

### POTENTIAL OF LOCAL ORIGINAL INCOME IN THE CONTEXT IMPLEMENTING REGIONAL AUTONOMY IN SERANG CITY

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#### **Abstract**

*Serang City has the authority to explore its revenue potential in various sectors to increase the Regional Original Income (PAD) in Serang City. PAD is a revenue receipt that exists in each region and is taken based on the statutory policies that have been set by the regional government, especially on regional taxes and regional levies. The fundamental change regarding sports venue levies between Law Number 1 of 2022 and Law Number 28 of 2009 lies in the scope of sports venues that can be subject to levies. Article 136 of Law Number 28 of 2009 states that only sports venues provided, owned, and/or managed by the regional government can be subject to levies. Article 88 of Law Number 1 of 2022 does not offer such limitations. This article aims to find out what the potential regional income is from the sports sector, especially in Serang City and what are the obstacles and barriers for the Serang City regional apparatus to obtain regional original income in the sports sector, using empirical legal research methods. The potential for local revenue owned by Serang City is one of them in the sports sector, in which the Serang City government has not been able to receive PAD. The obstacle that is of concern is the lack of entry of the new legal basis that is currently ratified by the central government regarding Sports as stated in Law Number 1 of 2022 concerning Financial Relations between the Central Government and Regional Governments, and Law Number 11 of 2022 concerning Sports into regional regulations, especially legal products belonging to the Serang City Regional Government*

**Keywords:** PAD, Government, Regional autonomy.

## **A. INTRODUCTION**

The implementation of a process of regional development is one of the main parts of the national development process, in its implementation it is expected to be able to advance a region. The impact of regional development itself can equalize the rate of economic growth between regions in Indonesia which has increased every year. There are several sources of regional finance as a supporting component in the national development process as well as several government policies that have been established. There are 4 (four) types of income groups originating from the region, namely: regional taxes, regional companies (capital comes from the APBD), Regional Original Income (PAD), mandatory levies and other income. PAD needs to be encouraged to become part of the financial source in financing the implementation of government and regional development to improve and equalize people's welfare.

Serang City has the authority to explore its revenue potential in various sectors to increase the Regional Original Income (PAD) in Serang City. PAD is a revenue receipt that exists in each region and is taken based on the statutory policies that have been set by the regional government, especially on regional taxes and regional levies. According to Damas Dwi Anggoro, regional revenue receipts that can be expected other than regional taxes are revenue receipts from regional levies.<sup>1</sup>

PAD namely the income obtained by the region which is collected based on regional regulations by statutory regulations. PAD aims to provide authority to the Regional Government to fund the implementation of regional autonomy by regional potential as a manifestation of decentralization.<sup>2</sup> As one of the components of PAD revenue, the potential for regional tax levies provides more opportunities for regions to be maximally mobilized when compared to other components of PAD revenue. This is due to several factors, especially because the potential for regional tax levies has a clear nature and characteristics, both in terms of theoretical, policy, and implementation levels. In Law Number 23 of 2014 concerning Regional Government in Article 285 paragraph (1) it is stated that "Regional revenue sources consist of:

- a. Regional original income includes:
  1. regional taxes;
  2. regional levies;
  3. results of management of separated regional assets; and
  4. other legitimate regional original income;
- b. Transfer income; and
- c. other legitimate regional income.

Sports are one of the sources of regional retribution that can be maximized. To see this opportunity, a study was conducted to see the potential for retribution in the sports sector in Serang City. At the end of 2020, three sports facilities in Serang City were inaugurated, namely the East Square sports building, Ciceri Stadium and the Cipocok Jaya futsal field. In addition, the existence of sports facilities owned by the private sector has increased the number of sports facilities in Serang City.<sup>3</sup>

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<sup>1</sup>Damas, Dwi Anggoro, *Regional Taxes and Regional Retributions*, (Malang : UB Press 2017), p. 243

<sup>2</sup> <https://djpk.kemenkeu.go.id/?ufaq=apa-saja-sumber-sumber-pendapatan-daerah> accessed on Friday, April 15, 2022 at 9.35 WIB.

<sup>3</sup> <http://detikbanten.com/2020/09/30/3-titik-sarana-olahraga-kota-serang-diresmikan/> accessed on April 15, 2022 at 11.25 WIB.

