


Policy Strategies to Increase Motor Vehicle Tax Revenue to Support Regional Development in Lampung Province

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ABSTRACT

The Provincial Government of Lampung faces significant challenges in increasing its Regional Own-Source Revenue, one of which is through the Motor Vehicle Tax sector. Despite the continuous growth in the number of vehicles, taxpayer compliance remains very low, ranging only between 30–38%. This situation directly affects the region's fiscal capacity to fund development and public services. This policy paper examines the underlying causes of low PKB revenue and formulates data-driven policy recommendations based on field surveys and public policy theories. The data analysis employs a qualitative descriptive approach. Survey results reveal that 86 percent of taxpayers encounter obstacles when paying taxes, such as long queues at Samsat offices or disruptions in the online payment system. Additionally, 44 percent of taxpayers perceive the tax payment procedures to be overly complicated. The analysis indicates that the core issue is the low compliance rate among motor vehicle taxpayers, primarily due to limited access to payment services caused by uneven digital infrastructure and restricted service hours. These factors have significantly contributed to the low PKB revenue in Lampung Province. This policy paper adopts the New Public Management (NPM) approach and the principles of Good Governance by promoting the integrated digitalization of PKB payment services through mobile and web-based applications. Furthermore, extending service hours into the evenings and weekends is recommended to provide greater time flexibility for the public. As a concrete step, it is recommended that the Provincial Government of Lampung issue a new Governor Regulation outlining the technical aspects of PKB services, including coordination among the Regional Revenue Agency, Samsat, the police department, and financial institutions. This initiative is expected to significantly enhance tax compliance, strengthen PAD, and support more autonomous and sustainable regional development.

Keywords: *Motor Vehicle Tax Compliance; Regional Revenue; Digital Public Services; New Public Management; Good Governance*

INTRODUCTION

Revenue is a key component in supporting development and improving community welfare. With optimal sources of income, local governments can carry out essential functions such as infrastructure development, public service delivery, and the strengthening of the local economy. Thus, Regional Own-Source Revenue (PAD) serves as an important indicator in measuring a region’s fiscal capacity and autonomy.

The implementation of regional autonomy grants greater authority to local governments to independently explore and manage revenue sources. This fiscal independence is expected to reduce reliance on central government transfers and encourage regions to sustainably develop their economic potential. Stable and adequate revenues enable more effective and targeted implementation of development programs.

However, Lampung Province continues to face complex development challenges, particularly in the area of human resource quality. Based on the 2024 Human Development Index (HDI), Lampung recorded a score of 73.13—the lowest among provinces in Sumatra and ranked 26th nationally. Although there has been some improvement, the progress remains insignificant compared to other regions in Sumatra, highlighting the need for more focused development strategies and strong fiscal support from regional revenues.

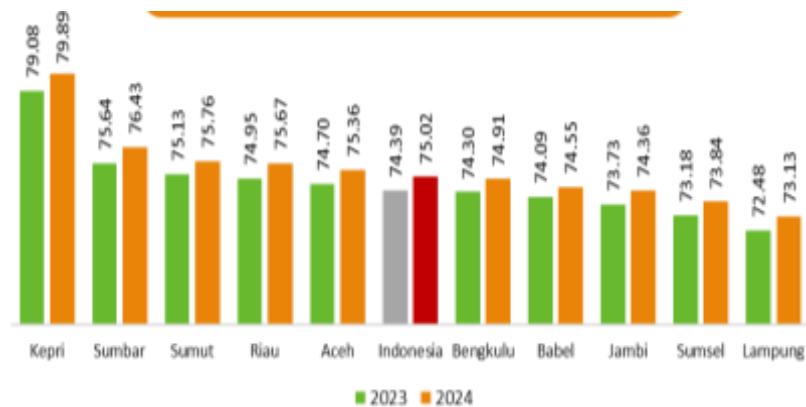


Figure 1. Human Development Index (HDI) Trends of Lampung Compared to Other Provinces in Sumatra, 2023–2024
Source: BPS Lampung Province, 2025

Regional Poverty and Extreme Poverty indicators in Lampung remain higher than the national average, with persistent disparities among population groups. As of March 2024, the poverty rate in Lampung Province stood at 10.69%, ranking as the 3rd highest in Sumatra and the 16th highest among Indonesia’s 38 provinces. This situation highlights the need for intensified and continuous efforts to improve Lampung's poverty ranking both regionally and nationally. Furthermore, the extreme poverty rate in Lampung was recorded at 1.32% in 2023, indicating that further measures are still required to achieve the national target of 0% as mandated by Presidential Instruction No. 4 of 2022.

