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Original Research Article

Efforts to Increase Local Original Income through Restaurant Tax

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Abstract: This study aims to analyze the implementation of Batu City Regional Regulation No. 4 of 2023 concerning Regional Taxes and Levies, specifically in the restaurant tax sector, and to identify supporting and inhibiting factors in efforts to increase Regional Original Revenue (PAD). This study uses a descriptive qualitative approach with data collection techniques such as in-depth interviews, observation, and documentation. Data analysis was conducted thematically based on the Van Meter and Van Horn public policy implementation model, which includes six main variables: policy standards and objectives, resources, implementing agent characteristics, inter-organizational communication, socio-political conditions, and implementer dispositions. The results show that the implementation of the restaurant tax policy in Batu City has been quite effective, supported by the use of tapping box technology, the preparation of targets based on academic studies, and a persuasive approach to business actors. However, several obstacles remain, such as suboptimal supervision of restaurants in non-central areas, system manipulation by some taxpayers, and limited coordination across regional apparatus organizations. New findings in this study include the enormous potential for PAD from the village culinary sector that has not been fully explored, and the effectiveness of participatory education models in improving tax compliance. This study recommends strengthening location-based data collection systems, increasing human resource capacity, expanding taxable objects, and fostering cross-sector synergy to support policy implementation. Thus, optimizing restaurant taxes can be an effective fiscal strategy for achieving regional fiscal independence in Batu City.

Keywords: Local Original Income, Restaurant Tax, Van Meter and Van Horn.

1. INTRODUCTION

The tourism sector's rapid development has significantly impacted restaurants' development in tourist destinations, such as Batu City. Establishing high-quality and diverse restaurants can enhance the tourist experience and contribute to the local economy. Competition among food businesses is required to provide various culinary offerings in Batu City continuously. Popular tourist destinations attract many tourists, increasing demand for food and beverage services. This encourages the opening of new restaurants to meet the growing market demand. Tourists often seek various food options, from local cuisine to international cuisine. This encourages restaurants to offer more varied and innovative menus.

For sustainable development, the Batu City Government strives to continuously improve services to the community by managing regional taxes. Regional taxes are mandatory contributions to regions owed by individuals or bodies based on l, andatheyegional taxes themselves consist of several sub-taxes, namely Hotel Tax, Restaurant Tax, Restaurant Tax, Entertainment Tax, Advertising Tax, Street Lighting Tax, Parking Tax, Groundwater Tax, Rural and Urban Land and Building Tax (PBBP2) and Land and Building Acquisition Fee (BPHTB).

The rapid development of the tourism sector, which has become a significant source of regional tax revenue in Batu City, has also significantly impacted the development of restaurants in tourist destinations like Batu City. Developing high-quality and diverse restaurants can enhance the tourist experience and contribute to the local economy. Competition among food businesses is crucial to continuously diversifying the culinary offerings in Batu City. Popular tourist destinations attract many tourists, increasing demand for

food and beverage services. This encourages the opening of new restaurants to meet the growing market demand. Tourists often seek various dining options, from local cuisine to international cuisine. This encourages restaurants to offer more varied and innovative menus. Tourism visits to Batu City increase yearly, as seen in the table below.

Table 1: Tourist Visit Table in Batu City

Year	2019	2020	2021	2022	2023	2024
Tourist Visit	7,251,987	2,437,878	3,584,723	8,041,187	10,116,570	10,737,865

As seen in the table, there was a decline in 2020. This occurred when the COVID-19 pandemic hit Indonesia. The most affected sector was certainly the tourism sector. After the pandemic passed, the Batu City Government continued to make recovery efforts. In 2021, towards 2022, a high spike continued in the following years.

The increasing number of tourist visits in Batu City encourages an increase in regional taxes, in addition to entertainment taxes and hotel taxes, restaurant taxes are one of the contributors to regional tax revenues, which are pretty high, this is the result of the efforts of the Batu City government in terms of tax collection, the restaurant tax rate in Batu City is 10%. This tax is imposed after the service fee charged to consumers, in its journey, the Batu City Government's efforts to collect taxes for the sake of orderly taxpayers collaborate with Regional Banks, namely Bank Jatim to increase tax revenues, the collaboration carried out is to install Tapping Boxes to record every buying and selling activity carried out between Restaurant providers and Consumers, this is done so that the increase in restaurant taxes can be in accordance with the expected target, the following table shows the realization of regional original income on regional taxes from restaurant taxes over a period of 5 years.