Optimizing the potential for sports venue levies is not without reason, the fundamental changes regarding sports venue levies between Law Number 1 of 2022 and Law Number 28 of 2009 lie in the scope of sports venues that can be subject to levies. Article 136 of Law Number 28 of 2009 states that only sports venues provided, owned, and/or managed by the regional government can be subject to levies, while Article 88 of Law Number 1 of 2022 does not provide such limitations. This means that in the latest regulations, it is permissible to collect levies from sports venues provided, owned, and/or managed by the central government, State-Owned Enterprises (BUMN), Regional-Owned Enterprises (BUMD), and the private sector.

One of the potential PADs in Serang City is in the field of sports. About this field of sports, in Law Number 5 of 2013 concerning the National Sports System, the definition of sports and sports is explained, in Article 1 paragraph (1 ) "Sports are all aspects related to sports that require regulation, education, training, coaching, development, and supervision". (3) "Sports are all systematic activities to encourage, foster, and develop physical, spiritual, and social potential".

Socially, sports can be used as a medium of socialization through interaction and communication with other people or the surrounding environment. One indication of the increasing desire of society for a high level of health, proportional physical appearance and broader self-actualization in their environment reflect that the needs of society are increasingly diverse so they require a place or vehicle that can channel and meet these needs.<sup>4</sup>The term sport is found in Javanese, namely *largo*. *Olah* means training oneself to become a skilled person while *rogo* means body. So sport is a form of individual and community education that prioritizes physical movements that are carried out consciously and systematically towards a higher quality. Primarily, sports function to make the body healthy and ensure that the organs of the body are still healthy. Sport is important because, in a strong body, there is a healthy soul. People's opinions are certainly different, but in general, sport, which is a physical activity, is important to do in everyday life. Either with directed movements (sports) or other movements that are important to move.<sup>5</sup>

Judging from the definition of sports and sports in the laws and regulations above, about the potential for PAD in Serang City, it can be explained that everything in Serang City related to sports such as sports facilities and infrastructure, sports education services and others are things that can be optimized to increase Serang City's PAD in the future. The basis for optimizing the potential for sports PAD in Serang City is Article 88 of Law Number 1 of 2022 which states that the sports sector is one of the sectors that can be subject to levies.

This article aims to find out the potential for regional income from the sports sector, especially in Serang City, and what are the obstacles and barriers for the Serang City regional apparatus to obtain original regional income in the sports sector

## **B. RESEARCH METHODS**

Research methods are a means of development of science technology and art. Then according to Bambang Sunggono, legal research is a scientific activity based on methods,

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<sup>4</sup>Zulkarnaen , *The Relationship between Motivation and Community Participation in Futsal Sports Activities in Bekasi City* , Motion Journal, Volume I. No. 1. September 2010.

<sup>5</sup>Sandey Tantra Paramitha and Lestari Ema Anggara, *Revitalization of Physical Education for Early Childhood through the Implementation of Nature-Based Educational Play Models* , Journal of Physical Education and Sports , Vol.3 No.1, 2018, p. 45.

systematic, and certain thoughts. Thus, the research aims to reveal the truth systematically, methodologically, and consistently. Therefore, legal research is a process to find legal rules, legal principles, and doctrines of law use answer issues law faces. Legal research is conducted to find a theory of substance as a response to various events that occur in society. The findings produced in legal research are nothing more than a prescription to resolve the legal issues that are currently occurring in public.<sup>6</sup>

The method used in this study is empirical legal research, legal research is a historical research method that seeks to investigate matters related to law, both formal and informal law in the past.<sup>7</sup> Empirical legal research or empirical legal research is one type of legal research method that is carried out by examining the actual conditions that occur in society, namely looking for facts related to the problems in the study.<sup>8</sup>

Empirical legal research uses two types of data, namely (1) primary data, and (2) secondary data. Primary data is empirical data that comes from field data. Field data is obtained from respondents. Respondents are people or several people a person who provide answers to questions asked by researchers who are related to the problem being researched.

## **C. RESULTS AND DISCUSSION**

### **a. Potential Regional Income From the Sports Sector In Serang City**

Local revenue is a strength for regions to develop their regions based on the theory of regional autonomy, including Serang City which has a population of 692,101 people at the end of 2021. This shows an increase in the potential for local revenue of Serang City which shows changes every year, in the period 2015-2019 the potential for local revenue of Serang City continued to increase, but there was a decline in 2020. This is possible because of the COVID-19 pandemic that hit almost all countries in the world including Indonesia.

