

The Effect of The Number of Industry and The Number of Residents on The Realization of Regional Tax Revenue In All Regencies and Cities In West Sumatera With Gross Regional Domestic Product As A Moderating Variable

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ABSTRACT : This study aims to analyze the effect of the number of industries and the number of residents on the realization of district/municipal tax revenues in West Sumatera 2017-2019 with GRDP as the moderating variable. This research is an associative research. This research is also *ex post facto*, that is, research that seeks to find out what causes something to happen and sort it backwards so that the causal factors are known. Analysis of the data used is panel data regression analysis using the Eviews program. This research data is secondary data in the form of panel data from 2017 to 2019 in all regencies/cities in West Sumatera. Data is obtained from related institutions or agencies such as monthly reports and annual reports from the Regional Revenue and Finance Office, Statistik Ekonomi dan Keuangan Indonesia (SEKI) Bank Indonesia, BPS (Badan Pusat Statistik) various editions. Based on the results of testing the research hypothesis, it can be concluded that (1) there is a significant effect of the number of industries on the realization of Regency/City regional tax revenues in West Sumatera 2017-2019, (2) there is an influence of population on the realization of Regency/City regional tax revenues in West Sumatera. 2017-2019 significantly, (3) there is an effect of the number of industries on the realization of Regency/City regional tax revenues in West Sumatera 2017-2019 with GDP as a moderating variable significantly, (4) there is no influence of population on the realization of Regency/Municipal regional tax revenues Cities in West Sumatera 2017-2019 with GDP as a moderating variable significantly and (5) there is a significant effect of the number of industries and population on the realization of district/city local tax revenues in West Sumatera 2017-2019.

Keywords -number of industries, number of residents, realization of district/municipal tax revenues, gross regional domestic product

I. INTRODUCTION

Regional Tax is one of the important sources of Regional Original Income to finance the implementation of local government. Regional taxes are divided into provincial taxes which consist of: Motor Vehicle Tax, Transfer Fee on Motor Vehicles, Fuel Tax on Motor Vehicles, Surface Water Tax, and Cigarette Tax. Meanwhile, district/city taxes consist of: Hotel Tax, Entertainment Tax, Restaurant Tax, Advertising Tax, Parking Tax, Non-Metal Mineral Tax and others, which are useful in supporting the receipt of Regional Original Income. "Each autonomous region, in this case a province or district/city in Indonesia, has various natural resources and economic potential, so that if utilized optimally, it will be able to make a significant contribution to the revenue of Regional Original Revenue, which in turn will provide benefits in regional development (Hasannudin, 2014). Cities that are part of the province of West Sumatera certainly require substantial funds in carrying out their respective regional development activities in various sectors.

Regional Tax is one of the potential revenues in the context of supporting the implementation of regional government, especially related to the implementation of regional autonomy, therefore the contribution of Regional Taxes plays a significant role in Regional Original Income (Widiyati, 2010).

There are many factors that affect the realization of local tax revenues. The results of research Tamara (2009), regarding the analysis of the factors that affect local tax revenue in the city of Bandung shows that partially the population, Gross Regional Domestic Product (GRDP), and the number of industries in the city of Bandung from 1999 to 2008 have an influence which is significant to the realization of local tax revenues in the

city of Bandung, meanwhile the inflation rate in the city of Bandung has no effect on the realization of local tax revenues. Taken together, the population, GRDP, inflation rate, and the number of industries significantly affect the realization of local tax revenues in the city of Bandung.

Meanwhile, the results of research by Haniz and Sasana (2013) regarding the analysis of factors that influence local tax revenues in Tegal City show that per capita income, taxpayers, and economic growth in Tegal City from 1991-2010 have a significant influence on local tax revenues. in Tegal City, while inflation does not have a significant effect on local tax revenues in Tegal City. The following is presented data on population, number of industries and GRDP of districts?cities in West Sumatra.

