



Research Paper

## Analysis of the Regional Original Income Optimization on the Development Growth of Mamuju District

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**ABSTRACT:** This research aims to analyze the Regional Original Income Optimization on the Development Growth of Mamuju District. This research uses qualitative descriptive method. This research is done in Regional Asset and Financial Management Agency (BPKAD) of Mamuju District, West Sulawesi. The research result showed that: 1) Potential sources of Regional Original Income in Mamuju District are sourced from regional taxes, regional levies, income from separated regional wealth management and other legitimate Locally Generated Revenue (PAD). 2) How to optimize Regional Original Income for Development Growth in Mamuju District by installing a Mobile Payment Online System (M-POS) for all taxpayers to collect taxes. This was done because of the total target and realization of PAD in Mamuju District in 2017-2020 did not reach 100% as expected, so it was concluded that local revenue in Mamuju District was not optimal. This is due to the awareness of taxpayers is still very low and proves the theory of Peacock and Wiseman which argues that the government always tries to increase spending, while people do not like to pay more and more taxes to finance government spending.

**KEYWORDS:** Locally Generated Revenue, Development Growth, Mamuju District, West Sulawesi

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### I. INTRODUCTION

Optimization of the source of Regional Original Revenue of Mamuju District needs to be done to increase Development Growth in the future. This can be more effective because with the enactment of Law Number 22 Year 1999 about Regional Government and Law Number 25 Year 1999 about Financial Balance between the Central and Regional Governments, which state that each region is given free, real and responsible authority as an autonomous region. based on the principle of decentralization. The existence of the regional autonomy policy provides the authority for regional governments to carry out their own regional government affairs in accordance with the legislation. Decentralization by the government to autonomous regions provides an opportunity for a region to carry out government affairs, regulate, fix and explore the potential of the region, of course, only for the benefit of the people in the region. Each region has authority over local policies and becomes a space for local governments to manage their resources (Pepinsky, 2011). Through this, it is hoped that local governments will be able to explore potential sources of income to increase Regional Original Income (PAD) in order to achieve regional independence.

### II. THEORETICAL AND LITERATURE REVIEW

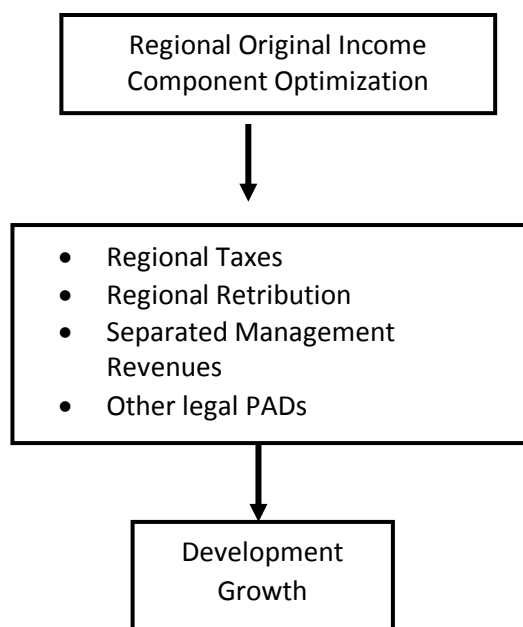
#### 2.1. Basic Concept of Optimization

The benchmark for optimization is seen from actions or activities that improve and make something better than before according to what has been planned. Efforts to optimize regional income can be used through various aspects to increase regional income, one of which is the use of information technology which is very important to be improved effectively and efficiently. The efficiency of tax collection will be able to increase the quantity of PAD more quickly and easily even though there is no expansion of extracting new sources of income. According to Hotniar Siringoringo, optimization is the process of finding the best solution, not always the highest profit that can be achieved if the optimization goal is to maximize profits, or not always the smallest cost that can be reduced if the optimization goal is to minimize costs (Siringoringo, 2005).

