

Public Trust in Land and Building Tax (PBB) Administration in Pauwo Village, Kabila District, Bone Bolango Regency

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Abstract

This research aims to determine Public Trust in Land and Building Tax Administration (PBB) in Pauwo Village, Kabila District, Bone Bolango Regency with method a qualitative type. The results of the research show that Public Trust in Land and Building Tax Administration (PBB) in Pauwo Village, Kabila District, Bone Bolango Regency is quite good. This can be seen from the sincerity of the officers who carry out billing using a family approach, being honest and open in processing community Land and Building Tax (PBB) bills, having competence demonstrated by skills and experience in managing Land and Building Tax (PBB), and always prioritizing principles justice in the Land and Building Tax (PBB) management process. However, there is one finding that is not yet optimal, namely that the credible commitment of officers is still weak, which can be seen from the public's perception that the management of Burni and Building Tax is not proportional.

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Introduction

Finn (1993) said that, the relationship between the government and the public is not merely a matter of power; rather, the government is the executor of public sovereignty. It is nothing more than a "servant" of the mandate given to it, the people. Therefore, every regime governing a democratic country must understand and recognize its role as a tool of the public interest to achieve the state's goals. In reality, the Indonesian bureaucracy still generates numerous complaints from the public (Indiahono, 2021; Iqbal, 2020). These characteristics include apathy, refusal to engage, coldness, disdain for those served, robotic mechanisms, and constant shifting of responsibility.

In short, the Indonesian bureaucracy is generally considered very poor. Research by The Asia Foundation found that Indonesia's bureaucratic practices related to business registration are among the worst in the world. For example, the United States only requires four procedures to register a business, taking four days. In Thailand, there are seven procedures, taking 22 days. In Vietnam, there are 11 procedures, with an average processing time of 50 days. In Indonesia, entrepreneurs must go through 12 different procedures, with an average processing time of 128 to 151 days, highly inefficient.

Furthermore, a 2020 Governance Assessment Survey conducted by the Center for Population and Policy Studies at Gadjah Mada University (UGM) in ten Indonesian provinces, including Gorontalo Province and Bone Bolango Regency, revealed that public perception of public services remains very poor. Even more surprising is that the majority of respondents cited corrupt bureaucracy (41.7%), lack of legal certainty over land (33.1%), and uncertain regulations (25.2%).

This information clearly indicates that public services in the regions have not been successful in driving investment. Instead, numerous public complaints have hindered investment and the development of a people-oriented economy (Wu, 2025; Li et al., 2020). Furthermore, two important points to note from the Governance Assessment Survey report: (1) that public services in Indonesia generally do not favor people-centered economic actors or the poor; (2) that bureaucratic corruption has penetrated even to the lowest levels of service, in the form of bribes, kickbacks, or other "extra money." Based on the above reality, the problem is how to rebuild public legitimacy/trust in the bureaucracy, a situation where the public greatly desires quality public services.

Public trust itself is a term referring to the level of public trust in organizations or individuals holding important positions in society. Poppo & Schepker (2010) define public trust as an individual's belief in the ability of another person or organization to fulfill their expectations and the expectation that the trusted party will not harm them. A study by Nawawi (2012) states that there are six factors influencing trust, including public participation, law enforcement, transparency, responsiveness, equality and justice, and accountability. Kathayat (2024) stated that to increase public trust, what is needed is commitment, virtue, honesty, competence, fairness, integrity, leadership, trust as a core value, transparency, and accountability.

Public trust is certainly very important for the sustainability and stability of an organization or institution in achieving its goals (Herasyimiuk et al., 2020). For government institutions, public trust plays a role in realizing public participation to share a sense of responsibility for the success of a government program or activity (Yang, 2005). One type of government service currently experiencing low public trust is tax management, particularly at the regional tax level, including the Land and Building Tax (PBB). A sting operation conducted by the Corruption Eradication Commission (KPK) against two tax officials has undermined internal tax reform.

In November 2016, the two tax officials were found guilty of accepting bribes from a businessman to waive his tax obligations. Although the government has implemented an expansionary fiscal policy marked by tax rate reductions and increased government spending, tax targets have yet to be met. Furthermore, the government has implemented a tax amnesty policy to encourage taxpayers to disclose their wealth by offering tax forgiveness for a specified period, which has again proved unsuccessful. Low tax compliance is also evident in the regions, including Bone Bolango Regency.