Restaurant Tax in the last 5 years has been one of the contributors to regional original income that has always been realized, this is one of the reasons why the author chose the title, with the realization that continues to be achieved can be a supporter of Development in Batu City, but whether the realization data is in accordance with the field or there are still many opportunities for local governments to obtain revenues much higher than the set target, in The implementation of restaurant tax obligations is influenced by various supporting and inhibiting factors. Supporting factors include high awareness of business actors regarding tax obligations, a transparent administration system, adequate supervision, intensive socialization, technology such as e-tax or tapping boxes, and incentives for compliant taxpayers. However, its implementation also faces various obstacles, such as low compliance and awareness of taxpayers, weak supervision, limited human resources, a tax system that is considered complicated, a lack of education, the rise of unrecorded cash transactions, and the potential for corruption or collusion. The combination of these factors greatly determines the effectiveness of implementing restaurant taxes in a region. The research aims to describe and analyze the implementation of Batu City Regional Regulation Number 4 of 2023, concerning Regional Taxes and Regional Levies on Restaurant Taxes. Describe and analyze the inhibiting factors in terms of restaurant tax collection.

1.1 Theoretical Benefits:

This research is expected to provide benefits for developing scientific knowledge related to the concepts and theories of public policy implementation and can be used as a reference in research in the following stages. The results of this study are also expected to enrich the literature or library references on the implementation of public policy, especially on restaurant tax collection. Practical Benefits: This research can be used as a basis for consideration in implementing a public policy so that the objectives of the public policy can be realized as expected. The results of this research can later be used as recommendations for implementers at the Regional Revenue Agency to overcome obstacles in collecting restaurant taxes in Batu City.

2. LITERATURE REVIEW

Public policy implementation is the process by which formulated and approved policies are put into practice. This process involves various actors, from governments and institutions to the public, and aims to achieve the objectives outlined in the policy. This activity highly depends on the social, political, and economic context in which the policy is implemented. In government, various problems must be addressed and resolved in its development. Every problem that has arisen recently results from the community's involvement in voicing every incident in the field. These problems can arise from community life itself or vice versa, from policies that the government has issued. According to Dunn (1994) and Tachjan (2006), the government must address public problems, namely, unrealized values, needs, or opportunities, which, although identifiable, can only be achieved through public action.

The characteristics of public problems that must be addressed are interdependent and dynamic. Hence, their solution requires a holistic approach, which views the problem as part of a whole that cannot be separated or measured alone. Therefore, because public problems cannot be addressed individually and effective and efficient solutions are required, a process of problem formulation and policy determination is required. This is

intended to ensure that once a public policy is established and implemented, the public, including the policymakers themselves, will feel its positive impact. Suppose the definition of implementation is combined with public policy. In that case, the term public policy implementation can be interpreted as completing or implementing a public policy that has been determined/approved using means (tools) to achieve policy objectives. Thus, in the public policy process, policy implementation is a practical stage and is distinguished from policy formulation, which can be seen as a theoretical stage. Anderson (1978: 25) in Tachjan (2006) stated that: "Policy implementation is the application of the policy by the government's administrative machinery to the problem". Then Edwards III (1980: 1) stated, "Policy implementation, ... is the stage of policy making between the establishment of a policy ... and the consequences of the policy for the people it affects". Grindle (1980: 6) stated, "implementation - a general process of administrative action that can be investigated at a specific program level". From the explanation above, it is clear that public policy implementation is an administrative process carried out after a policy has been established/approved. This activity lies between policy formulation and policy evaluation. Policy implementation contains a *top-down logic*, meaning that it reduces/interprets abstract or macro alternatives into concrete or micro alternatives. Meanwhile, policy formulation contains a *bottom-up logic*, meaning that this process begins with mapping public needs or accommodating environmental demands, followed by the search and selection of alternative solutions, which are then proposed for implementation.

3. RESEARCH METHODS

3.1 Research Design

This research adopts a qualitative, descriptive approach to gather in-depth information regarding the phenomenon. Data collection was conducted through in-depth interviews, observation, and documentation, which are expected to provide a comprehensive understanding of the research object. Furthermore, this chapter explains the data analysis procedure, namely thematic analysis, which will help identify patterns or themes emerging from the collected data. Each step described in this chapter adheres to ethical research principles to ensure the quality and validity of the research results. The systematic explanations in this chapter will help readers understand how the research

process was conducted and how the results can answer the research questions posed. Qualitative descriptive research is a research approach that aims to describe real-life phenomena in depth and holistically. This research does not aim to test hypotheses or measure relationships between variables, but to provide a deeper understanding of the situation or problem studied through non-numerical data. In qualitative descriptive research, researchers focus on individuals' or groups' meanings, experiences, and perceptions within a specific context.

