

The Impact of Tourism Sector on Regional Revenue Through Taxes As Intervening Variable

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Abstract

West Java has the potential to attract tourists. This potential must be developed to have a positive impact on the regional economy and society. The tourism sector is able to absorb employment because the service-based tourism sector employs people. One development is to increase the quantity and quality of hotels and restaurants. Hotels and restaurants cannot be separated from tourism, as there is tourism there must be hotels and restaurants so that tourists can feel comfortable during their trip. This research uses quantitative research by the method of multiple regression analysis by the intervention method. As for data collection techniques using documentation techniques and literature study. This study uses secondary data sources from Central Bureau of Statistics. Before the hypothesis test, the data passed the classical hypothesis test and all met the requirements. The results showed that the tourism sector had an impact on the Regional Original Income of West Java of IDR 2,985,089.3. The tourism sector has an impact on taxes of IDR 398,637,968,764. Then the tourism sector has an impact on the Regional Original Income of West Java Province through a tax of IDR 123,599,999.

Keywords: Tourism Sector, Tax, Regional Revenue

A. Introduction

1.1. Background

Tourism has three categories of definitions depending on which dimension tourism is defined. The definition category consists of spatial dimensions or dimensions viewed from the tourist side, industrial or business dimensions and academic dimensions. In the spatial dimension, tourism is defined as an activity carried out by humans in order to get pleasure in less than one year and in a place other than the place that is their routine (Sarfiyah, Atmaja, & Verawati, 2019).

Tourism is defined by the business dimension as a business activity carried out by business organizations to generate goods or services to accommodate enjoyable leisure activities. While the academic dimension combines the definitions of the two dimensions—the spatial dimension and the commercial dimension—to describe tourism. According to the academic perspective, tourism is a science that aims to

comprehend human movements away from their homes and the actions taken by the tourist sector to satisfy the demands of people who temporarily relocate. Additionally, the scholarly component looks into the effects of tourism on numerous spheres, including the economic, social, and physical environments of tourist destinations (Sarfiyah et al., 2019).

Therefore, tourism is defined as the human activity of spending time and money on a variety of activities in a location (other than his place of residence and place of employment) that makes him happy. The presence of tourism will have both beneficial and bad effects on numerous sectors, including the economic, social, cultural, and physical environment of a tourist destination.

The economic sector of a country is a sector that emerges from tourism. When tourism is managed effectively, it will have a positive impact, which means direct or indirect growth in GDP. In 2020, the tourism sector contributed 5.82%, an increase of 0.35 percentage points from 2017, when it contributed 5.47% (Economic and Social Research Institute, 2020). The tourism sector contributes to the nation's economy through taxes and jobs. The following table shows the economic impact of the presence of tourism:

Figure 1: National Economic Value, 2017 – 2020.

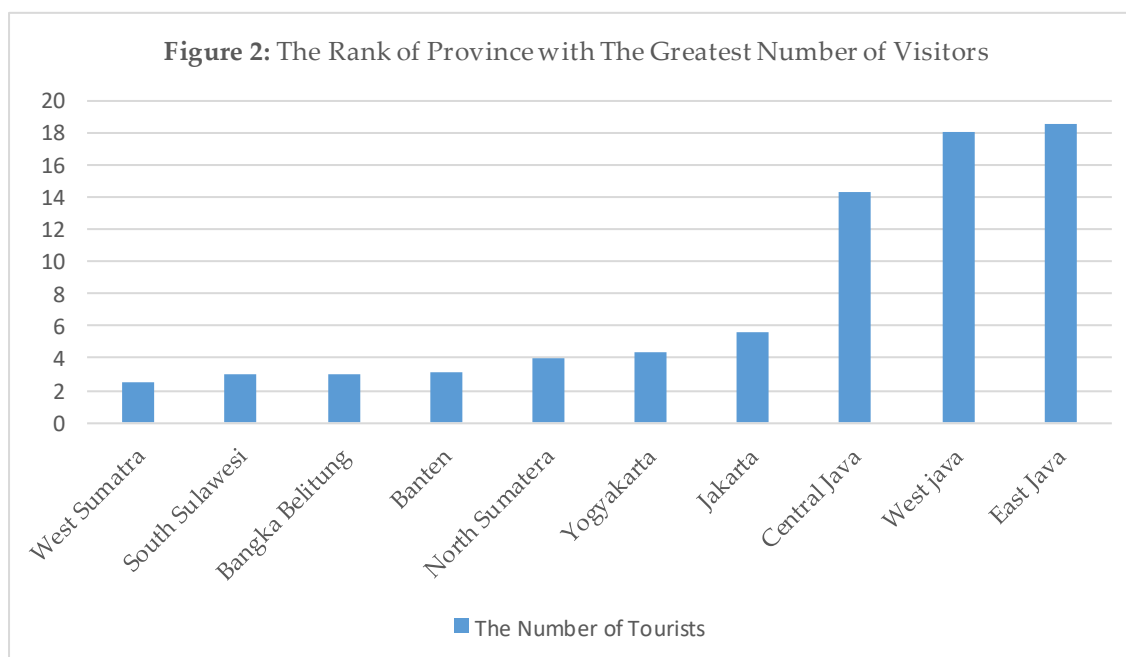
	National Economic Value 2017	National Economic Value 2018	National Economic Value 2019	National Economic Value 2020	Percentage of Tourism Sector 2017	Percentage of Tourism Sector 2020
Output	22.328.560	24.022.904	1.244.054	1.415.072	5,57%	5,89
GDP	11.531.720	12.406.744	630.986	722.597	5,47%	5,82
Labor Compensation	3.709.100	3.990.555	187.967	214.474	5,07%	5,37
Tax on net production	96.760	104.102	5.832	6.683	6,03%	6,42
Employment Opportunity	114.819.199	118.411.973	4.276.872	4.962.871	3,72%	4,19