This was evident in the remarks of the Regional Secretary of Bone Bolango Regency at the 2022 Regional Original Revenue (PAD) Coordination and Evaluation Meeting, which stated that Bone Bolango Regency's Regional Original Revenue (PAD) achievement was still minimal and urged all relevant officials to improve performance and maximize PAD components, particularly from tax sources. On the other hand, the achievement of PAD components, particularly from tax sources, which has not met expectations, could be due to a loss of public trust in the government's financial management (Bajo et al., 2017).

Initial observations made by the author in Bone Bolango Regency regarding public compliance in paying Land and Building Tax (PBB) are quite low. (1) Low public compliance in paying Land and Building Tax (PBB) is due to the public's perception or assumption of the government's low commitment to optimally managing Land and Building Tax (PBB) collection proceeds and insufficient allocation to the development of public facilities that can be enjoyed by the community, especially those in Pauwo Village.

The investigation found that in Pauwo Village there are 1,206 taxpayers with a total tax amount of approximately Rp. 90,991,155, but the realization is only approximately Rp. 54,594,000 or only about 60% of the total tax; (2) There is a public perception related to the management of Land and Building Tax (PBB) results that are less than honest and non-transparent, for the public, they are reluctant to pay Land and Building Tax (PBB) because paying taxes will harm the community and will only be enjoyed by corrupt government officials; (3) Some people think that Land and Building Tax (PBB) collectors in Pauwo Village lack the competence to be able to manage Land and Building Tax (PBB) results, where the officers include the heads of RW in Pauwo Village who lack the expertise and education in convincing qualifications.

Based on the background of the problem above, the author is interested in conducting further research with the title: Public Trust in Land and Building Tax (PBB) Administration in Pauwo Village, Kabila District, Bone Bolango Regency. In accordance with the problems above, the focus of the problem in this study is How Public Trust in the Management of Land and Building Tax (PBB) in Pauwo Village, Kabila District, Bone Bolango Regency, which aims to find out and obtain an overview of Public Trust in the Management of Land and Building Tax (PBB) in Pauwo Village, Kabila District, Bone Bolango Regency.

Methods

Based on the research problem related to public trust in Land and Building Tax (PBB) administration in Pauwo Village, Kabila District, Bone Bolango Regency, this study uses a qualitative approach and a descriptive research method. Descriptive research is research that aims to describe or provide an overview of the object of study through sample or population data. A qualitative approach, on the other hand, is a research method used to extract data based on what is said, felt, and done by informants or data sources. It is based on an "emic" perspective, meaning that the data obtained is not based on the researcher's own thoughts, but rather on actual phenomena occurring in the field, as experienced, felt, and thought by informants/participants. Based on the research title, "Public Trust in Land and Building Tax (PBB) Administration in Pauwo Village, Kabila District, Bone Bolango Regency," the research location is centered in Pauwo Village, Kabila District, Bone Bolango Regency. The research was conducted over a five-month period, from August 2022 to December 2023. This study used the opinion (Tafae & de, 2024) to describe Public Trust in Land and Building Tax (PBB) Management in Pauwo Village, Kabila District, Bone Bolango Regency, using the following indicators: Credible Commitment, Sincerity, Honesty, Competence, and Fairness. Data analysis used in this study was conducted by systematically searching and organizing observation notes, interviews, and other information to enhance the research's understanding of the case under study. This study obtained a significant amount of data, particularly from interviews. From these interviews, data on the management of clean water provision for low-income communities in Bone Bolango Regency was obtained.

Result and Discussion

One type of government service currently lacking public trust is tax management, particularly at the regional tax level, including the Land and Building Tax (PBB). A sting operation conducted by the Corruption Eradication Commission (KPK) against two tax officials has undermined internal tax reform. In November 2016, the two tax officials were found guilty of accepting bribes from a businessman to waive his tax obligations. Although the government has implemented an expansionary fiscal policy marked by tax rate reductions and increased government spending, tax targets have yet to be met. Furthermore, the government has implemented a tax amnesty policy to encourage taxpayers to disclose their wealth by offering