Table 1. Total residents, Number of Industries and GDP Regency/City in West Sumatra in 2019

Regency/City	Years	Total residents	Number of Industries
Kab. Kepulauan Mentawai	2017	88692	225
	2018	90373	988
	2019	92021	404
Kab. Pesisir Selatan	2017	457285	1649
	2018	460716	7309
	2019	463923	5127
Kab. Solok	2017	368691	573
	2018	371105	4829
	2019	373414	5589
Kab. Sijunjung	2017	230104	755
	2018	233810	2391
	2019	237376	1935
Kab. Tanah Datar	2017	346578	2358
	2018	347407	12011
	2019	348219	7124
Kab. Padang Pariaman	2017	411003	2175
	2018	413272	6794
	2019	415613	7999
Kab. Agam	2017	484288	1301

Source: DJPK Kementerian Keuangan RI

Based on table 1, it is known that the largest population in 2019 in West Sumatra was in the city of Padang with 950,871 inhabitants. This is in line with the number of industries and the GDP of Padang City in 2019. Where Padang City is a city in West Sumatra with the highest number of industries and GDP per capita compared to other districts/cities in West Sumatra with their respective values of 19,810 the number of industries and GDP of Rp. 46756.40 Thousand Rupiah. This shows that there is a positive trend in the number of population, number of industries and GDP per capita Regency/City in West Sumatra.

Arianto and Padmono (2014) through their research on the factors that influence local tax revenues in the city of Surabaya show that the population has a positive effect on local tax revenues, the inflation rate has a negative effect on local taxes, and Gross Regional Domestic Product (GDP) has a positive effect. on local tax revenues in the city of Surabaya. The results of Triastuti and Pratomo's (2015) research on the effect of economic growth, development/capital spending, and inflation rate on local tax revenues show that simultaneously there is an effect of economic growth, development/capital spending, and inflation rate on Bandung City local tax revenue in 2007 -2014. Meanwhile, the results of the partial analysis show that economic growth and inflation rates have no significant effect on Regional Tax Revenue. While development/capital expenditure partially has a significant effect on local tax revenues. Furthermore, the results of research conducted by Artha, Badjuri, and Zainuri (2016) regarding the analysis of factors affecting local tax revenue in Jember Regency indicate that the population and Gross Regional Domestic Product (GDP) have a positive and significant influence on local tax revenues, while inflation has a negative but not significant effect on local tax revenues. The results of the research by Fitriana and Sudrajat (2017) found that GDP as a moderating variable weakens the relationship between population and advertisement tax revenues, GDP also weakens the relationship between the number of industries and advertisement tax revenues.

Based on the description, finally the writer is interested and wants to discuss in a scientific paper about "The effect of the number of industries and the residents on the realization of district/municipal tax revenues in West Sumatra 2017-2019 with GDP as the moderating variable".

The objectives to be achieved in this study:

1. Testing the effect of the number of industries on the realization of Regency/City local tax revenues in West Sumatra 2017-2019
2. Testing the effect of residents on the realization of Regency/City regional tax revenues in West Sumatra 2017-2019
3. Testing the effect of the number of industries on the realization of Regency/City regional tax revenues in West Sumatra 2017-2019 with GDP as a moderating variable
4. Testing the effect of population on the realization of Regency/City regional tax revenues in West Sumatra 2017-2019 with GDP as the moderating variable
5. Testing the effect of the number of industries and the population on the realization of district/city tax revenues in West Sumatra 2017-2019.

II. LITERATURE REVIEW

1. Regional Tax Revenues

According to Undang-Undang Nomor 28 Tahun 2009 concerning Regional Taxes and Regional Levies, regional taxes are mandatory contributions to regions that are owed by individuals or entities that are coercive under the law, with no direct compensation and are used for regional purposes for an amount of - the great prosperity of the people. Local taxes are an important source of regional income to finance the implementation of local government. In fact, revenues from local taxes make the largest contribution to the financial structure of local governments. The source of local tax revenue is from the community, both consumption households and producer households, with the increase in household income, the local taxes paid to local governments should also increase (Tamara, 2009).

2. Number Of Industries

The number of industries is the number of industrial businesses, both small, medium and large industries (Trisianto, 2015: 3). According to Dumairy (1996), industries can be classified based on several points of view or approach. In Indonesia, industries are classified based on commodity groups, based on business scale, and based on the relationship between product flows.

3. Number Of Resident

According to the results of Hari Susanto's research, the main factors influencing population growth are not only influenced by natural growth, but also by migration. In relation to migration into cities, the following relationship is usually found: when the inequality between cities and villages is getting sharper, the attractiveness of the city will be stronger which in turn will result in increased migration into the city (Subri, 2003).