Source: Economic and Social Research Institute (2020).

One of the issues in West Java, Indonesia is that the poverty level remained at 9% between 2017 and 2020. It is expected that the expansion of the tourist sector will help eliminate poverty among the people of West Java Province. According to the statistics

in figure above, tourism has the potential to generate 4.9% of all job opportunities. The growth of the tourism sector has the potential to alleviate poverty. As a result of the tourism sector's ability to improve the local government's regional income, as well as the growth in foreign exchange profits at the national level as a result of national tourist visits, employment possibilities can be created in several tourism-related fields. Tourism is a service sector that depends on human labor; hence, its growth must be maximized.

The existence of tourism activities, such as domestic tourist visits, contributes to the expansion of regional revenue in West Java. After East Java, West Java has the second highest number of archipelagic tourism visits. This demonstrates that the tourist industry in West Java Province has an edge over other regions.



Source: Indonesian Statistic Data-BPS, 2020

According to Indonesian Statistics-BPS (2020), there are various fields or sectors within tourism, including the fields of lodging, hospitality, and cuisine/restaurants. Accommodations and tourist facilities are places to stay for people who are visiting an area, such as tourists. Hotels, inns, bed-and-breakfasts, and villas can provide lodging for tourists. Restaurants, on the other hand, are the companies of a group of people who acquire ready-to-eat food and drink services and the appropriate equipment for on-site consumption.

The tourism sector is sustained by tourist visits. Tourists are individuals who engage in tourism activities. Foreign visitors and local tourists are the two types of tourists. The sole distinction between the two is one of documentation. Foreign tourists are required to hold a passport, whereas domestic tourists are not. There are at least three characteristics of tourists, including a one-day minimum visit and a one-year maximum consecutive stay. Moreover, he did not aim to make a living from the location tour (BPS-Indonesian Statistics, 2021).

The existence of economic gains acquired by business players in the tourism sector subjects business actors to taxation in accordance with the applicable legislation. Regarding taxes, they are the obligation of the people to the state in the form of monetary contributions to the government. The government will administer tax revenue sources for the benefit of society (Directory of Taxation, 2021).

The size of tax revenue will impact the local government's initial revenue. Regional original income is a measure of a region's autonomy in managing its potential. Tourism is one of the regional opportunities that might be explored. Consequently, local governments must continue to investigate the region's possibilities. Therefore, the initial regional income obtained is increasing. When the regional original income increases, the local government will reduce its reliance on central government payments even further.

Since that the tourism sector has an economic impact, the authors are interested in determining whether the tourism sector has an effect on local revenue. Then, does the tourism sector have any effect on taxes? How does the tax impact local revenue? Can taxes serve as a mediator between the tourism sector and local revenue? Logic dictates that as the tourism sector grows, so will local revenues. Additionally, the tourism sector will raise taxes.

One source of local revenue is taxation. As a result, when taxes are raised, local revenue would rise as well. Then, when the tourism sector grows, taxes will rise, causing local revenue to rise as well. Several research, however, indicate conflicting results. According to (Zakiah, 2019), the amount of tourist artifacts has a detrimental impact on local revenue. The results of the analysis in research (Akbar, Rahmafitria, &

Nurazizah, 2020) demonstrated that the number of hotels and restaurants has a negative influence. Hence, the authors focused on the impact of the tourism sector on local revenue through taxes as an intervening variable.