Increasing PAD is one of the things that every regional government needs to pay attention to because PAD is an opportunity to develop a region with its potential. As explained in the background of this study, the changes to Law Number 28 of 2009 concerning Regional Taxes and Regional Retributions which were replaced by Law Number 1 of 2022 concerning Financial Relations Between the Central Government and Regional Governments have also had an impact on changing the provisions on each matter regulated therein.

About the study of sports which also discusses the levies on sports venues, sports according to the law are all aspects related to sports which require regulation, education, training, coaching, development, improvement, monitoring and evaluation.<sup>9</sup>

To allocate national resources more efficiently, the Government gives authority to Regions to collect Taxes and Levies by strengthening through restructuring Tax types, providing new Regional tax sources, simplifying types of Levies, and harmonization with Law Number 11 of 2020 concerning Job Creation.

The enactment of Law Number 1 of 2022 concerning Financial Relations between the Central Government and Regional Governments has changed several government policies at the regional level. Tax restructuring is carried out through the reclassification of 5 (five)

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<sup>6</sup> Ishaq, *Legal Research Methods and Writing of Theses, Dissertations, and Dissertations* , (Bandung: Alfabeta , 2017 ) , p. 248.

<sup>7</sup> Andi Prastowo, *Understanding Research Methods: A Theoretical and Practical Review* , (Yogyakarta: Ar-Ruzz Media, 2011), p. 118.

<sup>8</sup> Kornelius Benuf and Muhamad Azhar, “ *Legal Research Methods as an Instrument for Analyzing Contemporary Legal Problems* ”, Gema Keadilan Journal, Volume 7 Number 1, June 2020, p.14.

<sup>9</sup> Further in Article 1 Number 2 of Law Number 11 of 2022 concerning Sports.

types of consumption-based taxes into one type of tax, namely PBJT. This aims to (i) align Tax Objects between central and regional taxes to avoid duplication of tax collection; (ii) simplify tax administration so that the benefits obtained are higher compared to the collection costs; (iii) facilitate monitoring of integrated tax collection by the Regions; and (iv) make it easier for the public to fulfil their tax obligations, while supporting ease of doing business with the simplification of tax administration. In addition to the integration of consumption-based Regional taxes, PBJT regulates the expansion of Tax Objects such as parking, recreational objects, and rental of sports facilities and infrastructure (sports and games objects).

The provisions regarding sports were previously regulated in Law Number 28 of 2009, namely in Article 127 letter (i ) and Article 136 which reads:

Article 127

Types of Business Service Retribution are:

- a. Retribution for Use of Regional Assets;
- b. Wholesale Market and/or Shop Retribution;
- c. Auction Venue Fee;
- d. Terminal Retribution;
- e. Special Parking Area Retribution;
- f. Lodging/Restaurant/Villa Retribution;
- g. Slaughterhouse Retribution;
- h. Port Service Fee;
- i. Recreation and Sports Areas Retribution;
- j. Water Crossing Fee; and
- k. Sales Retribution for Regional Business Production.

Article 136

- 1) The object of the Recreation and Sports Places Levy as referred to in Article 127 letter i is the recreation, tourism and sports place services provided, owned and/or managed by the Regional Government.
- 2) Excluded from the objects of Retribution as referred to in paragraph (1) are recreational, tourism and sports services provided, owned and/or managed by the Government, BUMN, BUMD and private parties.

Judging from the contents of Article 127 letter (i) above, the sports venue levy combined with the recreation venue levy is included in the classification of types of business service levies, where the business service levy itself is a Business Service is a service provided by the Regional Government by adhering to commercial principles because it can also be provided by the private sector.<sup>10</sup> Meanwhile, Article 136, paragraph one explains the object of levy from sports levy, the scope of which is only sports venue services provided, owned, and/or managed by the regional government. Paragraph two explains the exceptions to the object of sports venue levy, where these places cannot be subject to levies, including sports venue services provided, owned, and/or managed by the central government, State-Owned Enterprises, Regional-Owned Enterprises and the private sector.

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<sup>10</sup>Further in Article 1 Number 67 of Law Number 28 of 2009.

