



Implementation of Billboard Tax Policy in Supporting Regional Development and Revenue in Gresik Regency

Fawaz Nurul Widad Farahani¹, Ika Devy Pramudiana^{2*}, Dian Ferriswara³

¹⁻³Universitas Dr. Soetomo, Surabaya, Indonesia

Address: Jl. Semolowaru No.84, Menur Pumpungan, Kec. Sukolilo, Surabaya, Jawa Timur 60118

Author Correspondence: ika.devy@unitomo.ac.id*

Abstract. *This study examines the implementation of the advertising tax policy and its role in supporting Regional Original Income (PAD) in Gresik Regency, and identifies barriers that affect its effectiveness. This research adopted a qualitative descriptive approach with data obtained from field studies involving key government officials and supported by relevant literature and regulatory documents. Data were analyzed using McNabb's (2002) framework, which includes grouping data based on constructs, identifying the basis for interpretation, developing generalizations, testing alternative interpretations, and refining theoretical insights. The results indicate that the implementation of the advertising tax policy in Gresik focuses more on intensification than extensification, as intensification is considered more practical and faces less resistance. The licensing and collection processes for advertising tax are carried out based on the legal framework of Regional Regulation No. 8 of 2023 concerning Regional Taxes and Levies and Regent Regulation No. 79 of 2023, which regulates the rental value of advertising as the basis for taxation. Despite significant revenue potential, significant challenges remain, such as inter-agency coordination issues, inadequate data collection, and technical and non-technical barriers in implementing this policy. Unclear legal sanctions and low public awareness and compliance are also inhibiting factors. Nevertheless, advertising tax revenue has generally reached its target, although certain periods were affected by unfavorable economic conditions. This study concludes that to maximize the contribution of advertising tax to local revenue (PAD), improved inter-agency coordination, strengthened institutional capacity, clarified regulatory sanctions, and enhanced public education and engagement are needed. This is expected to support regional fiscal independence in Gresik Regency.*

Keywords: *Billboard Tax, Gresik, Implementation, Legal Sanctions, Regional Original Revenue.*

1. INTRODUCTION

The autonomy policy outlined in Law No. 23 of 2014 on Regional Government essentially grants autonomous regions the authority to regulate and manage local interests independently, based on community aspirations and in compliance with statutory regulations. Through this autonomy framework, the administration of governance and development initiatives at the regional level is expected to function more effectively and efficiently due to the proximity between governmental bodies (regional executives) and local communities. Consequently, regional development programs are designed in alignment with local needs derived from community aspirations. Ideally, such planning is grounded in interactive communication between local governments and their constituencies. This approach aligns with the mandate for local governments to fulfill public needs—such as infrastructure and essential services—whose financial implications can be more precisely estimated, thus facilitating the identification of appropriate funding sources to support these initiatives.

The implementation of Regional Autonomy is frequently regarded as a strategic effort to stimulate regional economic growth. Nevertheless, numerous challenges emerge in its practical application. Suradinata (1994) highlights the disconnect between development policies and the execution of autonomy within pilot districts or cities, attributing such failures to factors including the motivation of personnel responsible for planning and implementation, external interventions, and limitations related to administrative capacity, financial resources, community participation, regional economic conditions, demographic characteristics, administrative and organizational structures, geographic and socio-cultural contexts, as well as religious, political, and security considerations. Similarly, Kaho (1997) identifies four key determinants influencing the success of Regional Autonomy: (1) the competence and integrity of human resources; (2) the adequacy of financial resources; (3) the availability of essential facilities and equipment; and (4) the effectiveness of organizational and managerial structures.

The broad authority granted to regions to manage and regulate their own affairs, as stipulated in Law No. 23 of 2014 on Regional Government, has led to the emergence of regional tax and levy regulations beyond those explicitly prescribed by national legislation. Many local governments interpret the law as granting them the discretion to introduce various types of taxes and levies. This has resulted in the issuance of numerous regional regulations establishing new taxes and levies that often deviate from the criteria outlined in the law. Moreover, although the legislation mandates that local governments conduct public consultations before imposing any new tax or levy, such socialization is rarely carried out in practice. Conversely, the law authorizes the central government—through the Minister of Home Affairs, with input from the Minister of Finance—to revoke any regional tax or levy regulation that contravenes legal provisions within one month of its receipt.

