

## Legal Policy in Regional Tax Collection and Regional Levy in North Sumatra Province

Rahmat, Surya Perdana, Ida Nadirah  
Universitas Muhammadiyah Sumatera Utara  
rahmathidayah2585@gmail.com

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### **Abstract**

*This study analyzes the legal policies governing regional tax collection and levies in North Sumatra Province. It focuses on the regulatory framework, the effectiveness of legal instruments, and the implementation practices by local government authorities. The research highlights the challenges faced in optimizing local revenue through taxes and levies, such as inconsistent regulations, limited administrative capacity, and issues of transparency and compliance. By examining both statutory provisions and their practical enforcement, this paper aims to provide recommendations for improving the legal system to support better fiscal autonomy and accountability in regional governance. The findings underscore the need for harmonization of local regulations with national standards and the strengthening of institutional mechanisms to ensure efficient and just tax collection practices.*

## 1. Introduction

Indonesia is a unitary country that has a very large area. The Geospatial Information Agency (2020) states that Indonesia has a land area of 1,922,570 km<sup>2</sup> and an ocean area of 3,257,570 km<sup>2</sup>. Indonesia, which has such a large area, has experienced a period of centralist government in the period before the reform era where this triggered various problems in Indonesia.<sup>1</sup>

The uneven allocation of resources is the main trigger of the existing problem, where the allocation of abundant regional natural resources is allocated to the central government but very little is allocated to the regions. The problem of central injustice towards the region is the cause of the disintegration conflict. Optimal financing is indispensable in running the wheels of local government and the continuity of regional development.

The problems that arise above make Indonesia change the centralised government to the principle of decentralization in the administration of its government. This makes Indonesia provide opportunities and flexibility to regions to organize regional autonomy.

Regional Autonomy was enforced in Indonesia starting January 1, 2001 based on Law Number 23 of 2014 concerning Regional Government and Law Number 1 of 2022 concerning Financial Relations between the Central Government and Regional Governments, as well as various regulations that bind it.<sup>2</sup> The enactment of Regional Autonomy has now encouraged many environmental changes, both economic, social and political environments.

According to the Local Government Law, the purpose of regional autonomy is to encourage the availability of public services in accordance with the demands of the local community, encourage efficiency and allotment of government funds through the decentralization of authority and community empowerment<sup>3</sup>.

Regional levies can be classified into three groups, namely: Public Service Levies, Business Services Levies, and Certain Licensing Levies.

1. Public Service Levy

The public service levy is non-tax and is not a business service levy or a certain licensing levy.

The service concerned is the authority of the region in the context of the implementation of decentralization.

2. Business Services Levy

The business levy in question is a commercial service that should be provided by the private sector but is not adequate or there are assets owned/controlled by the region that have not been fully utilized by the local government.

3. Certain Licensing Levy

The licensing includes government authority that is handed over to the regions in the context

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<sup>1</sup> Indonesian Geospatial Information Agency, <http://wordpress.com/2023/09/16> (Saturday, September 16, 2023, 19.20 WIB).

<sup>2</sup> General Explanation of Law number 1 of 2022 concerning Financial Relations between the Central Government and Regional Governments.

<sup>3</sup> General Explanation of Law number 23 of 2014 concerning Regional Government in Article 2 paragraph (1) which reads "The Unitary State of the Republic of Indonesia is divided into Regions, Provinces and Regions, Districts and Cities".

of decentralization. These permits are really necessary to protect the public interest. The costs that are the burden of the regions in the implementation of the permit and the cost to overcome the negative impact of granting the permit are large enough that it is worth financing from certain licensing levies.

The explanation of what is meant by a certain licensing object is the provision of certain licensing services by local governments to individuals or entities intended for the regulation and supervision of space utilization activities, the use of natural resources, goods, infrastructure, facilities, or certain facilities to protect the public interest and preserve the environment. The types of certain licensing levies are the levy on building construction, the levy on permits for places of sale and alcoholic beverages, the levy on nuisance permits, the rayek permit levy, and the fishery business license levy.