3.2 Research Location

The research location is the object of research where the research is carried out. Conducted. The researcher intentionally (purposively) determined the research location to be used to solve problems in the research subjects. In this study, the location used as a place to carry out the research is the Batu City Revenue Agency.

3.3 Research Informants

An informant is someone who is asked for information related to the object being studied and has a lot of information and data from the research being conducted. According to Meleong (2011:132), a research informant is used to provide information about the situation and conditions that form the background of the research. In this study, five informants were interviewed, consisting of:

Head of the Batu City Regional Revenue Agency, Head of Collection Division at the Batu City Regional Revenue Agency, Large Restaurant Taxpayers, Medium Restaurant Taxpayers, and Small Restaurant Taxpayers.

3.4 Data Analysis Techniques

According to Sugiyono (2020:131) data analysis is the process of systematically searching for and compiling data obtained from interviews, field notes, and documentation by organizing data into categories, breaking them down into units, synthesizing them, arranging them into patterns, choosing what is important and what will be studied, and drawing conclusions so that they are easily understood by oneself and others. According to Miles and Huberman in Sugiyono (2020:133), activities in qualitative data analysis are carried out interactively and continue continuously until complete, so that the data is saturated.
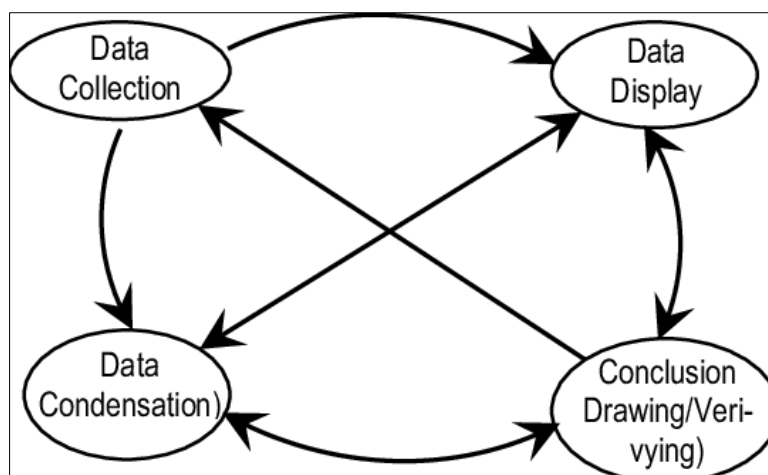
Figure 1: Qualitative Data Analysis Model according to Miles, Huberman, and Saldana (2014)

4. RESULTS AND DISCUSSION

4.1 Results

The Batu City Regional Revenue Agency (Bapenda) is one of the regional agencies under the Batu City Government and is responsible for managing regional original revenue (PAD). Bapenda has an important role in planning, implementing, and evaluating regional tax and levy revenues, including restaurant taxes, which are the object of this study. The Batu City Bapenda office is at the Among Tani City Hall Building, Jalan Panglima Sudirman No. 507, Batu District, Batu City, East Java 65314. This location is within the central government complex of Batu City, thus facilitating coordination between regional agencies. Within the framework of Van Metter and Van Horn's policy implementation theory, clear and measurable standards and objectives significantly influence the effectiveness of policy implementation. Clarity of objectives provides direction, while consistency of achievement indicators allows for objective and structured evaluation. Based on the interview results, the Batu City Regional Revenue Agency (Bapenda) has developed relatively systematic and data-driven restaurant tax revenue targets and standards.

One informant from the Batu City Bapenda said:

"*Determining the restaurant tax revenue target is not done haphazardly. We utilize at least three main studies: academic studies from universities like Brawijaya University and STAN, an evaluation of the past three years' achievements, and projections based on the national holiday calendar.*"

This statement demonstrates that target-setting standards are not merely administrative but are based on scientific analysis and historical data. The academic study reinforces the rational dimension in goal-setting, while the evaluation of the past three years provides a concrete empirical basis. This aligns with Van Metter and Van Horn's principle that policies with measurable goals are easier to implement.

Furthermore, the informant explained:

"*We also consider the number of long weekends. But not all long weekends are considered profitable. If they're too close together, usually only one will have a significant impact on the tourism and restaurant sectors.*"

This quote shows that Bapenda incorporates contextual variables into its revenue projection standards. This demonstrates flexibility in setting targets without compromising consistency with the primary objective of increasing local revenue (PAD) through restaurant taxes.