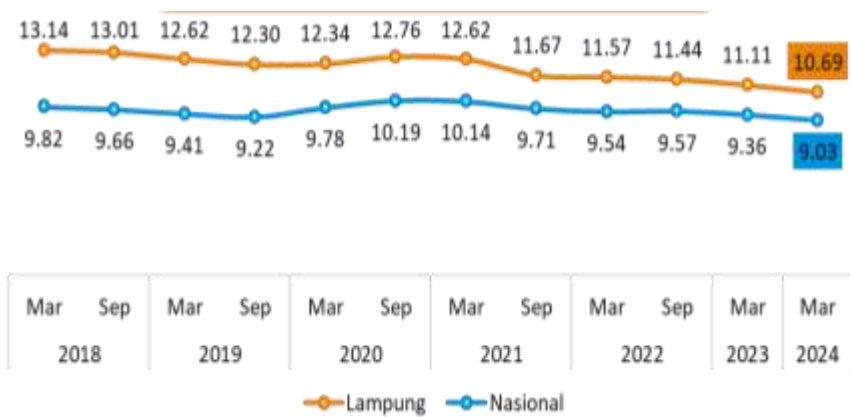


Figure 2. Poverty Rate Trends in Lampung Compared to Other Provinces in Sumatra (2018–2024)

Source: BPS Lampung Province, 2025

Economic growth has not yet significantly reduced the poverty rate, even though Lampung's economic growth has continued to increase following the COVID-19 pandemic. In 2023, Lampung's economic growth reached 4.55%, which is still below the national achievement of 5.05%.

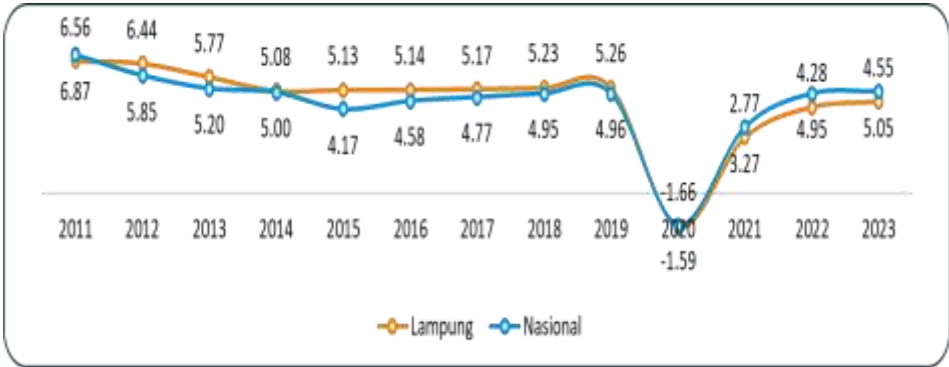


Figure 3. Lampung's Economic Growth from 2011 - 2023

Source: BPS Lampung Province, 2025

The economic structure of Lampung Province is still largely based on the agricultural sector, which generates low value-added and tends to decline. Most of the workforce is employed in agriculture, where productivity remains low. The optimization of marine resources, tourism, leading commodities, energy, and inclusive finance—through the use of technology and digitalization—has not yet become the focus of economic development in Lampung Province from a sustainability perspective.

