

POLICY PERSPECTIVES ON THE MANAGEMENT OF RURAL AND URBAN LAND AND BUILDING TAX

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Received: 07/08/2026 | Revised: 16/08/2026 | Accepted: 05/09/2026 | Published: 11/09/2026

Abstract

This study aims to identify the policies underlying PBB-P2 management, explain their implementation, and explain the success of the policy in Jombang Regency. The study was conducted at the Regional Revenue Agency (Bapenda) using a qualitative case-study approach. Seven informants represented the Head of Bapenda, the revenue division, tax and retribution section, subdistrict UPTD PBB, village government, and two community members. Primary and secondary data were collected through observation, interviews, and documentation. The findings show that PBB-P2 management is supported by a clear legal basis from national regulations to local operational rules. From the government perspective, Bapenda has implemented tax administration through structured stages of data collection, assessment, determination, collection, and billing as part of the strategy to strengthen local revenue. From the public perspective, policy effectiveness depends not only on regulation and government administration but also on taxpayer understanding, perceived fairness, economic conditions, and policy socialization. The success of PBB-P2 management is therefore planned by considering tax-object potential, NJOP updates, previous-year performance, and the socioeconomic condition of the community.

Keywords: *PBB-P2 management; policy perspective; public perspective; target of PBB revenue*

INTRODUCTION

The Regional Revenue and Expenditure Budget (APBD) policy is a crucial instrument for driving local economic growth and expanding private sector involvement. The success of this budget policy lies in sound planning, effective implementation, accountable regional financial reporting, and transparency. Accountability, transparency, and APBD planning need to be integrated throughout the budgeting cycle, from planning to reporting (Mufarrihah et al., 2024). Within the framework of regional autonomy, the financing needs of district/city governments are increasing, necessitating the maximization of Regional Original Revenue (PAD) sources.

One strategic source of local revenue (PAD) is the Rural and Urban Land and Building Tax (PBB-P2). Law Number 1 of 2022 concerning Financial Relations between the Central Government and Regional Governments (HKPD Law) defines PBB-P2 as a tax on land and/or buildings owned, controlled, and/or utilized by individuals or entities, with the exception of certain objects such as plantations, forestry, and mining areas. The HKPD Law provides greater flexibility for regional governments in setting PBB-P2 rates with a maximum limit of 0.5% and periodically adjusting the Taxable Object Sales Value (NJOP) according to regional characteristics. This authority opens up space for district/city governments to explore the potential of PBB-P2 as a source of local revenue (PAD), finance development, and strengthen regional fiscal independence.

Challenges in implementing regional autonomy lie, among other things, in the readiness and capacity of local governments to manage their finances. The implementation of regional autonomy directly impacts the financing, management, and oversight systems for development. Because fiscal needs tend to increase while local governments are required to improve public services, fiscal capacity needs to be strengthened through adequate revenue (Mardiasmo, 2002). Regional taxes and levies are therefore important components of local revenue (PAD) and must be managed in accordance with applicable regulations. Regional financial management is also required to be transparent, economical, efficient, effective, and accountable so that the objectives of regional autonomy can be implemented based on the principles of participation, equity, and justice.

The transfer of PBB-P2 management from the central government to regional governments is part of the regional autonomy and fiscal decentralization policy. Following the transfer, PBB-P2 revenue is recorded as PAD, specifically the regional tax component. PBB itself is divided into PBB-P2 for the rural and urban sectors and PBB-P3 for the plantation, fisheries, and mining sectors. This division facilitates management, supervision, and the determination of collection policies based on the characteristics of the taxable object and the location of economic activity (Siahaan, 2020). In practice, the management of PBB-P2 presents challenges in Jombang Regency. This regency consists of 21 sub-districts, with rural areas dominating the regional structure. In 2024-2025, there was a significant increase in PBB-P2 of up to 1,202% for several taxable objects, which was linked to the failure to make mass adjustments to the NJOP (Value-Scale Tax) since 2014. This increase sparked public objections. The Jombang Regency Government responded by revising regional regulations, submitting objections, and re-registering NJOPs with village governments (Detikcom, 2025). This phenomenon demonstrates the need for a balance between the target of increasing PAD, the accuracy of the taxable object database, the community's ability to pay, outreach, and the principle of fairness. Based on observations and preliminary studies, this research focuses on the management of PBB-P2 in Jombang Regency from a policy perspective. The research objectives are to identify policies that form the basis for PBB-P2 management, explain the implementation of these policies, and explain the success of PBB-P2 policy implementation in Jombang Regency. This focus is important so that the tax collection process can be assessed in terms of effectiveness, fairness, and its ability to optimally support regional revenue.

LITERATURE REVIEW

Policy Theory and Public Policy

Public policy encompasses actions taken or not taken by the government in addressing public issues. Dye (1981) stated that public policy is the government's choice to do or not to do something. Anderson (1979) defines public policy as a policy established by government agencies and officials, although the process can be influenced by actors and factors outside the government. Dunn (2007) views public policy as a series of interrelated choices made by government agencies or officials in various areas of governmental duties. Thus, policy does not stop at decisions, but includes formulation, implementation, and evaluation to achieve public goals.