Regarding the implementation and supervision aspects, the informant said:

"*We formed a 30-person Turnover Monitoring and Evaluation Team. They are tasked with directly overseeing three main tax objects, including restaurant tax. They not only record but also monitor for any indication of double transactions.*"

The formation of this Monitoring and Evaluation Team demonstrates that implementation and oversight standards for revenue targets have been clearly established. In addition to the target figures, indicators of policy success also include taxpayer compliance and reporting accuracy, including efforts to prevent transaction manipulation.

On the other hand, informants also mentioned challenges and solutions in implementation:

"*There are challenges such as a lack of human resources and coordination issues with the Public Order Agency (Satpol PP) or the Licensing Agency. However, we prefer a persuasive approach to non-compliant taxpayers rather than confrontational methods.*"

Despite operational challenges, the long-term goals remain unchanged. A persuasive approach is part of the implementation strategy, aligned to maintain good relationships with business actors while improving tax compliance.

Communication between the Regional Revenue Agency and Internal Coordination with taxpayers. Results of an interview with the Head of the Regional Revenue Agency (Bapenda) of Batu City, on June 26, 2025, at 11:20 WIB

"*Seeing the positive trend of increasing tourist visits in Batu City, we always determine our target size through studies. We use three studies, the first from academics—Brawijaya University and the State Accountancy College. This study refers to economic growth, last year's achievements, and the state of revenue at the General Treasury. Furthermore, we also have our own calculations from the past three years, which show a positive trend. We also take into account the number of long weekends and the potential for increased visits. Not all long weekends have an impact, but we calculate which ones have the potential.*"

"*During the implementation process in the field, we formed a 30-member Turnover Monitoring and Evaluation Team. This team is deployed directly to tax objects—restaurants, hotels, and entertainment venues. They record and directly monitor suspicious transactions. We also classify compliant and non-compliant taxpayers. If there are indications of violations, such as double transactions or inappropriate reporting, the team immediately conducts monitoring and a persuasive approach.*"

"*We don't immediately resort to repressive measures like banners or open warnings. We prioritize communication. If taxpayers still have good intentions, we invite them to discussions and mediation. The goal isn't just to collect taxes, but also to maintain good relations and the comfort of business actors. Cross-sector coordination remains a challenge, especially with the Public Order Agency (Satpol PP) and the Licensing Office for taxpayers who don't have a Taxpayer Identification Number (NPWPD). But we continue to communicate so that data can be updated and policy implementation can run optimally.*"

Based on an interview with the Head of the Batu City Regional Revenue Agency (Bapenda), communication in the implementation of restaurant tax collection is a crucial element influencing the success of tax revenue. Communication is carried out internally within Bapenda and externally to restaurant taxpayers and related agencies. Regarding internal communication,

Bapenda actively consolidates and evaluates with the Turnover Monitoring and Evaluation (Monev) Team, which is tasked with field supervision of restaurant, hotel, and entertainment tax objects. This team receives clear guidance regarding reporting indicators, monitoring methods, and procedures for monitoring suspicious transactions. This clarity of information ensures that the collection process is carried out according to regulations and can be followed up quickly if violations are found.

Meanwhile, external communication with taxpayers is conducted through a persuasive and educational approach. Bapenda prioritizes dialogic communication in resolving tax administration issues, such as late reporting, the use of a dual reporting system, and the non-return of NPWPD forms. Outreach is conducted routinely, and if obstacles are encountered in the field, the Monitoring and Evaluation Team immediately deploys to provide explanations and assistance. Bapenda also strives to provide relevant and up-to-date information, such as long weekend projections, updates on the number of taxpayers, and developments in digital payment channels, all of which are communicated to businesses. Hence, they fully understand the policy context. However, in practice, communication challenges remain between agencies, such as the Public Order Agency (Satpol PP) and the Licensing Office, particularly in enforcing against businesses that are not yet registered or have not fulfilled their tax obligations. Therefore, the effectiveness of communication in implementing the restaurant tax policy in Batu City depends heavily on the clarity of information, consistency of delivery, the communication skills of officers, and synergy between implementing agencies.

The head of the tax objection management sub-division was added.