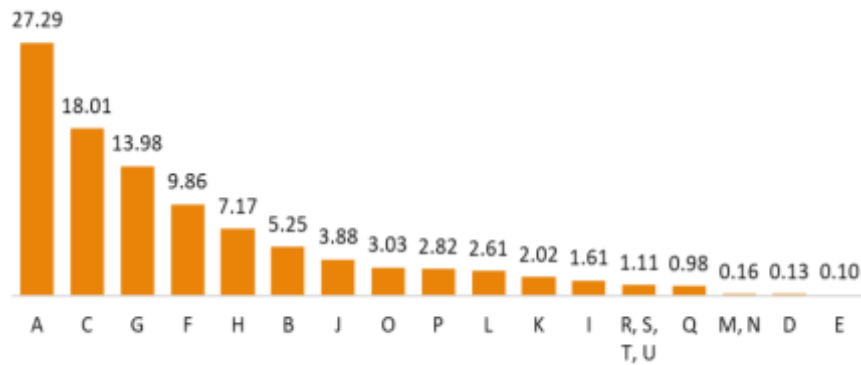


Figure 4. Economic Structure of Lampung (%) in 2023

Source: BPS Lampung Province, 2025

The Province of Lampung faces various challenges in regional development, particularly related to road infrastructure, which serves as the backbone for goods distribution and passenger transportation. According to 2023 data from the Lampung Provincial Public Works and Housing Agency (PUPR), the condition of national roads is 93% in good condition, provincial roads at 78.67%, and regency roads at only 50.70%. This situation highlights the urgent need to improve road quality to facilitate smoother logistics flows and reduce distribution costs at both regional and national levels.

High regional revenue is a crucial asset for local governments to implement development programs that address various strategic issues. If development problems are resolved, the quality of life of the population will improve. Therefore, regional governments must explore local revenue sources, such as regional taxes and levies. One of the main types of taxes contributing significantly to regional income is the Motor Vehicle Tax (PKB), imposed on vehicle ownership and regulated through regional regulations and gubernatorial decrees.

Motor Vehicle Tax (PKB) revenue in Lampung Province remains relatively low. This condition directly affects the region's ability to fund strategic development programs aimed at improving public welfare. This policy paper is designed to examine the factors behind low PKB revenue, considering this tax is one of the primary sources of Regional Own-Source Revenue (PAD) in Lampung.

According to an April 2025 report by Antara News Lampung, the Governor of Lampung stated that motor vehicle taxpayer compliance is only between 30–38%. This indicates that more than half of vehicle owners have not fulfilled their tax obligations. Previous research has shown that although the number of vehicles is increasing, it does not correlate with a rise in tax revenue, partly due to inaccurate or outdated vehicle data.

Another contributing factor is weak coordination among relevant institutions. Mujiadi's (2018) research revealed that coordination between agencies at the Samsat office remains ineffective due to a lack of collaboration among staff and limited understanding of each agency's role. Furthermore, various studies have identified

obstacles such as limited access to payment services, unequal digital infrastructure, and restricted service hours as major barriers to improving taxpayer compliance.

The purpose of this policy paper is to gather data and information regarding the potential and realization of PKB revenue, analyze the underlying factors, and formulate appropriate policy recommendations. The scope of analysis is limited to PKB revenue and strategic efforts to enhance it. Using a qualitative descriptive approach and data from public surveys, the proposed policies are expected to improve tax revenue performance and support sustainable development in Lampung Province.

METHOD

The research methodology in this Policy Paper involves the collection of both primary and secondary data. Primary data was obtained through a survey using questionnaires distributed to respondents to explore their understanding and compliance in paying the Motor Vehicle Tax (PKB), as well as the factors that influence their compliance. Secondary data was collected from official sources such as BAPPEDA (Regional Development Planning Agency), the Regional Revenue Agency, and relevant literature including books, journals, and documents. The method used in this study is qualitative descriptive analysis, where the data is analyzed to provide a systematic, accurate, and factual overview of the current condition of PKB revenue in Lampung Province. This research aims to identify the factors influencing PKB revenue and offer policy recommendations that can improve taxpayer compliance and support regional development. This qualitative descriptive analysis focuses on describing existing phenomena in detail without using statistics or experiments, emphasizing understanding the real situation on the ground.

FINDINGS AND DISCUSSION

The researchers analyzed the motor vehicle tax payment strategy through four aspects: taxpayer awareness, service accessibility, operational hours, and the use of digital technology. By examining these elements, they identified both similarities and differences in how the local government manages motor vehicle tax payment services in Lampung Province.