tax forgiveness for a limited period, which has again proved unsuccessful. Low tax compliance is also evident in the regions, including Bone Bolango Regency. This was evident in the remarks of the Bone Bolango Regency Regional Secretary at the 2022 Regional Original Revenue (PAD) Coordination and Evaluation Meeting, which stated that Bone Bolango Regency's Regional Original Revenue (PAD) achievement was still minimal and urged all relevant officials to improve performance and maximize PAD components, particularly from tax sources. On the other hand, the achievement of local revenue (PAD), particularly from tax sources, which has not met expectations, could be due to a loss of public trust in the government's financial management. The following is a discussion related to Public Trust in Land and Building Tax (PBB) Management in Pauwo Village, Kabila District, Bone Bolango Regency. This study uses the opinion of (Djaafar & Mozin, 2011) to describe Public Trust in Land and Building Tax (PBB) Administration in Pauwo Village, Kabila District, Bone Bolango Regency, with the following indicators

Credible Commitment

Political scientists have long used this variable to explain the level of public trust in the government and its officials. This variable is among the most frequently used to explain public trust. Several explanations are commonly used to explain credible commitment. Kim (2005) defines credible commitment as "the encapsulated interest of a government actor to honor their agreement or to act according to a certain standard." According to Hardin, a credible commitment has two elements: encapsulated interest and consistency. A government is considered to have a credible commitment if citizens believe that there is an encapsulated interest between itself and actors within government institutions. That is, what is in the interests of citizens is also in the interests of government bureaucratic officials. Or at least, citizens believe that the actions of the government and its officials are always based on the desire to achieve the common good or protect the interests and property of citizens. Encapsulated interest occurs when citizens' interests are consistently considered by public officials in formulating and implementing policies.

The second element of a credible commitment is the consistency of the actions of the government and its officials. If citizens perceive the government and its officials as consistent in taking action when facing a particular problem, and that these actions consistently demonstrate the government's concern for their interests, they tend to view the government and its officials as having a credible commitment to their interests. The credible commitment referred to in this study is the government's commitment to providing the best services to the public, both in physical and service forms, in return for community compliance in paying Land and Building Tax (PBB) in Pauwo Village, Kabila District, Bone Bolango Regency. Based on the interviews above and the researcher's analysis, it can be concluded that the government's credible commitment to providing the best services to the public, both in physical and service forms, in return for community compliance in paying Land and Building Tax (PBB) in Pauwo Village, Kabila District, Bone Bolango Regency, is not yet fully effective. This is evident in the public's lack of trust in the government, which suggests that the disproportionate distribution of Land and Building Tax (PBB) revenues between the amount collected and the amount allocated for public facility development is not yet fully realized.

Sincerity

Citizens' belief that the government and its officials have good intentions and genuine concern for their interests is often cited as an explanation for their trust in the government. The government and its officials are deemed to possess high sincerity and good intentions if they

do not have conflicts of interest in carrying out government activities and public services and do not take advantage of citizens' powerlessness. The government is considered sincere when its officials will not take actions that harm citizens' interests, even if they do not control them. This occurs when the government and its officials are willing to help citizens even when they are not required to do so, and when they do, they are driven by extrinsic motivations. Serving and fulfilling the needs of citizens should be their calling as public officials. This perspective has led public administration scholars to explain the importance of developing benevolent benefactors. In public administration literature, this concept has long been developed to describe the characteristics of an administrator who possesses genuine concern and a strong passion for serving citizens (Hart, 1989).

Such administrators tend to use their power to help resolve public issues faced by citizens and always strive to understand their interests. Administrators with good intentions and a sincere sense of service will not use their power to harm citizens, even though citizens may not be aware of this. They also will not betray the mandates they have been given; instead, they will always be willing to make sacrifices for their interests. This variable is crucial in explaining the crisis of trust in the government. The increasing disappearance of sincere and caring administrators and public officials within the government bureaucracy has led to a tendency for public trust in the government to erode. The sincerity referred to in this study refers to the government's commitment to providing Land and Building Tax (PBB) services in Pauwo Village, Kabila District, Bone Bolango Regency. Based on the interviews above and the researcher's analysis, it can be concluded that the government's commitment to providing Land and Building Tax (PBB) services in Pauwo Village, Kabila District, Bone Bolango Regency is optimal. This is evident from the attitude and behavior of the Village Government and Land and Building Tax (PBB) collectors who collect the tax using a family approach, are polite, friendly and are always ready to help people who have difficulty paying their Land and Building Tax (PBB).