"*Regional Revenue Agency (Bapenda) is pleased to be able to interact directly with taxpayers. Every response or piece of information we provide to taxpayers is always delivered in a solution-oriented manner and adheres to applicable regulations. We are directed to uphold communication—we practically resolve issues face-to-face almost every day.*"

"*The results in the field show that many taxpayers actually appreciate being approached in person. This contrasts with the formal and distant approach of correspondence. However, a direct approach does require higher operational costs.*"

Based on an interview with the Head of the Tax Objection Management Sub-Division, Ms. Nafisa Ananda Gudban SE, on Wednesday, June 26, 2025, it was found that the Batu City Regional Revenue Agency

(Bapenda) has implemented characteristics that are pretty responsive to field needs. This is evident from the statement that Bapenda prefers a face-to-face approach to interacting with taxpayers (WP) rather than a correspondence approach. Direct communication is considered more effective in conveying information, solution-oriented, and regulatory-compliant. This approach indicates that implementers have good communication and interpersonal skills supporting successful policy implementation. For another situation, we tried interviewing a pecel rice stall on the road leading to Jatim Park. The results of an interview with the Pecel Stall Seller on Friday, June 27, 2025, were as follows:

> "*I've been selling every morning, and my average monthly turnover is almost 10 million. It's actually okay for us to be taxed, as long as the socialization is clear. We, as a small community, don't know about such things, so we hope the city government will provide socialization for us MSMEs.*"

Based on an interview with Mrs. Sri, the owner of a pecel rice stall with a monthly turnover of over 10 million rupiah but not yet a restaurant taxpayer, it can be concluded that there is a communication gap between the Batu City Regional Revenue Agency (Bapenda) and micro-enterprises. This is evident from Mrs. Sri's statement that she has never received any official socialization or notification from the tax office regarding tax obligations, even though her business turnover meets the criteria for a restaurant tax object. This lack of communication indicates a weak information dissemination from Bapenda to MSMEs who have the potential to become taxpayers, both in terms of frequency, communication media, and approach used. Furthermore, the lack of a proactive system or direct education in the field results in many business owners not understanding their tax rights and obligations.

Resources of the Regional Revenue Agency, Results of an interview with the Head of the Regional Revenue Agency (Bapenda) of Batu City, on June 26, 2025, at 11:20 WIB. A limited number of employees was one of the obstacles the Batu City Regional Revenue Agency (Bapenda) faced in overseeing and collecting restaurant taxes. Bapenda established a 30-person Turnover Monitoring and Evaluation (Monev) Team to address this challenge.

> "One of the challenges we faced was limited human resources. Therefore, we formed a 30-person Revenue Monitoring and Evaluation Team focused on restaurant, entertainment, and hotel taxes."

This team records data, investigates suspicious transactions, and goes directly into the field when discrepancies are discovered. Based on information obtained, the Head of Bapenda stated that the limitations of human resources at Bapenda lie not only in quantity but also in the mindset and willingness of employees to step outside their comfort zones.

This was also conveyed by the Head of the Tax Objection Management Sub-Division on Wednesday, June 26, 2025

> "*Another challenge is the mindset of some long-time employees, who still tend to be rigid about regulations. While these regulations must still be followed, their implementation can be adjusted to ensure everything runs according to plan and achieves goals.*"

However, internal constraints were identified, including the persistence of some long-standing employees with rigid attitudes toward regulations. This can hinder the flexibility of policy implementation in the field. While regulations must be followed, it is important to understand that implementation approaches can be more adaptive if they do not violate regulations. This suggests that differences in disposition and understanding among employees can impact the effectiveness of policy implementation.

Bapenda uses a data-driven approach and academic studies to determine revenue targets. Target determination is not done haphazardly, but through analysis of various sources.

> "*There are at least three main studies that form the basis for setting tax targets. First, academic studies obtained from educational institutions such as Brawijaya University and the State Accountancy College. These studies consider important indicators such as economic growth, previous year's revenue achievement, and the condition of the regional treasury. Furthermore, Bapenda also conducted internal calculations based on revenue achievement data over the past three years. Based on this evaluation, it was found that the revenue trend showed a consistent increase. This historical data serves as an important reference in projecting revenue targets for the current year. Furthermore, Bapenda also considers the number of long holidays (long weekends) in a year. However, not all long weekends are automatically considered profitable. If these long holidays are too close together, usually only one of them has a significant impact on the surge in tourist visits and indirectly impacts the increase in restaurant tax revenue. Bapenda also considers the number and annual increase in taxpayers (WP) as indicators of potential revenue. However, there are also external factors that are difficult to predict and that influence revenue achievement, such as central government policies. For example, in 2025, there will be a national budget efficiency policy that will impact purchasing power and spending. public,* "

In general, the information and technical resources of the Batu City Regional Revenue Agency (Bapenda) are adequate and optimally utilized in the restaurant tax target planning process. Using academic studies, historical data, and macro indicators such as holidays and taxpayer growth demonstrates that policy implementers possess strong technocratic and predictive capacity. However, challenges from unpredictable external factors remain, requiring flexibility in policy implementation on the ground.