Policy/Regulatory Support

Law No. 23 of 2014 concerning Regional Government provides a strong legal foundation for local governments to manage regional finances independently. In this context, regional taxes become one of the main sources of Regional Original Income (PAD). Article 285 of this Law emphasizes the importance of regional financial management based on principles of efficiency, effectiveness, transparency, and accountability. Regional taxes, including Motor Vehicle Tax (PKB), serve as a vital instrument to support regional autonomy and sustainable development. This law

clarifies that regional taxes, as legitimate sources of income, function to fund various regional development programs.

Furthermore, Law No. 1 of 2022 concerning the Financial Relations between the Central Government and Regional Governments provides a legal framework that encourages fiscal independence for regions. One of the goals of this law is to reduce regional dependency on transfers from the central government and optimize sustainable revenue from regional taxes. The law also highlights the importance of digitalization in the regional tax system, including the management of Motor Vehicle Tax. Digitalization is expected to enhance transparency, accountability, and make public services more efficient and effective.

Government Regulation No. 55 of 2016 on General Provisions and Procedures for Regional Tax Collection is a regulation that explains the technicalities of implementing regional tax collection, including the Motor Vehicle Tax. This regulation sets out the procedures for determining and collecting taxes, as well as administrative sanctions for taxpayers who fail to fulfill their obligations. This provision aims to ensure that tax collection is carried out fairly and in accordance with applicable laws. With this regulation in place, it is expected that the management of PKB in the regions will run more structured and in compliance with legal provisions.

Government Regulation No. 10 of 2021 focuses on simplifying business operations and streamlining regional tax administration procedures, including for the Motor Vehicle Tax. One of the main points of this regulation is the reduction of regulatory burdens and simplification of procedures aimed at providing ease for the public and business actors. In its implementation, tax services, including for PKB, are designed to be easier, faster, and more affordable. Local governments are encouraged to use modern technology to provide efficient and effective tax services.

At the local level, Lampung Province Regional Regulation No. 2 of 2011 on Regional Taxes, which was amended by Regional Regulation No. 31 of 2014, serves as an important legal basis for the implementation of the Motor Vehicle Tax collection in Lampung Province. This regulation comprehensively regulates the types of taxes under regional authority, including PKB, as the primary source of Regional Original Income. In addition, Governor Regulation No. 40 of 2011 regulates the technical implementation of regional taxes, particularly the Motor Vehicle Transfer Tax (BBNKB). This Governor's Regulation ensures that regional tax collection runs smoothly, follows valid procedures, and provides legal certainty for the public and business actors.

Performance of Regional Revenue Management of Lampung Province 2020-2024

Based on the revenue achievement data, Lampung Province has experienced fluctuations over the past five years. In general, the revenue realization was quite high at the beginning of the period, but it has declined in the last two years, as shown in the following table.

Table 1. Lampung Province Revenue Target for 2020-2024

Year	Revenue (Rp.)	Realization (Rp.)
2020	7.244.171.719.572,14	7.019.319.471.883,36
2021	7.538.150.772.809,50	7.469.469.346.029,05
2022	6.915.251.441.290,74	6.838.946.972.193,71
2023	8.093.971.284.382,17	6.987.319.981.739,03
2024	8.566.880.704.980,04	7.459.896.634.117,44

Source: Lampung Province Regional Revenue Agency 2025

In 2020, the Provincial Government of Lampung targeted revenue of IDR 7.24 trillion, with a realization of IDR 7.02 trillion (96.90% of the target). Revenue performance improved in 2021, with a budget of IDR 7.54 trillion and a realization of IDR 7.46 trillion (99.09%). However, in 2022, there was a decline in the target to IDR 6.91 trillion and a realization of IDR 6.83 trillion (98.87%). In 2023, the revenue target increased to IDR 8.09 trillion, but realization dropped to IDR 6.98 trillion (86.33%). A similar trend occurred in 2024, with a target of IDR 8.56 trillion and a realization of IDR 7.45 trillion (87.08%). Despite the increasing targets, the realization of Lampung Province's revenue declined in 2023 and 2024, falling below 90% of the target.