The main function of certain licensing services that are intended to provide guidance, regulation, control and supervision is basically the granting of permits by local governments is to protect the interests and public order and does not have to be levied. Because in the implementation of this function, local governments require costs that cannot always be sufficient from sources of regional revenue that are general, a levy can be levied on certain permits to cover all or part of the cost of granting the permit.

Some of the criteria for certain licensing levies are in accordance with Law number 34 of 2000 Article 18 paragraph 3 letter c "The licensing includes the administrative authority that is handed over to the regions in the framework of the principle of decentralization, the licensing is really necessary to protect the public interest, the costs that are the burden of the regions in the implementation of the permits and the costs to overcome the negative impact of the granting of the permit are large enough to be feasible to finance from licensing levy".<sup>4</sup>

Based on this background, the author is interested in conducting legal research in the form of a dissertation entitled: "**Legal Policy in Regional Tax Collection and Regional Levy in North Sumatra Province**".

## 2. Research Method

The type of research in this study is Normative Juridical using a statutory *approach* and qualitative data analysis<sup>5</sup>. Research focused on examining the application of rules or norms in positive law.<sup>21</sup> The data sources used are secondary data sources such as laws and regulations, books, the internet and others. All data obtained will then be analyzed using qualitative normative methods. Normative because this research is the starting point of the existing legal regulations so that it is a positive legal norm.

## 3. Results and Discussion

The Regional Tax Contribution in Medan City ranks highest at Rp. 1,316,127,547, followed by Deli Serdang Regency of Rp. 487,186,468, Labuhanbatu Regency of Rp. 62,700,000, and Simalungun Regency of Rp. 50,525,000. Generally, Regional Taxes make the highest contribution

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<sup>4</sup> See Law number 34 of 2000 article 18 paragraph 3 letter c.

<sup>5</sup> The Suharsimi Arikunto, 2012, *Research Procedures of a Practical Approach* (Jakarta: Rineka Create th.), p. 126.

as a source of PAD in districts/cities in North Sumatra, although there are some regions whose Regional Tax contribution is smaller than other revenues such as Mandailing Natal Regency, North Tapanuli Regency, Dairi Regency, South Nias Regency, Pakpak Bharat Regency, Tanjung Balai City, Binjai City, and Padang Sidempuan City.

The contribution of Regional Taxes in South Tapanuli Regency, North Padang Lawas Regency, and Padang Lawas Regency, remains higher than the regional levy. If totaled as a whole, the source of the Regional Tax contribution remains the highest which is Rp. 2,407,715,357, while the regional levy is Rp. 694,959,360, from the results of the management of regional wealth that is separated from Rp. 225,795,478, and other sources of legitimate PAD of Rp. 1,213,169,669.

Therefore, the orientation of regional development focuses more on the source of development funds derived from Regional Taxes. In achieving the goal of increasing PAD, local governments always try to find sources of revenue from taxes in their regions. This can certainly be supported in the context of development in the region, but it should be noted that the orientation is not only to seek profit, but it is necessary and important to pay attention to local wisdom and higher regulations, so that they do not contradict each other horizontally or vertically.

Since regional autonomy was implemented, the problematic regional regulations have grown worse than in the previous period. The implementation of regional autonomy is still far from expectations, because there are still many irregularities and misunderstandings that occur in the formation of regional regulations.

In accordance with Articles 157 to 159 of Law Number 28 of 2009, the Provincial Ranperda on Regional Taxes that has been jointly approved by the Governor and the DPRD, before being determined, must be submitted to the Minister of Home Affairs and the Minister of Finance for 3 (three) working days, starting from the date of approval. The regency/city Ranperda on Regional Taxes that has been jointly approved by the Regent/Mayor and the DPRD, before being determined, must be submitted to the Governor and Minister of Finance for 3 (three) working days from the date of approval.