Regional Regulations concerning taxes and levies serve as the legal foundation for local government policies related to tax collection and levy administration. In accordance with statutory provisions, the enactment of such regulations requires approval from the Regional House of Representatives (DPRD), endorsement by the Regional Head, and promulgation in the regional gazette. Furthermore, local governments are mandated to submit these Regional Regulations to the central authorities—specifically, the Minister of Finance and the Minister of Home Affairs—within fifteen days of their ratification. This requirement relates to the supervisory authority of the central government, which is obliged to review the regulation within one month of receipt. As part of this supervisory process, the central government may revoke any tax or levy regulation deemed inconsistent with the public interest and/or superior statutory provisions.

The relationship between the central government and regional administrations remains characterized by a high degree of central oversight in the regional development process. This is reflected in the relatively small proportion of locally generated revenue (Pendapatan Asli Daerah/PAD) compared to the substantial fiscal transfers provided by the central government. Such conditions warrant serious consideration in the implementation of Regional Autonomy, particularly in preparing regional governments to effectively manage their fiscal affairs, with an emphasis on revenues sourced from local taxation.

Law No. 23 of 2014, Article 285, concerning the financial balance between the central and regional governments, stipulates that regional revenue sources consist of: (a) local revenue, including regional taxes, levies, income derived from the management of separated regional assets, and other legitimate local revenues; (b) transfer income; and (c) other lawful regional revenues.

Regional Original Revenue (Pendapatan Asli Daerah/PAD) constitutes a crucial component of regional financial resources and plays a significant role in supporting development. Within the framework of Regional Autonomy, PAD is expected to serve as the primary financial backbone for funding regional development initiatives. Consequently, local governments are required to actively pursue strategies to enhance locally generated revenue, thereby expanding the fiscal capacity available for independently executed development programs. Among the various sources of PAD, the billboard tax represents a key revenue stream within the local taxation sector. Its collection must comply with existing statutory regulations. Accordingly, to ensure effective administration, improved oversight, and operational efficiency, regional governments need to regulate billboard tax collection through formal mechanisms.

A billboard tax is a levy imposed on the installation and display of billboards. The tax is justified on the basis that billboards serve as media to promote, endorse, or publicize goods, services, or individuals, and are placed in locations visible, legible, or audible from public spaces—except for those installed by government authorities. There are three principal tax collection systems applied: (1) the *official assessment system*, in which tax authorities (fiscus) are authorized to determine the amount of tax payable; (2) the *self-assessment system*, which grants taxpayers the authority to calculate their own tax obligations; and (3) the *withholding system*, where tax payments are made through designated third parties entrusted with collection responsibilities.

The Gresik Regency government requires substantial financial resources to support development initiatives across various sectors. These development funds are primarily sourced from the Regency's own financial capacity, particularly through Regional Original Revenue (Pendapatan Asli Daerah/PAD), which is derived from the utilization and management of local resources, supplemented by other regional income streams. In alignment with efforts to enhance fiscal capacity, the Gresik Regency government actively pursues strategies to optimize and expand locally generated revenues. Such measures are essential to reduce the region's dependency on central government transfers and to strengthen its ability to finance development independently.

Efforts to enhance Regional Original Revenue (Pendapatan Asli Daerah/PAD) are inherently linked to the optimal utilization of its constituent components. These components include regional tax revenues, regional levies, profit contributions from regionally owned enterprises, official service revenues, and other legitimate local income sources. Both existing revenue streams and potential new sources require continuous exploration and development to strengthen the overall fiscal capacity of regional governments.