In the policy process, objectivity and sensitivity to community needs are crucial. Tjokroamidjojo (1991) describes the stages of the policy process, from policy emergence, recommendations, analysis, formulation, and evaluation. Subarsono (2005) identifies agenda setting, formulation, adoption, implementation, and policy evaluation as the necessary stages. This research focuses on implementation, the stage when established policies are implemented by authorized units by mobilizing available resources.

Compliance Theory

Compliance theory explains an individual's tendency to comply with orders or regulations when the source of the order is perceived as a legitimate authority. In the context of public policy, compliance is not solely shaped by sanctions, but also by the quality of communication, perceptions of regulatory fairness, and government interactions with citizens. In the management of PBB-P2, taxpayer compliance is related to how the NJOP determination and adjustment policies are communicated, understood, and accepted by the public. Yuliaratih et al. (2026) showed that quality interactions between tax authorities and the public, as well as responsive governance, can strengthen compliance intentions. The NJOP adjustments since 2024 have not only impacted the amount of bills but also elicited public response to the policy. Therefore, public understanding of the policy process, dissemination mechanisms, the legitimacy of local authorities, and perceptions of fairness are crucial factors in assessing whether the policy is capable of encouraging voluntary compliance.

Policy Implementation and PBB-P2 Management

Implementation is the effort to translate policy objectives into action. Jones (1991) explains that implementation includes organizing resources and methods, interpreting programs into acceptable and implementable plans, and applying them in the form of providing services or routine activities in accordance with program objectives. Van Meter and Van Horn (1975) understand implementation as a series of individual or group actions, both in the public and private sectors, directed towards the objectives established in policy decisions. Communication, coordination, resource availability, shared perceptions, and task allocation are elements that determine the success of implementation (Hogwood & Gunn, 1984). Public policy implementation doesn't always run smoothly due to the influence of internal and external factors. A top-down approach emphasizes the role of decision-makers and government structures, while a bottom-up approach allows more space for communities and

lower-level bureaucracy. In PBB-P2 management, both perspectives are relevant because policies are set by local governments, but their successful implementation depends on coordination at sub-district and village levels and taxpayer responsiveness. The management of PBB-P2 is part of regional tax administration to optimize revenue as PAD. Regional governments are responsible for collecting taxable data, assessing the NJOP (Value-Based Tax), determining taxes, collecting, and billing. This management involves not only collection but also developing a transparent, accountable system that adapts to the economic and social conditions of the community. Taxes serve a budgetary function as a source of revenue and a regulatory function as a regulatory instrument (Mardiasmo, 2013).

Policy Stages and Implementation Requirements

Policy quality is also determined by consistency, adaptability to evolving circumstances, appropriateness to external conditions, and objective factual support. Winardi (1990) emphasized that policies should allow for interpretation and assessment, be non-conflicting within an organization, assist in achieving objectives, and be adapted to evolving conditions. Tjokroamidjojo (1991) added that policy formulation needs to be conducted through a rational process, supported by adequate information, using an integrated approach, and sensitive to the objective needs of the community. In the context of PBB-P2, these principles are relevant when local governments adjust the NJOP (Value Tax) and tariffs to the dynamics of land values, the community's economic capacity, and the goal of increasing PAD.

At the implementation stage, the relationship between policy objectives and the actions of implementers becomes crucial. Pressman and Wildavsky (1978) view implementation as a process of interaction between objectives and actions designed to achieve desired outcomes. Hogwood and Gunn (1984) emphasize the need for supportive external conditions, adequate time and resources, reliable causal relationships, minimized dependencies, a shared understanding of objectives, systematic division of tasks, good communication and coordination, and the authority of implementers to demand compliance. These requirements demonstrate that implementing PBB-P2 requires more than just a legal basis; it also requires organizational capacity and effective working relationships between levels of government.

Implementation can also be understood through structural, procedural, behavioral, and political approaches. The structural approach views organization and the division of authority as essential elements. The procedural approach positions implementation as a technical and managerial issue. The behavioral approach emphasizes the attitudes and responses of individuals involved in policy implementation, while the political approach examines the influence of groups and the capabilities of dominant actors in driving implementation. This research primarily connects the structural and procedural approaches from the government perspective with the behavioral approach from the public perspective.

In tax administration, tax elements include people's contributions to the state, collection based on laws and their implementing regulations, the absence of direct individual counter-performance, and the use of revenue to finance expenditures that benefit the wider community (Mardiasmo, 2013). Because PBB-P2 is part of regional taxes, its management must maintain legal certainty while paying attention to the budgetary and regulatory functions. The budgetary function relates to regional revenue, while the regulatory function allows tax policies to be used to adjust the burden and encourage specific development goals.

