

## DETERMINANTS OF REGIONAL ORIGINAL REVENUE AND ITS IMPACT ON REGIONAL INDEPENDENCE IN BANTEN PROVINCE

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### Keywords

*organizational culture,  
organizational commitment, taxpayer  
compliance, regional independence,  
regional original income*

### ABSTRACT

The study aims to examine the influence of taxpayer compliance, organizational culture, and organizational commitment on local revenue, as well as its impact on regional independence in Banten Province. The data analysis in this study uses a quantitative analysis method with the analysis tool used is Partial Least Square-Path Modeling (PLS-PM 3.0). The results of this study show that there is a significant positive influence of regional taxpayer compliance with regional original income. The coefficient of the path parameter obtained a path coefficient value of 0.012 significantly at  $2.068 > t\text{-table } 1.96$  and a p-value of 0.000 a significance level of 0.05, which states that there are significant positive influences of regional tax compliance with the original income of the region. Organizational commitment has no effect on the original regional income. This study provides valuable insights for policymakers and local government officials on the importance of fostering a culture of compliance and commitment within organizations to enhance financial performance. The findings also add to the existing literature on public finance and governance, highlighting the interconnectedness of taxpayer behavior and organizational dynamics in achieving fiscal independence at the regional level.

### INTRODUCTION

Law Number 23 of 2014 concerning Regional Government states that local governments can be said to be able to carry out regional autonomy independently if the level of independence generated from the original income of the region is more than 50% of the total income of the region (Choiriyah & Lailu, 2020). Regional original income (PAD) can be a measure to show the independence of a region, the higher the ability of the region to produce PAD, the greater the ability of regions to use the PAD in accordance with the needs and priorities of regional development (Choiriyah & Lailu, 2020). Efforts to improve the performance of PAD's potential can be seen from several factors, including regional taxes, because regional taxes are the largest contributor to PAD. Then in increasing the potential of PAD, it is also necessary to have good governance and behavior from all members of the organization (Nurhakim, 2023).

Organizational culture has a significant effect on PAD (Pratiwi et al., 2023). A different thing related to PAD is the result of research by Nurarifah et al. (2023) which states that organizational culture does not have a positive influence on the performance of local government financial independence. Next, efforts to improve PAD can be measured from the organization's commitment, low commitment reflects the lack of responsibility of a leader in carrying out a task (Wardana, 2021).

The goal setting theory that has been developed by Locke since 1968 has begun to attract interest in various organizational problems and issues. According to Goal Setting Theory, an individual has several goals, chooses a goal, and they are highly motivated to achieve those goals (Srimindarti, 2012). Goal setting theory states that there is a very significant influence in the formulation of goals (Fitriah et al., 2021). One of the characteristics of Goal setting theory is the level of difficulty of goals, different levels of difficulty will provide different motivational influences for an individual to achieve certain performance (Wahjono, 2022).

Taxpayer compliance can also be interpreted as taxpayers having the availability to fulfill their tax obligations in accordance with applicable rules without the need for inspections, thorough investigations, or sanctions, either legal or administrative (Manrejo & Markonah, 2023). Dewi et al. (2023) and Shadiqi (2023) stated that the compliance of regional taxpayers affects the original income of the region. It is in line with previous research by Susanto et al. (2022) and Wicaksana et al. (2023) who state that tax compliance will affect the amount of regional revenue.

Organizational culture, defined as a set of long-standing values, beliefs, assumptions, or norms (Nurhakim, 2023), has been shown to influence local revenue according to research by Oyegoke et al. (2022). However, Nurarifah et al. (2023) found that organizational culture does not impact regional revenue. Organizational commitment is characterized by a strong desire to remain part of an organization, work hard towards its goals, and embrace its values (Wardana, 2021). Research by Kuntadi et al. (2023) indicates that organizational commitment affects the financial performance of local governments, particularly in achieving regional original revenue (Ayem & Ahamala, 2023).

Regional original income is a measure to show the independence of a region. The higher the region's ability to generate Regional Original Revenue, the greater the region's ability to use the Regional Original Revenue in accordance with the needs and priorities of regional development (Choiriyah & Lailu, 2020). Grover et al. (2022) states that the independence of a region means the larger/increasing regional income which shows that a region is able to carry out regional decentralization. In line with the research of Nainggolan et al. (2023) that local original income has a positive effect on regional independence.