## **2.2. Regional Original Income (PAD)**

Regional Original Income (PAD) is income that is sourced and collected by the local government. Sources of PAD consist of: local taxes, regional retributions, separated management revenues, and other legitimate PAD. The definition of PAD based on Law No.33 Year 2004 about the Financial Balance between the Center and the Regions Article 1 paragraph 18 is the income obtained by the regions which is collected based on regional regulations in accordance with the laws and regulations. PAD as a source of regional revenue needs to be continuously improved in order to be able to cover some of the expenditures needed for government administration and development activities that are increasing every year so that broad, real, and responsible regional autonomy can be implemented (Darise, 2009).

### **III. CONCEPTUAL FRAMEWORK**



#### **4.1. Research Design**

This research uses a qualitative descriptive research method that aims to describe a situation or phenomenon as it is (Sukmadinata, 2009). This research was conducted with an investigative process to understand social problems based on creating a holistic picture formed in words, reporting the views of informants in detail, and arranged in a natural setting (Silalahi, 2009). Researcher systematically describes the situation, facts and activities of the object researched.

#### **4.2. Research Location and Time**

The research will be done in Regional Finance and Asset Management Agency (BPKAD) of Mamuju District, West Sulawesi. This location was chosen because the agency is appointed by the regional government, especially the Mamuju District Government to manage regional finances. BPKAD Mamuju District is located on Jl. Cut Nyakdien, Karema Village, Mamuju District, Mamuju District, West Sulawesi Province. This research will be conducted in October 2020 to April 2021.

#### **4.3. Data Sources**

There are two types of data sources proposed in this research, primary data and secondary data. The primary data which became the main data of this research was obtained directly from the data sources, from the informants through interviews, and documentation. As for secondary data, is obtained from books, journals, documents, notes, news, other scientific writings from various media, regional statistical data, official government archives such as central and regional government regulations, and other data required to support the completeness of primary data.

#### **4.4. Data Gathering Procedures**

The data gathering procedure was done by doing interview and documentation. Interview is a data gathering technique which is done by doing direct interview with an agency official related, in this case the Inter-Village Cooperation Agency (BKAD) of Mamuju District. Interview is done in detail to obtain information related to sources of Regional Original Income in Mamuju District managed by BPKAD of Mamuju District. In

addition to interview, data collection was also obtained by documentation, by looking for data on matters related to research in the form of photos, notes, transcripts, books, newspapers, magazines, inscriptions, meeting minutes, reports, government regulations, etc. As for one example of the form of documentation in this research, in the form of extracting information about the state of Mamuju District's original revenue, by analyzing and comparing the Mamuju District Government Regulation on the Regional Revenue and Expenditure Budget (APBD) from 2017 to 2020.

#### 4.5. Data Analysis Techniques

After the information and data generated in the field, the author will conduct a qualitative descriptive analysis by conducting a series of observations where each observation in the sample or population belongs to one of the exclusive classes together and cannot be expressed in numbers (Soeratno & Arsyad, 2008).

The data analysis steps done were: 1) Collecting data related to Regional Original Income and Development Growth of Mamuju District from 2017 to 2020, 2) Calculating the percentage between the target and realization of PAD in Mamuju District which was achieved from 2017-2020 . 3) Interviewing informants related to PAD in Mamuju District, 3) Analyzing the answers of informants and interpreting them descriptively in the form of narratives, 4) Providing conclusions on the data collected related to optimizing local revenue for development growth in Mamuju District.

#### 4.6. Research Stages

The data analysis technique used in this research refers to the concept of Milles and Huberman (Pawito, 2007) which is an interactive model that classifies data analysis in three steps; the first stage is data reduction, which involves editing, grouping, and summarizing the data. In the second stage, the researcher compiled and provided codes and notes about the research activities and processes. Meanwhile, in the last stage, the researcher drafted the concepts and explanations regarding the data found.