As a follow-up to the cancellation of the Regional Regulation in North Sumatra, a meeting was held led by the Head of the Legislation Section with the participants of the meeting of the Heads of Legal Sections of all districts/cities in North Sumatra Province and the Secretary of the DPRD of all districts/cities. The meeting discussed and compiled data on the cancellation of Regional Regulations in all districts/cities, and the submission of positive policy impacts on the regulation of regional legal products by each Head of the Regency/City Legal Section and the secretary of the Regency/City DPRD throughout North Sumatra.

Until now, after the 4 (four) Regional Tax Regulations have been canceled and corrected, they have been resubmitted to the Central Government. The 4th (fourth) Regional Government realizes that the canceled Regional Tax Regulation is related to golf, which has been canceled based on the Constitutional Court's Decision Number 52/PUU-IX/2011. However, based on Article 42 paragraph (2) letter g of Law Number 28 of 2009, in its consideration only golf was canceled by the Constitutional Court, while billiards and bowling were not mentioned as canceled/revoked. Thus, the canceled Regional Regulation can still be corrected, by removing the 4 (four) Regional Tax Regulations.

Based on the explanation above, associated with the aspect of Regional Autonomy, the

follow-up for local governments to the cancellation of Regional Regulations by the Central Government, is mandatory to follow and comply with the cancellation decision, because the Central Government is the top for the regions, where the Central Government is authorized to regulate the Regional Tax Regulation. In other words, the regions must synchronize in accordance with the decision of the Central Government.<sup>6</sup> If the regions still object to the results of the decision to cancel the Regional Tax Regulation by the Central Government, then the regions can file an objection to the Supreme Court.

According to Article 1 number (3) of the 1945 Constitution, Indonesia is a country of law. According to Aristotle, the state of law is a state that stands on the law that guarantees justice for its citizens. In the sense of the state of law, citizens are conceived to participate in the deliberations of the state (ecclesia). In other words, citizens actively participate in the implementation of state government".<sup>7</sup>

Supervision is carried out to find out and assess the actual reality of the implementation of tasks and work is in accordance with or not.<sup>8</sup> In addition, to ensure the implementation of the provisions in accordance with plans, policies and orders, to order the coordination of activities, to prevent waste and misappropriation, and to ensure the realization of public satisfaction and trust in the institution.<sup>9</sup>

The implementation of DPRD supervision can be carried out by monitoring every day, once a month, once a quarter, per semester, and annually. For example, in carrying out quarterly supervision, the Regional Government periodically submits performance reports including the Ranperda and the realization of the APBD to the DPRD. In carrying out daily supervision, it is carried out for incidental and urgent matters. The parameter in the implementation of supervision is the formation of an administrative order in a sustainable manner. Every form of supervision, both formal and non-formal, should be documented in an orderly manner, assisted by a reliable DPRD secretariat and adequate facilities and infrastructure. Documenting all forms of supervision results is a best practice of *administration*, so that the implementation of DPRD supervision is well organized in accordance with good *governance expectations*.

The report on the results of the DPRD's supervision can only be said to be useful if the report is followed up by the relevant parties. The implementation of this follow-up should be carried out periodically, along with the implementation of supervision through quarterly, semi-annually, and annual monitoring activities. The results of supervision must be continuously monitored through hearings with relevant work units or field reviews, if such follow-up requires

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<sup>6</sup> Synchronization of laws and regulations is the assessment to what extent a regulation is in sync with other regulations. There are 2 (two) types of ways to study the synchronization of laws and regulations: 1. Vertical synchronization, which is to identify a law and regulation in line when viewed from the perspective of the hierarchy of existing laws and regulations; 2. Horizontal synchronization, which is identifying laws and regulations that are of equal status, and that regulate the same. See Soerjono Soekanto, and Sri Mamuji, *Normative Law Research (A Brief Review)*. Jakarta: Rajawali Press, 1990, p. 85. As quoted from Rony Andre Christian Naldo, et.al., *Legal Certainty ...*, *Op.cit*, p. 104.

