

## **CHAPTER V. CONCLUSIONS AND IMPLICATIONS**

### **A. Conclusion**

From the results of the analysis and discussion, it was found that this study can be concluded as follows:

1. FDI, DI, K, and GRDP simultaneously or together have a significant influence on regency/regency regional taxes in Central Java Province in 2019-2023.
2. Partially, DI, K, GRDP have a positive and significant influence on regency/city regional taxes in Central Java Province in 2019-2023. Meanwhile, FDI has a positive but not significant influence on regency/city regional taxes in Central Java Province in 2019-2023.

### **B. Implication**

According to the conclusion, the implications of this study can be found as follows:

1. Local governments need to review policies on tax incentives. This incentive is in the form of exemption or reduction of tax rates imposed on a person or business entity. Often the government provides tax incentives to attract foreign direct investment that can be used for regional development. Although this is very interesting, it is necessary to pay attention to the possibilities or risks that will arise such as long-term and short-term revenue reductions in regional taxes.

2. Domestic investment can encourage and stimulate regional economic growth because it can increase regional tax revenues directly through regional levies. However, it is necessary to pay attention to the risk of dependence in domestic investment on the stability of regional tax revenues when there is a decline in economic or investment activities.
3. Poverty itself is still difficult to eradicate, so it is necessary for many parties to stimulate this alleviation. One of them is that the government can increase tax revenue, so the government can also carry out alleviation programs with financing generated from regional tax revenues.
4. Regional domestic product shows the economic performance of a region which is reflected through economic activities, therefore, GRDP has a direct influence on regional tax revenue. So, that all economic activities produced by a person will be owed by taxes.

### **C. Limitations of Research**

1. In this study, there are research limitations, where this study has limited samples that are not available, which limits this research.
2. The limited time in this study reduces the ability to write research to the maximum.
3. In addition, there are limitations in the methodology used to produce the regression output obtained requires further analysis.