A region can be said to be independent if it is able to finance all government activities and its development independently without any intervention/relying on funds from the central government (Choiriyah & Lailu, 2020). The ratio of regional financial independence can be calculated by comparing the amount of PAD receipts divided by the amount of transfer income from the central and provincial governments as well as regional loans, The higher the result, the higher this ratio number proves that the higher the local government's financial independence is also (Mahmudi, 2016).

This study aims to examine the influence of taxpayer compliance, organizational culture, and organizational commitment on local revenue, as well as its impact on regional independence in Banten Province. The research contributes to the understanding of how taxpayer compliance, organizational culture, and organizational commitment affect local revenue in Banten Province, and subsequently, how these factors influence regional independence. By exploring these relationships, the study provides valuable insights for policymakers and local government officials on the importance of fostering a culture of compliance and commitment within organizations to enhance financial performance. Additionally, the findings can inform strategies aimed at improving local revenue generation, thereby promoting greater regional autonomy and sustainability. This research also adds to the existing literature on public finance and governance, highlighting the interconnectedness of taxpayer behavior and organizational dynamics in achieving fiscal independence at the regional level.

The hypotheses used in this study are:

- 1) H1: Taxpayer compliance affects Regional Original Revenue
- 2) H2: Organizational Culture Affects Regional Original Revenue
- 3) H3: Organizational Commitment affects Regional Original Revenue
- 4) H4: Regional Original Revenue affects Regional Independence

**METHODS**

This study uses a quantitative approach, the population in this study is all SKPD/SKPD Units of Banten Province, namely as many as 98 Regional Apparatus, as stated in Governor's Regulation Number 83 of 2016 concerning the Organization of Regional Apparatus Work Procedures of Banten Province. The sampling technique in this study uses the purposive sampling technique, which is information collected from several samples selected based on several criteria determined by the researcher. The criteria for determining the sample in this study are SKPD/SKPD Unit which is the accounting entity, and the number of samples of 41 SKPD with financial management criteria from each SKPD/SKPD Unit.

The data source used is primary data, data collection is carried out using a questionnaire sent to respondents. After the data collection was carried out, a confirmation method was then carried out by interviewing the respondents related to the questionnaire answers that had been submitted by the respondents. The data analysis in this study uses a quantitative analysis method with the analysis tool used is Partial Least Square-Path Modeling (PLS-PM 3.0). This study uses 3 types of variables, namely independent variables, dependent variables and intervening/impact variables. The independent variables in this study are regional tax variables, organizational culture and organizational commitment. The dependent variable in this study is the original regional income, while the intervening/impact variable in this study is regional independence. The following is the operationalization of the variables in this study.

**Table 1.** Variable Operationalization

<b>Variable</b>	<b>Dimension</b>	<b>Indicator</b>	<b>Scale</b>
Taxpayer compliance	Knowledge	-Knowledge of local tax obligations	Ordinal
		-Knowledge of the types of local taxes	
	-Knowledge of regional tax calculation procedures		
	-Knowledge of local tax benefits		
Punctuality	-Punctuality in fulfilling regional tax obligations		
	-Do not have arrears of regional tax obligations		
Penalty	-Timely in submitting tax reports		
	-Sanctions for late payment of regional tax obligations		
	-Sanctions for delay/non-reporting of regional taxes		
Organizational Culture	Norm	-Elimination of sanctions for regional tax obligations	Ordinal
		-Signs for organizational activities	
		-Standards that can regulate behavior in the organization	

	Behaviour	-The influence of each individual and group on the organization -Activity patterns of all members	
	Philosophy	-Policies that reflect the values of the organization -The application of principles/ethics in dealing with complex moral situations.	
	Value	-Grateful -Concern -Discipline -Professionalism -Discipline	
Organizational Commitment	Commitment Affective	-Sukrela in work -Giving advice -Responsibility -Experiencing the success of the organization -Feeling the failure of the organization	
	Sustainable Commitment	-Other job options from the financial aspect -Other job options from non-financial aspects -Motivation to pursue benefits -Consideration of the working time factor	Ordinal
	Normative Commitment	-Awareness for loyalty -Belief in loyalty -Placing loyalty partly out of ethics. -Awareness of ethics -Belief in ethics	
Regional Original Income (Y)	Regional Taxes	- Motor Vehicle Tax (PKB) - Motor Vehicle Name Return Fee (BBNKB) - Motor Vehicle Fuel Tax (PBBKB) - Surface Water Tax (PAP) - Cigarette Tax	
	Regional Levy	-Public Service Levy -Business Services Levy - Certain licensing levies	
	Results of Regional Wealth Management Segregated	-Profit distributed to the Regional Government (Dividend) for capital participation in BUMD (Financial Institution)	Ordinal
	Other legitimate local original income	-Results of sales of regional assets - Giro Services -Interest Income/Placement of local government money -Revenue from local tax fines - Revenue from regional levy fines -BLUD Income	
Regional Independence	Independence	-Not dependent on central transfer funds	
	Authority	-Have authority over regional development	
	Management	-Able to manage regional finances	Ordinal
	Financing	-Able to finance the region	
	Reporting	-Able to report regional financial reports well.	

