

The Tax Optimization Strategy of Tourism Sector to Increase Banyuwangi Regency's Income

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Abstract: Banyuwangi Regency is intensively optimizing the tourism sector that has enormous natural and cultural potential. The tourism sector has a broad impact (multiplier effect) felt by all layers of businesses, including businesses in the entertainment industry, hospitality and restaurants. These three business sectors will directly affect income through the tourism sector's local tax. The purpose of this study is determine the relationship of the tourist visitation number to the entertainment tax of Banyuwangi Regency, to find out the relationship of the tourist visitation number to the hotel tax of Banyuwangi Regency, to determine the relationship of the tourist visitation number to the restaurant tax of Banyuwangi Regency. The analytical method used in this study is Product Moment Correlation Analysis. The results of this study indicate that the relationship of the Tourist visitation Number (X1) to the Entertainment Tax (Y1) obtained by Pearson product moment value is 0.938 (Very Strong). The relationship of the Tourist visitation Number (X1) to the Hotel Tax (Y2) obtained by Pearson product moment value is 0.955 (Very Strong). The relationship of the Tourist visitation Number (X1) to Restaurant Tax (Y3) obtained by Pearson product moment value from the Correlation Coefficient is 0.889 (Very Strong). The Three tourism taxes had positive correlations with the Tourist visitation.

Keywords: Optimizing, tourism sector, tax, hospitality

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Introduction

Tourism is a variety of tourism activities and is supported by various facilities and services provided by the community, business people, the Government, and Local Governments (Permenpar RI, 2016). Currently, the tourism sector is getting attention from the government in its development efforts. The support of the central government provides a stimulus for local governments to seek in developing the region through the tourism sector. The development of the tourism sector can encourage tourism support industries, such as entertainment industry, hotel industry and restaurant industry.

Tourists undertake traveling to seek pleasure or entertainment for themselves. The entertainment industry can meet the entertainment needs of tourists. Entertainment is all types of shows, shows, games and/ or crowds that are enjoyed for a fee. Therefore, the entertainment industry can be said to be an industry that supports the tourism sector.

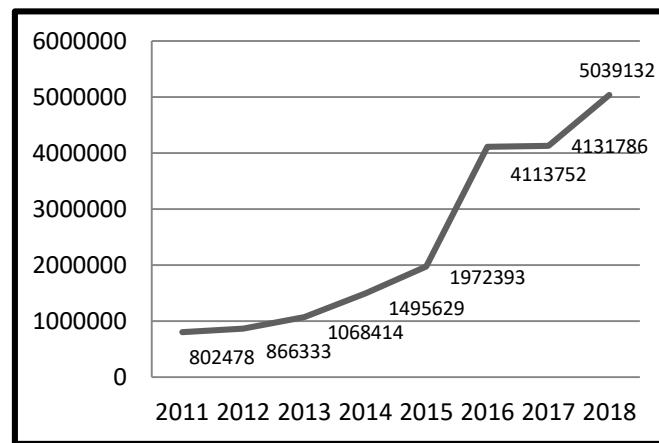
The hospitality industry is identified as an industry that supports the tourism sector. Hotels are one form of accommodation to provide products and services in the form of facilities such as rooms, services, food and drink. Hotels are needed by tourists as a stopover when doing tourist activities. Apart from the hotel industry, another industry that supports the existence of tourism is restaurant industry.

The restaurant industry has a relationship with the tourism sector. It is undeniable that when tourists do tourism activities, they need a restaurant industry to fulfill their food and drink needs. The existence of the restaurant industry is also a reason for tourists to spend money on tourism activities.

The development of tourism has an impact on the socio-economic conditions of the community. For example is the impact of tourism on local revenue through tax payments. Tax is a mandatory levy that must be paid by individual/ organization for activities carried out while they are using state facilities. Tax payments paid will be used for the benefit of the community. Taxes are used for mutual interests rather than for individual interests, so individuals/ organizations cannot feel the benefits directly. The existence of supporting tourism industries can increase local revenue through taxes including entertainment tax, hotel tax, and restaurant tax.