4. Gross Regional Domestic Product (GDP)

Gross Regional Domestic Product (GDP) according to the Badan Pusat Statistik (BPS) is defined as the amount of added value produced by all business units in a region, or the total value of final goods and services produced by all economic units in a region. The way of presenting Gross Regional Domestic Product (GDP) is arranged in two forms, namely Gross Regional Domestic Product (GDP) at constant prices and Gross Regional Domestic Product (GDP) at current prices. According to the Central Statistics Agency (BPS) there are three ways of calculating GDP that can be obtained through three approaches, namely the production approach, the income approach, and the expenditure approach (BPS, 2010).

5. Conceptual Framework

Conceptual framework is a model that explains the relationship of theory with important factors that are known in a particular problem. The conceptual framework will connect theoretically between research variables namely the independent variable with the dependent variable (Erlina, 2011). Based on the theoretical basis and research problem formulation, the conceptual framework in this study, can be seen in the following figure:

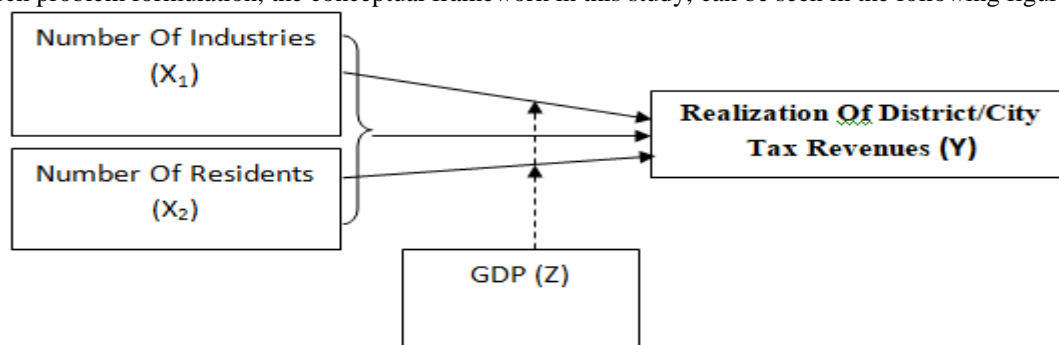


Figure 1. Research Conceptual Framework

6. Hypothesis

Based on the conceptual framework above, it can be formulated a hypothesis in this study as follows:

- H1 : There is an effect of the number of industries on the realization of Regency/City regional tax revenues in West Sumatra 2017-2019.
- H2 : There is an effect of the number of residents on the realization of Regency/City regional tax revenues in West Sumatra 2017-2019.
- H3 : There is an effect of the number of industries on the realization of Regency/City regional tax revenues in West Sumatra 2017-2019 with GDP as moderating variable.
- H4 : There is an effect of the number of residents on the realization of Regency/City regional tax revenues in West Sumatra 2017-2019 with GDP as moderating variable.
- H5 : There is an effect of the number of industries and residents on the realization of Regency/City regional tax revenues in West Sumatra 2017-2019.

III. RESEARCH METHODS

1. Types of Research

Based on the formulation, objectives and research hypotheses, the method used in this study is quantitative research with the type of correlational research is a type of research that looks at the relationship between one variable with one or several other variables (Muri, 2015, p.64). The same is stated by Sumadi (2014, p.82) that correlational research aims to detect the extent to which variations in a factor are related to variations in one or more other factors based on the correlation coefficient. From the description of expert opinions, this study analyzes the relationship between the number of industries and residents on the realization of Regency/City regional tax revenues in West Sumatra 2017-2019 with GDP as moderating variable.

2. Jenis dan Sumber Data

The data in this study is in the form of panel data. Data on all variables in this study started from 2017 to 2019 in all districts/cities in West Sumatra. The secondary data used in this study are population data, the number of industries and GDP for the year 2017-2019 obtained from the BPS for the province of West Sumatra, and data on the realization of regional tax revenues for 2017-2019 which will be obtained from Dinas Pendapatan Daerah atau Badan Pengelolaan Keuangan dan Aset Provinsi Sumatera Barat.