The second step is data presentation. At this stage, the researcher presents a collection of information (data) systematically from the selection results to understand the meaning according to the research focus. So that at this stage it is possible for researchers to draw conclusions. The data presented by this researcher can be in the form of a narrative supported by pictures, schematics, and tables sourced from field data that has been strictly selected.

Third step is verification and conclusion. The data that has been obtained in the field is reevaluated to avoid errors. This is important to do before researchers draw research conclusions, because in the process of data reduction and data presentation sometimes errors occur, so that the conclusions that the researcher will draw are not in accordance with the research objectives that have been set. Next is the conclusion, that is the result of the analysis that can be used to take action based on the findings obtained from the research results.

## V. RESULTS AND DISCUSSION

### 5.1. Mamuju District PAD Optimization

The benchmark for optimization is seen from actions or activities that improve and make something better than before according to what has been planned. It means, to determine whether PAD is optimal or not, it can be seen from the targets and realizations done by the Mamuju District government from 2017 to 2020. If the realization is appropriate or the percentage exceeds 100% of the target, the PAD is already optimal. Vice versa, if the realization does not match the predetermined target or is less than 100%, it means that the PAD has not been implemented optimally.

**Table 1.** Target and Realization of PAD for Mamuju District 2017

PAD Type	2017			Information
	Target	Realization	%	
Regional Taxes Revenue	22,676,262,874.00	23,104,644,378.00	101.89	Optimal
Regional Retribution Result	26,511,698,000.00	27,633,794,559.00	104.23	Optimal
Separated Management Revenues	5,650,000,000.00	4,227,677,393.32	74.83	Not Yet Optimal
Other Legitimate PADs	29,796,700,926.00	23,456,782,301.18	78.72	Not Yet Optimal
<b>TOTAL PAD</b>	<b>84,634,661,800.00</b>	<b>78,422,898,631.50</b>	<b>92.66</b>	<b>Not Yet Optimal</b>

\*Source: BKAD of Mamuju District

In table 1 the types of regional income in Mamuju District in 2017 in the form of regional tax revenues and regional retribution have been done optimally, because they have met the target and even exceeded what

was planned with each percentage above 100%. However, Revenue from Separated Regional Wealth Management can only be realized by 74.83% and other Legitimate PADs only 78.72%. If averaged, all types of PAD in Mamuju District in 2017 amounted to 92.66%, it can be concluded that this cannot be implemented optimally because it does not match expectations with reality.

**Table 2. Target and Realization of PAD for Mamuju District 2018**

PAD Type	2018			Information
	Target	Realization	%	
Regional Taxes Revenue	27,292,412,874.00	26,446,053,866.33	96.90	Not Yet Optimal
Regional Retribution Result	26,442,858,000.00	26,810,246,336.00	101.39	Optimal
Separated Management Revenues	4,700,000,000.00	3,590,058,392.50	76.38	Not Yet Optimal
Other Legitimate PADs	21,918,302,000.00	21,325,187,537.61	97.29	Not Yet Optimal
<b>TOTAL PAD</b>	<b>80,353,572,874.00</b>	<b>78,171,546,132.44</b>	<b>97.28</b>	<b>Not Yet Optimal</b>

\*Source: BKAD of Mamuju District

In 2018 there was an increase in PAD from the previous year, from 92.66% to 97.28% although this could not be considered optimal. However, judging from the type of PAD in the form of local tax revenue, there was a decrease because the achievement was not according to the target which only reached 96.90% while in 2017 this type of PAD reached 101.89%. So does the results of regional retribution, although it has been done optimally by exceeding the target of 101.39%, there is a slight decrease from the previous year's achievement of 104.23%. In contrast to the Revenue from Separated Regional Wealth Management, the achievement increased from 74.83% in 2017 to 76.38% in 2018 although it is not yet optimal. Similar to other types of legitimate PAD, which has a fairly high increase from 78.72% to 97.29%, this means that there are good efforts made by the Mamuju District government to increase PAD even though in 2018 it has not been realized 100%.

