the problem being studied. The types of data used as research material are as follows (Soekanto, 2007):

1. Primary legal materials, namely the 1945 Constitution, Law No. 28 of 2009 concerning Regional Taxes and Regional Levies, and related laws and regulations.

2. Secondary legal materials, namely materials that provide explanations regarding primary legal materials, in the form of books, journals, writings or scientific works in the field of law, especially those related to the Collection of Regional Taxes and Levies, data issued by the Information and Documentation Management Officer (PPID) of the DKI Jakarta Provincial Government, the Central Bureau of Statistics.

3. Tertiary legal materials, namely supporting materials that provide guidance and explanations for primary and secondary legal materials, such as legal dictionaries and language dictionaries.

The technique of collecting secondary library data in this study was carried out by paying attention to data sources, namely laws and regulations, regional tax revenue data obtained from the DKI Jakarta Provincial Government institutions, as well as the collection of library materials (Soekanto, 2007).

The data that has been obtained, collected, compiled, and systematically explained, then analyzed, and its contents are explained descriptively, qualitatively (meaning), and evaluatively, and then conveyed what should be done (perspective). From the data obtained, strengthened by normative analysis, it will be possible to show the correct norms regarding Regional Tax collection.

The analysis is carried out by first selecting primary, secondary and tertiary legal materials related to the research topic, to then be examined using a systematic thinking pattern based on the logic of Legal Science. Then the results of the analysis are interpreted to obtain understanding and answers to the problems studied in this paper.

The author will:

- a. Analyze the history of the formation of regional tax legislation in Indonesia.

- b. analyzing regional tax collection using the theory of legal objectives, the theory of justice, and the theory of tax collection from the perspective of Pancasila Philosophy;

- c. analyzing to the application of regional tax law; and analyzing tax law in relation to other laws so that they are more synergistic, in this case laws regarding land, transportation, and the oil and gas business sector.

The research for writing this dissertation is a normative descriptive analytical qualitative evaluative juridical research using secondary data as supporting material which focuses on research on Regional Regulations and applicable laws and regulations, referring to the legal principles adopted, as well as research on legal systematics, research on the level of vertical and horizontal synchronization.

The results of this research are presented in a systematically structured and analytically descriptive manner. The research in this dissertation is a doctrinal study of the application of law or existing law in society compared to existing laws and regulations. which focuses on the study of the rules and norms in positive law and seeks a formula for legal doctrine by analyzing existing legal regulations, resulting in legal findings regarding legislation whose implementation has resulted in legal violations. The legal norms studied are found in laws and regulations related to regional taxes, particularly the Land and Building Tax in the DKI Jakarta Province.

This research was conducted in the DKI Jakarta Province, encompassing six administrative cities: the DKI Jakarta Provincial Revenue Agency Office in Central Jakarta, and the Central Revenue Data and Information Office (hereinafter abbreviated as "PUSDATIN") in Central Jakarta. As legal reference and analysis, this research also draws on research by tax law experts from Singapore and other countries.

RESULTS AND DISCUSSION

Reasons for the Need for Reconstruction of Regional Tax Regulations

The need to reconstruct regional tax law arises from the reality that the current regional tax system is no longer able to meet the demands of social justice, collection efficiency, and legal certainty, particularly for economically disadvantaged groups. Structural imbalances exist in the substance of regulations and the implementation of regional tax collection, particularly for Land and Building Tax (PBB), Motor Vehicle Fuel Tax (PBBKB), and Advertising Tax in the DKI Jakarta Province. These imbalances are rooted in regulations that are not aligned vertically or horizontally, and implementation that is not oriented towards the principle of siding with the less privileged.

Land and Building Tax which continues to increase every year will be a heavy burden for residents who own houses on land in areas with high Land and Building Tax rates, especially if they are no longer actively working/doing business or retire where their income is reduced, there is a possibility that they will not be able to pay Land and Building Tax. If this happens, they and their family may choose to move from the house they have lived in for a long time because they cannot afford to pay Land and Building Tax (*Imposition of Land and Building Tax is Sufficient Once, as an expert, the Applicant provided his expertise in the judicial review hearing of the Law on Imposition of Land and Building Tax (PBB).*, 2018). High land and building taxes can also be a burden for entrepreneurs operating in such locations.

For four-wheeled or two-wheeled vehicles, Motor Vehicle Tax is imposed at the same rate on the value of the same tax object starting from the tax year the vehicle was just purchased until the tax year the vehicle is over 5 (five) years old. The determination of the tax rate does not take into account the annual depreciation of the vehicle's value as a tax object. The imposition of Motor Vehicle Tax rates based on the same tax object value as the purchase price of the vehicle each year is not considered fair for vehicle owners. On the other hand, the Regional Government is trying to control traffic congestion and reduce carbon emissions from motor vehicles because the number of motor vehicles on the highway continues to increase, and regulates the imposition of Motor Vehicle Tax.