Disposition or Attitude of the Implementer at the Regional Revenue Agency in managing Taxes. According to Van Meter and Van Horn, the disposition of implementers in policy implementation includes commitment, motivation, and understanding of the policy. In the context of restaurant tax collection in Batu City, these three aspects play a significant role. Based on the results of an interview with the Head of the Regional Revenue Agency (Bapenda) of Batu City,

> "*We at Bapenda adhere to the principle that taxes are a public contribution that must be managed with accountability. Every target we set is not just a number, but a mandate. Therefore, we strive to maintain public trust to the fullest extent possible.*"

This statement reflects the implementers' strong commitment. They are not merely carrying out administrative duties, but also recognize the importance of social and ethical responsibility in tax collection. Service innovations, such as developing digital payment channels and establishing a Revenue Monitoring and Evaluation Team, demonstrate implementer motivation. This team was formed to enforce regulations and ensure more effective and efficient service delivery.

> "*We formed the Monitoring and Evaluation Team not out of coercion, but because we recognize the real challenges on the ground. This team operates not only to inspect but also to provide guidance. So when there are taxpayers who are not compliant, we try to accompany them and provide education.*"

This attitude demonstrates a high intrinsic motivation to carry out their duties. The implementers take the initiative to create solutions and adopt a more humane approach to addressing taxpayer violations. Regarding policy understanding, Bapenda implementers have a good grasp of the legal regulations underpinning restaurant tax collection. This is demonstrated by implementing policies based on national regulations and adaptation to current challenges, such as economic changes or central government policies.

> "*We didn't set that target randomly. We took academic background, historical data, and central government policies into consideration. So, we fully understand why that figure emerged and the strategy to achieve it.*"

One interesting finding from an interview with a restaurant owner in Batu City, the owner of Warung Ardiasih, on Friday, June 27, 2025, was the resistance of some customers to paying restaurant tax. Some customers objected to adding a 10% tax to their meal bill. A source, a food stall owner, revealed:

> "*Sometimes customers complain, saying that for a meal of only two hundred thousand rupiah, they have to add tax. They don't accept it, feeling it's too burdensome*."

This situation places business owners in a dilemma. On the one hand, they must collect and remit restaurant taxes per applicable regulations. However, they must also maintain customer satisfaction to avoid losing customers. To address this, some businesses ultimately choose a compromise strategy. The same source explained:

> "*Finally, I got around it by offering the customer a discount. So, for example, if the total bill was Rp200,000, I'd give the discount first, but then I'd still report the taxes according to the regulations.*"

This strategy ensures customers feel they are still receiving a fair price without feeling burdened, while businesses continue to meet their tax obligations. This practice demonstrates a business's initiative to comply with regulations, even if it means bearing the additional burden of discounts.

Based on the interviews, the enforcers carry out administrative duties and have a more humanistic and spiritual approach to non-compliant taxpayers. The officer revealed that when meeting a restaurant owner who was reluctant to pay taxes, he said:

> "*That's money entrusted by customers to the restaurant to be deposited with the state. So, it's not the restaurant owner's personal right. If they don't deposit it, it's tantamount to withholding a trust. In religion, that has moral consequences.*"

This statement reflects the attitude of implementers who deeply understand the meaning of tax policy, not only from a legal perspective but also from a moral perspective. This attitude demonstrates a strong commitment to the policy's goal, namely optimizing regional revenue through tax compliance, as well as the ability to translate the policy into an approach appropriate to the socio-cultural context of the community. Bureaucratic Structure at the Regional Revenue Agency: Results of an interview with the Head of the Regional Revenue Agency (Bapenda) of Batu City, on June 26, 2025, at 11:20 WIB

> "*The organizational Structure at Bapenda has been arranged quite systematically, Ma'am/Ma'am, with a clear division of duties. Several technical units handle everything from upstream to downstream—from target setting,*

taxpayer services, to supervision. One form of institutional innovation we have implemented is the formation of a Turnover Monitoring and Evaluation Team, which has around 30 people. This team is specifically tasked with overseeing restaurant, hotel, and entertainment taxes. They are directly under the structural coordination of Bapenda and are tasked with monitoring turnover, including detecting violations, such as double reporting or inappropriate transactions. In addition, we have also used a digital reporting system and online payment channels, so taxpayers can now more easily pay from any platform. However, we still face challenges, especially in coordinating with other agencies, such as the Public Order Agency (Satpol PP) or the Licensing Agency. For example, when we find a business that does not have a Taxpayer Identification Number (NPWPD), even though its turnover is above the minimum limit, we need support from other agencies for follow-up. There was also a time last year, when we provided forms and notifications, but some did not... "So, not all sectors can synergize optimally. Going forward, we want to strengthen inter-agency coordination and improve internal oversight so that the implementation of regional tax policies, especially in the restaurant sector, can be more effective."