3. Data Analysis

Descriptive Analysis

After the data for all research variables have been obtained, the data processing stages can be carried out immediately. The data processing is carried out with the help of the Eviews 8 application. Based on the processed data, a summary of descriptive statistics of each research variable is presented in the table below:

Table 2. Descriptive Statistics of Research Variables

Statistics	Number Of Residents	Number Of Industries	Realization of Regency/City regional tax revenues	GDP
Mean	283241.5	4070.105	36128488	31907.08
Median	241571.0	2175.000	16572700	29823.39
Maximum	950871.0	19957.00	4.01E+08	48062.24
Minimum	52422.00	225.0000	2647328.	18979.53
Observations	57	57	57	57

Source: Primary Data, Eviews, 2021

As can be seen in table 2, the number of objects observed was 57 data, consisting of cross section data for 19 districts/cities and time series data for 3 years from 2017-2019. The data processed are the realization of local tax revenue which is the dependent variable, data on population and number of industries as independent variables and Gross Regional Domestic Product (GDP) at Constant Prices 2010 as a moderating variable.

The average (mean) population of districts/cities in the province of West Sumatra in 2017-2019 is 283,241 people with a median value of 241,571 people. Meanwhile, the range of Regency/City population in the West Sumatra Province in 2017-2019 is shown by a minimum value of 52,422 people which is the total population of Padang Panjang City in 2017 and a maximum value of 950,871 people which is the total population of Padang City in 2019. If seen from each Regency/City, for the year 2017-2019 the total population grew in a fairly small range, namely 0.2%-3%. This can be positive or negative, positive because it does not increase the number of workers too much which if not balanced by the addition of other production factors will lead to unemployment, negative because of the lack of additional productive workforce and market expansion. In total and the average population of all districts/cities has increased from year to year.

The average value (mean) of the number of medium and medium industries in regencies/cities in the province of West Sumatra in 2017-2019 is 4070 with a median value of 2175. Meanwhile, the range of the number of industries in regencies/cities in the province of West Sumatra The year 2017-2019 is indicated by a minimum value of 225 which is the number of regional industries in the Mentawai Islands Regency in 2017 and a maximum value of 19957 which is the number of industries in the City of Padang in 2019. When viewed from each Regency/City, for the year 2017-2019 In general, the number of small and medium-sized industries is growing fluctuatingly.

The average value (mean) of the realization of Regency/City regional tax revenues in the Province of West Sumatra in 2017-2019 is IDR 36,128,488 thousand with a median value of IDR 16,572,700 thousand. Meanwhile, the range of realization of Regency/City regional tax revenues in the Province of West Sumatra in 2017-2019 is shown by a minimum value of Rp. 2647327.99 thousand which is the realization of regional tax revenues of Mentawai Islands Regency in 2017 and a maximum value of Rp. 400,911,615.20 Thousands, which is the realization of Padang City's 2018 regional tax revenue. When viewed from each Regency/City, for the year 2017-2019 the realization of regional tax revenues in general grows fluctuatingly.

Meanwhile, the average value (mean) of Regency/City Regional Gross Domestic Product (GDP) in the Province of West Sumatra in 2017-2019 is IDR 31,907.08 thousand with a median value of IDR 29,823.39 thousand. Meanwhile, the range of Regency/City Gross Regional Domestic Product (GDP) in the Province of West Sumatra in 2017-2019 is shown by a minimum value of Rp. 18,979.53 thousand which is the South Coastal Gross Regional Domestic Product (GDP) in 2017 and a maximum value of Rp. 48,062.24 thousand which is the Gross Regional Domestic Product (GDP) of Padang Panjang City in 2019. When viewed from each Regency/City, for the years 2013-2015 Gross Regional Domestic Product (GDP) in general grew in the range of 5%-7 %. This certainly indicates a fairly stable level of economic growth in every Regency/City in the Province of West Sumatra. In total and the average value of the Gross Regional Domestic Product (GDP) of all Regencies/Cities has increased from year to year.

Pemilihan Model Regresi Data Panel

The selection of the panel data regression model was carried out by testing the Chow test, Hausman test and Langrange Multiplier Test (LM Test) with the following results:

Table3.The Chow Test

Redundant Fixed Effects Tests				
Equation: Untitled				
Test cross-section fixed effects				
Effects Test		Statistic	d.f.	Prob.
Cross-section F		57.514819	(18,34)	0.0000
Cross-section Chi-square		196.556970	18	0.0000

Source: Primary Data, Eviews, 2021

Based on the results of the Chow test in Table 3 above, it can be seen that the Chi-square probability is 0.000 less than (0.05), so it can be concluded that H0 is rejected and the Fixed Effects model is more appropriate than the Common Effect model. When the selected model is Fixed Effects, it is necessary to carry out the next test, namely the Hausman Test.