Another type of regional tax related to motor vehicles is the Motor Vehicle Fuel Tax (hereinafter abbreviated as "PBBKB") with the tax object being Fuel Oil. The collection of PBBKB is based on DKI Jakarta Provincial Regulation Number 10 of 2010 concerning Motor Vehicle Fuel Tax. Article 7 of this Regional Regulation sets the PBBKB rate at 10% of the selling value of motor vehicle fuel before being subject to Value Added Tax (hereinafter abbreviated as "PPN") of 11%.

For the object of fuel oil tax, a contribution has also been imposed in advance which is paid to the Downstream Oil and Gas Regulatory Agency (abbreviated as "BPH MIGAS") in the amount of 0.075% to 0.25% which is charged to Business Entities that carry out oil and gas distribution business activities (Government Regulation Number 48 of 2019 concerning the Amount and Use of Business Entity Contributions in the Business Activities of Supplying and Distributing Fuel Oil and Transportation of Natural Gas via Pipelines).

Both PBBKB, BPH MIGAS Contributions, VAT, and/or Import Tax are cost components that increase the selling price of motor vehicle fuel paid by gasoline buyers a *send-user*. There are so many types of taxes and levies imposed on a single fuel product. When viewed solely on one type of tax, the rate imposed may seem small. However, when broken down in more detail, the tax and levies can reach nearly 20% of the base price of the fuel being taxed.

Other regional tax and levy collections are not in line with the provisions of regulations issued by the Ministry of certain business sectors. In Article 3 paragraph (5) of the Regulation of the Minister of Energy and Mineral Resources Number 13 of 2018 concerning the Distribution of Fuel Oil and Gas Fuel, and *Liquified Petroleum Gas* it is stated that "Distributors are required to use the logo and trademark of the Oil and Gas Trading Business Entity," including on fuel tanker trucks. Meanwhile, Article 7 letter c of the DKI Jakarta Governor Regulation Number 24 of 2017 concerning the Determination of Advertising Rental Value ("NSR") as the Basis for Imposing Advertising Tax states that the calculation of NSR for Mobile/Vehicle Advertisements, in this case including Fuel Tanker Trucks, is subject to IDR 50,000 per square meter per day.

The inclusion of Vehicle Fuel products on Fuel Oil tanker trucks, the implementation of which is based on the Regulation of the Minister of Energy and Mineral Resources, and this is categorized as advertising,

with an advertising area of 20 m² on both sides of the Fuel Oil truck tank for example, then the advertising tax rate is $20 \text{ m}^2 \times 2 \times \text{Rp}50,000 \times 365 \text{ days} = \text{Rp}730,000,000$ per tanker truck per year. A very large amount of costs as one of the tax and cost components for a company engaged in the Retail Trade of Fuel Oil, namely the distribution of Fuel Oil at Public Fuel Filling Stations (SPBU).

Considering the various aspects above, the reconstruction of regional tax collection laws is an urgent need. Regional tax laws need to be reformulated to:

In line with the values of social justice based on Pancasila,

Compliance with the principles of the hierarchy of statutory regulations,

Efficient in collection mechanisms and public services,

Responsive to the weak taxpayer's carrying capacity,

Supporting business certainty and a healthy investment climate

Legal reconstruction not only concerns changes in normative substance in laws or regional regulations, but also touches on institutional dimensions, oversight systems, public involvement, and the digitalization of user-friendly tax systems.

Referring to the purpose of Law Gustav Radbruch that is, justice, benefit, and legal certainty, the construction of the formation of statutory regulations must fulfill these three legal objectives with the application of principles based on priority (Radbruch, 2020).

When the legal regulations that are formed meet the basics justice, benefit, and legal certainty then aspects are needed legality (validity) in order to obtain legal legitimacy (validity) and be obeyed by the community (Rondonuwu, 2023). Regional tax legislation is also expected to comply with basic justice, benefit, and legal certainty so that aspects of legality and legal legitimacy regional tax collection is also fulfilled.

In reality, there are still regional tax laws and regulations that lack synchronization and legal consistency, with conflicts between laws, or between laws and their implementing regulations. Comprehensive legal reconstruction, deconstruction, or reconstruction is needed.

Pancasila, as the source of all legal sources, if firmly upheld as a basic principle, as a principle of Indonesian legal ideology that is binding on all laws and regulations, then the Indonesian national legal system will function optimally. Indonesian National Law must be continually refined so that it can be implemented optimally. Likewise, the functions and the working of law in society is expected to work optimally and in balance in society, to support the running of the legal system in Indonesia, including current regional tax law.