**RESULTS**

**Variable Description**

*Taxpayer Compliance Variable (XI)*

**Table 2.** Description of Taxpayer Compliance Variables

Dimension	Indicator	Answer Score					Total score	Index score		
		1	2	3	4	5				
Knowledge	Knowledge of local tax obligations	F	1	3	8	60	51	526	85,53%	
		%	0,81	2,44	6,50	48,7	41,4			
	Knowledge of the types of local taxes	F	3	2	2	51	65	358	58,21%	
		%	2,44	1,63	1,63	41,4	52,8			
	Knowledge of regional tax calculation procedures	F	4	6	27	56	30	471	76,5%	
		%	3,25	4,88	21,9	45,5	24,3			
	Knowledge of local tax benefits	F	3	8	43	46	23	447	72,68%	
		%	2,44	6,50	34,9	37,4	18,7			
	Punctuality	Punctuality in fulfilling regional tax obligations	F	2	3	33	59	26	473	76,91%
			%	1,63	2,44	26,8	47,9	21,1		
Do not have arrears of regional tax obligations		F	1	6	34	57	25	468	76,10%	
		%	0,81	4,88	27,6	46,3	20,3			
Timely submission of tax reports	F	1	0	28	67	27	488	79,35%		
	%	0,81	0,00	22,7	54,4	21,9				
Sanction	Sanctions for late payment of regional tax obligations	F	1	5	26	64	27	480	78,05%	
		%	0,81	4,07	21,1	52,0	21,9			
	Sanctions for delaying/not reporting regional taxes	F	1	4	38	63	27	510	82,93%	
		%	0,81	3,25	30,8	51,2	21,9			
Elimination of sanctions on regional tax obligations	F	3	9	28	55	28	265	43,09%		
	%	2,44	7,32	22,7	44,7	22,7				
<b>Average</b>								72,93%		

Source : Data processed, 2024

Based on the table above regarding the description of the taxpayer compliance variable, it has 3 dimensions and 10 indicators. The highest dimension of the average score is the knowledge dimension which has a score of 85.53% found in the knowledge indicator about regional tax obligations, this indicates that the majority of employees in the regional apparatus of Banten Province have a very good understanding of the knowledge of regional taxpayer compliance. While the sanction dimension has the lowest score found in the indicator of the elimination of sanctions on regional tax obligations has a score of 43.09%, this indicates that employees of the Banten Province regional apparatus have poor compliance with taxpayer compliance so that the majority of employees get sanctions for delays in regional tax obligations.

**Organizational Culture Variable (X2)****Table 3.** Description of Organizational Culture Variables

Dimension	Indicator	Answer Score					Total score	Index score	
		1	2	3	4	5			
Norm	Signs for organizational activities	F	1	2	36	61	23	472	76,75%
		%	0,81	1,63	29,27	49,59	18,70		
	Standards that can govern behavior in an organization	F	1	4	32	61	25	474	77,07%
		%	0,81	3,25	26,02	49,59	20,33		
Behaviour	The influence of each individual and group on the organization	F	1	4	31	62	25	475	77,24%
		%	0,81	3,25	25,20	50,41	20,33		
	Activity patterns of all members	F	0	9	30	56	28	472	76,75%
		%	0,00	7,32	24,39	45,53	22,76		
Philosophy	Policies that reflect the organization's values	F	0	3	26	65	29	489	79,51%
		%	0,00	2,44	21,14	52,85	23,58		
	Application of principles/ethics in dealing with complex moral situations	F	1	3	12	75	32	503	81,79%
		%	0,81	2,44	9,76	60,98	26,02		
Value	Grateful	F	3	3	10	68	39	506	82,28%
		%	2,44	2,44	8,13	55,28	31,71		
	Concern	F	3	1	18	68	33	496	80,65%
		%	2,44	0,81	14,63	55,28	26,83		
	Discipline	F	1	3	18	66	35	500	81,30%
		%	0,81	2,44	14,63	53,66	28,46		
	Professionalism	F	0	3	19	67	34	501	81,46%
		%	0,00	2,44	15,45	54,47	27,64		
	Discipline	F	0	4	29	59	31	486	79,02%
		%	0,00	3,25	23,58	47,97	25,20		
<b>Average</b>								<b>79,43%</b>	