**Table 3. Target and Realization of PAD for Mamuju District 2019**

PAD Type	2019			Information
	Target	Realization	%	
Regional Taxes Revenue	33,517,268,129.00	31,245,030,046.32	93.22	Not Yet Optimal
Regional Retribution Result	8,158,372,876.00	5,388,042,313.00	66.04	Not Yet Optimal
Separated Management Revenues	6,098,421,900.00	3,410,219,185.81	55.92	Not Yet Optimal
Other Legitimate PADs	51,359,960,593.00	40,153,041,464.34	78.18	Not Yet Optimal
<b>TOTAL PAD</b>	<b>99,134,023,498.00</b>	<b>80,196,333,009.47</b>	<b>80.90</b>	<b>Not Yet Optimal</b>

\*Source: BKAD of Mamuju District

The target and realization of PAD in Mamuju District in 2019 decreased in the four existing types of PAD. Judging from the type of regional tax revenue, there was a decrease in realization from 96.90% to 93.22%, as well as the type of PAD in the form of Regional Retribution Revenue from 101.39% to 66.04%, Revenue from Separated Regional Wealth Management from 76.38% to 55.92%, and PAD which other legitimate from 97.29% to 78.18%. Overall, Mamuju District's PAD realization in 2019 decreased from 97.28% to 80.90%, this indicates that Mamuju District's PAD in 2019 is also not optimal.

**Table 4. Target and Realization of PAD for Mamuju District 2020**

PAD Type	2020			Information
	Target	Realization	%	
Regional Taxes Revenue	34,315,019,748.00	25,915,030,836.60	75.52	Not Yet Optimal
Regional Retribution Result	10,958,028,483.00	3,925,951,041.00	35.83	Not Yet Optimal
Separated Management Revenues	6,402,879,611.00	3,713,283,438.82	57.99	Not Yet Optimal
Other Legitimate PADs	49,429,165,799.00	39,150,834,653.46	79.21	Not Yet Optimal

TOTAL PAD	101,105,093,641.00	72,705,099,969.88	71.91	Not Yet Optimal
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\*Source: BKAD of Mamuju District

In the following year, 2020, the PAD of Mamuju District is decreasing even more. In accordance with the data in table 4, Regional Tax Revenue is only 75.52%, Regional Retribution Revenue is only 35.83%, Revenue from Separated Regional Wealth Management is only 57.99%, and Other Legitimate PAD is only 79.21%. The average value of the four types of PAD in Mamuju District in 2020 is 71.91%, this indicates that the PAD achievement has not been optimal in accordance with the predetermined target.

## 5.2. Mamuju District PAD Potential Sources

From the analysis towards Mamuju District PAD from Year 2017 to 2020, it could be said that PAD is not yet optimal, and even decreasing from year to year. For that cause, the author finds out potential PAD sources to be improved. From the interview result from Informant 1 from BPKAD of Mamuju District named Suarti Arif, as a Finance Head who stated that Mamuju District has a potential PAD sources from Tax and Retribution.

*"The tax consists of Hotel Tax, Restaurant Tax, Minerals and Coal Tax, Entertainment Tax, Advertising Tax, Street Lighting Tax, Swallow's Nest Tax, Groundwater Tax, Parking Tax, Property Tax, and Land and Building Rights Acquisition Fee (BPHTB). While the fees include: Building Construction Permits (IMB), Parking Retributions managed by the Regional Government of OPD, the Transportation Service, Route Permit Fees such as postal cars, pickups, trucks managed by the Transportation Department, and Market fees in the form of kiosk rentals managed by the Regional Revenue Agency."*

So does with the statement of the 2nd informant named Zulkarnain as the Head of Sub-Division for Financial Reporting, he added that the Potential Sources of PAD for Mamuju District are in the form of:

- Local taxes sourced from hotels, restaurants, entertainment venues, billboards, street lighting, non-metallic minerals, parking, PBB, and BPHTB.
- Regional retribution in the form of public service levies, business services, health services, cleaning, roadside parking, markets, and various licensing fees.
- The results of the management of regional assets that are separated are in the form of dividends or a share of profits on capital participation made by the regional government, whether it is to regional companies, BUMD, or private parties.
- Other legitimate PAD in the form of proceeds from the sale of regional assets, demand deposits from accounts in the name of the government, returns, to income received and managed by Regional Public Service Agency (BLUD) and First Level Health Facilities (FKTP).