Organ theory (Von Gierke & Troeltsch, 1934) stated that the state is a unity in which every citizen is bound. Without this body, individuals cannot survive. The state has the right to burden every citizen with obligations, including paying taxes, because the state guarantees the lives of its citizens. Thus, tax collection by the state is justified. This has been the basis for tax collection since before the modern state was born. Every year, the Land and Building Tax imposed on land continues to increase. Except for teachers and lecturers, civil servants, and others who, based on statutory provisions, receive tax relief or exemption, taxpayers subject to high Land and Building Tax rates, especially those who are elderly, no longer actively working, or people with disabilities, will have difficulty paying Land and Building Tax on land and homes they have long owned and occupied. Residents in this category will find it difficult to obtain Land and Building Tax relief or dispensation without statutory provisions that expressly provide tax relief or exemption.

There are no regulations that favor vulnerable taxpayers or people with disabilities who lack the means to apply. Land and Building Tax relief in Jakarta Province is granted based on submitted applications and at the discretion of public officials. Due to the difficulties experienced by citizens who are in a weak condition or have disabilities in obtaining Land and Building Tax relief, there is injustice in fulfilling tax obligations. Determining the value of land and building tax objects that do not align with the values of Pancasila.

Evaluation of Protection for Weak Taxpayers

The principle of justice in regional tax collection should be the main spirit of the regional tax system, especially in the context of a state based on the values of Pancasila and the 1945 Constitution. Article 23A of the 1945 Constitution states that "taxes and other compulsory levies for state needs are regulated by law." This provision emphasizes that in every tax collection there is a compulsory element (coercive in nature), which can only be justified if it meets the principles of justice and proportionality.

However, in practice, the regional tax collection system in DKI Jakarta Province, particularly for Land and Building Tax (PBB), Motor Vehicle Fuel Tax (PBBKB), and Advertising Tax, remains far from protecting taxpayers who are economically and socially vulnerable. The elderly, people with disabilities, retirees, and low-income groups are often victims of uniform tax policies that disregard their subjective circumstances and ability to bear the burden.

One concrete example is the determination of the Land and Building Tax (PBB) based on the Taxable Object Sales Value (NJOP), which continues to increase annually. This NJOP increase is often not accompanied by an increase in the taxpayer's economic capacity, particularly for the elderly, retired, or those without a fixed income. The high PBB burden makes it difficult for some residents to maintain ownership of their land and homes, and in some cases, they are forced to sell their properties. This demonstrates the state's failure to provide constitutional protection for the right to adequate housing.

Despite the existence of a discretionary policy in the form of submitting a request for a reduction in property tax (PBB) at the sub-district level, this procedure is not only bureaucratic but also discretionary and not automatic. Consequently, residents without access to information, legal literacy, or administrative skills are the most disadvantaged. This situation contradicts the principle of equality and the least burden as stated in Willem de Langen's theory, which states that the amount of tax should be adjusted to the taxpayer's capacity (the principle of carrying capacity).

In the context of the PBBKB (land tax), the tax burden is also disproportionately felt by low-income communities who rely on two-wheeled vehicles as their primary means of transportation. Already high fuel prices, coupled with multiple tax components such as VAT, Import Tax, BPH Migas (Oil and Gas Agency) contributions, and PBBKB, result in a significant indirect burden on the community. These taxes are regressive and do not differentiate between small-scale private users and large corporate entities. As a result, low-income communities pay a larger proportion of their income in taxes than high-income groups. Inequality is also found in the implementation of the Advertising Tax, particularly in the category of moving ads. The established rates often burden small and medium-sized enterprises (MSMEs) that simply display product logos or store names on their operational vehicles. Meanwhile, large companies with strong financial capabilities can still afford the advertising tax without significantly impacting their operations. This imbalance indicates that the tax system does not support the sustainability of MSMEs as the backbone of the regional economy.

An evaluation of regional tax policies shows that bias toward low-income taxpayers remains symbolic and has not yet become an integrated principle in regulations or implementation mechanisms. Yet, Gustav Radbruch's theory of legal justice places justice as the highest value in law, which in extreme circumstances must override formal legality when positive law conflicts with substantive justice.

Therefore, the regional tax system must include an automatic relief mechanism for vulnerable taxpayers. For example, a PBB (land and building tax) exemption for homes owned by retirees, the elderly, people with disabilities, or homeowners with certain NJOPs is required. Furthermore, there needs to be a classification of taxpayers based on socio-economic conditions that can be used as a basis for rate adjustments or automatic exemptions, rather than through an application.