1.2. Objective

The study objective is the goals or objectives to be achieved by the author in a study. The following are the objectives of the study:

1. Analyze the impact of the tourism sector on the provincial income of West Java Province.
2. Determine the extent of the tourist sector's impact on taxation.
3. Analyze the impact of the tax on the provincial revenues of West Java.

Analyzing how taxes influence the tourism sector and local revenue in the province of West Java.

B. Literature Review

2.1. Background Theory

The Concept of Tourism

According to (Hastuti & Ismayanti, 2018), tourism has three sorts of definitions, depending on the dimension in which it is defined. The defining category includes the spatial dimension or dimensions from a tourist's perspective, the industrial or business dimension, and the intellectual dimension.

- a) The spatial dimension, tourism is defined as a person action or a group of individuals who go to a location other than their place of employment or home for at least one day and no longer than one year.
- b) Tourism is defined by the business dimension as a business conducted by business entities to generate products or services for leisure activities.
- c) The academic dimension defines tourism by merging the geographical and commercial dimensions. Tourism is defined as a discipline that aims to comprehend the activities of people who temporarily relocate and the activities of the global tourism sector to suit the demands of people who temporarily relocate. In addition, the academic dimension examines the effects of tourist activities on

several sectors, such as the economic sector, the social sector, and the physical environment sector, as they pertain to tourism destinations.

Thus, tourism may be defined as a diversity of tourist activities accompanied by the availability of supporting facilities offered by various government, commercial, and community entities.

Tourism Factors

According to (Widyatmaja & Ngurah, 2017), there are several factors of tourism, including the following:

- a) **Attraction**; attraction is a feature of a region that is not found in the environment where visitors live which provides a reason for tourists to visit that region. The distinctiveness might take the shape of objects or tourist attractions. There are two types of tourism items in this case: natural tourist objects in the form of natural beauty and wealth, and man-made tourist products. There are also two types of tourist attractions: natural attractions and manufactured or produced attractions.
- b) **Accessibility**; accessibility is the ease with which travellers can reach tourist destinations. Accessibility can take the form of airports, ports, terminals, and trains, as well as anything else needed to reach tourist attractions.
- c) **Amenities (facilities)** are all aspects of tourist destinations that facilitate visitor activity. These amenities may include hotels, homestays, villas, inns, campsites, and guesthouses, as well as dining and drinking facilities and transportation services.
- d) **Ancillary services (extra services)** are government-provided facilities that must exist in a certain location. This might be considered a supplement to tourism for travellers and tourism organizers. The government is responsible for providing access to transportation and basic requirements like water and power, as well as laws and tourist destination information services. In addition to those offered by the government, business players must also supply tour guides who are familiar with the region and the warmth of the locals in tourist destinations.

The Concept of Taxes

According to (Jaelani, 2018), he argued that taxes are one of the most significant sources of revenue in the modern economy. The government can force citizens to pay

taxes since taxes are utilized for public purposes; this is governed by national rules. In this instance, the rule is contained inside the statute. In this regard, the setting of the tax amount and its collection are governed by the principles of fairness so as not to generate new issues, such as being overly burdensome for taxpayers. Taxes are a method of distributing the burden of government to the population.

According to (bin Khaldun & Abdurrahman, 2001), tax is the community's commitment to the government to give a share of their wealth as determined. One of the variables contributing to a nation's development is taxation. According to Ibn Khaldun, when taxes are reduced, a country's growth will proceed through a variety of means since the people will feel less burdened. People would be unwilling to invest in development if taxes were hiked, which would have a negative effect on the country's development.

Taxes can thus be defined as confiscatory taxation money collected from the general public in accordance with applicable government rules. The community cannot directly access the benefits of tax payments made by the public. The taxpayer or community in issue is therefore a party in the form of persons and entities, including taxpayers, tax collectors, and tax collectors, according to the applicable laws or rules. While the entity may be characterized as a group of individuals who may or may not be engaged in commercial activity, corporations, businesses, partnerships, cooperatives, associations, foundations, organizations, state-owned enterprises, and regions are all examples of business entities.