According to Gresik Regency Regional Regulation No. 8 of 2023 on Regional Taxes and Regional Levies, the types of regional taxes authorized for collection by the Gresik Regency Government to enhance the quality and quantity of regional development include: (a) Rural and Urban Land and Building Tax (PBB-P2); (b) Land and Building Rights Acquisition Fee (BPHTB); (c) Specific Goods and Services Tax (PBJT) on food and/or beverages, electricity, hospitality services, parking services, as well as arts and entertainment services; (d) Billboard Tax; (e) Groundwater Extraction Tax (PAT); (f) Non-Metal and Rock Minerals Tax (MBLB); (g) Motor Vehicle Tax Sharing (Opsen PKB); and (h) Motor Vehicle Transfer Fee Sharing (Opsen BBNKB).

The policy governing billboard taxation in Gresik Regency is specifically regulated under Regent Regulation No. 79 of 2023 concerning the Determination of Billboard Rental Value (Nilai Sewa Reklame/NSR) as the basis for billboard tax calculation. The NSR is determined based on the contract value when the billboard is managed by a third party. The billboard tax rate is set at 25% of the determined rental value.

Given the above considerations, an in-depth examination of the implementation of regional tax collection policies, particularly those related to billboard taxation, is necessary. Billboard taxation often remains a contentious issue for local governments. While such policies are viewed as crucial for supporting Regional Original Revenue (PAD), they are frequently perceived as hindering business development. In this context, the present study aims to

comprehensively describe and analyze: (1) the implementation of billboard tax policies in relation to their contribution to PAD; and (2) the obstacles encountered in executing these policies to effectively support regional revenue.

2. THEORETICAL STUDIES

Regional Autonomy represents the implementation of governmental responsibilities based on the principle of decentralization, whereby specific administrative affairs are delegated to regional authorities to manage their own jurisdictions. Among the delegated responsibilities is the authority to generate revenue and develop potential new sources of local income, which are crucial for financing routine regional expenditures. Kuntana (1994) emphasized that, in accordance with Article 1, Paragraph 6 of Law No. 23 of 2014 on Regional Government, “Regional Autonomy is the right, authority, and obligation of autonomous regions to regulate and manage their own governmental affairs and the interests of local communities within the framework of the Unitary State of the Republic of Indonesia.”

Kaho (1997) emphasized that a key indicator of a region’s capacity to manage its own affairs is its ability to achieve financial self-sufficiency. Similarly, Nick (1999) identified financial factors as one of the “essential elements” in assessing the extent to which a region is capable of exercising autonomy. However, the overall level of regional capacity, as reflected in Regional Original Revenue (PAD) across Indonesia, indicates that financial capability remains insufficient to fully support the implementation of Regional Autonomy.

In essence, local financial development policies encompass two fundamental dimensions of public sector budgeting: the management of revenue streams and the structuring of expenditures. These dimensions are manifested in the Regional Revenue and Expenditure Budget (*Anggaran Pendapatan dan Belanja Daerah/APBD*), which serves as the primary financial framework for regional governance.

Financial policy encompasses multiple dimensions, including: (1) financing within the framework of decentralization, deconcentration, and co-administration principles; (2) regional revenue sources, derived both from the mobilization of Regional Original Revenue (PAD) and from subsidies, assistance, and loans; and (3) the management of regional finances, which includes strengthening the capacity of local administrative bodies to handle financial and revenue management effectively (Pontjowinoto, 1991). Booth (1993) further argued that genuine regional fiscal independence cannot be realized when the central government maintains control over the majority of financial resources, as such conditions only increase regional budget dependence on central transfers. Therefore, it is essential to encourage local governments to intensify efforts to expand their revenue base.

To enhance revenue, particularly Regional Original Revenue (PAD), strategic policy measures are required. These include both intensification and extensification of revenue collection, with the aim of increasing PAD's contribution to regional development. Intensification efforts focus on optimizing existing and operational revenue sources, while extensification involves identifying and developing new potential sources of PAD, in accordance with legal provisions. Successful implementation of these strategies relies heavily on effective coordination among institutions responsible for generating PAD and on the creativity and capacity of administrative personnel (Ibnu Rejo, 2005).