Table 2. Realization of Lampung Province Revenue in 2024

No	Description	Target	2024	
			Realization (Non Audit)	%
	Total Revenue (APBD)	8.566.880.704.980,04	7.459.896.634.117,44	87,08
I	Local Original Income (PAD)	5.150.954.989.413,04	4.047.411.125.763,44	78,58
A	Amount of Local Tax	3.687.816.955.594,00	3.301.062.253.280,76	89,52
1	Motor Vehicle Tax	1.370.000.000.000,00	1.059.740.374.049,00	77,35
2	Motor Vehicle Transfer Fee	640.000.000.000,00	709.218.210.592,00	110,82
3	Motor Vehicle Fuel Tax	840.000.000.000,00	848.551.919.210,76	115,11
4	Surface Water Tax	7.750.000.000,00	8.921.042.956,00	115,11
5	Cigarette Tax	829.066.955.594,00	674.617.510.473,00	81,37
6	Heavy Equipment Tax	1.000.000.000,00	13.196.000,00	1,32
B	Amount of Regional Retribution	441.132.391.250,00	486.187.230.529,25	110,21
C	Amount of Regional Asset Management The Separated	426.909.575.108,01	193.520.241.461,01	45,33
D	Other Legitimate	593.096.067.361,03	66.641.400.492,42	

PAD Amounts				
II	Transfer Income	3.402.239.055.832,00	4.401.663.178.354,00	99,99
III	Other Legitimate Income	13.786.659.735,00	10.822.330.000,00	78,50

Source: Lampung Province Regional Revenue Agency 2025

In 2024, the regional revenue target was set at IDR 7.97 trillion. Based on the recorded realization to date, the collected revenue has reached IDR 7.39 trillion, or approximately 92.74% of the target. The overall target for Regional Own-Source Revenue (PAD) is IDR 4.56 trillion, but so far, the realization has only reached IDR 3.98 trillion, or 87.

Motor Vehicle Tax Revenue Performance compared to potential data

Motor Vehicle Tax (PKB) is one of the significant sources of regional revenue. Therefore, the level of taxpayer compliance in paying PKB becomes an important indicator in evaluating the effectiveness of regional tax policies. This analysis discusses the trends in the number of registered vehicles and vehicles paying PKB from 2020 to 2024. The following is a table showing the number of vehicles that paid taxes compared to the total number of vehicles in Lampung Province.

Table 3. Motor Vehicle Tax Revenue Performance 2020-2024

No	Year	Number of Vehicles (Units)	Number of vehicles paying PKB	Percentage of Vehicles that Pay PKB	PKB Realization (Rp.)
1	2020	3.637.966	1.180.763	32%	786.162.654.353,00
2	2021	3.765.075	1.269.719	34%	880.362.380.653,00
3	2022	3.894.539	1.206.013	31%	929.552.313.814,00
4	2023	4.036.997	1.233.355	31%	1.028.514.460.348,00
5	2024	4.168.287	1.247.700	30%	1.059.717.181.723,00

Source: Lampung Province Regional Revenue Agency 2025

Based on the data of PKB Revenue Realization from 2020 to 2024, the number of registered motor vehicles in Lampung Province has continuously increased year by year, with an average growth of 3.64%. However, not all registered vehicles actively pay PKB. As shown in the achievement data, only an average of 32% of registered vehicles paid PKB throughout 2020-2024. This indicates that the effectiveness of Motor Vehicle Tax management in Lampung Province is still very low.

Survey Results Regarding Motor Vehicle Tax Payments in Lampung Province

This survey aims to identify respondents' views and feedback regarding the motor vehicle tax payment services in Lampung Province. The survey was conducted with 50 randomly selected respondents, and the results provided a diverse picture of the

characteristics, awareness, inhibiting factors, and issues faced by the public in paying motor vehicle taxes.

The respondent characteristics show that the majority are aged between 41–50 years, mostly highly educated, self-employed, and own more than one motor vehicle. This indicates that respondents generally have more tax obligations and are actively involved in managing motor vehicles.