State and Local Government Budget

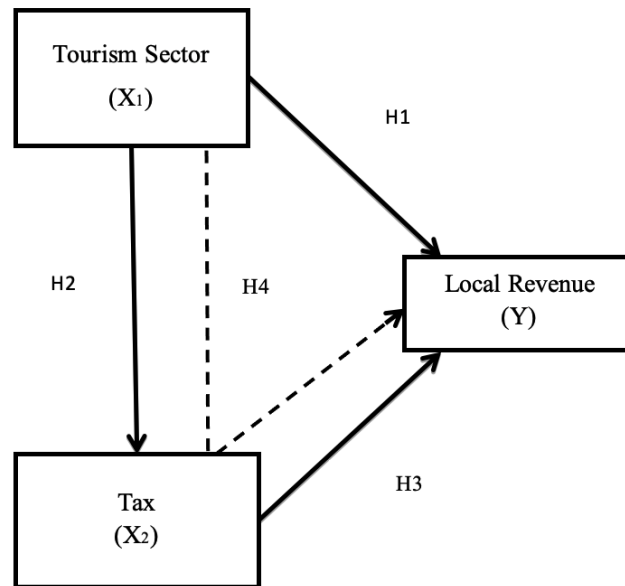
(Huda, 2018) stated that national income is the entire production of goods and services gained by a country in a given year. National income may be calculated by adding the most current demand for economic units, namely the household sector (consumption) (C), the business sector (investment) (I), the government sector (shopping and government consumption) (G), and the difference between export and import (X-I). So that it may be stated as an equation depending on the structure of each country's economy, as follows:

- a) A closed economy or a two-sector economy, in which income is the sum of household consumption plus investment. The equation $Y=C+I$ is thus obtained.

- b) A closed economy with the function of the government or a three-sector economy, namely income, is the sum of consumption, investment, and government expenditure. The equation is then obtained $Y=C+I+G$.
 - c) Income in an open economy, often known as a "four-sector economy," is the sum of all consumption, investment, government expenditure, and the difference between exports and imports. The equation $Y=C+I+G+(X-I)$ is therefore obtained. National income is classified as follows:
 - 1. The gross National product (GNP) represents the money earned by Indonesian residents both at home and abroad. Based on how much money a country's people earn both inside and outside of the country, GNP can be used to get information about its economic growth.
 - 2. GDP (gross domestic product) is the acquisition of economic advantages received by inhabitants of that country and foreign nationals who are in that country is calculated by adding the GDP plus the difference between these citizens' income and the income of foreign nationals residing in that country. The computation of GDP will yield information about a country's economic growth based on the country's ability to generate products and services.
 - 3. NNP (Net National Product) is income derived by subtracting GNP from the depreciation of an existing capital asset over a certain period of time.
- Meanwhile, (Marini, 2017) argued that local revenue is a manifestation of an economic decentralization system that gives local governments the ability to administer their areas in order to maximize their potential through regional taxes, regional fees, wealth management, and other acceptable revenues.

2.2. Conceptual Framework

Figure 3. Conceptual Framework



H1: Tourism sector had a significant and positive impact on local revenue

H2: Tourism sector had a significant and positive impact on tax

H3: Tax had a significant and positive impact on local revenue

H4: Tourism sector had a significant and positive impact on local revenue through tax

According to the figure above, several factors would be defined in this study are tourism sector and tax. This study aims to identify whether tourism sector and tax will impact on local revenue or not.

C. Research Methods

3.1. Data

The data used in this study consists of primary data and secondary data. Primary data were obtained from distributed questionnaires, as well as direct observations on the research object. Secondary data obtained from the literature study by looking for theories related to research variables.

3.2. Method

The Likert scale was used as the measurement scale in this study, which is a scale used to measure a person's or group's attitudes, opinions, and perceptions about social phenomena.

The validity of the data must be tested before being analyzed to determine the truthfulness of the respondents in answering questions about whether tourism sector affect local revenue among taxes.

The reliability test of this study was calculated using SPSS 26 for Windows, with as many instrument samples as the specified number of respondents. The alpha Cronbach technique was used to assess the reliability of this study.

The assumptions in the regression analysis were tested before data analysis and hypothesis testing were carried out. The regression assumptions that will be tested based on the data in this study are normality, autocorrelation, heteroscedasticity, multicollinearity, and linearity.

Path analysis method being used to test the effect of intervening variables. Path analysis is the use of regression analysis to estimate causality relationships between variables (casual models) that have previously been determined based on theory and determine the pattern of relationships between three or more variables and cannot be used to confirm or reject the hypothesis.

D. Result and Discussion

4.1. Results

Data Description

Figure 4: Data Description

	N	Minimum	Maximum	Mean	Std. Deviation
Number of Tourists	48	3942215,00	5040594,00	4501945,2500	465167,84732
Number of Hotel	48	127,00	148,00	141,0833	4,72582
Number of Hotel	48	213,92	292,00	240,3750	27,78144
Tax	48	113447070337,00	256869151465,70,00	17524049937500	53029666621,69183
Local Revenue	48	850039800,00	1477352761,00	1209457693,2500	236331808,62491
Valid N (listwise)	48				

Source: Secondary Data Processing-SPSS 26, 2022

According to figure 4, it can be observed that the quantity of data examined was 48 monthly data points from 2013 to 2016. During that time period, it was determined that an average of 450,945 tourists visited the province of West Java. With a total of 504,059 visitors, September 2016 saw the highest number of tourist visits. In April 2013, there were just 394,215 visitors, which was the lowest amount.