Regional Original Revenue (Pendapatan Asli Daerah/PAD) constitutes a source of income derived from resources within the region, collected in accordance with prevailing legal provisions. This necessitates that regional governments enhance their capacity to identify, optimize, and manage these revenue sources effectively. Increasing PAD is essential for enabling regional governments to finance their own administrative and developmental needs, thereby reducing dependence on central government transfers and ultimately fostering regional fiscal independence.

Kristiadi (1992) proposed that optimal financing strategies for Regional Original Revenue (PAD) should prioritize: (1) the intensification and extensification of levy sources, given their direct relationship to public services, which can, in turn, encourage improvements in service delivery; and (2) the imposition of regional taxes only on objects with significant potential, while eliminating taxes that generate minimal revenue or have limited fiscal relevance.

The success or failure of tax and levy collection policies largely depends on the quality of local government administration, the practicality of policy design relative to available resources, and the commitment and leadership of implementing officials. Enhancing the administrative capacity of local governments can be achieved through targeted training programs, both domestically and internationally, enabling officials to better interpret the implications of their policies, assess their economic impacts, and respond effectively to community needs and expectations.

Mardiasmo (2001) defines a regional tax as a levy imposed by local governments, based on regulations established through regional ordinances, to finance the operational needs of local government administration. Similarly, Zain and Hidayat (2002) describe a regional tax as a compulsory contribution paid by individuals or entities to local governments, without a direct reciprocal benefit, and collected in accordance with prevailing laws and regulations. The revenue generated from these taxes is allocated to support the implementation of local

governance and regional development. From these definitions, it can be concluded that regional taxes are locally collected and managed revenues, regulated by regional legislation, and primarily intended to finance routine expenditures as well as development initiatives.

According to Samudra (1995), it is necessary to understand in advance some of the following concepts: a) Billboard is an object, tool, or deed, which according to its shape, arrangement, and/or pattern is intended to make a profit (sales promotion) used to introduce, advocate, or praise a person's goods, services, or to draw public attention to a person's goods or services, which are placed or that can be seen, read, and/or heard from a place by the public. b) A permit is a permit to install a billboard. c) A permanent billboard is a billboard whose permit is valid until there is a revocation. d) A non-permanent billboard is a billboard whose validity period is stipulated in its permit

3. RESEARCH METHODS

This research employs a descriptive analytical approach, which involves systematically organizing, describing, and interpreting the collected data. The study adopts a field research design, with primary data obtained directly from the Gresik Regency Government, particularly the Regional Revenue Management Unit. Secondary data are drawn from literature on Regional Original Revenue (PAD), local governance, and relevant regulatory frameworks. Key informants include authorized officials such as the Regional Secretary of the Gresik Regency Government and the Head of the Regional Revenue Management Unit.

Data analysis follows the methodological framework developed by McNabb (2002), which consists of: (1) grouping data according to key constructs; (2) identifying the basis for interpretation; (3) formulating generalizations from the data; (4) testing alternative interpretations; and (5) developing and/or refining generalizable theoretical insights from case study findings.

4. RESULTS AND DISCUSSION

Implementation of Billboard Tax Policy in Supporting Original Regional Revenue of Gresik Regency

The formulation of the Billboard Tax policy at the executive level is not directly ratified/verified, but must go through the discussion stage at the legislative level. If it is considered sufficient, the policies that have been discussed at the legislative level can be directly ratified by the Regional Heads/Regents and the DPRD and subsequently to be implemented. In another situation, if it is found that there is a substance of the policy to increase the Billboard Tax that is considered insufficient in the discussion at the legislative level, then

before the policy is passed/verified for implementation, it must be reformulated. Departing from the process of formulating the Billboard Tax policy that has been going on in Gresik Regency, it can be seen that the role of the Billboard Tax producing agency/agency is so large, starting from the identification of policy issues to policy formulation, the Gresik Regency DPRD works only to discuss the policy formulation that has been prepared by the Billboard Tax producing office/unit.