*Source : Data processed, 2024*

Based on the table above regarding the description of organizational culture variables, there are 4 dimensions and 11 indicators. The highest dimension score is the value dimension found in the gratitude indicator which has a score of 82.28%. This means that the majority of regional apparatus employees in Banten Province have a good sense of gratitude. The very low dimension score, namely the norm dimension is found in the indicator of signs for organizational activities which has a score of 76.75%, which means that Banten Province regional apparatus employees are not good at upholding the norms that apply in the agency so that they cannot follow the signs in every organizational activity that supports local government programs.



Organizational Commitment Variable (X3)

Table 4. Description of Organizational Commitment Variables

Dimension	Indicator	Answer Score					Total score	Index score	
		1	2	3	4	5			
Commitment Affective	Volunteer in work	F	0	2	13	63	45	520	84,55%
		%	0,00	1,63	10,57	51,22	36,59		
	Giving advice	F	0	3	21	63	36	501	81,46%
		%	0,00	2,44	17,07	51,22	29,27		
	Responsibility	F	0	3	21	66	33	498	80,98%
		%	0,00	2,44	17,07	53,66	26,83		
Experiencing organizational success	F	0	6	20	64	33	493	80,16%	
	%	0,00	4,88	16,26	52,03	26,83			
Feeling organizational failure	F	2	5	30	56	30	476	77,40%	
	%	1,63	4,07	24,39	45,53	24,39			
Commitment to Sustainability	Other job options from the financial aspect	F	0	3	15	67	38	509	82,76%
		%	0,00	2,44	12,20	54,47	30,89		
	Other job options from non-financial aspects	F	0	3	26	62	32	492	80,00%
		%	0,00	2,44	21,14	50,41	26,02		
	Motivation to pursue benefits for the working period factor	F	2	2	26	65	28	484	78,70%
%		1,63	1,63	21,14	52,85	22,76			
Consideration of the working time factor	F	0	2	9	69	43	522	84,88%	
	%	0,00	1,63	7,32	56,10	34,96			
Normative Commitment	Awareness for loyalty	F	3	4	20	52	44	499	81,14%
		%	2,44	3,25	16,26	42,28	35,77		
	Confidence to be loyal	F	1	2	11	57	52	526	85,53%
		%	0,81	1,63	8,94	46,34	42,28		
	Placing loyalty is part of ethics	F	1	7	16	52	47	506	82,28%
		%	0,81	5,69	13,01	42,28	38,21		
Awareness of ethics	F	1	5	16	58	43	506	82,28%	
	%	0,81	4,07	13,01	47,15	34,96			
Belief in ethics	F	1	1	15	57	49	521	84,72%	
	%	0,81	0,81	12,20	46,34	39,84			
<b>Average</b>								<b>81,91%</b>	

Source : Data processed, 2024

Based on the table above regarding the description of the variables, organizational commitment has 3 dimensions and 14 indicators. The highest dimension score is the normative commitment dimension found in the confidence indicator for loyalty which has a score of 85.53%, which means that regional apparatus employees in Banten Province have a very good sense of confidence to be loyal to the organization. The lowest score is the dimension of affective commitment found in the indicator of feeling organizational failure which has a score of 77.40%, which means that regional apparatus employees in Banten Province feel that the failure achieved by an organization is not a failure for them.