The average variable number of hotels in the province of West Java is 141 units. September 2016 saw the greatest number of hotels, with 148 units. The lowest number of hotels occurred in January and April 2013, at 127 units. The average number of restaurants in the province of West Java is 240. September 2016 saw the largest number of restaurants, with 292 units. The lowest number of restaurants occurred in April 2013, at 213 units. In contrast, the average tax variable is IDR 175, 240, 499, 370. The highest tax revenue was received in September 2016, specifically IDR 256,869,151,465 The lowest tax income came in April 2013, at just IDR 113,447,070,337.

Meanwhile, the average regional original income variable for the province of West Java was IDR 1,209,457,693. The biggest income from the original region happened in September 2016, namely IDR 1,477,352,761. In April 2013, the lowest income from the original region was just Rp. 850,039,800.

Data Analysis

The Impact of Tourism Sector on Local Revenue

Figure 5: Hypothesis Analysis (the impact of tourism sector on local revenue)

Model	F-test		t-test				R-test	
	F	Sig	Constanta	Coefficien t	T	Sig	R	R Square
Number of Tourists				452,219	12,072	0,000		
Number of Hotels	109,813	0,00 0	(127080 1514,345)	2749870,4 75	0,888	0,379	0,939	0,882
Number of Hotels				234766,60 1	0,402	0,690		

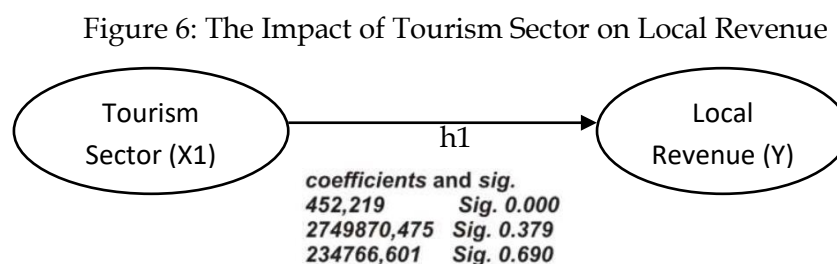
Source: Secondary Data Processing-SPSS 26, 2022

The figure above demonstrates that the estimated F value for the F test table is 109,813 with a significance level of 0.000. The quantity of visitors, hotels, and

restaurants has a simultaneous effect on the local revenue variable, as determined by the f test's decision-making process. In the meantime, the partial test (t-test) findings for each indicator variable are as follows: The indicator for the number of tourists has a positive coefficient value of 452.219 and a significance level of 0.000. This indicates that the variable number of tourist visits has a substantial and favorable effect on local revenue. Local revenue variable will increase by IDR 452,219 if the number of tourists increases by one.

The number of hotels is positively correlated with a coefficient of 2749870.475 and a significance level of 0.379. This indicates that the number of hotels has a slightly positive but insignificant impact on PAD. The local revenue will rise by IDR 2,749,870.475 if the number of hotels grows by one.

The indicator of the number of restaurants has a positive coefficient of 234766.601 and a significance value of 0.610. This indicates that the increased number of restaurants has just a slightly positive impact on local revenue. The local revenue will increase by IDR 234,766,501 if the number of restaurants grows by 1 unit. The entire direct effect of the tourism sector on local revenue is thus 2,985,089.3 IDR. Moreover, a constant value of -1270801514.345 is also obtained. Therefore, it can be stated that if the tourist sector variable has a value of 0, the local revenue benefit drops by 1,270,801,514.345 IDR. Hence, the equation may be stated as follows in the model:



Source: Secondary Data Processing-SPSS 26, 2022

According to the R-test, the coefficient of determination, or R-square, is 0.882. The value of this determination is derived from the coefficient R, which is 0.939×0.939 , obtaining 0.882. The magnitude of the coefficient of determination is 0.882, corresponding to an 88.2% coefficient value. The variables visitors, hotels, and restaurants thus have an 88.2% influence on the local revenue variable. The remaining

11.8% represents the effect of additional factors not included in the variable equation in this study.

According to (Sharpley & Telfer, 2014), the tourist sector plays an important role in the regional economy. Tourism is one of the attractions for both foreign and domestic tourists in the province of West Java. In addition, the tourist industry is capable of absorbing work so that individuals may meet their daily necessities with revenue. There are various sectors within the tourist sector, including star hotel accommodations, non-star hotels, and eateries. According to a number of studies, the tourist industry has an impact on local revenue.