Furthermore, the process of formulating public policy at the local level is inseparable from local political support (Nugroho, 2000). Meanwhile, Abdul Wahab (1999) suggested that a careful and systematic study of political feasibility is one way to overcome the emergence of constraints in the process of policy formulation and implementation. With the limited involvement of political officials (DPRD) in the process of formulating the Billboard Tax policy, the political feasibility of the policy can still be doubted, so that perhaps in its implementation the Gresik Regency Government will have difficulty overcoming the obstacles that have emerged. Its relevance is seen in the data related to the inhibiting factors faced by the Gresik Regency Government in implementing the Billboard Tax policy where the process of licensing and collecting Billboard Tax is not in accordance with existing regulations. This is an indication that in addition to the lack of socialization, the policy formulation process is very poorly involved with the people's representatives so that careful studies of the political feasibility are neglected and obstacles to implementation emerge.

The policy of setting the Billboard Tax target in Gresik Regency as a form of policy to increase Regional Original Revenue from the Billboard Tax sector seems to have not been carried out transparently due to the lack of clarity of information about the potential of the Billboard Tax to be explored. The cooperation carried out by the Gresik Regency Government with third parties is only limited to the construction of billboard installation facilities, not cooperation in data collection and billboard inventory. So that information on the potential of billboards is still very lacking.

In the context of implementing regional autonomy policies, both domestically and internationally, Regional Original Revenue (PAD) is often regarded as a key indicator of a region's capacity for self-governance. The extent and composition of PAD reflect the degree to which local governments are able to independently regulate and address the needs of their communities (Kaho, 1997). One important component of PAD is the billboard tax. Assessing the magnitude and effectiveness of financial resource management in this sector requires an examination of how billboard tax policies are designed and implemented. According to Lane (1995), policy analysis should not be limited to evaluating policy outcomes but should also

encompass the entire policy process, including policy formulation aimed at increasing PAD (particularly from billboard taxation), the actors responsible for its implementation, and the resulting outcomes and impacts.

Pursuant to Gresik Regent Regulation No. 8 of 2023, the licensing process for billboard installations within the Gresik Regency is administered by the Economic Division of the Gresik Regency Regional Secretariat. Meanwhile, the authority for collecting billboard tax revenue rests with the Regional Revenue Office, specifically the Technical Implementation Unit for Regional Development Control (UPT PPD). The licensing process for installing billboards, both those that require an IMB and those that do not require an IMB, is indeed carried out by the Economic Section of the Regional Secretariat of Gresik Regency. What is meant by the one-stop licensing process is that now the licensing process is only enough to be processed at the Revenue Office office, in addition to that with several short procedures (not difficult). The billboard licensing requirements applied at the Gresik Regency Revenue Office are as follows: 1) Application for installation or extension of billboards made by the applicant or billboard taxpayer made orally and in writing. 2) Provide a copy of the applicant's Identity Card, 3) Copy of the company's ACT (billboard / company), 4) Show and provide the design and photo of the billboard that will be used, 5) Showing the plan of the billboard location, 6) Calculation of billboard construction (on a large or medium scale).

After the completeness has been met, the applicant is expected to pay administrative fees for billboard tax, dismantling guarantees, 3rd party donations, and levies to technical agencies. If all of these things have been met, the applicant will obtain a billboard permit with the condition of paying the billboard tax according to the time (there is an obligation to pay taxes).

The mechanism for collecting billboard tax in Gresik Regency, as stipulated in Regional Regulation No. 79 of 2023, is based on a rate structure that varies according to the classification of the roads on which the billboards are located. This approach reflects an effort to align tax imposition with the economic value and strategic significance of billboard placement. The road is divided into economic roads and non-economic roads which will be determined by the Gresik Regent Decree. Economic roads are subject to higher tariffs because they are countries that have higher economic activity. But in reality, all the imposition of billboard rates does not pay attention to the class of road. All billboard installations are categorized as economic roads which incidentally have a larger tariff, this is done to achieve a predetermined target.