Honesty

The importance of honesty as a variable that can be used to explain public trust has also been widely cited by researchers. Whiteley et al. (2016) use honesty as a key variable to explain changes in public trust. When citizens perceive the government and its officials as dishonest, they tend to lose trust in the government. Perceptions of the honesty of the government and its officials can be formed from assessments of the behavior of public officials when providing public services or from various sources of information, including media reports on the behavior of officials in exercising their power and mandates. Citizens' knowledge of the behavior of the government and its officials also influences their level of trust in the government and its officials. The quality of citizen interactions with the government and its officials also influences citizens' assessments of the government and its officials' honesty in exercising their power. When citizens perceive that public-officials have exercised their power honestly, citizens can confidently entrust their fate to those public officials. Such a situation indicates a high level of public trust in the government and its officials.

Conversely, if citizens perceive that public-officials are dishonest in carrying out their mandate, they will naturally feel uneasy or wary when handing over public affairs to the government and will seek various means to control their actions. The honesty referred to in this study refers to the government's honesty in managing Land and Building Tax (PBB) payments in Pauwo Village, Kabila District, Bone Bolango Regency. Based on the overall interviews above, and the researcher's analysis, it can be concluded that the government's honesty in managing Land

and Building Tax (PBB) payments in Pauwo Village, Kabila District, Bone Bolango Regency is optimal. This is evident from the absence of any indication of corruption in the management of Land and Building Tax (PBB) payments at the Pauwo Village Office, and the absence of officers requesting additional fees beyond the amount billed on the Tax Payable Notification Letter (SPPT).

Competence

The next variable in measuring public trust is the competence of the government and public officials. This competence relates to the capacity and capability of the government and its officials in carrying out their duties. Government institutions and public officials are required to understand the problems facing the public and then be able to develop actions to address those problems. Furthermore, the ability of public officials to provide public services can increase citizen satisfaction with government performance. This satisfaction can foster a stronger emotional bond (affective) between citizens, the government, and public officials. The competence referred to in this study is the government's competence in managing Land and Building Tax (PBB) payments in Pauwo Village, Kabila District, Bone Bolango Regency. Based on the interviews above and the researcher's analysis, it can be concluded that the government's competence in managing Land and Building Tax (PBB) payments in Pauwo Village, Kabila District, Bone Bolango Regency is quite good. This can be seen from the ability of the Village Government and all its staff, including the collection officers in the field, who succeeded in paying off the Land and Building Tax (PBB) before the due date and succeeded in receiving an award from the Bone Bolango Regency Government as a form of appreciation.

Justice

The final variable in measuring public trust is fairness. This fairness is assessed when the government and public officials provide services fairly based on established principles without discrimination. Therefore, public service providers must avoid discriminatory services based on family ties, race, religion, or political affiliation. Discrimination in the provision of public services will negatively impact public trust. The fairness referred to in this study refers to the government's sense of fairness in managing Land and Building Tax (PBB) payments in Pauwo Village, Kabila District, Bone Bolango Regency. Based on the interviews above and the researcher's analysis, it can be concluded that the government's sense of fairness in managing Land and Building Tax (PBB) payments in Pauwo Village, Kabila District, Bone Bolango Regency is quite good. This is evident in the village government's attitude and behavior, which does not discriminate against the community in the process of collecting Land and Building Tax (PBB) payments.

Conclusion

Based on the results of the previous research and discussion, it can be concluded that Public Trust in the Management of Land and Building Tax (PBB) in Pauwo Village, Kabila District, Bone Bolango Regency is quite good. This is seen from the 5 indicators of Public Trust in the Management of Land and Building Tax (PBB), where 4 indicators, namely sincerity, honesty, competence and justice have been considered fulfilled or optimal. Meanwhile, 1 other indicator, namely credible commitment, is considered not yet fulfilled. This is evident from the public's perception of lack of trust in the Government that the results of the management of Land and Building Tax (PBB) between the results of the bill obtained and the amount allocated for the construction of public facilities is not proportional.

Suggestions

The Pauwo Village Government needs to remain committed to managing Land and Building Tax (PBB) collections in a credible and transparent manner. The Pauwo Village Government needs to consistently act and behave honestly in managing Land and Building Tax (PBB). The Pauwo Village Government needs to continually improve its competence and capabilities in the field of taxation, or more specifically, in managing Land and Building Tax (PBB). The Pauwo Village Government needs to consistently apply the principle of fairness in managing Land and Building Tax (PBB).

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