This study concludes, based on the previous discussion, that the tourism sector impacts regional original revenue. Therefore, the provincial administration of West Java must continue to expand the quantity and quality of the tourism sector, particularly by increasing the number of hotels and restaurants, in order to generate local revenue.

The Impact of Tourism Sector on Taxes

Figure 7: The Impact of Tourism Sector on Taxes

Model	F-test		t-test				R-test	
	F	Sig	Constanta	Coefficien t	T	Sig	R	R Square
Number of Tourists				68679,46 4	14,301	0,000		
Number of Hotels	3666,675	0,000	(28580 5 549463,0 91)	(5644861 54,241)	(1,422)	0,162	0,981	0,962
Number of Hotels				9630554 43,541	12,854	0,000		

Source: Secondary Data Processing-SPSS 26, 2022

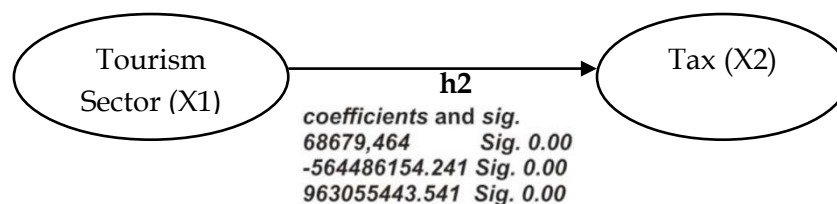
The figure above demonstrates that the estimated F value for the F test table is 3666,675 with a significance level of 0.000. The quantity of visitors, hotels, and restaurants has a simultaneous effect on the taxes, as determined by the f test's

decision-making process. In the meantime, the partial test (t-test) findings for each indicator variable are as follows:

The indicator of the number of tourists has a coefficient value of 68679.464 and a significance level of 0.000. This indicates that the variable number of tourist visits has a large and positive impact on taxes. The tax income will grow by IDR 68,679.464 for each additional tourist. The number of hotels has a negative coefficient of -564486154.241 and a significance level of 0.16. This indicates that the number of hotels has a negative but insignificant impact on taxes. Taxes will drop by IDR 564,486,154,241 if the number of hotels grows by one unit. The indicator of the number of restaurants has a coefficient value of 963055443.541 and a significance level of 0.000. This indicates that the number of restaurants has a positive and significant impact on taxes. If there is one more restaurant, the tax unit will grow by IDR 963,055,443.541.

The entire direct effect of the tourist industry on taxes is therefore Rp 398 637 968 764. Moreover, -285805549463.091 is derived as a constant value. Therefore, it can be concluded that if the tourist sector variable has a value of 0, the tax revenue is reduced by IDR 285,805,549,463.091. Thus, the equation may be stated as follows in the model:

Figure 8: The Impact of Tourism Sector on Tax



Source: Secondary Data Processing-SPSS 26, 2022

The R-test reveals that the determination coefficient, or R-square, is 0.962. This determination's value is derived from the coefficient R, which is 0.981 x 0.981, resulting in 0.962. The value of the coefficient of determination is 0.962. Then, the variables of tourists, hotels, and restaurants impact the variable of 0.962% tax. The remaining 3.8% represents the effect of factors not included in the study's variable equation.

Tax is a legal requirement that must be met by individuals or businesses. Taxation is compulsory and provides indirect benefits to those who are taxed. The advantages of taxes, on the other hand, are immense since taxes are used for common

goals such as financing state security, subsidies, and so on. The government provides benefits through taxes, regardless of whether the party pays taxes or not. Tourism contributes to one of tax collections. Several studies have found that the tourist industry has an impact on taxation. As a result, business players in the tourism sector are required to be aware of their responsibility to pay taxes, and business actors in the tourism sector are expected to declare their income honestly so that the advantages of the tourism industry can be enjoyed by the entire community.