*Regional Original Revenue (PAD) Variable (Y)***Table 5.** Description of Regional Original Revenue Variables

Dimension	Indicator	Answer Score					Total score	Index score	
		1	2	3	4	5			
Regional Taxes	Motor Vehicle Tax (PKB)	F	0	2	20	68	33	501	81,46%
		%	0,00	1,63	16,26	55,28	26,83		
	Motor Vehicle Name Return Fee	F	0	4	20	64	35	499	81,14%
		%	0,00	3,25	16,26	52,03	28,46		
	Motor Vehicle Fuel Tax (PBBKB)	F	0	2	23	62	36	501	81,46%
		%	0,00	1,63	18,70	50,41	29,27		
	Surface Water Tax (PAP)	F	3	6	32	51	31	470	76,42%
		%	2,44	4,88	26,02	41,46	25,20		
	Cigarette Tax	F	1	3	13	69	37	507	82,44%
		%	0,81	2,44	10,57	56,10	30,08		
Regional Levy	Public Service Levy	F	0	2	13	74	34	509	82,76%
		%	0,00	1,63	10,57	60,16	27,64		
	Business Services Levy	F	0	2	11	75	35	512	83,25%
		%	0,00	1,63	8,94	60,98	28,46		
	Certain licensing levies	F	0	3	12	73	35	509	82,76%
		%	0,00	2,44	9,76	59,35	28,46		
Results of Regional Wealth Management Segregated	Profit distributed to the Regional Government (Dividend) for capital participation in BUMD (Financial Institution)	F	0	2	16	71	34	506	82,28%
		%	0,00	1,63	13,01	57,72	27,64		
Other legitimate local original income	Results of Regional Asset Sales	F	0	2	19	69	33	502	81,63%
		%	0,00	1,63	15,45	56,10	26,83		
	Giro Services	F	0	2	11	75	35	512	83,25%
		%	0,00	1,63	8,94	60,98	28,46		
	Interest	F	1	3	8	60	51	526	85,53%
		%	0,81	2,44	6,50	48,78	41,46		
	Revenue from regional tax fines	F	3	2	2	51	65	542	88,13%
		%	2,44	1,63	1,63	41,46	52,85		
	Revenue from regional levy fines	F	3	2	2	51	65	471	76,59%
		%	2,44	1,63	1,63	41,46	52,85		
BLUD Income	F	3	8	43	46	23	447	72,68%	
	%	2,44	6,50	34,96	37,40	18,70			

Based on the table above regarding the description of the variables of regional real income, it has 4 dimensions and 15 indicators. The highest dimension score is the other dimension of regional original revenue found in the regional tax penalty revenue indicator which has a score of 88.13%, this indicates that regional levy fine revenue has had a very good influence on the fulfillment of regional expenditure in Banten Province. While the lowest dimension is the other dimension of regional original revenue, found in the BLUD (Regional Public Service Agency) revenue indicator has a score



of 71.68%, This indicates that BLUD (Regional Public Service Agency) revenue is not good in providing an influence on the fulfillment of expenditure on the regions in the Banten Province area.

**Regional Independence Variable (Z)**

**Table 6.** Description of Variable Independence of Daerah

Dimension	Indicator	Answer Score					Total score	Index score	
		1	2	3	4	5			
Independence	Independent of central transfer funds	F	2	3	33	59	26	473	76,91%
		%	1,63	2,44	26,83	47,97	21,14		
Authority	Have authority over regional development	F	1	6	34	57	25	468	76,10%
		%	0,81	4,88	27,64	46,34	20,33		
Management	Able to manage regional finances	F	1	0	28	67	27	488	79,35%
		%	0,81	0,00	22,76	54,47	21,95		
Financing	Able to finance the region	F	1	5	26	64	27	480	78,05%
		%	0,81	4,07	21,14	52,03	21,95		
Reporting	Able to report regional financial reports well.	F	1	4	28	63	27	480	78,05%
		%	0,81	3,25	22,76	51,22	21,95		
<b>Average</b>								77,92%	

Source : Data processed, 2024

Based on the table above regarding the description of regional independence variables, there are 5 dimensions and 5 indicators. The dimension with the highest average score is the management dimension having a score of 79.35% found in the indicator of being able to manage regional finances, this means that the regional ranks of Banten Province are able to manage regional finances very well in accordance with applicable regulations and laws. While the lowest dimension, the average score of the authority dimension as seen in the indicator of having authority over regional development has a score of 76.10%, this means that the regional apparatus of Banten Province is not good at having its own authority to determine its own regional development without having to intervene from the center.

**Convergent Validity Test**

The test results can be seen from the correlation between the indicator score and the construction score. Individual indicators are considered valid and reliable if they have a correlation value above 0.70, with a loading factor of 0.50-0.60 is still acceptable. It can be seen in the table below.