The level of awareness and knowledge of respondents regarding motor vehicle taxes is relatively high, with 100% of respondents acknowledging the obligation to pay taxes. However, while the majority are aware of this obligation, only 50% of respondents fully understand the procedures for paying vehicle taxes. All respondents are aware of the penalties for late payments, which indicates that understanding the consequences of delays could motivate the public to be more disciplined in paying taxes. However, further socialization of payment procedures is still necessary to make it easier and more efficient for the public to fulfill their obligations.

Several major inhibiting factors in paying motor vehicle taxes found in this survey include tax rates considered too high by 52% of respondents, and prioritization of other needs such as living expenses and healthcare, making vehicle tax not a top priority for 50% of respondents. These obstacles suggest that financial aspects and expenditure priorities are barriers to fulfilling motor vehicle tax obligations by the public.

In addition to financial factors, 86% of respondents reported facing obstacles in the tax payment process, such as long queues at Samsat offices and disruptions in the online payment system. This makes payment more difficult and burdensome for taxpayers. The limited operating hours of services also remain an important reason why many respondents cannot pay vehicle taxes on time. These factors further complicate the fulfillment of tax obligations, contributing to the low compliance rate.

Lastly, 44% of respondents find the payment procedures too complicated. They feel that the lengthy administrative process and lack of ease in payments lead to low compliance with motor vehicle taxes. This suggests that simplifying procedures and improving payment convenience could be key solutions to increasing public compliance with vehicle tax payments.

Based on the survey results regarding Motor Vehicle Tax (PKB) payment services in Lampung Province, several policies can be implemented to improve PKB revenue in the region. One highly recommended policy is the digitalization of integrated PKB payment services. Many respondents complained about limited access and service operating hours, which hindered them from fulfilling their tax obligations. By implementing digitalization, the public can pay their vehicle taxes anytime and anywhere, thus improving efficiency and reducing physical barriers in the payment process. This aligns with the New Public Management (NPM) principle, which emphasizes public services that are more responsive and easily accessible to the public.

The digitalization policy can be implemented through the development of mobile and web-based applications that allow the public to make online PKB payments. This application will not only provide payment features but also offer information regarding

vehicle tax status, fines, and necessary procedures. As a result, the public will find it easier to make payments without having to visit Samsat offices in person. The implementation of this policy can also reduce the potential for long queues and increase taxpayer compliance by making it easier to fulfill their obligations without being constrained by time and location.

In addition to digitalization, policies to extend operational hours and provide services on public holidays can also be implemented to increase PKB payment compliance. Many respondents mentioned that the limited service hours were a major obstacle in paying vehicle taxes. Therefore, the local government could extend Samsat office hours until the evening and open services on weekends and public holidays. This policy provides flexibility for people with work commitments or other activities during weekdays, allowing them to pay their vehicle taxes without disrupting their routines.

Extending operational hours and opening services on public holidays also serves as a concrete step to address the low compliance rates caused by limited service hours. With more available time to make payments, it is expected that the public will find it easier to fulfill their vehicle tax obligations. This policy is crucial for improving PKB revenue, which is one of the main sources of Local Revenue (PAD). The more people who pay taxes on time, the greater the contribution of the PKB sector to regional income.

Both policies, digitalization and extended service hours, can work synergistically to create a more efficient and accessible PKB payment system. By leveraging technology and providing easier access, the government can improve tax compliance and optimize regional revenue from the PKB sector. The implementation of these policies will provide long-term benefits for local financial management and public welfare, as motor vehicle taxes play an important role in supporting regional development.

CONCLUSION

The revenue from motor vehicle taxes in Lampung Province is still far from its potential, making it a significant issue that requires serious attention, as this tax is a vital source of regional income to support development and public services. The low compliance in paying motor vehicle taxes (PKB) is caused by various factors, including limited access to services, uneven infrastructure, and lack of flexibility in operating hours, as well as issues related to taxpayer knowledge and awareness. The approach of New Public Management and Good Governance can serve as a foundation for transforming tax services to become more responsive, inclusive, and technology-based. With policies focused on effectiveness and public participation, the local government can increase taxpayer compliance, which in turn will boost tax revenue and support regional development.

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