The Impact of Tax on Local Revenue

Figure 9: The Impact of Tax on Local Revenue

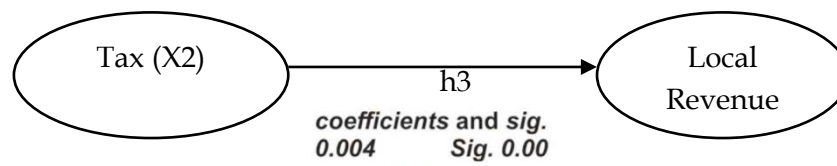
Model	F-test		T-test				R-test	
	F	Sig	Constanta	Koefisien	t	Sig.	R	R Square
Tax	264,826	0,000	488583568,329	0,004	16,273	0,000	0,923	0,852

Source: Secondary Data Processing-SPSS 26, 2022

According to figure above, the estimated F value for the F Test table is 264,826 with a significance level of 0.000. The quantity of visitors, hotels, and restaurants has a simultaneous impact on the local revenue variable, as determined by the f test's decision-making process. The partial test (t-test) reveals that the tax variable has a positive coefficient of 0.0004 with a significance level of 0.000. This indicates that the tax variable has a positive and statistically significant effect on local revenue. If the number of tourists rises by one, local revenue will rise by 0.004 IDR per tourist.

Based on the results of this study's analysis of the hypothesis, there is a simultaneous tax effect with a significance value of 0.000 on regional original income. Taxes on regional original income have an 85.2% impact, while the remaining 14.8% is related to factors outside the examined variables. Tax has a constant value of 488583568.329, a coefficient of 1.101, and a significance level of 0.000. This indicates that the tax variable has a positive and statistically significant effect on PAD. If there is no tax, PAD's revenue is 488,583,568.329 IDR. In the meantime, tax increases result in a rise of Rp 0.004 in PAD income. So that the equation may be stated as follows in the model

Figure 10: The Impact of Tax on Local Revenue



Source: Secondary Data Processing-SPSS 26, 2022

One of the sources of income acquired by the government as a result of the relevant legislation is taxation. The amount of tax income has an impact on local revenue. If revenues decrease, the government will struggle to manage state activities. The government, on the other hand, cannot freely select the amount of tax imposed. According to the findings of this study, taxes have an impact on regional original income.

The Impact of Tourism Sector on Local Revenue Through Tax

Figure 11: The Impact of Tourism Sector on Local Revenue Through Tax

Model	F-test		t-test				R-test	
	F	Sig	Constanta	Coefficien t	T	Sig	R	R Square
Number of Tourists				(83,362)	(40,619)	0,000		
Number of Hotels	175673,	0,00	(957989	7151889,8	97,975	0,000	1,000	1,000
Number of Hotels	133	0	322,88)	58				
				(7275406, 495)	(247,650)	0,000		

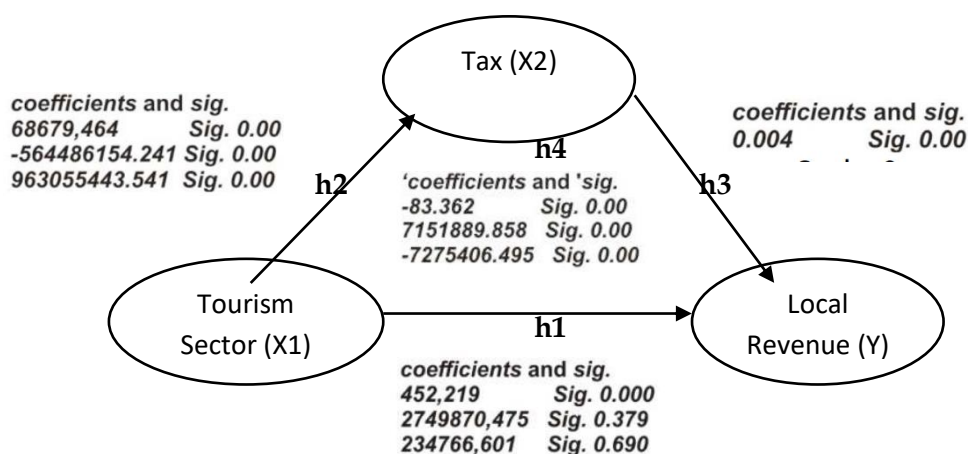
Source: Secondary Data Processing-SPSS 26, 2022

The figure above demonstrates that the estimated F value for the F test table is 175673,133 with a significance level of 0.000. The quantity of visitors, hotels, and restaurants has a simultaneous effect on local revenue through tax variable, as determined by the f test's decision-making process. In the meantime, the partial test (t-test) findings for each indicator variable are as follows:

The indicator for the number of visitors generated by taxes has a negative coefficient value of 83.362 and a significance value of 0.000. This suggests that the varied number of tourist visits, as influenced by taxes, has a negative and considerable impact on local revenue. Local revenue increases by IDR 83,362 if the number of tourists increases by one. The indicator of the number of hotels has a positive coefficient value of 7151889.858 and a significance value of 0.000. This implies that increasing the number of hotels partially through taxes has a positive and considerable influence on local revenue. The local revenue will increase by Rp. 7,151,889,858 if the number of hotels grows by one unit. The indicator for the number of restaurants taxed has a negative coefficient value of 7275406.495 and a 0.000 significance value. This suggests that taxes have a considerable and negative influence on the number of restaurants. The local revenue will increase by IDR 7,275,406.49 if the number of restaurants grows by one unit.