Based on the data obtained on the realization of the Gresik Regency Billboard Tax during the 2018-2024 fiscal year, the overall realization of the Billboard Tax from year to year has reached the set target, except that in 2023 it only reached 86.76%. The realization of the Billboard Tax that has not reached the target is due to external factors, namely the lack of recovery in macroeconomic conditions which has an impact on the decrease in the number of billboard installers who extend their billboard permits. Some of the factors that cause the non-achievement of the Billboard Tax target are the low purchasing power of the public and the loss of public trust.

The number of Billboard Tax Taxpayers in 2022 in Gresik Regency is 380 spread across all sub-districts. In 2022, revenue from the Gresik Regency Billboard Tax amounted to Rp. 4,030,506,375 or an increase compared to the revenue in 2021 which amounted to Rp. 3,875,010,190. The performance of Gresik Regency's Billboard Tax revenue in the 2018-2022 period tends to be unstable. Billboard tax revenue did not reach the budgeted target in 2018, 2020, 2021 and 2022. In 2018 the realization of billboard tax was 84.54 percent, in 2020 the realization of billboard tax was 88 percent and in 2021 it was only 77.50 percent.

The average growth of Gresik Regency Billboard Tax is 5 percent per year. The highest growth occurred in 2021, which was 13 percent or increased from Rp. 3,432,148,928 in 2020 to Rp. 3,875,010,191 in 2021. Meanwhile, the lowest negative growth or contraction occurred in 2020 which amounted to -4 percent or Rp. 1,885,385,539 in 2018 decreased by Rp. 139,745,560 from 2019 of Rp. 3,571,894,488 to Rp. 3,432,148,928 in 2020. When reviewed based on the contribution to the total regional tax revenue of Gresik Regency, the Billboard Tax contributed consecutively from the 2018 - 2022 period of 0.59 percent, 0.56 percent, 0.58 percent, 0.54 percent, 0.52 percent. The largest contribution of billboard tax to the total regional tax revenue of Gresik Regency occurred in 2018, which was 0.59 percent.

Obstacles to the Implementation of Billboard Tax Collection in Increasing PAD in Gresik Regency

Regional Taxes from the billboard tax sector are one of the sources of regional revenue in Gresik Regency. However, its implementation and supervision of tax collection, especially billboard taxes, often face obstacles in achieving their goals, as follows: Structural obstacles arise from weaknesses in the inter-organizational coordination framework, particularly when offices or units involved in billboard tax administration are positioned at the same echelon level, or in some cases, are hierarchically subordinate to the agency responsible for managing regional finances. This structural arrangement hampers effective coordination, decision-making, and policy execution, ultimately reducing the efficiency of billboard tax collection.

Other institutional constraints related to the lack of planning for implementation include data collection management and inventory of potential that have not adopted network area programs. If the existing potential is managed without good planning, if it is left continuous and not improved, then the revenue from the Billboard Tax sector will experience difficulties for years to come. Good company management certainly requires quality management resources who are well versed both theoretically and practically regarding tax management, not managed by unprofessional government functional officials in the field of taxation.

Specifically, the implementation of the billboard tax policy in Gresik Regency—despite its potential as a significant source of regional revenue—faces a number of technical and non-technical challenges. The technical obstacles include difficulties in inter-agency coordination, limited operational facilities, and challenges in accurately recording and inventorying billboard tax objects. On the other hand, non-technical constraints often manifest in the form of inadequate infrastructure and supporting resources necessary for effective policy execution.

There is a lack of clarity in the regulations governing legal sanctions in the collection of billboard taxes that occur in Gresik Regency, so that the regulations that have been set are trivialized by billboard taxpayers, for example: taxpayers deliberately do not pay their taxes on time, put billboards in any place (not in accordance with the agreement or the content of the tax paper).

The limited education of the community and the indifference to the law so that the public is reluctant to carry out billboard licensing in accordance with the procedures that have been set by the applicable laws and regulations. As well as the lack of awareness of paying their obligations as taxpayers (the level of public understanding of collection is very low), as well as a decrease in people's purchasing power.