Currently, the provisions of Articles 127 and 136 of Law Number 28 of 2009 have been revoked and replaced with the provisions contained in Law Number 1 of 2022 in Article 88 Paragraph (3) which reads:

The types of provision/service of goods and/or services which are the objects of Business Service Retribution as referred to in Article 87 paragraph (1) letter b include:

- a. provision of business activity premises in the form of wholesale markets, shops and other business activity premises;
- b. provision of a place for auctioning fish, livestock, agricultural products and forest products including other facilities within the auction area;
- c. provision of special parking spaces off the road;
- d. provision of accommodation/boarding houses/villas;
- e. livestock slaughterhouse services;
- f. port services;
- g. recreation, tourism and sports services;
- h. services for crossing people or goods using water vehicles;
- i. sales of production results of Regional Government businesses; and
- j. utilization of regional assets that do not disrupt the implementation of the tasks and functions of regional apparatus organizations and/or optimization of regional assets without changing the ownership status by the provisions of laws and regulations.

The regulation regarding sports venue levies in the article above is combined with recreation and tourism services, as stated in letter (g) and after that article there is no explanation regarding sports venue levies in the next article. If the old provisions, namely Law Number 28 of 2009, are connected with the new provisions of Law Number 1 of 2022, it will be seen that the difference is in the loss of limitations or exceptions in the latest provisions in Law Number 1 of 2022 which implicitly states that there are no restrictions on sports venue levy objects as in Law Number 28 of 2009. This means that except sports levy objects provided, owned, and/or managed by the Government, BUMN, BUMD, and private parties can be subject to levies by the current regional government.

Local revenue is all financial revenue obtained by a region where the revenue is obtained from sources that have potential in the region, for example, local tax revenue, local retribution revenue, results of processing separated local assets and other legitimate local revenue. Local revenue <sup>11</sup>Is a representation of the revenue generated by the region. Local governments must further optimize their local revenue so that they can finance regional expenditures and not hinder economic activities in the region concerned. <sup>12</sup>PAD is local government revenue generated within its jurisdiction. High local revenue indicates that regional autonomy is being implemented properly. <sup>13</sup>PAD is all local cash revenue recognized as an increase in net wealth value in one budget year and does not need to be

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<sup>11</sup>Surya Asih and Irawan, “ *The Effect of Regional Tax Contribution, Regional Original Income, Regional Retribution and Tax Revenue Sharing on Regional Expenditure with Economic Growth as a Moderating Variable of Regency and City Governments* , ” Journal of Business & Public Accounting, Vol. 9 No.1, 2018, p. 34.

<sup>12</sup>Simanjuntak, Lestari LF., Ahmad Subeki., Ika Sasti Ferina & Hasni Yusrianty , “ *Analysis Of Flypaper Effect In General Allocation Fund And Regional Income To Regional Expenditure Of Districts And Cities In South Sumatra. Four A Annual Conference.* ” 2013, p. 54.

<sup>13</sup>Olubukunola, Olusola , *Boosting Internally Generated Revenue Of Local Governments In Ogun State* , Nigeria. Vol.8 No.1, 2011, p.340 .

repaid by the government. Taxes collected by local governments should not create higher collection costs than tax revenues received by local governments.<sup>14</sup>

PAD is all regional revenues originating from local economic sources. Local revenue has an impact on the financial performance of local governments, so this can reflect that local revenue can contribute to improving the financial performance of local governments. The Influence of Local Government Size on Local Government Financial Performance.<sup>15</sup>

Local Original Income from local taxes and levies needs to be measured properly and accurately so that the actual potential can be managed and collected optimally. A response emphasizes clarifying the fact that the community views levies as part of a program rather than as local revenue and is willing to pay only if the level of service is maintained and improved. The easy part in compiling levies is calculating and setting rates. The hardest part is convincing the public without their awareness that the rates must still be applied.<sup>16</sup>

The ability of a region to dig PAD will affect the development and construction of the region. In addition, the greater the contribution of PAD to the APBD, the better the government's performance is considered. High PAD can indicate that the local government has a higher level of prosperity compared to regions with low PAD. The level of prosperity will certainly have an impact on a better level of performance. With the implementation of decentralization, local governments have the opportunity to empower all potentials to obtain high PAD. PAD is all regional revenues originating from local economic sources.