**Table 7.** Value of Outer Loading Factor

Variable	Dimension	Indicator	Outer Loading Factor	Information
Taxpayer Compliance	Knowledge	PENG 1	0,855	Valid
		PENG 2	0,813	Valid
		PENG 3	0,789	Valid
		PENG 4	0,796	Valid
	Punctuality	KEP 1	0,844	Valid
		KEP 2	0,839	Valid

		KEP 3	0,861	Valid
		SKS 1	0,796	Valid
	Penalty	SKS 2	0,891	Valid
		SKS 3	0,716	Valid
	Norm	NORM 1	0,936	Valid
		NORM 2	0,928	Valid
	Behaviour	PLK 1	0,895	Valid
		PLK 2	0,865	Valid
Organizational Culture	Philosophy	FIL 1	0,878	Valid
		FIL 2	0,892	Valid
	Value	NIL 1	0,894	Valid
		NIL 2	0,833	Valid
		NIL 3	0,812	Valid
		NIL 4	0,847	Valid
	NIL5	0,797	Valid	
Organizational Commitment	Affective Commitment	KA 1	0,741	Valid
		KA 2	0,869	Valid
		KA 3	0,892	Valid
		KA 4	0,912	Valid
		KA 5	0,871	Valid
	Sustainable Commitment	KB1	0,909	Valid
		KB2	0,914	Valid
		KB3	0,896	Valid
	KB4	0,839	Valid	
Normative Commitment	KN1	0,553	Valid	
	KN2	0,901	Valid	
	KN3	0,850	Valid	
	KN4	0,873	Valid	
	KN5	0,855	Valid	
Regional Original Income	Regional Taxes	PD1	0,875	Valid
		PD2	0,880	Valid
		PD3	0,883	Valid
		PD4	0,824	Valid
		PD5	0,715	Valid
	Regional Levy	RD1	0,925	Valid
		RD2	0,961	Valid
		RD3	0,918	Valid
	Results of Regional Wealth Management Segregated	HPD1	1,000	Valid
	Other legitimate local original income	LPDS1	0,747	Valid
LPDS2		0,809	Valid	
LPDS3		0,835	Valid	
LPDS4		0,738	Valid	
LPDS5		0,727	Valid	
LPDS6		0,660	Valid	
Regional Independence	Independence	KEM1	1,000	Valid
	Authority	KEW1	1,000	Valid
	Management	PBY1	1,000	Valid
	Financing	PEL1	1,000	Valid
	Reporting	PLH1	1,000	Valid

In addition to being seen from the loading factor value , convergent validity can be seen from the Average Variance Extracted (AVE) value. The AVE value generated by all constructs must be above > 0.50, to meet the requirements of convergence validity and reliability.

**Table 8.** Average Variance Extracted (AVE)

	<b>AVE</b>	<b>Information</b>
Organizational Culture	0,589	Valid
Philosophy	0,783	Valid
Results of Regional Wealth Management	1,000	Valid
Independence	1,000	Valid
Regional Independence	0,651	Valid
Taxpayer Compliance	0,521	Valid
Punctuality	0,719	Valid
Authority	1,000	Valid
Affective Commitment	0,738	Valid
Sustainable Commitment	0,780	Valid
Normative Commitment	0,667	Valid
Organizational Commitment	0,587	Valid
Other Regional Revenue	0,570	Valid
Value	0,718	Valid
Norm	0,869	Valid
PAD	0,601	Valid
Regional Taxes	0,702	Valid
Reporting	1,000	Valid
Financing	1,000	Valid
Management	1,000	Valid
Knowledge	0,652	Valid
Behaviour	0,775	Valid
Regional Levy	0,874	Valid
Penalty	0,647	Valid

Based on the table above, it can be seen that all AVE values > 0.5, which shows that all latent variables in the estimated model meet the criteria of convergent validity (valid).

**Reliability Test**

**Table 9.** Composite Reliability Test Results

	<b>Composite Reliability</b>
Organizational Culture	0,940
Philosophy	0,879
Results of Regional Wealth Management	1,000
Independence	1,000
Regional Independence	0,903
Taxpayer Compliance	0,915
Punctuality	0,885
Authority	1,000
Affective Commitment	0,933

Sustainable Commitment	0,934
Normative Commitment	0,907
Organizational Commitment	0,952
Other Regional Revenue	0,888
Value	0,927
Norm	0,930
PAD	0,957
Regional Taxes	0,921
Reporting	1,000
Financing	1,000
Management	1,000
Knowledge	0,882
Behaviour	0,873
Regional Levy	0,954
Penalty	0,845

All constructs are declared Reliable because the Composite Reliability value for all constructs is above 0.70.