From the perspective of Van Meter and Van Horn's theory, bureaucratic Structure is a crucial variable influencing the success of policy implementation. This Structure encompasses organizational Structure, division of authority, and coordination and oversight mechanisms. Based on interviews, the bureaucratic Structure of the Batu City Regional Revenue Agency (Bapenda) meets most of the indicators of an effective bureaucracy but still faces significant challenges.

From the perspective of Van Metter and Van Horn's theory, policy standards and objectives are fundamental elements influencing the successful implementation of public policy. Clear standards and measurable objectives serve as guidelines for implementers and policy targets in understanding the direction and intent of the policy. Regarding restaurant tax policy in Batu City, policy standards have been normatively outlined through Batu City Regional Regulation Number 9 of 2018 concerning Regional Taxes and derivative technical regulations from the Mayor of Batu that govern tax reporting, payment, and oversight mechanisms. Successful implementation standards are also reflected in performance indicators such as the achievement of restaurant tax revenue targets, the number of businesses with Regional Taxpayer Identification Numbers (NPWPD), and the effectiveness of supervision by the Turnover Monitoring and Evaluation Team. However, in the field, it is still found

that these policy standards are not fully understood by all business actors, especially micro and small businesses. Many of them do not understand the exact amount of restaurant tax rates, turnover reporting obligations, and potential sanctions for administrative violations.

Regarding policy objectives, the Batu City government has determined that the restaurant tax is crucial for increasing Regional Original Income (PAD), promoting regional fiscal independence, and financing various development programs, particularly in the tourism and public infrastructure sectors. Another objective is to create a fair, transparent, and sustainable tax system. However, interviews with several business owners indicate that resistance to this policy remains. Some businesses object to the tax burden, which they believe could discourage buyers, tiny businesses with limited profit margins. Many also conceal revenue information or avoid reporting transactions to reduce tax obligations.

This indicates a gap between the policy's ideal objectives and the reality of its implementation. Within the framework of Van Metter and Van Horn, this gap can hinder successful implementation if not addressed with strategic adjustments. Thus, it can be concluded that although the standards and objectives of restaurant tax policy in Batu City have been systematically formulated, its effectiveness still faces challenges due to a lack of understanding, limited socialization, and resistance from some business actors. Therefore, steps are needed to strengthen communication, a participatory approach, and improve fiscal literacy so that business actors are not only aware of the applicable standards but also understand and support the long-term objectives of the policy. In Van Metter and Van Horn's policy implementation theory, inter-organizational communication and implementing activities are crucial in ensuring that all parties involved understand and implement policies effectively. Effective communication determines how policy objectives and procedures are fully conveyed to field implementers and target groups. In implementing the restaurant tax policy in Batu City, communication established by the Regional Revenue Agency (Bapenda) has been conducted through various channels, including direct outreach, digital media, and field visits by the Monitoring and Evaluation Team. However, field findings and interviews revealed significant communication gaps, particularly among micro and medium-sized businesses. Many businesses admitted to not fully understanding tax regulations, such as tax rates, revenue reporting procedures, and the obligation to have a Taxpayer Identification Number (NPWPD).

Furthermore, inter-organizational communication also faces challenges. Coordination between the Regional Revenue Agency (Bapenda) and other agencies, such as the Licensing Office and the Public Order Agency (Satpol PP), is suboptimal. For

example, several businesses lack a Taxpayer Identification Number (NPWPD) despite having operated restaurants for some time. This indicates weak inter-agency communication in detecting and prosecuting non-compliant businesses. Furthermore, lacking technical and systematic information delivery also results in ineffective policy communication, especially for new businesses or those unfamiliar with tax administration.

On the other hand, some business owners have even shown reticence towards interviews or data collection efforts due to suspicion or concerns about being taxed more. This lack of information challenges building healthy communication and mutual trust between the government and businesses. Therefore, communication regarding implementing the restaurant tax policy in Batu City still needs improvement in message quality, procedural clarity, and coordinated involvement of all stakeholders. Even well-intentioned policies will struggle to achieve their intended results without effective communication.

In Van Metter and Van Horn's theory, the disposition or attitude of implementers refers to the commitment, motivation, and perception of policy implementers toward the objectives and substance of the policy itself. In Batu City, the disposition of implementers from the Regional Revenue Agency (Bapenda) generally showed a positive and supportive attitude toward implementing the restaurant tax policy. This is reflected in the leadership's initiative to create a responsive and collaborative work environment, such as providing direct guidance to staff to carry out their duties in a communicative and solution-oriented manner. Several concrete steps include strengthening services through additional personnel, forming a special monitoring team, and using a persuasive approach to taxpayers. This positive disposition demonstrates Bapenda's administrative commitment to the policy's success and building healthy relationships with business actors.