<sup>7</sup> I Dewa Gede Palguna, *Constitutional Complaint Legal Remedies for Violations of Citizens' Constitutional Rights*, Sinar Grafika, Jakarta, 2013, p. 43.

<sup>8</sup> Sujamto, *Op.cit*, p. 115.

<sup>9</sup> Victor M. Situmorang, and Jusuf Juhir, *Op.cit*, p. 27.

field inspections. The implementation of follow-up must be supported by adequate and structured administrative mechanisms and facilities, starting from the results of supervision to the completion of the follow-up implementation.

Every citizen or society in a democratic country has the right to make decisions, either directly or indirectly or through the legitimacy of the intermediary of an institution that represents his or her interests, and this is a form of freedom of speech and opinion constructively.<sup>10</sup> With the participatory nature of the community, a planning to a discussion process is a planning to a discussion process that involves the community directly or indirectly in achieving common goals.<sup>11</sup>

Community involvement in the formation of Regional Tax Regulations is in accordance with direct and representative democracy. This is because sovereignty in a democratic country is in the hands of the people. The sovereignty of the people is placed as the highest power is in the people.<sup>12</sup> This is a form of government from the people, by the people, and for the people. The people's vote must be the highest reference for every government and state policy, not the interests of a few people in power.<sup>13</sup>

Meanwhile, to fight for the welfare of the people through regional legislation, there are problems that have not been paid attention to, including the lack of accommodation of community aspirations and the lack of participation in the formation of regional regulations, and the lack of social justice for the community. Thus, the people in the regions must be active in supervising, from the formation to the implementation of the Regional Tax Regulation. Especially at the time of formation, community involvement is often ignored when there is indeed an element of dominant political interests to pass an agenda.

Efforts to realize community and DPRD supervision of the Regional Government, encourage good government bureaucracy and especially emphasize on the Regional Government which must be a principled leader and based on transparency and responsibility to implement policies and programs. The Central Government and Regional Governments, in addition to having to prioritize political will to keep their governance clean, must also pay attention to various inputs from the public.<sup>14</sup>

According to the value of the formation from the philosophical aspect, the Regional Tax Regulation must be able to provide values that are beneficial to all, especially the community. Philosophical values emphasize more on the aspect of truth that needs to be regulated through a Regional Tax Regulation. From a sociological aspect, a Regional Tax Regulation must be really desired by the local community, not only because of the interests of a group of people, or because of conditions with political nuances, so that the Regional Tax Regulation is effective in being forced

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<sup>10</sup> Dea Deviyanti, A Study on Community Participation in Development in Karang Jati Village, Central Balikpapan District. *Journal of State Administration*, Issue 2, Vol. 1, 2013, p. 382.

<sup>11</sup> Mifta Farid, et.al., *Op.cit*, p. 103.

<sup>12</sup> Sirajuddin, *revisited the meaning of sovereignty in the Constitution*. Malang: Paper, Presented at the FGD with the Theme: *People's Sovereignty in the 1945 Constitution of the Republic of Indonesia*, organized by the Institute for the Study of the People's Consultative Assembly of the Republic of Indonesia with UPT Pancasila, State University of Malang, 2016, p. 1.

<sup>13</sup> *Ibid*.

<sup>14</sup> Sofyan Nasution, *Op.cit*, p. 2.

to be promulgated.