Within this framework, PBB-P2 management is understood as a series of policies and administration linking regulations, implementing organizations, resources, taxable data, service mechanisms, and taxpayer responses. Therefore, success is assessed not only by achieving revenue targets, but also by how policies are implemented, how the public responds, and whether the process takes into account fairness and the socioeconomic conditions of the region.

Previous Studies and Research Framework

Previous research indicates that PBB management faces a combination of administrative and behavioral issues. Syamsudin (2017) found that PBB management in Enrekang Regency was quite effective, with annual targets above 80% achieved, but was still constrained by low taxpayer awareness, limited human resources, and suboptimal collection. Irfan (2021) found that PBB revenue realization in Pagarar Tapah District was suboptimal due to the vast area, limited staff, and village and sub-district coordination. Nawir (2022) showed that PBB implementation in South Sorong Regency faced weak inter-agency coordination, limited human resources, and low community participation. Sari (2023) also found low community participation in PBB payments, while Dewi (2024) showed that PBB payment policies had not had a significant impact on PAD due to weak compliance, socialization, and sanctions.

Based on the research framework, the policy perspective refers to the policies that underpin the management of PBB-P2 and how these policies are implemented at the regional level. Policy implementation is viewed from two perspectives. The government perspective encompasses tax object data collection, tax rate determination, collection, and efforts to improve compliance. The public perspective encompasses public understanding, attitudes, and participation as taxpayers. The interrelationship between these two perspectives determines the success of PBB-P2 management and the achievement of revenue targets as part of PAD.

Analytical Link between Policy, Government, Public, and Revenue Targets

The research framework places a policy perspective as the foundation for interpreting PBB-P2 management. This policy perspective does not stand as a single administrative stage, but rather serves as the basis for assessing how regulations are interpreted by local governments and how their implementation is received by the public. In this study, PBB-P2 management is understood through the relationship between government and public perspectives, which ultimately relate to achieving PBB-P2 revenue targets as part of Regional Original Revenue.

The government's perspective relates to the role of the Regional Revenue Agency (Bapenda) and its implementing agencies in collecting taxable data, determining tax amounts, collecting and billing, and improving compliance. This perspective emphasizes the government's capacity to translate regulations into operational procedures. Because Jombang Regency is largely rural, implementation relies not solely on Bapenda but also requires coordination with sub-district and village governments in distributing SPPTs, updating data, monitoring payments, and billing.

The public perspective relates to public understanding, attitudes, perceptions of fairness, ability to pay, and participation as taxpayers. Within the research framework, public support is crucial because clearly formulated administrative policies may not result in effective implementation if the public does not understand the basis for tax determination, faces payment constraints, or assesses changes in the tax burden without adequate information. Therefore, the government and public perspectives are examined simultaneously to explain the success of PBB-P2 management.

The relationship between these two perspectives also explains why revenue targets are used as one indicator of success, but not the sole measure. Revenue targets reflect the potential of taxable objects, updated NJOP (Taxable Taxable Value Added Tax), historical achievements, and socioeconomic conditions. Meanwhile, the quality of implementation is reflected in data accuracy, implementation coordination, payment access, objection handling, outreach, and taxpayer compliance. Therefore, revenue achievement needs to be interpreted in conjunction with the underlying policy process.

METHOD

This research uses a qualitative approach with a case study method. A qualitative approach was chosen to examine the natural conditions of the object, with the researcher as the key instrument and analysis emphasizing meaning over generalization (Sugiyono, 2015). The case study was used to gain a deeper understanding of the PBB-P2 management process in Jombang Regency. The research object was the Regional Revenue Agency (Bapenda) of Jombang Regency, with a regional context consisting of 21 sub-districts and predominantly rural areas.

Informants were selected because they were directly involved and knowledgeable about the PBB-P2 management process. Seven informants participated, representing Bapenda, the sub-district PBB Technical Implementation Unit (UPTD PBB), village/sub-district governments, and the community. The composition of the informants is presented in Table 1.

Table 1. Research Informants

Informant	Amount
Head of BAPENDA Jombang Regency	1
Head of Revenue Division of BAPENDA	1
Head of Taxes and Levies, BAPENDA	1
Person in charge of the PBB UPTD Sub-district	1
Village/Sub-district Head	1
Public	2