Table4.The Hausman Test

Correlated Random Effects - Hausman Test				
Equation: Untitled				
Test cross-section random effects				
Test Summary		Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random		66.567158	4	0.0000

Source: Primary Data, Eviews, 2021

Based on the Hausman test results in Table 4 above, it can be seen that the Chi-square probability value is 0.000 less than 0.05. So it can be concluded that H0 is rejected, and the more appropriate model to use is the

fixed effects model. Because the Hausman Test has selected the fixed effects model, it is no longer necessary to carry out the Langrange Multiplier Test (LM Test).

Multiple Linear Regression Analysis Test

By using the Realization of Regency/City Regional Tax Revenue in the Province of West Sumatra in 2017-2019 (Y), Gross Regional Domestic Product (GDP) at Constant Prices 2010 Regency/City in the Province of West Sumatra in 2013-2015 (moderation) , population and number of industrial districts/cities in the province of West Sumatra in 2013-2015 (X1&X2), the panel data regression equation using the Fixed Effects Method obtained is as follows:

Table5. Multiple Regression Analysis with Fixed Effects Method Test Results

Dependent Variable: REALISASI_PENERIMAAN_PAJAK				
Method: Panel Least Squares				
Date: 10/05/21 Time: 22:42				
Sample: 2017 2019				
Periods included: 3				
Cross-sections included: 19				
Total panel (balanced) observations: 57				
White cross-section standard errors & covariance (no d.f. correction)				
WARNING: estimated coefficient covariance matrix is of reduced rank				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
JUMLAH_INDUSTRI	7167.514	247.9999	28.90128	0.0000
JUMLAH_PENDUDUK	209.1736	66.65481	3.138162	0.0035
X1_Z	0.264465	0.015031	17.59459	0.0000
X2_Z	0.000934	0.001459	0.640072	0.5264
C	-35828600	16675046	-2.148636	0.0389

Source: Primary Data, processed by the author, 2020

From table 5 above, the regression equation model is as follows:

$$Y = -35.828.600 + 209,17 X_1 + 7167,51 X_2 + 0,264465 X_1*Z + 0,000934 X_2*Z$$

From the regression equation above, it can be interpreted as follows:

1. Constant C of -35,828,600 indicates that if the value of all independent variables, namely population, number of industries and ADHK 2010 Gross Regional Domestic Product (GDP) is constant (0), then the value of the dependent variable is the realization of local tax revenues (Y) is -35,828,600 Thousand Rupiah.
2. The positive regression coefficient of the independent variable number of industries (X1) indicates that the number of industries has a positive relationship to the realization of local tax revenues. The regression coefficient of 7167.51 means that for every 1 unit increase in the industry, the realization of local tax revenues will increase by 7167.51 thousand rupiah. In this case other factors are considered constant.
3. The positive regression coefficient for the independent variable population (X2) indicates that the population has a positive relationship to the realization of local tax revenues. The regression coefficient of 209.17 means that for every 1 person increase in the population, the realization of local tax revenues will increase by 209.17 thousand rupiah. In this case other factors are considered constant.
4. The positive regression coefficient of the independent variable number of industries (X1) with GDP as moderating (Z) indicates that the number of industries has a positive relationship to the realization of local tax revenues with GDP as moderating. The regression coefficient of 0.264465 means that for every increase of 1 industrial unit, the realization of local tax revenues will increase by 0.264465 thousand rupiah with GRDP as moderation. In this case other factors are considered constant.
5. The positive regression coefficient of the independent variable population (X2) with GDP as moderating (Z) indicates that the population has a positive relationship to the realization of local tax revenues with GDP as moderating. The regression coefficient of 0.000934 means that for every 1 person increase in the population, the realization of local tax revenues will increase by 0.000934 thousand rupiah with GDP as moderation. In this case other factors are considered constant.