The local tax of Mamuju District is not only sourced from advertisements as stated by informants 1 and 2 but also from Hotels, Restaurants, Entertainment Places, Street Lighting, Non-Metal Minerals, Parking, Land and Building Tax, Minerba Tax, Swallow's Nest Tax, Street lighting tax, Groundwater Tax, Parking Tax. Meanwhile, the retributions include: Building Construction Permits (IMB), Parking Retributions managed by the Regional Government of OPD, the Transportation Service, Route Licensing Fees such as postal cars, pickups, trucks managed by the Transportation Department, and Market levies in the form of kiosk rentals. It turns out that there is a lot of potential that can be pursued to optimize PAD in order to increase development growth in Mamuju District

By paying attention to the potential sources of income, it is hoped that an effort will be made by the Mamuju District Government to maximize performance in accordance with what has been planned, seeing the many potential sources of PAD that can be extracted to obtain optimal local revenue, but in reality, the results of the realization of the target from 2017 to 2020 has never reached 100% or more.

## 5.3. Development Growth in Mamuju District

The growth of the regional development of Mamuju District is currently growing rapidly due to the increase in PAD revenue after the installation of recording devices in several taxpayers in order to participate in the coordination program for supervision & prevention of corruption by the Corruption Eradication Commission (KPK) of the Republic of Indonesia. This was revealed by informant 3 named Mr. Azwar who stated that:

*"The regional development growth of Mamuju District is currently growing rapidly due to the increase in PAD revenues after the installation of recording devices in several taxpayers in order to participate in the coordination program for supervision & prevention of corruption by the Indonesian Corruption Eradication Commission (KPK)"*.

Different from the opinion of Mr. Azwar, who is also the Kasda Staff (Recipient Treasurer) at the Regional Financial and Asset Management Agency (BPKAD) of Mamuju District, that the development growth rate of Mamuju District is still not optimal because awareness of the obligation to collect taxes is still very low.

Although public awareness is still lacking in terms of paying taxes, the development growth in Mamuju District is quite good. However, the development that is being carried out cannot rely on PAD from Mamuju District itself. This is mainly due to the decreased mobility and economic activity of the community as a result of the earthquake in Mamuju and the global COVID-19 pandemic. When compared with the composition of local revenue, transfer income from the central government still dominates the regional income of Mamuju District. This shows that the local government of Mamuju still needs to encourage efforts to reduce its dependence on central government transfers. This was expressed by Mr. Zulkarnain as the Head of Sub-Division for Compiling the Financial Reports of the Mamuju District BPKAD who stated that:

*“Development growth is quite good, but the development that is being carried out cannot rely on PAD from Mamuju District itself. And it cannot be considered optimal yet, because development growth still depends on central government transfer funds.”*

#### **5.4. Ways of Optimizing PAD in Mamuju District**

In order to optimize the PAD of Mamuju District, of course, good efforts are needed from the relevant government agencies. Efforts that have been made to optimize PAD for development growth in Mamuju District are by installing recording devices for all tax collectors & coordinating with related parties such as One Stop Service (PTSP) & Municipal Police (SATPOL) which the results will be returned to the community. This was stated by Suarti Arif, SE. as informant 1 who stated:

*“For the optimization of PAD for development growth in Mamuju District recording devices for all tax collectors & coordinate with related parties such as PTSP & SATPOL is installed”*

According to Suarti Arif, SE. who is also the Head of Budget Division of the Mamuju District BPKAD stated that the Regional Tax Management in Mamuju District is each supported by Regional Regulations & Regent Regulations, as stated in the following interview quote:

*“Regional Tax Management in Mamuju District is supported by Regional Regulations (perda) & Regent Regulations (perbup) and then returned to the community with developments such as construction infrastructure, road infrastructure, bridge infrastructure.”*

Regional taxes are implemented by the Regional Revenue Agency of Mamuju District by setting a target for each potential tax that is then collected by “picking the ball up” by the agency. Meanwhile, the management of regional levies is done in accordance with the main tasks and functions of each Regional Apparatus Organization as stated by Mr. Zulkarnain below:

*“Local tax management is fully carried out by the Regional Revenue Agency of Mamuju District by setting a target for each potential tax that is then collected by ‘picking the ball up’ by the agency. Meanwhile, the management of regional retribution is done in accordance with the main tasks and functions of each Regional Apparatus Organization.”*

#### **5.5. Separated Regional Wealth Management**

Management of separated regional assets is the responsibility of BPKAD as Regional Financial Management Officer (PPKD). The income is in the form of dividends from government equity participation, the mechanism is to receive it after the 2019 GMS. As stated by the following informant:

*“The management of separated regional assets is the responsibility of BPKAD as PPKD. The income is in the form of dividends from the capital investment of the Mamuju District government until 2020 in the amount of Rp. 10.540.000.000,- the amount of dividends received is Rp. 3.589.138.852,- The mechanism for receiving it is after the GMS for the 2019 financial year.”*

In addition, informant 2, Mr. Zulkarnain, also states that the way of managing income from the regional wealth of Mamuju District which is separated from deposits by the company where capital participation is done and the recording is approved by the Financial Management Agency (BPK), the following quote is from an interview with the Head of Sub-Division for Preparation of Regional Financial Report in Mamuju District:

*"Management of regional wealth income which is separated from deposit by the company where capital participation is done and the recording is approved at the Financial Management Agency."*

#### **5.6. Other Legitimate PAD Management in Mamuju District**

Receipt of demand deposits is one of legitimate local revenue management which is the responsibility of BPKAD as PPKD. Besides that, there are also asset sales, asset utilization or rental of ATM locations and BLUD receipts which are the responsibility of Regional General Hospital (RSUD) and National Health Insurance (JKN) at the Mamuju District Health Office, as stated by Mr. Azwar as Kasda Staff (Recipient Treasurer) below:

*"Management of other legitimate PAD is partly the responsibility of BPKAD as PPKD in terms of receiving demand deposits. Asset sales, asset utilization or ATM location rental and BLUD receipts are the responsibility of the RSUD and JKN at the Health Office because BLUD and JKN receipts are part of other legitimate PAD."*

The fourth informant was Regional Revenue Agency (Bapenda) Staff, Nur Alif, SE, explaining that the management of other legitimate PAD is mostly managed by the Financial Management Agency but is still adjusted to the main tasks and functions of each Regional Apparatus Organization (OPD).

*"Other Management of other legitimate PAD is adjusted to the main duties and functions of each OPD, but is more dominant to the Financial Management Agency"*

#### **5.7. Factors Supporting PAD in Mamuju District**

Based on interviews with all informants, it is known that the supporting factors in increasing PAD are: a) Ball Pick-up system, meaning that officers do billing towards tax payment arrears, b) Provide warning letters to tax arrears, c) Provide information related to the ease of paying taxes through closest Regional Technical Implementation Unit (UPTD), d) Increasing integrated community outreach activities to increase awareness of compulsory collection through integrated counseling in order to increase regional revenue, e) Increasing human resource skills through training, upgrading, courses etc, especially in the financial sector, f) Increase the number of transportation facilities in the form of operational vehicles.