The observation period focused on 2023-2025. This period was chosen because local governments are updating taxable object data and adjusting the NJOP (Value-Size Inventory) to improve the accuracy of the tax database and align taxable object values with regional developments. These policies impact the amount of tax payable and elicit various responses from taxpayers. The research data consisted of primary and secondary data. Data collection was conducted through observation, interviews, and documentation. Observations were used to directly observe the management of PBB-P2 and verify information from interviews and documents. Interviews were conducted flexibly and openly with informants selected purposively to ensure the information obtained remained focused on the research problem. Documentation included laws and regulations, government regulations, regional regulations, archives, and other relevant sources of information (Sugiyono, 2019). The study unit encompasses policy, organizational, and resource factors. The policy study assesses PBB-P2 regulations, tariff and NJOP (Value-Scale Tax) determinations, regional regulation adjustments, tax object data updates, and relief or incentive policies. The organizational study examines institutional structure and governance, coordination, work mechanisms, information technology utilization, transparency, and accountability. The resource study examines apparatus competency, infrastructure, technological devices, service facilities, and budget support. The analysis used qualitative descriptive techniques. Data from observations, interviews, and documentation were analyzed through data collection, data reduction, data presentation, and conclusion drawing and verification. Data reduction was carried out by selecting, focusing, simplifying, and organizing data to identify key patterns. Data presentation was done in descriptive and tabular form, while conclusions were verified against evidence collected during the research process (Sugiyono, 2017, 2019; Zulfirman, 2022).

RESULTS AND DISCUSSION

General Context and Policy Basis of PBB-P2 Management

Jombang Regency is a region in East Java Province with a mix of rural and urban areas. Administratively, it consists of 21 sub-districts, and most of the PBB-P2 objects are located in rural areas, including agricultural land, residential areas, and small-scale business buildings. Some sub-districts that have developed into centers of economic activity have a more diverse range of taxable objects, particularly commercial buildings, densely populated settlements, and service facilities. This condition results in heterogeneity in the characteristics of taxable objects and the ability of taxpayers to pay taxes. The management of PBB-P2 has changed since the transfer of authority to local governments through Law Number 28 of 2009, which was later strengthened by Law Number 1 of 2022. The new policy direction emphasizes strengthening regional tax administration, database integration, updating taxable objects, and increasing collection effectiveness. SPPT data shows a difference between the stipulated NJOP and market prices for a sample of objects in Jombatan Village during 2023-2025, as presented in Table 2.

Table 2. Comparison of NJOP Price with Market Value

Year	Location	Land Area (m ²)	NJOP (Rp/m ²)	Market Price (Rp/m ²)
2023	Jombatan Village	215	1,270,000	1,500,000
2024	Jombatan Village	215	5,095,000	1,750,000
2025	Jombatan Village	215	5,095,000	2,000,000

Source: SPPT data and land price listings on property sites (2026).

The phenomenon of the increase in PBB-P2, which has sparked public objections, is an important basis for updating taxable data, adjusting the NJOP (Value-Size Indicative Value Added Tax), and improving service quality. The operational management of PBB-P2 in Jombang Regency refers to national and regional regulations. Jombang Regency Regulation Number 13 of 2023 serves as a key basis for determining tariffs, NJOP, collection, and administration of regional taxes. The regulations used in this study are summarized in Table 3.

Table 3. Land and Building Tax Regulations for Rural and Urban Sectors

Year	Legal protection	Regulation	Information
2023	Constitution	Law No. 28 of 2009, strengthened by Law No. 1 of 2022	The national legal basis for PBB-P2, including tax objects, rates, NJOP, regional authority, and the position of PBB-P2 as a source of PAD.
2023	Government regulations	Government Regulation No. 35 of 2023	General provisions for regional taxes and regional levies; technical references for the implementation of PBB-P2 and assessment of taxable objects.
2023	Local regulation	Jombang Regency Regulation No. 13 of 2023	The basis for determining PBB-P2 rates and NJOP provisions in Jombang Regency for the period 2024-part 2025.
2024	Minister of Finance Regulation	Minister of Finance Regulation No. 85 of 2024	Technical guidelines for NJOP assessment as the basis for calculating PBB-P2 by local governments.
2024	Regent's Regulation	Regent Regulation No. 51 of 2024	Regional tax collection guidelines.
2025	Regional Regulation (Revision)	Revision of Regional Regulation No. 13 of 2023, approved on August 13, 2025	Revisions to correct NJOP and PBB-P2 rates to better suit field conditions and reduce taxpayer burdens starting in 2026.

Source: ronde.bpk.go.id and bapenda.jombangkab.go.id (2026).

Interviews confirmed the use of these regulations as the basis for implementation. The Head of the Revenue Division of the Regional Revenue Agency (Bapenda) stated that the management of PBB-P2 refers to Law Number 1 of 2022 and Jombang Regency Regulation Number 13 of 2023, which is then outlined in the Regent's Regulation and Standard Operating Procedures (SOPs) as technical guidelines for determination and collection. The technical informant also explained that tax determination is carried out after the taxable object data collection and the NJOP assessment. The data is then processed through the system to issue the SPPT (Value Tax Assessment) as the basis for annual payments.

Interviews also revealed that the determination, collection, and collection processes are not independent. Tax determination begins with the collection of taxable objects and the assessment of the NJOP (Value-Taxable Item). This data is then processed through the system to issue the SPPT (Tax Return). In collection, Bapenda adapts the mechanism to account for book classification and regional characteristics, while collection is carried out actively when arrears arise. This technical relationship demonstrates how regulations are translated into a series of concrete administrative procedures. For classifications 1 and 2, SPPTs are submitted through village governments, and payments are largely collected collectively. For classifications 3 through 5, the Bapenda team can submit SPPTs directly or via email. Payments can also be made through Bapenda, Bank Jatim, and electronic channels. These different patterns reflect implementation adjustments to payment capacity and service access in rural and urban areas.