The reconstruction of the concept in the formation of the Regional Tax Regulation in North Sumatra to strengthen regional autonomy is as follows:

1. Philosophically:

1. The Regional Government and the DPRD form a Regional Tax Regulation that reflects a good value system as a means of protection in realizing community welfare. Through this reconstruction, the Regional Tax Regulation that was formed synergized with the essential and noble values in the midst of the community (living law), which will subsequently be normativized in the Regional Tax Regulation. This reconstruction is in accordance with the Theory of Regional Autonomy and the Theory of Regulation Formation;

1. Sociologically:

1. In the formation of the Regional Tax Regulation, the Regional Government and the DPRD involve the participation of community members and/or NGOs through RDP activities. Through this reconstruction, the Regional Tax Regulation is in accordance with the living law, and a democratic state is realized.
2. The local government creates an android-based website or application, which is used to accommodate the aspirations of the community during the process of forming the Regional Tax Regulation. Through this reconstruction, the Regional Tax Regulation is in accordance with the living law, and a democratic state is realized.
3. The DPRD collaborates with the community and/or NGOs to supervise during the process of forming the Regional Tax Regulation. Through this reconstruction, maximum supervision was created during the process of forming the Regional Tax Regulation, and a democratic state was realized.
4. In the process of forming the Regional Tax Regulation, the DPRD optimizes the supervisory function continuously in accordance with the supervisory guidelines that have been prepared, in order to create Good Governance. Through this reconstruction, maximum supervision is created during the process of forming the Regional Tax Regulation. This reconstruction is in accordance with the Theory of Regional Autonomy, the Theory of Regulation Formation, and the Theory of the Position of the DPRD in the Formation of Regional Regulations;
5. In the process of forming the Regional Tax Regulation, the DPRD and the Regional Government improve the quality of relations (*checks and balances*). Through this reconstruction, maximum supervision is created during the process of forming the Regional Tax Regulation.
6. The DPRD strengthens and networks of cooperation with the DPR and political parties. Through this reconstruction, the Regional Tax Regulation that was formed is in sync vertically and horizontally with other laws and regulations, within the framework of the Republic of Indonesia.

7. Juridically:

1. The local government and the DPRD comply with the formal principles and material principles of the formation of laws and regulations, as stipulated in Articles 5 and 6 of Law Number 13 of 2022. Through this reconstruction, the Regional Tax Regulation that was formed is in sync vertically and horizontally with other laws and regulations. This reconstruction is in accordance with the Theory of Regional Autonomy, the Theory of Regulation Formation, and the Theory of the Position of the DPRD in the Formation of Regional Regulations;
2. The Regional Government and the DPRD synchronize the Regional Tax Regulation vertically and horizontally. Through this reconstruction, the Regional Tax Regulation is formed in harmony with higher laws and regulations, as well as with equivalents. Thus, a good Regional Tax Regulation is formed and legal certainty is created.
1. The Regional Government and DPRD use the services of Experts (especially Legal Experts from Academics) during the process of forming the Regional Tax Regulation. Through this reconstruction, the Regional Tax Regulation that is formed can be harmonized with higher laws and regulations, and equivalent, so that legal certainty is created that synthesizes justice and utility. This reconstruction is in accordance with the Theory of Regional Autonomy, the Theory of Regulation Formation, and the Theory of the Position of the DPRD in the Formation of Regional Regulations;
2. The cancellation of the Regional Tax Regulation can only be done through material and formal tests at the Supreme Court. Through this reconstruction, legal certainty is created regarding the authority to cancel the Regional Tax Regulation. This reconstruction is in accordance with the Theory of Regulatory Formation;
3. The Central Government and the House of Representatives can immediately revise Law Number 13 of 2022, by adding provisions related to sanctions for local governments whose Regional Tax Regulations are canceled based on the Supreme Court's decision. Through this reconstruction, in the process of forming the Regional Tax Regulation, each Regional Government will apply prudence, and comply with the formal principles and material principles of the formation of laws and regulations, as determined by Article 5 and Article 6 of Law Number 13 of 2022, so that state money that has been budgeted and used during the process of forming the Regional Tax Regulation, can be effective and efficient in accordance with the Theory of Regulation Formation.