Banyuwangi Regency is one of the districts that is currently concentrating on developing the tourism sector. It can be seen in several explored tourist destinations such as Ijen Crater, Sukamade, and Plengkung Beach which are excellent natural attractions. Besides, the development of the tourism sector of Banyuwangi Regency can also be seen from the procurement of events that are packaged through the Banyuwangi Festival (B-Fest) which increases the number of events as entertainment industry every year.

The tourism sector development in Banyuwangi has shown positive results. It is represented in the visitation number of tourists that have continued to increase from 2011 to 2018. The development of tourist visitation numbers in Banyuwangi can be seen in Figure 1 below.



(Source: Department of Culture and Tourism, 2019)

Figure 1. Data of Tourist visitation Number in Banyuwangi Regency

The development of tourism sector in Banyuwangi is known to be able to encourage the movement of tourism-supporting industries in a positive direction which is expected to be able to increase the income of Banyuwangi Regency, especially through entertainment tax, hotel tax and restaurant tax. Based on the recapitulation of Banyuwangi revenue realization from 2012-2016 indicates that the entertainment tax, hotel tax and restaurant tax are only able to contribute $\leq 3\%$ to the original income of Banyuwangi Regency. In 2016, entertainment tax contributed 0.5%, hotel tax contributed 1.35% and restaurant tax contributed 1.87% to the original revenue of Banyuwangi Regency (Mukti, 2019).

Methodology

The independent variable in this study is the number of tourist visits (X). While the dependent variable in this study is Entertainment Tax (Y1), Hotel Tax (Y2), and Restaurant Tax (Y3). Pearson Product Moment Correlation is used to state whether or not there is a relationship between variable X and Y, and also to express the contribution of one variable to another expressed in percent. Pearson Product Moment Correlation is used for the type of interval data (such as score, income, and size) on the two variables being tested for relationship (Suwartono, 2014). According to Sugiyono (2016) Pearson Product Moment Correlation can be calculated using the formula:

$$r_{xy} = \frac{n\sum x_i y_i - (\sum x_i)(\sum y_i)}{\sqrt{\{n\sum x_i^2 - (\sum x_i)^2\}\{n\sum y_i^2 - (\sum y_i)^2\}}} \quad (1)$$

Explanation:

r_{xy} = Pearson Product Moment Correlation

n = Number of respondents

$\sum x_i y_i$ = Number of multiplications between variable x and variable y

$\sum x_i^2$ = Number of squares of value x

$\sum y_i^2$ = Number of squares of value y

$(\sum x_i)^2$ = The sum of x values is then squared

$(\sum y_i)^2$ = The number of values of y is then squared

In order to know the interpretation of the Pearson Product Moment correlation values, guidelines can be used as listed in Table 1 below.

Table 1. Guidelines for Interpretation of Correlation Coefficients

Coefficient Intervals	Relationship Level
0,00 – 0,199	Very Low
0,20 – 0,399	Low
0,40 – 0,599	Medium
0,60 – 0,799	Strong
0,80 – 1,000	Very Strong

Results and Discussions

Results

Pearson Product Moment Correlation is used to state whether or not there is a relationship between the number of tourist visitation (X) as an independent variable to entertainment tax ($Y1$), hotel tax ($Y2$), and restaurant tax ($Y3$) as a dependent variable which is then called the correlation coefficient. These results are consistent with previous research conducted by Suartini (2013) which shows that the number of tourist visits, entertainment taxes, hotel and restaurant taxes have a significant effect on PAD Gianyar Regency in the 1991-2010 fiscal year. The calculation of correlation coefficient used IBM SPSS version 20. The result of calculating correlation coefficient of tourist visitation variable number (X) to the entertainment tax variable ($Y1$) can be seen in Table 2.

Table 2. Correlation Coefficients of Variable X with $Y1$

Correlations		Tourist Visitation	Entertainment Tax
Tourist visitation	Pearson Correlations	1	.938*
	Sig. (2-tailed)		.018
	N	5	5
Entertainment Tax	Pearson Correlations	.938*	1
	Sig. (2-tailed)	.018	
	N	5	5

Based on Table 2, it can be seen that the correlation coefficient value uses the Pearson product-moment formula in SPSS is equal to 0.938. This shows that there is a very strong relationship between the number of tourists visiting Banyuwangi Regency (X) with the entertainment tax (Y1).