The Regional Revenue Agency (Bapenda) utilizes the *Pasti Bayar* (Pasta Bayar) application to monitor collective payments made through villages. Each village is assigned an account to monitor payment status. If there are any arrears, Bapenda collects payments directly, issues warning letters, and coordinates with sub-district and village governments. This practice emphasizes that digital monitoring is used in conjunction with field coordination mechanisms, not replacing the role of village governments.

"For the implementation of PBB-P2, we refer to the HKPD Law and the Regional Tax Regulation. These regulations are then elaborated in regent regulations and standard operating procedures (SOPs) as technical guidelines from determination to collection." (Interview, 2026)

Implementation from the Government Perspective

From a government perspective, the management of PBB-P2 is part of the regional fiscal policy to increase PAD. The Jombang Regency Bapenda carries out administrative stages, starting from data collection, assessment, determination, collection, and billing. Data collection is carried out in stages through field surveys and coordination with village governments, especially to adjust for changes in buildings, land use, and regional development. Adjustments to the NJOP in urban areas tend to follow faster economic developments, while in rural areas,

consideration is more gradual due to the different characteristics of land use and economic conditions of the community. The collection mechanism is adjusted to regional conditions and book classification. Based on interviews, SPPTs for books 1 and 2 are sent to villages, and payments are often made collectively. For books 3 through 5, Bapenda delivers SPPTs directly or via email, and payments can be made through Bapenda, Bank Jatim, or electronic payment channels. Bapenda has also used the *Pasti Bayar* (Passive Payment) application since 2023 to monitor village collective payments. If there are arrears, collection is carried out through direct collection, warning letters, and coordination with village and sub-district governments.

Multi-level coordination between Bapenda, sub-districts, and village governments is crucial for SPPT distribution and payment monitoring, as village governments are more aware of taxpayers' circumstances. These findings demonstrate that policy implementation relies not only on Bapenda's formal structure but also on the coordination network of implementers at the sub-district and village levels.

NJOP adjustments are a central issue because they determine the amount of tax payable. Interviews indicate that no mass NJOP adjustments were implemented for any single district between 2014 and 2022. This situation led to spikes in values when adjustments were made and sparked public objections. The Regional Revenue Agency (Bapenda) then conducted a re-registration of taxable objects, field surveys, and evaluations of land value zoning. Adjustments were not applied uniformly. Urban areas tended to follow market price developments, while rural areas implemented them in stages, taking into account economic conditions.

The main obstacles from the government's perspective are the validity of taxable data and the level of taxpayer compliance. Unreported changes to buildings continue to occur, and objects on the SPPT (Tax Return) are difficult to locate when officers visit. In rural areas, awareness of tax payments still requires public awareness, although the collective payment system through villages is considered quite effective. The government also offers consultation services for taxpayers with objections, reduces tax deductions when errors are found, and provides incentives such as the elimination of fines.

Technical interviews revealed that NJOP adjustments were made through re-registration of taxable objects, field surveys, and evaluation of land value zoning. Because mass adjustments had not been comprehensively implemented in the previous period, the resulting value changes resulted in increases perceived as sharp by some in the community. This prompted Bapenda to implement field-based corrections and differentiate adjustment methods for urban and rural areas.

Differences in regional characteristics are a key consideration. In urban areas, land values change more rapidly due to the growth of housing, trade, services, and infrastructure development. In rural areas, land use remains predominantly agricultural, and community incomes are more diverse. Therefore, local governments implement more gradual adjustments in villages to ensure that the proportion of tax payments remains within the community's means.

In terms of service, public complaints are not only addressed through collection. Local governments have opened consultation counters to address taxpayer concerns, reduce tax assessment errors, and provide incentives in the form of fine waivers. This step demonstrates that the implementation of the PBB-P2 policy also requires a correction and service mechanism when there is a discrepancy between administrative data and the actual condition of the taxable object.

These findings align with Edwards III's (1980) implementation framework, which places communication, resources, disposition, and bureaucratic structure as factors for successful implementation. In the Jombang context, communication is reflected in the coordination between Bapenda, sub-districts, villages, and taxpayers; resources relate to data, personnel, and information systems; disposition is evident in the implementer's response to public complaints; and bureaucratic structure is evident in the division of data collection, determination, collection, and billing stages.