The Regional Revenue and Expenditure Budget (APBD) includes; Regional Original Revenue (PAD), Relationship Fund and Other Legal Regional Revenue. The source of regional original revenue consists of: regional tax revenues, regional levy revenues, separated regional wealth management results, and other legitimate regional original revenues.<sup>15</sup>

For example, the imposition of high import duties, VAT and PPnBM is a form of protection for domestic products, on the other hand, the imposition of export tax 0% is an effort to encourage the growth of the domestic industry, or conversely the imposition of import tax can be 0% if it is

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<sup>15</sup> Article 157 letter a of Law No. 23 of 2014 concerning Regional Government.

necessary to include basic necessities such as rice imports which are carried out when we are experiencing a shortage of rice and it is feared that it will cause social and political chaos. This policy certainly has an impact on the price of cheap rice so that it is affordable for the community and at the same time creates socio-political stability.

Then the imposition of alcohol excise, as an effort to protect social from the impact of liquor, and so on. From various Tax Laws, including the KUP Law, there is no mention of the term tax law, but only shows that one of the sources of tax law is tax laws and regulations. In Article 1 number 1 of the KUP Law, it is stated that it is limited to the meaning of tax yaitu mandatory contributions to the state owed by individuals or entities that are coercive based on the law, by not receiving direct rewards and used for state needs for the greatest prosperity of the people.

If we relate the substance between the meaning of the legal term and the definition of tax above, then according to the author, the meaning of tax law is: a set of legal regulations that regulate the rights and authority of the state/government in tax revenue, the obligation of citizens to pay taxes and the reciprocal relationship between the government (fiskus) and the taxpayer community in the implementation of duties, Authority, Rights and Obligations of Tax Collection.

A set of legal regulations in the field of taxation consists of tax laws and regulations as technical arrangements or operational guidelines for the implementation of tax rights and obligations. The state's right is to obtain tax revenue as state revenue, so that the state is authorized to regulate the way in imposing, collecting and collecting taxes to its citizens as well as giving birth to responsibility for the state in managing and allocating tax revenue funds for the implementation of government and development costs for the greatest possible prosperity of the people.

Based on the self-assessment system adopted by tax laws and regulations, it has the consequence that the duty of tax collection is delegated to the Taxpayer, so that in addition to being obliged to pay the taxes owed to him, the Taxpayer is also obliged to withhold/collect to other parties who are the opponents of the transaction. Meanwhile, the fiscal authorities are given the authority of the delegation to supervise and enforce tax laws in addition to being obliged to provide services and guidance to Taxpayers so that the implementation of the delegated duties runs well and optimally and in accordance with the applicable tax laws and regulations.

The reciprocal relationship between the tax authorities and the taxpayer arises based on the attributifi duties given by the Tax Law, where both are appointed as "implementing officers", namely as the main legal subjects who implement tax laws and regulations in the field and both must be accountable for their duties in accordance with their respective qualifications and task capacities. Every legal subject (person/entity) in his capacity as a citizen (as a WPOP or WP Radan) has a legal obligation to contribute/participate in state finances in the form of paying taxes. At the same time, taxpayers also have qualifications as deductors/collectors and pay taxes, who are obliged to withhold/collect taxes from other parties who are opponents of their transactions, in addition to paying taxes owed to them (taxpayers).

The fiscal in its capacity as a legal subject (government officials who carry out government duties and functions in the field of taxation) who serve as tax collectors of taxpayers. Fiscal Authority in carrying out its duties and functions, has qualifications in a metamorphosis manner, namely: (i) "tax officers" who are legally obliged to provide services, guidance and guidance to all Taxpayers; (ii) "tax auditors" who carry out supervision in the form of evaluative actions starting

from researching and examining to recalculate the amount of taxes that have been collected/deducted, paid, and reported by taxpayers in order to test the correctness or validity of the taxpayer; or take corrective action by re-establishing the amount of tax debt that should be through the issuance of decrees, decisions, and tax bill letters as "tax collectors who carry out reprimands and warnings in the context of tax collection, As "tax police who carry out tax law enforcement actions, Such as preventive measures through a series of investigative actions (preliminary evidence examination) and tax investigation; as "a tax bailiff who commits other legal acts as a repressive act through action; confiscation, auction, prevention, and hostage taking to taxpayers as a form of guarantee against the payment of tax debts, and/or securing tax revenues and so on.