The efforts made by the Gresik Regency Revenue Office in terms of billboard tax collection at this time so that it can achieve the desired target, are as follows: 1) Increasing Regional Tax Revenue and Encouraging Increased Revenue Sharing, 2) Improving the performance of Regional Revenue collection, 3) Providing good service, direction or explanation to every taxpayer and to the public in general about licensing procedures and the obligations of each taxpayer in paying their taxes, in this case the billboard tax.

5. CONCLUSION

The Billboard Tax policy in Gresik Regency is only on the intensification of the Billboard Tax because it is easier and has fewer consequences to be rejected and without carrying out extensification. The licensing and collection of billboard tax in Gresik Regency are carried out in accordance with the established legal framework, specifically Regional

Regulation No. 8 of 2023 on Regional Taxes and Regional Levies, which specifies the types of regional taxes authorized for collection by the Gresik Regency Government. The licensing process for billboard installations is governed by Gresik Regent Regulation No. 8 of 2023, while the collection mechanism is regulated under Regional Regulation No. 79 of 2023. These regulations collectively provide the legal basis and administrative procedures for implementing billboard tax policies within the region. The imposition of the Billboard Tax rate is adjusted to the road where the billboard is placed. The road is divided into economic roads and non-economic roads which will be determined by the Gresik Regent Decree

The obstacles hindering the implementation of billboard tax collection in enhancing the Regional Original Revenue (PAD) of Gresik Regency include structural challenges, particularly failures within the inter-organizational work network. Such failures are often rooted in the lack of clear hierarchical coordination among relevant offices and units, which can lead to overlapping responsibilities, inefficient communication, and delays in decision-making processes. 2) Other institutional constraints related to the lack of planning for implementation are data collection management and potential inventory. 3) Technical and non-technical obstacles. 4) Lack of clarity in regulations governing legal sanctions in the collection of billboard taxes that occur in Gresik Regency. 5) Limited education in the community and indifference to the law so that the community is reluctant to carry out billboard licensing in accordance with the procedure.

REFERENCES

- Booth, A. (1993). *Upaya-upaya untuk mendesentralisasikan kebijakan perpajakan: Masalah kemampuan perpajakan, usaha perpajakan dan perimbangan keuangan* (C. Mc Andrews & I. Amal, Eds.). Rajawali Pers.
- Devas, N. (1999). *Keuangan pemerintah daerah di Indonesia* (M. Maris, Trans.). UI Press.
- Halim, A. (2004). *Manajemen keuangan daerah*. UPP AMP YKPN.
- Ibnu Rejo, S. (2005). Pentingnya intensifikasi dan eksternifikasi pendapatan asli daerah untuk meningkatkan otonomi Dati II. Makalah pada seminar nasional AIPI XIII, 1-3 November 2005, Bangkinang, Riau.
- Islamy, M. I. (1997). *Prinsip-prinsip perumusan kebijakan negara*. Bumi Aksara.
- Kaho, J. R. (1997). *Prospek otonomi daerah di Negara Republik Indonesia*. Rajawali Press.
- Kristiadi, J. B. (1992). *Hubungan keuangan pusat dan daerah*. JIIS.
- Kuntana, M. (1994). *Pokok-pokok pemerintah daerah otonomi dan wilayah administratif*. Armico.

Mardiasmo. (2001). *Perpajakan*. Liberty.

McNabb, D. E. (2002). *Research methods in public administration and nonprofit management: Quantitative and qualitative approaches*. ME.

Pontjowinoto, D. (1991). Alternatif reformasi kebijakan dan manajemen keuangan daerah. *Prisma*, 8, 40–60. Agustus.

Samudra, A. A. (1995). *Perpajakan di Indonesia: Keuangan, pajak, dan retribusi daerah*. Gramedia Pustaka Utama.

Suradinata, E. (1994). *Teori dan praktek kebijakan negara*. Ramadhan.

Wahab, S. A. (1997). *Analisis kebijakan: Dari formulasi ke implementasi kebijakan negara*. Bumi Aksara.

Zain, M., & Hidayat, D. S. (2002). *Himpunan undang-undang perpajakan*. PT. Citra Aditya Bhakti.