**Table 10.** Cronbach's Alpha Test Results

	<b>Cronbach's Alpha</b>
Organizational Culture	0,930
Philosophy	0,724
Results of Regional Wealth Management	1,000
Independence	1,000
Regional Independence	0,865
Taxpayer Compliance	0,895
Punctuality	0,805
Authority	1,000
Affective Commitment	0,910
Sustainable Commitment	0,906
Normative Commitment	0,867
Organizational Commitment	0,945
Other Regional Revenue	0,848
Value	0,901
Norm	0,849
PAD	0,951
Regional Taxes	0,892
Reporting	1,000
Financing	1,000
Management	1,000
Knowledge	0,821
Behaviour	0,711
Regional Levy	0,928
Penalty	0,724

The results of the Alpha-Cronbach( $\alpha$ ) test, it can be seen that all constructs in the study are considered Reliable because the Composite Reliability value for all constructs is above 0.70.

Inner Model or Structural Model Test

Table 11. Structural Model Evaluation

	R Square	Information
Regional Independence	0,587	Strong
PAD	0,870	Strong

The R-Square value for the PAD construct of 0.870 is above 0.67, meaning that the model has a good model good-fit level. This also means that the variability of PAD can be explained by variables in the model by 87%. The R-Square value for the regional independence construct is 0.587. It means that the model has a good level of good-fit model. This also means that the variability of regional independence can be explained by the variables in the model of 58.7%.

Hypothesis/Significance Test of Path Coefficient

Table 12. Hypothesis/Significance Test of Path Coefficient

	Original Sample	T Statistic	P Values	Information
Organizational Culture -> PAD	0,001	0,233	0,895	No significant effect H1 rejected
Taxpayer Compliance -> PAD	0,012	2,068	0,000	Significant influence H2 accepted
Organizational Commitment -> PAD	0,002	0,528	0,000	No significant effect H3 rejected
PAD -> Regional Independence	0,010	7,104	0,000	Significant influence H4 accepted

Based on table 8, it can be seen that the research hypothesis can be answered as follows:

1. Taxpayer compliance with Regional Original Revenue: Based on the Table, the path parameter coefficient obtained a path coefficient value of 0.012 significantly at  $2.068 > t$ -table 1.96 and a p-value of  $0.000 <$  a significance level of 0.05, which states that there is a significant positive influence of regional taxpayer compliance with regional original income. Therefore, it can be concluded that the first hypothesis in this study is accepted, namely that taxpayer compliance has a positive effect on local revenue.
2. Organizational culture on Regional Original Revenue: Based on the table, the coefficient of the path parameter obtained a path coefficient value of 0.001 significant in t-statistic of  $0.233 <$  t-table of 1.96 and p-value of  $0.895 >$  a significance level of 0.05, which states that there is no significant positive influence of organizational culture on regional original income. The results of this study conclude that the second hypothesis in this study is rejected, where there is no influence between organizational culture and local income.
3. Organizational commitment to Regional Original Revenue: Based on the Table, the path parameter coefficient obtained a Path coefficient value of 0.002, a significant t-statistic of 0.528,  $<$  a t-table of 1.96 and a p-value of  $0.000 <$  a significant level of 0.05, which states that there is no significant positive influence of organizational commitment on regional

original income. The results of this study conclude that the third hypothesis in this study is rejected, where there is no influence between organizational commitment to local original income.

4. Regional Original Revenue on Regional Independence: Based on the Table, the coefficient of the path parameter was obtained with a path coefficient value of 0.010 at  $7.104 > t\text{-table } 1.96$  and a p-value of  $0.000 < \text{a significant level of } 0.05$ , which states that there is a significant positive influence of regional original income on regional independence. Therefore, it can be concluded that the fourth hypothesis in this study is accepted, namely that local original income has a positive effect on regional independence.

## Discussion

### *Taxpayer Compliance Affects Regional Original Revenue*

The results of the coefficient significance test on the structural model show that taxpayer compliance has a significant effect on local original income. The direction of influence of taxpayer compliance with regional original income is positive which shows that the higher the taxpayer's compliance, the better the regional original income.