The aggregate indirect effect of the tourist sector on regional original income via taxes is then calculated (Rp. 123,599.999). A constant value of 957989322.885 is also obtained. As a result, if the tourist sector variable is set to zero, the amount of money generated by local revenue is reduced by Rp. 957,989,322,885. As a result, the equation in the model may be stated as follows:

Figure 12: The Impact of Tourism Sector on Local Revenue Through Tax



Source: Secondary Data Processing-SPSS 26, 2022

The R test reveals that the coefficient of determination, also known as R square, is 1,000. The value of this determination is obtained from the coefficient R, which is 1,000 x 1,000, giving 1,000. The coefficient of determination has a value of 1,000,

implying that the coefficient value is 100%. The variables of tourists, hotels, and restaurants then have an influence on the local revenue variable through a 100% tax.

According to (bin Khaldun & Abdurrahman, 2001), tax is a responsibility that the people must pay. This tax may occur in the form of *zakat*, *jizyah*, or *kharaj*. Individual taxes are the name given to *jizyah* taxes nowadays. The *kharaj* tax, on the other hand, is a tax levied on buildings and land. A community with a high degree of well-being and a huge population is one whose residents deserve to be taxed. Due to the large population, a leader is required to maintain social order. Thus, in order for the government to function properly, cash must be available.

The relevance of Ibn Khaldun's tax theory to contemporary taxation may be demonstrated through the studies conducted by (Cahyanti, Wafirotn, & Hartono, 2019). In order to decrease the burden on society in the event of a recession, the state must reduce the tax burden on the people. Furthermore, the government needs to raise spending in order for various industries to continue to operate. Ibn Khaldun's viewpoint is still important in today's world. When the pandemic began to spread, it resulted in a drop in income in a variety of commercial sectors.

The relevance of the concept of fairness in tax collection in this circumstance is to remain within acceptable boundaries. In this case, a non-productive asset policy with a higher tax on non-productive assets such as land that is not produced could be used to boost societal production. The government should raise the tax on land that is not handled by the owner. Unless the landowner uses the property for production, the government may reduce the tax. As a result, the community will be motivated to continue producing and providing relief when carrying out production operations. Hence, taxes could raise community revenue from the tourism sector. As a result, the government might develop regulations for assets such as buildings and land that have tourist potential but are underutilized. Assets that are not effectively managed may be taxed more than assets that are well managed. As a result, people will be motivated to appropriately manage their assets. If the community has unoccupied land in the center of the homes, a café or a children's playground can be placed there to generate economic activity.

E. Conclusion

5.1. Conclusion

The author drawn the following conclusions based on the conducted study above:

1. The tourism sector has an influence on the local revenue of West Java Province. Tourism brings in visitors from other regions or countries who spend money on accommodations, food, transportation, entertainment, and various services. This influx of spending directly contributes to the local economy, leading to increased revenue for businesses and the government through taxes.
2. The tourism sector has an influence on taxes. Tourists spend money on accommodations, dining, transportation, entertainment, and other services. These expenditures contribute to sales taxes, value-added taxes (VAT), and other consumption-based taxes imposed by the government. The more tourists spend, the more tax revenue is generated.
3. Taxes have an influence on the local revenue of West Java Province. Taxes collected from businesses and individuals enable the government to provide essential public services such as education, healthcare, sanitation, public safety, and transportation. These services contribute to the quality of life for residents and attract businesses and individuals to the region.
4. The relationship between the tourism sector and West Java Provincial local revenue can be mediated through taxes. Tax revenue can also be directed toward sustainability initiatives that benefit the tourism sector, such as environmental conservation and responsible tourism practices. These efforts can attract eco-conscious tourists and enhance the region's appeal.

5.2. Recommendation

Based on the results of the conducted study, the recommendation given are as follows:

1. In order to strengthen the regional economy of West Java Province, the regional government of West Java Province must continue to increase the number of hotels and restaurants, consequently enhancing the competitiveness of tourism

in West Java Province. In addition, West Java Province offers a range of fascinating arts and culture; thus, quality human resources are required so that they may create performing arts that directly attract tourists to West Java Province. In addition, the government must reevaluate associated tax laws in order to optimize tourist industry revenues relative to the area's original income.

For future researchers who might undertake research on a comparable topic as this: Therefore, it is important to incorporate more factors not present in this study, as well as longer time series data and enhanced research methodologies.

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