Discussions

Attraction is an important component in the tourism system which aims to attract domestic and foreign tourists to come and do activities at a destination according to Judisseno (190: 2014). Banyuwangi Regency is one of the regencies with leading sectors in the tourism sector holding many events every year as a form of tourism attraction. Currently, in Banyuwangi Regency 121 events are summarized in the 2019 Banyuwangi Majestic Festival event. The increasing events in Banyuwangi Regency cause the number of tourists who visit Banyuwangi Regency are increased. It can also increase regional income from the entertainment sector. This is in line with the statement of the Minister of Tourism AriefYahya when attending the launching of 2019 Banyuwangi festival event, according to him "The event is an effort to increase tourist visitation while establishing Banyuwangi as the best festival city in Indonesia".

Table 3. Correlation Coefficients of Variable X with Y2

Correlations		Tourist visitation	Hotel Tax
Tourist visitation	Pearson Correlations	1	.955*
	Sig. (2-tailed)		.011
	N	5	5
Hotel Tax	Pearson Correlations	.955*	1
	Sig. (2-tailed)	.011	
	N	5	5

The results of calculating the variable number coefficient of tourist visitation (X) to the hotel tax variable (Y2) can be seen in Table 3. Based on these results it can be seen that the coefficient value using the Pearson product-moment formula in SPSS is equal to 0.955. This shows a very strong relationship between the number of tourists visiting Banyuwangi Regency (X) and hotel tax (Y2). Besides, the role is a major component that increases tourist attraction in the tourism system according to Judisseno (189: 2014). When it succeeded in attracting tourists, then this will also have an impact on accommodation/hospitality in a destination. Based on the data obtained the number of star-rated or star-rated hotels is increasing every year that is adjusted to developments in Banyuwangi Regency. Related to the number of starred or non-starred hotels, it will be related to the contribution received by the local government through hospitality.

Table 4. Correlation Coefficient of Variable X with Y3

Correlations		Tourist visitation	Restaurant Tax
Tourist visitation	Pearson Correlations	1	.889*
	Sig. (2-tailed)		.043
	N	5	5
Restaurant Tax	Pearson Correlations	.889*	1
	Sig. (2-tailed)	.043	
	N	5	5

The calculation results of correlation coefficient in the tourist visitation (X) variable number to the restaurant tax variable (Y3) can be seen in Table 4 Based on these results it can be seen that the correlation coefficient value which used the Pearson product-moment formula is 0.889.

This shows that there is a very strong relationship between the number of tourists visiting Banyuwangi Regency (X) and restaurant tax (Y3). According to Nugroho (135: 2018) tourism policy is not a sector policy or a regional policy, but a multi-sector policy. Furthermore according to Nugroho tourism is in the four macro sector policy sectors, namely in economic policy because tourism destinations are business opportunities, employment, income/tax, and foreign exchange. This indicates that with tourism, other sectors also change, not least in the restaurant sector. The emergence of many events in the Regency of Banyuwangi, certainly will also appear a significant multiplier effect in the form of indirect business such as restaurants/food services. The increase in restaurants due to tourism can automatically increase government revenue through restaurant taxes.

Conclusions

Based on the results and discussion of this research that has been obtained, it can be concluded that; The relationship of Tourist visitation Number (X1) to the Entertainment Tax (Y1) of Banyuwangi Regency is very strong. The relationship of Tourist visitation Number (X1) to the Hotel Tax (Y2) of Banyuwangi Regency is very strong. The relationship of Tourist visitation Number (X1) to Restaurant Tax (Y3) of Banyuwangi Regency is obtained by Pearson product-moment value of the Correlation Coefficient is very strong. There is a harmonious and mutually beneficial relationship between the level of tourist visits with local tax revenues in the tourism sector in Banyuwangi Regency.

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