### *Organizational Culture Has No Effect on Regional Original Income*

The results of the significant test of the coefficient of the path in the structural model show that the organizational culture does not have a significant effect on the original income of the region. Based on the descriptive analysis that has been described above, it can be seen that gratitude dominates the organizational culture. This can be interpreted that regional apparatus employees in the Banten Province area focus more on gratitude in the implementation of organizational culture. These results support the goal setting theory which explains that different levels of difficulty will have different motivational effects for an individual to achieve certain performance. If there is a very low level of difficulty, it will make individuals view a goal as a routine achievement that is very easy to achieve, so it will reduce the motivation of an individual to be creative and continue to develop their abilities, on the other hand, at a higher level of difficulty the goal may be achievable, referring to goal setting theory which explains that employees who have a high organizational culture will influence and improve the quality of the budget. The results of the study are in line with Nurarifah et al. (2023) research which states that organizational culture has no effect on regional revenue, the research by Patty (2019) states that organizational culture has no effect on regional financial statements. However, it is not in line with the research of Rohim & Budhiasa (2019) which states that organizational culture has a positive and significant effect on local revenue.

### *Organizational Commitment Has No Effect on Regional Original Revenue*

The results of the coefficient of the path in the structural model show that organizational commitment does not have a significant effect on the original regional income. Organizational commitment consists of three dimensions, namely affective commitment, sustainable commitment and normative commitment. Based on the results of the descriptive analysis, normative commitment is the most dominant dimension. This can be interpreted that employees in the government environment of Banten Province tend to stay in the organization because they feel an obligation to stay in the organization. The link of an organization's commitment to local revenue is loyalty to the organization which is an assessment of a commitment, and also has an emotional bond and relationship between an organization and employees. Employees who have a high commitment will always feel loyalty and a sense of belonging to the organization. These results support the goal setting



theory which explains that low organizational commitment can usually trigger certain problems for the organization, a phenomenon that often appears in the environment of government agencies in Banten Province, namely the level of employee absenteeism indicates a low level of organizational commitment owned by employees, organizational commitment is very important for organizations because it can be used as a determinant the success of the government. The results of this study are in line with the results of the study by Nainggolan et al. (2023) stating that organizational commitment has an effect on the financial performance of local governments, but it is not in line with the research of Ayem & Ahamala (2023) stating that organizational commitment has a positive effect on local government finances in line with the research of Hernanda & Setiyawati (2020) which states that organizational commitment has an influence on the quality of financial reports.

### ***Regional Original Revenue Affects Regional Independence***

The results of the test of the significance of the path coefficient in the structural model show that the original regional income has a significant effect on regional independence. The direction of the influence of local original income on regional independence is positive, which shows that the higher the regional original income, the better the regional independence. Referring to Law No. 33 of 2004, it states that the form of decentralization is PAD with the aim of empowering local governments in funding regional autonomy according to their respective potentials. If the PAD increases, the financial independence of a region will increase. Meanwhile, indicators that reflect the variables of regional independence are indicators of being able to manage regional finances. The indicator of being able to manage regional finances on the criteria of a very good response from the respondents, namely having a total index score of 79.35%. This means that the performance that has been achieved by all regional apparatus organizations within the Banten Provincial government has been in accordance with the performance agreement so that it is able to manage regional finances properly. The results of this research support the research results of Karim et al. (2023) which state that local original income affects the independence of a region. In line with the research of Nainggolan et al. (2023), local income has a positive effect on regional independence. In this study, the author explained that the greater the original income of the region, the greater the opportunity for the independence of a region, which can affect the independence of a region. So that there is a relationship between local revenue and regional independence.

### **CONCLUSION**

Taxpayer compliance significantly impacts local revenue, as good compliance contributes to the formation of robust regional original income. In Banten Province, low regional original revenue highlights the need for improved taxpayer compliance, particularly regarding regional taxes. Conversely, organizational culture and commitment have been found to have no effect on regional original income, as their focus lies on promoting organizational fundamentals like honesty and quality service rather than directly influencing revenue. Additionally, while regional original income is essential for regional independence and local government autonomy, efforts to enhance taxpayer compliance should include ongoing counseling and education on regional taxation. Recommendations for improving organizational culture involve fostering communication among employees to achieve targets, while organizational commitment should be prioritized among accounting and finance staff to instill a sense of responsibility for the organization's success. Future research should deepen and develop measurement instruments for regional income factors and expand the sample and research area beyond Banten Province to enhance generalizability.

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