Local revenue affects the financial performance of local governments, so this can reflect that local revenue can contribute to improving the financial performance of local governments. The Influence of Local Government Size on Local Government Financial Performance.<sup>17</sup>

PAD is the main income for a region. PAD obtained by a region comes from regional taxes, regional levies, results of management of separated regional assets, and other legitimate PAD. Related to regional original income, an expert from the World Bank thinks that the 20% limit of PAD acquisition is the minimum limit for implementing regional autonomy. If PAD is less than 20%, then the region will lose its credibility as an independent entity.<sup>18</sup> Explains tax contributions as one of the components of PAD are taxes imposed by the regional government on residents who live in its jurisdiction, without directly receiving counter-performance given by the regional government that collects the regional taxes it pays. The clear difference between regional taxes and regional levies lies in the counter-performance given by the regional government. If in regional taxes the counter-performance is not given directly, then in regional levies the contribution is given directly by the regional government to the residents who pay the levy. "Regional Original

<sup>14</sup>Irlan Fery Idris. *Potential Increase In Revenue Collection BPHTB Tax District Musi Banyuasin* , European Journal Of Accounting, Auditing And Finance Research , Vol.4 No.1, 2016, p.42.

<sup>15</sup>Dwi Saraswati and Yunita Sari Rioni, “ *The Influence of Local Original Income, Local Government Size, Leverage, on Local Government Financial Performance* ”, Journal of Business & Public Accounting, Vol. 9 No.2, 2019, p.114.

<sup>16</sup>Irlan Fery, “ *Types of Regional Taxes, Regional Levies Affect Potential Regional Original Income in the Covid-19 Era* ”, Journal of Accounting and Business Research, Vol.7 No.1, 2021, p.77 .

<sup>17</sup>Dwi Saraswati and Yunita Sari Rioni, “ *The Influence of Local Original Income, Local Government Size, Leverage, on Local Government Financial Performance* ”, Journal of Business & Public Accounting, Vol. 9 No.2, 2019, p.114.

<sup>18</sup>M. Riduansyah, “ *Contribution of Regional Taxes and Regional Levies to Original Regional Income (PAD) and Regional Revenue and Expenditure Budget (APBD) to Support the Implementation of Regional Autonomy (Case Study of Bogor City Regional Government)* ”, Jurnal MAKARA, Vol.1, No. 2, 2013, p.34.

Income (PAD) is all regional income originating from the original economic sources of the region".<sup>19</sup>

Furthermore, in general, the definition of sport is one of a person's physical and psychological activities that are useful for maintaining and improving the quality of a person's health. "Sport" comes from the Old French "de sport" which means "pleasure", and the oldest English definition was found around 1300, namely "everything that is exciting and entertaining for humans". Sport is one of the main sources of entertainment, therefore there are supporters of sport who are generally divided into several large people and can be broadcast more widely through sports broadcasts.<sup>20</sup> According to Cholik Mutohir, sport is a systematic process in the form of all activities or efforts that can encourage the development and fostering of a person's physical and spiritual potential as an individual or member of society in the form of games, competitions/matches, and peak achievements in the formation of a whole Indonesian human being who is qualified based on Pancasila.<sup>21</sup>

Sports are also an active behaviour that stimulates metabolism and affects the function of glands in the body to produce the immune system to defend the body from disease and stress. Therefore, it is highly recommended for everyone to do sports activities routinely and well-structured. Namely participating in physical activities to get pleasure. The meaning of sports according to the Indonesian encyclopedia is physical exercise carried out by one or more people who are a team or group.<sup>22</sup>

The Serang City Regional Government regulates sports venue levies in Serang City Regional Regulation Number 13 of 2011 concerning Regional Levy in Articles 106 to 111. More clearly, the Regional Regulation regulates a. Name, Object and Subject; b. How to Measure the Level of Use of Recreation and Sports Venue Levy Services; c. Principles and Targets in Determining the Structure and Amount of Recreation and Sports Venue Levy Tariffs; Structure and Amount of Recreation and Sports Venue Levy Tariffs.<sup>23</sup> The provisions regarding the object of sports venue levy in the Regional Regulation still refer to the old central provisions, namely Law Number 28 of 2009. In other words, if referring to this Regional Regulation, then only sports venues provided, owned and/or managed by the Serang City Regional Government can be imposed. Therefore, it is necessary to adjust the regulations by including the latest provisions in the legal products in the region to maximize the potential for increasing PAD in Serang City.