Partial Test (t Test)

T test (t-test) is intended to determine the effect of partial (individual) work environment, work discipline, and work motivation on employee performance. The results of the t test calculations can be seen in table 5 below:

Table 6. Test Results t

No.	Variable	Absolute Residual (RES_ABS)	
		Significant	Conclusion
1.	Competence	0.921	Non-Heteroscedasticity
2.	Communication	0.959	Non-Heteroscedasticity
3.	Organizational Commitment	0.615	Non-Heteroscedasticity

Source: Primary Data, Eviews, 2021

From table 5 the t count values obtained are the results of calculations:

1. The t-count value of the independent variable X1 is 28.901 which is greater ($>$) than the t-table value of 1.645, or the probability value of 0.0000 is smaller ($<$) than 0.05, then H_0 is rejected. This means that this shows that the number of industries has a significant effect on the realization of Regency/City regional tax revenues in West Sumatra in 2017-2019. So, accept Alternative Hypothesis 1 (Ha.1).
2. The t-count value of the independent variable X2 is 3.318 which is greater ($>$) than the t-table value of 1.645, or the probability value of 0.0035 is smaller ($<$) than 0.05, then H_0 is rejected. This means that this shows that the population has a significant effect on the realization of Regency/City regional tax revenues in West Sumatra in 2017-2019. So, accept Alternative Hypothesis 2 (Ha.2).
3. The t-count value of the independent variable X1 with Z (GDP) as moderating is 17.59 greater ($>$) than the t-table value, which is 1.645, or the probability value of 0.0000 is smaller ($<$) than 0.05, then H_0 rejected. That is, this shows that the number of industries has a significant effect on the realization of Regency/City regional tax revenues in West Sumatra in 2017-2019 with GDP as a moderating variable. So, accept Alternative Hypothesis 3 (Ha.3).
4. The t-count value of the independent variable X2 with Z (GDP) as moderating is 0.64 smaller ($<$) than the t-table value, which is 1.645, or the probability value is 0.5264 greater ($>$) than 0.05, then H_0 accepted. This means that this shows that the population has no significant effect on the realization of Regency/City regional tax revenues in West Sumatra in 2017-2019 with GDP as the moderating variable. So, reject Alternative Hypothesis 4 (Ha.4).

From table 4 above, it can be seen that the significant value of the variables has a significant value greater than 0.05, so it can be concluded that the regression model is good or there is no heteroscedasticity.

Simultaneous Test (F Test)

The F test (the feasibility of the model) is intended to determine the effect of independent variables simultaneously (together) on the dependent variables. The results of this test using Eviews, can be seen in the following table:

Table 7. Test Results F

R-squared	0.999188	Mean dependent var	36128488
Adjusted R-squared	0.998662	S.D. dependent var	81031260
S.E. of regression	2964194.	Akaike info criterion	32.93244
Sum squared resid	2.99E+14	Schwarz criterion	33.75682
Log likelihood	-915.5744	Hannan-Quinn criter.	33.25282
F-statistic	1900.659	Durbin-Watson stat	1.699041
Prob(F-statistic)	0.000000		

Source: Primary Data, Eviews, 2021

The results of the F test can be seen in Table 6. By looking at the F-statistics and Prob (F-statistics) it can be explained that the F-count value of the independent variables X1 and X2 simultaneously is 1900.6 greater ($>$) than the F-table value, which is 3.17, or the probability value is 0.0000 is smaller ($<$) than 0.05, then H_0 is rejected. That is, this shows that the variables of the number of industries and the number of residents simultaneously have a significant effect on the realization of local tax revenues. So, accept Alternative Hypothesis 5 (Ha.5).

Determination Test (R2)

The results of the Coefficient of Determination Test (R2) can also be seen in Table 5. By looking at the Adjusted R-squared, it can be explained that the value of the coefficient of determination test (R2) is 0.999. That is, this shows that together the variable number of industry and residents with GDP as a moderating variable has a contribution to explain the realization of local tax revenues by 99.9%, while the remaining 0.1% is explained by other variables that are not examined or not included in this research model.

Results and Discussion

The Effect of Number of Industries on the Realization of Regional Tax Revenue

This study shown a regression equation coefficient with a value of 7167.51 for the independent variable number of industries. This shows that the number of industries has a positive relationship to the realization of local tax revenues. The regression coefficient of 7167.51 means that for every 1 unit increase in the industry, the realization of local tax revenues will increase by 7167.51 thousand rupiah. Furthermore, the results of the t-test indicate that the t-count value of the independent variable X1 is 28.901 greater ($>$) than the t-table value of 1.645, or the probability value of 0.0000 is smaller ($<$) than 0.05, then H_0 is rejected. This means that this shows that the number of industries has a significant effect on the realization of Regency/City regional tax revenues in West Sumatra in 2017-2019. So, accept Alternative Hypothesis 1 (Ha.1).