#### **5.8. Factors Resisting PAD in Mamuju District**

Regional Original Revenue of Mamuju District is slightly hampered due to several factors. In addition to human resources, the low quality of human resources in the regions is a factor that hinders the rate of development growth in Mamuju District and their presence causes the inability to manage natural resources properly. Furthermore, other things that hinder development are the low competitiveness of the regions in developing investment and the lack of economic stimulation. In addition, there is a lack of information sources that can be obtained by the public to know about procedures, costs, sanctions and fines in paying taxes and economic stimulus. The following is an excerpt from an interview with Suarti Arif, SE, as the Head of the BPKAD Budget for Mamuju District:

*"In addition to human resources, the low quality of human resources in the regions and their presence causes the inability to manage natural resources properly, there are several factors that hinder development. First, the low competitiveness of the regions in developing investment and secondly, the lack of economic stimulation."*

This statement is in line with the opinion of Mr. Zulkarnain who said that one of the factors hindering PAD is the regional dependence on transfer funds from the central government, especially the Special Allocation Fund (DAK) which must go through various processes so that the funds are received slow by local governments.

*"The inhibiting factor is dependence on central transfer funds, especially DAK which must go through several processes so that the funds are received slow by the regions."*

Based on the regional financial report of Mamuju District, it is known that the realized value of PAD in 2020 is around 70 billion (see table 4) which is of course not optimal. The government immediately realized this, by looking at the factors that could hinder it, such as inadequate infrastructure and human resources, and the government was optimistic to be able to improve it. This was stated by Mr. H. Hasbi (Mamuju Regent 2016-2021), adapted from the official website of the Mamuju District Government:

*"Actually, the number of 70 billion is far from the potential that we have, if according to estimates, we can achieve up to 200 billion, and it's only in the restaurant and entertainment venue tax. but why is our PAD still*

*low, of course how many variables decides, firstly our infrastructure is not adequate, secondly human resources are still a weakness in maximizing PAD revenue.”*

(Source: <http://mamujukab.go.id> accessed on April 20th 2021)

Realizing that the Regional Original Revenue (PAD) of Mamuju District is still relatively low, Mr. H. Hasbi Wahid immediately took concrete action. One of the policies is to shift administrator and supervisory officials at the Regional Revenue Agency (Bapenda) of Mamuju District. Since 23 September 2019, 4 officials at Bapenda Mamuju have been officially replaced with new ones. The shift of officials is not to impose sanctions on previous officials, but it is the result of an evaluation together with KPK's assistance for the last 1 year and to fill the positions of administrator and supervisor, an official who has more knowledge of Information Technology is needed. Quoted from the Mamuju district government website (Mamuju, Expect PAD to increase, Regent Mutates Officials at Bapenda Mamuju, 2019)

## VI. CONCLUSION AND SUGGESTION

### 6.1. Conclusion

Based on the results of research related to the Optimization of Regional Original Income to the Development Growth of Mamuju District, it can be concluded that: 1) The potential sources of Regional Original Income in Mamuju District are sourced from regional taxes, regional retributions, income from separated regional wealth management and other legitimate PAD. 2) How to optimize Regional Original Income for Development Growth in Mamuju District is by installing a tax recording device for all tax collectors, namely M-POS. From the total target and realization of PAD in Mamuju District in 2017-2020 which did not reach 100%, it can be concluded that local revenue in Mamuju District is not optimal. This is because awareness of taxpayers is still very lacking and proves Peacock and Wiseman's theory which argues that the government always tries to increase spending, while people do not like to pay more and more taxes to finance government spending.

### 6.2. Suggestion

Based on the analysis of the results of this research, the researcher suggests to increase the PAD component optimally according to the target so that it is expected to strengthen the independence of the local government of Mamuju District in spurring regional income growth and economic growth to support regional development. The Mamuju District Government needs to carefully calculate how much income it receives so that it can be seen whether the revenue collection activities are efficient or not. The PAD target that is set must be considered so that it can be in accordance with the realization of regional taxes and other legitimate PAD which is a component of Regional Original Income and must continue to be increased because it has the potential to be optimized in the future.

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