Sports venue levies are one of the potentials for increasing PAD in Serang City. For this reason, changes to the regulations on sports levies must be immediately changed to comply with Law Number 1 of 2022. The potential for sports venue levies must be maximized by the Serang City Regional Government considering that Law Number 11 of 2022 concerning Sports has now been ratified by the central government.

Sports venues or sports facilities and infrastructure that have the potential to be developed have meaning Sports Infrastructure is a place or space including the environment used for Sports activities and/or Sports events. Sports Facilities are equipment and supplies

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<sup>19</sup>Halim, *Regional Financial Accounting*, (Jakarta: Salemba Empat, 2004), p.16.

<sup>20</sup>Bambang Ferianto Tjahyo Kuntjoro, "Racism in Sports", *Penjakora Journal*, Vol.7 No. 1, 2020, p.42.

<sup>21</sup>*Ibid*, p.43.

<sup>22</sup>Sabaruddin Yunis Bangun, "The Role of Physical Education and Sports in Educational Institutions in Indonesia", *Journal of Educational Publication*, Vol. IV No.3, 2016, p.23.

<sup>23</sup> Further in Article 106 – 111 of Serang City Regional Regulation Number 13 of 2011 concerning Regional Retribution.



used for Sports activities. The scope of sports is contained in Article 17 of Law Number 11 of 2022.

The Serang City Government measures the level of use of sports venue retribution services based on the frequency, type and duration of the sports venue service as stated in Article 109 of Serang City Regulation Number 13 of 2011. Meanwhile, the principles and targets in determining the structure and amount of sports venue retribution rates are regulated in Article 10. Regarding the structure and amount of sports venue retribution rates in the regulation, it is still combined with the structure and amount of rates for recreation venue retributions, this can be seen in Article 111 which reads "The structure and amount of Recreation and Sports Venue Retribution rates are determined with details as stated in Attachment XVII and are an integral part of this Regional Regulation."

Article 111 above states that the amount of the tariff can be seen in Appendix XVII contained in the regional regulation, the following is a further explanation in the attachment:

### RECREATION AND SPORTS PLACE RETRIBUTION

NO	JENIS TEMPAT REKREASI DAN OLAH RAGA	TARIF
1	2	3
I	WISATA SEJARAH BUDAYA :	
1	a. Wisatawan Domestik	
	- Dewasa	1.000,-/orang
	- Anak-anak	500,-/orang
	b. Wisatawan Asing	
	- Dewasa	10.000,-/orang
	- Anak-anak	5.000,-/orang
	WISATA ALAM :	
	c. Wisatawan Domestik	
	- Dewasa	1.000,-/orang
	- Anak-anak	500,-/orang
	d. Wisatawan Asing	
	- Dewasa	10.000,-/orang
	- Anak-anak	5.000,-/orang
	WISATA BUATAN :	
	e. Wisatawan Domestik	
	- Dewasa	1.000,-/orang
	- Anak-anak	500,-/orang
	f. Wisatawan Asing	
	- Dewasa	10.000,-/orang
	- Anak-anak	5.000,-/orang
	WISATA KEHIDUPAN MASYARAKAT :	
	g. Wisatawan Domestik	
	- Dewasa	1.000,-/orang
	- Anak-anak	500,-/orang
	h. Wisatawan Asing	
	- Dewasa	10.000,-/orang
	- Anak-anak	5.000,-/orang

Based on the table of Attachment XVII of Regional Regulation 13 of 2011 above, it can be explained that the points regulated in the attachment are only matters relating to

recreation areas or there are no points explaining the structure and amount of rates for sports venue levies. Including changes that occur in the regional regulation.

The potential of local revenue owned by Serang City is one of them in the sports sector, where in this sports sector the Serang City government has not been able to receive PAD. Serang City as the capital of Banten Province with two state universities located in Serang City makes Serang City the centre of Banten Province activities.