This decision is in line with the results of research conducted by D. Arshad Darulmalshah Tamara (2009) and Fitriana and Sudrajat (2017) where the number of industries has a positive and significant effect on the realization of local tax revenues.

The Effect of Number of Residents on the Realization of Regional Tax Revenue

This study shown a regression equation coefficient with a value of 209.17 for the independent variable of population. This shows that the population has a positive relationship to the realization of local tax revenues. The regression coefficient of 209.17 means that for every 1 person increase in the population, the realization of local tax revenues will increase by 209.17 thousand rupiah. In this case other factors are considered constant. Meanwhile, the t-count value of the independent variable X2 is 3.318 which is greater ($>$) than the t-table value of 1.645, or the probability value of 0.0035 is smaller ($<$) than 0.05, so H_0 is rejected. This means that this shows that the population has a significant effect on the realization of Regency/City regional tax revenues in West Sumatra in 2017-2019. So, accept Alternative Hypothesis 2 (Ha.2).

Based on the coefficients of the regression equation and the results of the t-test, it can be concluded that the population partially has a significant effect on the realization of local tax revenues for the Regency/City Government in the Province of West Sumatra. The results of this study are in line with the results of research by D. Arshad Darulmalshah Tamara (2009), Yohan Dwi Artha, Badjuri, and Zainuri (2016) and Puspita Suci Arianto and Yazid Yud Padmono (2014). Where the population partially has a positive and significant effect on the realization of local tax revenues.

The Effect of Number of Industries on the Realization of Regency/City Regional Tax Revenues in the Province of West Sumatra with GDP as a Moderating Variable

This study produces a regression equation coefficient with a value of 0.264465 for the independent variable number of industries. The positive regression coefficient of the independent variable number of industries (X1) with GDP as moderating (Z) indicates that the number of industries has a positive relationship to the realization of local tax revenues with GDP as moderating. The regression coefficient of 0.264465 means that for every increase of 1 industrial unit, the realization of local tax revenues will increase by 0.264465 thousand rupiah with GDP as moderation. In this case other factors are considered constant. Based on the t-test, the t-count value of the independent variable X1 with Z (GDP) as moderating is 17.59 greater ($>$) than the t-table value of 1.645, or the probability value of 0.0000 is smaller ($<$) than 0.05, then H_0 is rejected. That is, this shows that the number of industries has a significant effect on the realization of Regency/City regional tax revenues in West Sumatra in 2017-2019 with GDP as a moderating variable. So, accept Alternative Hypothesis 3 (Ha.3).

The results of this study are in line with the research of Fitriana and Sudrajat (2017) where the number of industries has a significant positive effect on advertisement tax revenues, GRDP strengthens the influence of the number of industries on advertisement tax revenues in Magetan Regency. So that the number of industries has a significant effect on the realization of tax revenues with GRDP as a moderating variable.

The Effect of Number of Residents on the Realization of Regency/City Regional Tax Revenues in the Province of West Sumatra with GDP as a Moderating Variable

This study resulted in a positive regression coefficient for the independent variable population (X2) with GDP as moderating (Z). This shows that the population has a positive relationship to the realization of local tax revenues with GDP as moderation. The regression coefficient of 0.000934 means that for every 1 person increase in the population, the realization of local tax revenues will increase by 0.000934 thousand rupiah with GDP as moderation. In this case other factors are considered constant. However, based on the t-test, the t-count value of the independent variable X2 with Z (GDP) as moderating is 0.64 smaller ($<$) than the t-table value of 1.645, or the probability value of 0.5264 is greater ($>$) than 0, 05, then H_0 is accepted. This means that this shows that the population has no significant effect on the realization of Regency/City regional tax revenues in West Sumatra in 2017-2019 with GDP as the moderating variable.

The effect of population on local taxes can be assessed from two roles. First, the role as a workforce, can increase local tax revenues if the full use of labor can be realized, because it will increase production. In addition, the role of labor can also reduce local tax revenues if the increase in the number of workers is not

proportional to other production factors, it can even trigger unemployment. Second, the role as a market expansion, will increase local taxes if the population continues to increase within a controlled limit. According to Sukirno (2005), one of the factors that influence consumption is population. Where an area with a relatively large population will have a higher level of consumption than an area with a relatively small population, this is because the area with a relatively large population has a larger market area. The high level of consumption due to this market area will certainly have the potential to increase tax revenue for a region.