"Coordination is carried out in stages between the Regional Revenue Agency, sub-districts, and village governments. Village governments provide significant assistance in distributing SPPTs and monitoring payments, as they are more familiar with the conditions of taxpayers in their areas." (Interview, 2026)

Implementation from the Public Perspective

The public perspective is important because the community is the party directly impacted by the PBB-P2 policy. The results of the study indicate that public response is influenced by socioeconomic conditions, regional characteristics, understanding of tax obligations, perceptions of fairness, payment constraints, and assessments of tax benefits for development. Data on the Jombang Regency/City Minimum Wage (UMK) shows an increase from

IDR 2,854,095 in 2023 to IDR 2,945,544 in 2024 and IDR 3,137,004 in 2025. However, the increase in the UMK does not automatically reflect the conditions of the entire rural population, especially those working on family farms.

Some people understand that PBB-P2 is an annual obligation, but not all understand the mechanism for determining the tax value. The increase in the NJOP reinforces the need for clearer information. Community informants stated that the tax amount is generally still payable, but the reasons for adjustments need to be understood when increases occur. This finding confirms that policy acceptance depends not only on the ability to pay, but also on information transparency and perceptions of fairness.

Payment constraints in rural areas are largely related to the seasonal nature of income. Some taxpayers wait for harvest time and collective payments from the village government. In urban areas, payments are more often made through banks or electronic channels, but delays still occur because taxpayers miss payment deadlines. Lack of information regarding due dates is one of the challenges encountered.

The village government and the Sub-district PBB (Property Tax) Technical Implementation Unit (UPTD PBB) assess that regional tax revenue, including PBB, contributes to development, particularly infrastructure. Public response has generally been considered positive, but outreach is still needed to improve understanding of the determination mechanism, reasons for adjustments, payment deadlines, and tax benefits. Therefore, public perspective is an important indicator of the effectiveness of PBB-P2 management, as the success of the policy is determined by both the government as the implementer and the community as the target group.

“We know that PBB must be paid annually, but not everyone understands how the tax amount is determined.” (Interview, 2026)

Payment patterns also differ between rural and urban areas. In rural areas, collective payments through the village government are considered convenient because the payment process can be adjusted to the timing of income receipts, including after the harvest. In urban areas, the use of banks and electronic channels provides flexibility, but does not eliminate the risk of delays if taxpayers forget or miss the due date.

From a fairness perspective, some informants believe the tax burden is still payable, but they desire clearer explanations when tax values change. This need is directly related to transparency in determining the NJOP (Value-Size Inventory Value) and rates. Easy-to-understand information is crucial so that policy changes are not simply seen as increased burdens but rather as the result of updates to taxable values and regional policies.

Interviews with village heads indicate that the community also links PBB payments with development benefits. Regional tax revenue is seen as contributing to village infrastructure development. However, these benefits do not automatically improve understanding of the tax determination mechanism. Therefore, outreach is still needed to bridge the gap between the obligation to pay, the basis for determination, and the utilization of revenue for regional development.

Overall, public perspectives demonstrate four interrelated elements: policy understanding, perceived fairness, affordability and ease of payment, and perceptions of tax benefits. These four elements help explain why the same policy can receive different responses from taxpayers and regions.

Table 4. Minimum Wage for Jombang Regency/City

Year	Minimum Wage
2023	Rp. 2,854,095
2024	Rp. 2,945,544
2025	Rp. 3,137,004

Source: bappeda.jatimprov.go.id (2026).

The change in PBB-P2 tariffs in 2023-2025 is an important context for public perception. The tariff structures for 2023-2024 and 2025 are presented in Tables 5 and 6. The data indicate changes in grouping and tariffs in 2025. From a public policy perspective, these changes require adequate communication because understanding the target group is essential for successful implementation (Anderson, 2014).

Table 5. PBB-P2 Rates for 2023-2024

NJOP Classification	Building 2023	Food/Livestock Land 2023	Building 2024	Food/Livestock Land 2024
≤ 250 million	0.02%	0.015%	0.02%	0.015%
250 million-500 million	0.04%	0.035%	0.04%	0.035%
500 million-750 million	0.06%	0.055%	0.06%	0.055%
750 million-1 billion	0.08%	0.075%	0.08%	0.075%
1 M-1.25 M	0.1%	0.095%	0.1%	0.095%
1.25 M-1.5 M	0.12%	0.115%	0.12%	0.115%
1.5 M-1.75 M	0.16%	0.135%	0.16%	0.135%
2 M-2.5 M	0.18%	0.155%	0.18%	0.155%
≥ 2.5 M	0.2%	0.195%	0.2%	0.195%

Source: bapenda.jombangkab.go.id (2026).

Table 6. PBB-P2 Rates for 2025

NJOP Classification	Building	Food and Livestock Land
0-1 M	0.1%	0.05%
1 M-2.5 M	0.135%	0.05%
2.5 M-5 M	0.165%	0.05%
≥ 5 M	0.2%	0.05%

Source: bapenda.jombangkab.go.id (2026).