By reconstructing regulations that favor vulnerable groups, regional taxes will not only become a source of revenue but also a concrete manifestation of the state's presence in ensuring social protection through fiscal justice. This concept also aligns with the Sustainable Development Goals (SDGs), particularly in reducing inequality (Goal 10) and ensuring equitable access to public services.

Legal Values That Should Underlie Regional Tax Collection

In a modern legal system, the validity of a tax regulation cannot be assessed solely in terms of formal legality or its compliance with higher norms. It must also consider the fundamental values embodied in the objectives of the law, namely justice, utility, and legal certainty. Tax collection, as a coercive instrument of the state, must be built on a foundation of legal values that guarantee that every tax policy provides fair, rational, and accountable treatment to all citizens, especially those most socially and economically impacted.

According to Gustav Radbruch, three fundamental values in law cannot be separated: justice (*justice*), benefits (*expediency*), and legal certainty (*legal certainty* in the context of regional tax collection). These three values must be harmoniously realized in both regulations and their implementation. However, if there is

a conflict between these values, Radbruch emphasizes that justice must take precedence, especially when positive law results in clear and intolerable injustice. Therefore, any tax provisions that create disparity in distribution or impose a disproportionate burden on citizens must be reviewed, even if the regulations are formally valid (Radbruch, 2020).

The value of fairness in regional tax collection requires that the tax burden be distributed fairly among taxpayers based on their carrying capacity. This principle is reflected in the theory of tax collection principles proposed by Willem de Langen (Pieterse, 2020), namely:

1. Principle of bearing capacity – taxes are levied based on the ability to pay.
2. The principle of welfare – taxes are used to improve people's standard of living.
3. Principle of equality – taxpayers in similar circumstances must be treated equally.
4. Benefit principle – taxes are levied on activities that benefit the public.
5. The principle of least burden – the administrative and economic burden of taxes must be minimized.

In practice in Jakarta, these values have not been fully accommodated. For example, the lack of automatic exemption from PBB (land tax) for retirees, the elderly, or people with disabilities demonstrates that the principle of carrying capacity has not yet become the basis of policy. Similarly, PBBKB (land tax) is imposed uniformly without differentiating fuel consumption. This disproportionate tax burden contradicts the principle of welfare and benefit that should be prioritized in regional tax management.

Legal certainty is also a crucial issue. Many regional tax regulations are open to multiple interpretations, have overlapping authority, or have even been revoked due to inconsistencies with higher-level laws. The lack of clarity regarding tax object boundaries, tax bases, and procedures for tax reductions or objections creates uncertainty for taxpayers, especially small and medium-sized businesses. This creates a climate that is not conducive to tax compliance or regional economic growth.

Apart from the values above, regional tax collection must also contain the value of openness (*transparency*) and public participation. Taxpayers must have easy access to tax information, including calculation mechanisms, legal basis, and administrative rights. In this regard, digitizing the tax system and simplifying administrative procedures are crucial tools for ensuring transparency and public accountability.

From the perspective of Hans Kelsen's Stufenbau Theory, every regional tax legal norm must obtain its validity from a higher norm, and ultimately be based on *basic standard* or basic norms of the national legal system. In the Indonesian context, *basic standard* are the values of Pancasila, which places social justice for all Indonesian people as a fundamental principle. Therefore, if a regional regulation or tax regulation does not reflect the principle of social justice, then morally and philosophically, the regulation loses its legitimacy.

Thus, the reconstruction of regional tax collection law must be directed at integrating the following values:

- Substantive justice, not just formal equality.
- Legal certainty and simplicity, through clear, stable and standardized tariff and object regulations.
- Citizen participation, by involving the community in the preparation and evaluation of regional tax policies.
- Transparency, both in the calculation, reporting, and use of tax funds.

Only with these values can the regional tax collection system become a financial instrument that is not only fiscally effective, but also legally legitimate and dignified and oriented towards social justice.

CONCLUSION

Based on the results of this study, it can be concluded that regional tax collection in DKI Jakarta Province, particularly Land and Building Tax, Motor Vehicle Fuel Tax, and Advertising Tax, still does not reflect the principles of social justice and protection for vulnerable groups in society. Inequality in regulatory substance, inconsistencies between regional regulations and higher legal norms, and implementation practices that do not favor low-income taxpayers, the elderly, and people with disabilities indicate the urgent need for legal reconstruction. This reconstruction aims not only to improve the legal aspects and tax system, but also to present essential legal values, namely justice, benefit, and legal certainty as the main basis for every regional tax policy. By applying the principles of carrying capacity, simplicity, and transparency, regional tax collection is expected to be transformed into a fiscal instrument that is not only

effective in terms of revenue but also responsive to substantive justice and social sustainability of the community.

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