As explained earlier, the cause of the insignificant relationship can also be seen from two roles (Todaro, in Tamara, 2009). First, from the role of increasing the number of productive workers. Second, from the role of market expansion. From the role of increasing the number of productive workers, it turns out that the comparison of the number of the workforce to the total population in West Sumatra Province in 2018 and 2019 shows a decline. This was followed by a decrease in the comparison value of the number of actively working labor force to the total population in West Sumatra Province in 2018 and 2019. From 42.49% in 2018, in 2019 the comparison value fell to 42.04%. The decline in the proportion of the workforce and the labor force that is actively working is certainly one of the reasons for the relatively low growth rate of the population from 2015-2017, which is in the range of 0.2%-3% for each Regency/City. Meanwhile, the growth rate of the total population also decreased from 1.29% in 2014 to 1.25% in 2015. The declining economic growth also strengthened the indication of this insignificant relationship.

The effect of the number of industries and the number of residents simultaneously on the Realization of Regency/Municipal Tax Revenue in the Province of West Sumatra

The results of the F test by looking at the F-statistics and Prob (F-statistics) can explain that the F-count value of the independent variable number of industries and the number of residents simultaneously is 190.67 greater ($>$) than the F-table value, which is 3.17, or the probability value of 0.0000 is smaller ($<$) than 0.05, then H_0 is rejected. That is, this shows that the variables of the number of industries and the number of residents together have a significant effect on the realization of local tax revenues with GDP as the moderating variable. Meanwhile, the results of the Coefficient of Determination Test (R²) by looking at the Adjusted R-squared can explain that the value of the Coefficient of Determination Test (R²) is 0.999. That is, this shows that together the variable Gross Regional Domestic Product (GDP) as a moderator and the number of industries and the population have a contribution to explain the realization of local tax revenues of 99.9%, while the remaining 0.1% is explained by other variables, which were not studied or were not included in this research model.

Based on the F Test and the Coefficient of Determination (R²), a decision can be made to accept Alternative Hypothesis 5 (Ha.5), namely the number of industries and the number of residents together have a significant effect on the realization of local tax revenues for Regency/City Governments in the Sumatra region. West. This decision is in line with the results of research conducted by Tamara (2009) and Artha et al. (2016).

IV. CONCLUSION

Based on the results of research and data processing that have been done before, some conclusions can be drawn as follows:

1. There is a significant effect of the number of industries on the realization of Regency/City regional tax revenues in West Sumatra 2017-2019.
2. There is a significant effect of the residents on the realization of Regency/City regional tax revenues in West Sumatra 2017-2019.
3. There is an effect of the number of industries on the realization of Regency/City regional tax revenues in West Sumatra 2017-2019 with GDP as a significant moderating variable.
4. There is no effect of residents on the realization of Regency/City regional tax revenues in West Sumatra 2017-2019 with GRDP as a significant moderating variable.
5. There is a significant effect of the number of industries and population on the realization of Regency/City regional tax revenues in West Sumatra 2017-2019.

Based on the results of the study and the conclusions obtained in this study, the suggestions that the author can give to increase the realization of district / city tax revenues in West Sumatra through the variables that have been researched are as follows:

1. There are many other factors that affect the realization of district/city local tax revenues in West Sumatra besides the variables in this study, there are still other variables that will affect the realization of district/city local tax revenues in West Sumatra, namely the inflation rate, capital expenditures, The level of tax compliance and other factors should be investigated further, because other factors other than those in this study may have a dominant influence in increasing the realization of district/municipal tax revenues in West Sumatra.
2. In this study, the most dominant variable influencing the realization of district/municipal tax revenues in West Sumatra is the number of industries, while the variables with the least influence are population and

GRDP as moderating variables, so that further research is likely to produce different findings, if the variable level of taxpayer compliance is added as an independent variable which is likely to be the dominant variable in the realization of district / city tax revenues in West Sumatra

3. This research was conducted only on the realization of district/city tax revenues in West Sumatra in 2017-2019, which was 57 panel data from 13 districts/cities in West Sumatra. If this research was conducted in a larger range of years, for example 2015-2020, it might produce findings with different results.

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