Informant Evidence on Implementation and Taxpayer Response

The qualitative findings are reinforced by statements from informants from Bapenda (Regional Revenue Agency), sub-district-level implementers, village governments, and the community. These statements demonstrate that changes to the NJOP, collection mechanisms, coordination, and taxpayer responses are all part of a single, interconnected policy implementation process. The following interview evidence is used to support the empirical context that underpins the research interpretation.

"Because when the PBB (land tax) was initially centralized in 2014, regional or district-managed PBB (land tax) had not yet undergone mass adjustments, resulting in a spike in the NJOP (Value-Based Property Tax) value that did not reflect the current market price. As a result, many residents protested, and in 2025, the Regional Revenue Agency (Bapenda) began implementing mass adjustments. NJOP adjustments are made based on field data and regional developments. Urban areas typically adjust to market prices, while rural areas do so gradually due to differing economic conditions." (Interview, 2026)

The statement clarified that the spike in values should not be understood solely as a change in rates, but also as a consequence of the delay in mass adjustments to the NJOP in the previous period. The policy response taken was field-based updates and differentiated adjustment methods based on regional characteristics. This approach is consistent with findings that land values in urban areas change more rapidly, while rural areas have different land use patterns and economic conditions.

"The SPPT is distributed through village governments because villages are more aware of the taxpayers' situation in their areas. Furthermore, the collection process is carried out in stages, with prior notification before further action is taken." (Interview, 2026)

Distribution through villages demonstrates the importance of local implementation structures. Village governments serve as a liaison between the Bapenda administration and taxpayers spread across rural areas. The gradual collection through appeals also demonstrates that implementation relies not solely on coercive instruments but instead utilizes communication and coordination to foster compliance before further action is taken.

"There are still taxable objects that haven't been updated due to unreported building changes. Furthermore, when we searched for data based on the SPPT after visiting the taxpayer's location, it wasn't there." (Interview, 2026)

This information highlights the limitations of database validity as an implementation issue. When physical changes to an object are not reported or taxpayer information no longer aligns with field conditions, both the accuracy of tax assessments and the effectiveness of collection are affected. Therefore, data updating is not merely an administrative necessity, but a requirement for more accurate determination of NJOP, distribution of SPPT, and collection.

"Sometimes payments are made after the harvest to adjust to income conditions, and we generally wait for the collective payment from the village government." (Interview, 2026)

Rural community statements indicate that payment timing is related to seasonal income patterns. Collective payments through village governments serve as a mechanism to help taxpayers adjust their obligations to their income conditions. This finding supports the need for an adaptive implementation approach that is not entirely uniform across rural and urban areas.

"Sometimes we miss paying our property tax (PBB). Usually, the Regional Revenue Agency (Bapenda) visits us to collect the payment. This is because we sometimes miss the tax payment deadline." (Interview, 2026)

Delays in urban areas demonstrate that the availability of payment channels does not automatically eliminate compliance issues. Due date information and payment reminders are still necessary. In this context, collection visits and the use of electronic channels are two complementary mechanisms, facilitating payments while ensuring that missed obligations are followed up.

"Regional taxes, including PBB, have an impact on village development, especially infrastructure." (Interview, 2026)

Village government statements indicate that the benefits of PBB-P2 are perceived as being linked to local development. While this link does not replace the need for transparency in taxation, perceived benefits are a crucial component of public acceptance of the policy. This finding reinforces the conclusion that the effectiveness of PBB-P2 is determined by a combination of government administration, public understanding, ability to pay, and the belief that tax revenue supports regional development.

Success of PBB-P2 Policy Implementation

The success of the PBB-P2 policy implementation is assessed, among other things, through the revenue targets set each year. These targets are based on the potential of recorded taxable objects, updated NJOP (Taxable Taxable Value Added Tax), historical trends in previous years' realization, the socioeconomic conditions of the community, and projected regional economic growth. Bapenda emphasizes that targets must be realistic because they are related to community capacity and the conditions of taxable objects on the ground.

Target setting is inextricably linked to tariff adjustments and updates to the NJOP (Value Taxable Entity). Tariff changes take into account developments in the value of taxable objects, revenue realization, and socioeconomic conditions. The government applies NJOP classifications to ensure that increases do not apply uniformly to all objects. The role of village governments is also crucial in explaining that increases in PBB can occur due to adjustments in the value of taxable objects, not solely due to tariff changes.

Target and realization data show that in 2023, the PBB-P2 target was Rp43,208,802,624, with a realization of Rp42,921,835,053, or 99%. In 2024, the target increased to Rp56,078,692,627, with a realization of Rp51,536,338,540, or 92%. In 2025, the target was Rp55,000,000,000, with a realization of Rp55,847,143,562, or 101%. Thus, revenue achievement fluctuated, but in 2025, the target was exceeded.

Table 7. Realization and Receipt of PBB-P2 in Jombang Regency

Year	PBB-P2 Target (Rp)	PBB-P2 Realization (Rp)	Percentage
2023	43,208,802,624	42,921,835,053	99%
2024	56,078,692,627	51,536,338,540	92%
2025	55,000,000,000	55,847,143,562	101%

Source: sambaing.jombangkab.go.id (2026).