The sports sector, which is a sector with many fields of activity that can be carried out, is stated in the Law of the Republic of Indonesia Number 3 of 2005 concerning the National Sports System, there are various fields of sports, namely: educational sports, recreational sports, achievement sports, amateur sports, professional sports, and sports for the disabled. In Serang District, there are government-owned sports facilities, which are the former swimming pool in Serang Village, a futsal field in Griya Gemilang Sakti, Sumur Pecung, owned by the Serang City Government but managed by a third party, Pengampelan Field, open benthic land which is designated as a soccer field. Sports facilities that are owned by the public/individual/private sector include approximately 11 sports fields in Serang District. In Curug District, there are sports facilities owned by the Serang City government, namely a soccer field located in Bojong Salam, 1 volleyball court, 1 multipurpose field, and sports facilities owned by the public/individual/private sector, namely a soccer field in Kp. Boru Baros. In Curug District, the government-owned sports facility is a Futsal field (in front of the Nyapah Cibeutik/Triben Village Office) and public/individual/private sports facilities in Walantaka District, it is not yet known. In Cipocok Jaya District, the Serang City government-owned sports facility is a Badminton Field (in front of Banjarsari Village), and the public/individual/private sports facility is the "Firdausy Badminton Hall" Badminton Field located at Link. Ciemas Raya RT/RW 003/002, Cipocok Jaya. In Kasemen District, the Serang City government-owned sports facility is the field in front of the Kasemen District office, but it is currently no longer in use, and the public/individual/private sports facility is a *gymnasium*. In Taktakan District, the sports facilities owned by the Serang City government include a sports field managed by Perindakop located in Cilowong Village, the condition of which is currently unknown, and there are no public/individual/private sports facilities.

The government at the sub-district level said that the sub-district government issued permits for each sporting event held and also issued domicile permits for the construction of sports venues. The potential for sports in Serang City is still considered to be able to develop because the enthusiasm of the community is still quite large to use sports facilities, but is not supported by inadequate sports facilities.

#### **b. Constraints and Obstacles of Serang City Regional Government to Obtain Original Regional Income in the Sports Sector**

The development and optimization of the potential of Local Original Income in Serang City must continue to be carried out to accelerate the development process and improve the welfare of the people of Serang City more evenly in each sub-district. In its implementation in the field, not a few sectors that have the potential to generate income for the local government have not been detected and properly inventoried so regional apparatuses that are directly related to increasing PAD itself cannot optimize the potential in Serang City.

The sports facilities and infrastructure retribution sector, based on the latest regulations, can be levied on regional governments by expanding the scope not only to those owned and managed by regional governments but also to facilities and infrastructure owned by private companies or individuals, which can be subject to levies.

The obstacle in imposing levies on the private or individual sports sector is in determining the target object because the majority of existing sports facilities and infrastructure do not have permits. Not having a permit is the impact of the absence of special regulations that require sports facility business actors to take care of permits if they want to establish sports facilities and infrastructure in Serang City.

Based on Attachment XVII of Serang City Regulation Number 13 of 2011 concerning Regional Retribution, it can be seen that the structure and amount of the sports venue retribution tariff have not been regulated therein. This is because what is regulated in the provisions is only the structure and amount of the tariff for recreation venue retribution which is indeed combined in terms of its grouping with sports venues. Whereas the previous article, namely Article 11 of the regulation, explains that the regulation of the structure and amount of the tariff will be regulated in Attachment XVII. Therefore, this is also what makes the imposition of sports venue retribution in Serang City less than optimal and must be optimized immediately considering that there is an opportunity to implement it as indicated by changes in the provisions at the central level itself.

Another obstacle that is also a concern is the lack of inclusion of the new legal basis that has currently been ratified by the central government regarding Sports as stated in Law Number 1 of 2022 concerning Financial Relations between the Central Government and Regional Governments, and Law Number 11 of 2022 concerning Sports into regional regulations, especially legal products belonging to the Serang City Regional Government.

#### **D. CONCLUSION**

There are various fields of sports facilities in the city of Serang, as explained above, by looking at the potential in the field of sports, the city of Serang can increase PAD by maximizing the use of facilities and infrastructure, as well as carrying out maintenance and development of sports in the city of Serang to be able to attract the public to use it for sports so that more and more people use it, in addition to the community becoming healthy, the PAD of the city of Serang can also increase. Meanwhile, the obstacle experienced in imposing levies on the sports sector owned by private or individuals is in terms of determining the target object because the majority of existing sports facilities and infrastructure do not have permits. Not having a permit is the impact of the absence of special regulations that require sports facility business actors to take care of permits if they want to establish sports facilities and infrastructure in the city of Serang. Then the new legal basis that has currently been ratified by the central government regarding Sports as stated in Law Number 1 of 2022 concerning Financial Relations between the Central Government and Regional Governments, and Law Number 11 of 2022 concerning Sports into regional regulations, especially legal products belonging to the Serang City Regional Government.

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