As a consequence of legal subjects who are burdened with legal obligations, the fiscal and taxpayer can be held legally accountable for the implementation of the duties imposed on them. The relationship between the fiscal authorities and the taxpayer is reflected in the following causality: the existence of obligations for taxpayers as deductors, collectors, and taxpayers gives rise to the right to obtain services, guidance and guidance from the fiscal authorities so that the implementation of their duties can run properly and optimally. Taxpayers who carry out their duties properly or due to other policies are also entitled to receive incentives (installments and postponement of tax payments) as well as tax facilities (relief, reduction, exemption, and elimination of tax payments). On the other hand, for taxpayers who neglect/violate their obligations, the fiscal authorities are authorized to determine the taxes that should be paid and impose administrative sanctions and/or tax penalties that they cause.

If there is an error or legal defect in the decree or tax decision issued by the fiscal authority, the taxpayer has the right to file an objection by submitting an application for revocation, deletion, cancellation either to the superiors of internal officials, the fiscal agency itself or to external officials in the judicial institution whose decision or decision must be implemented (anmaning) by the fiscal authority and/or the taxpayer.

Likewise, for the fiscal sector, he is entitled to legal assistance and protection for the implementation of his duties and obligations. If the fiscal officer performs his duties well, he is entitled to receive incentives and awards for the achievements he has made. On the other hand, if he is indicated to be negligent or violates his main duties and functions, acts arbitrarily or acts outside the limits of his authority, commits unlawful acts by benefiting himself or others, so as to harm the state finances or harm the interests of the taxpayer, then the taxpayer has the right to complain to the authorities for legal process and if proven to be subject to administrative sanctions (disciplinary sanctions) or criminal sanctions as a form of legal liability is in accordance with the provisions of the applicable laws. Thus a small form of reciprocal relationship between the fiscal officer and the taxpayer as a legal subject who has a legal obligation, namely as an "implementing officer of the Tax Law", so that both can be held legally accountable and treated equally before the law (equality before the law) in accordance with the proportion of their respective qualifications and capacities so that the implementation of duties in the field of taxation can be done properly. has legal certainty and reflects a sense of justice within the framework of the state of law (rechtstaat).

#### 4. Conclusion

The North Sumatra Provincial Government's policy in increasing regional revenue, especially those from the tax sector, is carried out to realize state independence, especially development financing in the real economic sector. As the main source of the APBD, taxes are expected to be a source of financing for regional development. Tax collection in North Sumatra Province is considered to have not gone well because of the low level of compliance of taxpayers in carrying out their tax obligations. The policy efforts of the North Sumatra Provincial Government are one of the reasons why the Government is authorized to regulate the way in imposing, collecting and collecting taxes to its citizens as well as giving birth to responsibility for the state in managing and allocating tax revenue funds for the implementation of government and development costs for the maximum prosperity of the people.

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- Synchronization of laws and regulations is the assessment to what extent a regulation is in sync with other regulations. There are 2 (two) types of ways to study the synchronization of laws and regulations: 1. Vertical synchronization, which is to identify a law and regulation in line when viewed from the perspective of the hierarchy of existing laws and regulations; 2. Horizontal synchronization, which is identifying laws and regulations that are of equal status, and that regulate the same. See Soerjono Soekanto, and Sri Mamuji, *Normative Law Research (A Brief Review)*. Jakarta: Rajawali Press, 1990, p. 85. As quoted from Rony Andre Christian Naldo, et.al., *Legal Certainty ..., Op.cit*, p. 104.
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