THE IMPLICATIONS OF REGULATORY CHANGES ON LOCAL TAX AND LEVY TARGETS USING GAP ANALYSIS APPROACH (CASE STUDY OF BENGKALIS REGENCY)

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ABSTRACT

This research aims to analyze the implications of the regulatory changes brought about by Law No. 1 of 2022 concerning the financial relations between the central government and regional governments (UU HKPD) on the target and realization of local taxes and levies in Bengkalis Regency. Using a gap analysis approach, this study compares the performance of local taxes and levies before and after the implementation of the new regulation, with a particular focus on the fiscal target discrepancies. The research also identifies the factors that contribute to the gap and evaluates the effectiveness of the revenue policies post-regulation. The study uses secondary data from the Regional Revenue Agency (Bapenda) of Bengkalis Regency from 2020 to 2024. The findings show that while the realization of regional tax revenues has consistently exceeded targets, the performance of levies has faced challenges, with significant discrepancies between the targets and actual revenues. The study highlights the need for further evaluation of the fiscal policy's impact and suggests strategies to optimize local revenue generation. The research contributes to the understanding of fiscal decentralization and provides recommendations for improving regional financial independence.

Keywords : *Local Tax, Local Levy, UU HKPD, Target and Realization Gap, Local Revenue, Fiscal Policy, Fiscal Independence, Fiscal Decentralization, Bengkalis Regency.*