The 2023 achievement of 99% indicates that realization nearly met the target, while in 2024, it dropped to 92% when the target was significantly increased. In 2025, realization reached 101%, exceeding the set target. In this

study, these percentage changes are interpreted in conjunction with the NJOP updates, tariff adjustments, socioeconomic conditions, and administrative processes, rather than as a sole indicator of policy success. The Head of Revenue explained that the target was based on historical data and the latest census results to remain realistic, considering the taxable conditions and the community's capabilities. A technical informant added that the tariff changes take into account actual revenue and taxable updates, so the target is determined not only by the need to increase local revenue but also by the available data.

Village governments have a role in explaining to the public that changes in the PBB (land and building tax) can be influenced by adjustments to the value of taxable objects. This outreach is crucial because taxpayer perceptions of increases can influence policy acceptance. Therefore, achieving targets depends on a combination of fiscal decisions, accurate data, implementation coordination, and target group acceptance. Bapenda's strategy to maintain revenue includes adjusting the NJOP (Value-Scale Tax) and reducing tariffs in mid-2025 and 2026, as well as recording unregistered assets, including individual and corporate assets. Theoretically, regional tariff policies should consider taxpayers' ability to meet their needs to avoid reducing compliance (Mardiasmo, 2019). The study found that the Jombang Regency Government used a phased approach through NJOP classification to maintain a balance between revenue targets and community capacity.

Overall, the success of PBB-P2 management is not solely determined by revenue achievement. The regulatory framework, database accuracy, consistent updating of taxable items, implementation coordination, objection handling mechanisms, outreach, and public acceptance are interrelated. Therefore, continuous updating of taxable item data remains essential to ensure more accurate, fair, and acceptable tax targets and burdens are set.

CONCLUSION

The management of PBB-P2 (land tax) in Jombang Regency has been implemented with a clear legal basis, ranging from national regulations to regional regulations as operational guidelines. Bapenda (Regional Revenue Agency) carries out its determination, collection, and billing functions in a structured manner, supported by regent regulations, technical SOPs, tax object classification, collective payments in villages, monitoring applications, and active billing. Adjustments to the NJOP (Value-Scale Tax) are carried out through data collection and field surveys, taking into account regional developments, so that policy implementation is not uniform between urban and rural areas. From the government's perspective, the tax administration process has been quite systematic, from data collection and determining the NJOP (Value Taxable Value Added Tax), distributing the SPPT (Tax Returns), and billing. Optimization has been carried out through data updates, NJOP adjustments, consultations, reductions in certain provisions, and the elimination of administrative sanctions. Effective implementation still faces challenges in the form of data validity on taxable objects and varying levels of public compliance.

From a public perspective, the public generally understands the obligation to pay PBB-P2 annually, but not all understand the mechanism for determining the NJOP and the reasons for increases. Diverse economic conditions, seasonal income in rural areas, late payments, information on due dates, perceptions of fairness, and the intensity of outreach influence public response. PBB-P2 receipts are also seen as contributing to regional development, particularly infrastructure. The success of the PBB-P2 policy is planned by considering the potential of taxable objects, NJOP updates, previous year's achievements, and socioeconomic conditions. The tariff policy is implemented through the classification of taxable object values to maintain a balance between increasing PAD and the principle of fairness. Regular data updates, digitization of management and monitoring, strengthening Bapenda-sub-district-village coordination, and more intensive outreach need to be continued. This research is limited to official documents and seven informants, while some technical data for NJOP updates and the taxable object database are not fully accessible. Dynamic policy changes also allow for technical developments that are not fully reflected in the research results.

Recommendations and Research Limitations

Based on the research results, periodic updating of taxable object data through field data collection is necessary, especially in areas experiencing development. The digitalization of PBB-P2 management needs to be continuously strengthened in the data collection, billing, and payment monitoring processes to improve data accuracy and management effectiveness. Considering that most PBB-P2 objects are located in rural areas, coordination between Bapenda, sub-districts, and village governments, as well as outreach to the community, needs to be strengthened, particularly in the distribution of SPPT, explanations of NJOP adjustments, and tax collection.

Taxpayers are expected to provide accurate information regarding the condition of taxable objects and improve compliance with PBB-P2 payments, as PBB-P2 is a source of regional development funding. For further

research, comparative studies between regions can be conducted to examine variations in PBB-P2 policy implementation in the context of organizational capacity, regional characteristics, and community responses. Research limitations lie in the incomplete transparency of technical data access, particularly regarding details of NJOP updates and internal administrative taxable object databases. Informants also focused on local governments and a few taxpayers, thus not representing the full characteristics of PBB-P2 taxpayers in Jombang Regency. Furthermore, regional tax policy is dynamic following the enactment of Law Number 1 of 2022 and Jombang Regency Regulation Number 13 of 2023, so subsequent technical changes may not yet be reflected in the research results.

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