

BAB V

CONCLUSION AND IMPLICATIONS

D. Conclusion

Based on the findings of the analysis and subsequent discussion, the conclusion can be summarized as follows:

1. Entertainment tax has variable has no impact on locally generated revenue in 35 regencies and cities in Central Java Province in 2017-2022.
2. Hotel tax has a significant positive impact on locally generated revenue in 35 regencies and cities in Central Java Province in 2017-2022.
3. Restaurant tax has a significant positive impact on locally generated revenue in 35 regencies and cities in Central Java Province in 2017-2022.
4. Per capita income strengthens the relationship between entertainment tax and locally generated revenue in 35 regencies and cities in Central Java Province in 2017-2022.
5. Per capita income strengthens the relationship between hotel tax and locally generated revenue in 35 regencies and cities in Central Java Province in 2017-2022.
6. Per capita income strengthens the relationship between restaurant tax and locally generated revenue in 35 regencies and cities in Central Java Province in 2017-2022.

E. Implications

Based on the findings and preceding discussion, the implications derived from this research are as follows:

1. Theoretical Implications

This study can serve as a reference for further research that may incorporate additional independent variables, including other moderating factors, to delve deeper into the factors influencing locally generated revenue.

2. Practical Implications

It is important for local governments to understand that the effectiveness of local tax revenue collection depends not only on the tax rates applied but also on economic factors such as per capita income. The practical implications of these findings suggest that local tax management strategies should be more targeted and sensitive to local economic conditions. For example, in areas with low per capita income, tax rate adjustments should be made more cautiously to avoid negative impacts on purchasing power and investment potential. Conversely, areas with high per capita income may consider more ambitious tax rate adjustments to support better infrastructure development and public services.

Furthermore, local governments need to enhance collaboration among related sectors such as tourism, hospitality, and entertainment to ensure that tax policies not only maximize local revenue but also support overall economic growth. This collaboration can help identify untapped tax potentials and reduce potential disparities in tax burdens among different economic sectors.

F. Limitation

Economic factors, including per capita income, can vary significantly between regions. This variability may affect the generalization of findings to all local governments in Indonesia or other countries. Additionally, local tax policies are influenced not only by economic factors but also by local social and political dynamics. This research may not fully capture non-economic factors that affect tax policy implementation. Although this study demonstrates a relationship between per capita income and the effectiveness of local taxes, there are other factors beyond the scope of analysis that could influence this relationship, such as national policies or global changes.