4.2 Discussion

Based on the results of field observations, interviews, and various literature sources, including online references, several indicators can increase Regional Original Income (PAD). Batu City has significant potential to increase its regional revenue (PAD), particularly through tourism. This sector has a multiplier effect, such as increased revenue from restaurant taxes and other service sectors. Furthermore, developing MSMEs is highly relevant in meeting tourist needs while boosting the local economy. The synergy between tourism and MSMEs can be a key driver in increasing Batu City's regional revenue (PAD). In implementing the restaurant tax policy in Batu City, the characteristics of the implementers play a crucial role in determining its success. Interviews indicate that the Regional Revenue Agency (Bapenda) is highly

committed to implementing the policy. This commitment is demonstrated through various strategic steps, such as adding staff to strengthen service and innovation, as well as direct guidance from management to staff to maintain open and responsive communication, both internally and externally.

From the perspective of Van Metter and Van Horn's theory, the characteristics of implementers, including attitudes, commitment, and bureaucratic competence, are crucial for policy effectiveness. At Bapenda (Regional Revenue Agency), the positive disposition of implementers is evident in the agency head's encouragement to create a conducive work environment. Direct communication with taxpayers is not only delivered verbally but also accompanied by a solution-oriented approach that takes into account real-world conditions. This approach is considered more effective in building healthy relationships between the government and taxpayers and encouraging voluntary compliance, although it requires a larger budget as an operational challenge. To increase tax revenue, the Batu City Regional Revenue Agency (Bapenda) has also undertaken various active efforts, including establishing a Revenue Monitoring and Evaluation Team tasked explicitly with overseeing restaurant, hotel, and entertainment activities.

Furthermore, a digital reporting system and payment channel integration are continuously being developed to facilitate taxpayers' transparent and efficient fulfillment of their obligations. Bapenda also employs a persuasive and educational approach to business actors, ensuring they comply administratively and understand the taxes' contribution to regional development. Several times, a spiritual approach has been used to build awareness and sincerity in paying taxes as part of their social responsibility. However, during the data collection process, the author faced unique challenges when interviewing several restaurant owners. Some owners were secretive and refused to be interviewed. This attitude indicates a distrust of outsiders, including researchers, who might be perceived as representing the government. Furthermore, some owners openly expressed their objections to paying the restaurant tax. They viewed this policy as an additional burden, especially for small businesses with limited profit margins.

This phenomenon indicates obstacles in the disposition of implementers from the community or taxpayers, who, in this case, are crucial actors in public policy implementation. According to Van Metter and Van Horn's theory, successful implementation is determined by the bureaucratic implementers and the extent to which the target group (in this case, restaurant businesses) accepts and supports the policy. Unpreparedness or resistance from the target group can significantly hinder the achievement of policy objectives, especially if not accompanied by strong

control and oversight mechanisms. This reluctance to be transparent and pay taxes also indicates loopholes in the tax system that are exploited to evade fiscal obligations. Withholding information, understating revenue in reports, or using unrecorded payment methods are strategies some businesses use to reduce their tax obligations. This situation presents a significant challenge for the Regional Revenue Agency (Bapenda), as weak oversight opens the door to systematic non-compliance.

Furthermore, policy implementation also faces barriers in inter-organizational communication. For example, in the development of MSMEs, there are still obstacles in conveying technical information, which results in policies not being adequately communicated to their target audiences. This lack of outreach results in businesses not fully understanding their obligations, thus suboptimal tax revenue potential from this sector. Therefore, a more active, participatory, and structured communication strategy is needed from Bapenda (Regional Revenue Agency) to ensure businesses understand, accept, and fulfill their tax obligations gradually and sustainably.

Regarding resources, Bapenda demonstrated a progressive response by increasing its staffing as a form of preparedness to address implementation challenges. This demonstrates that the organization is not passively responding to challenges but is instead strengthening internal capacity to support policy success. This personnel addition also indicates that the organizational Structure has flexibility and innovative support from leadership. Meanwhile, the disposition of implementers, government officials, and business actors is another important indicator. Several business actors demonstrated strong support for policy implementation. They continued to pay taxes despite facing challenges, such as customer resistance. This indicates they understand the policy's objectives and have a positive orientation toward tax contributions to city development. This attitude reflects a strong disposition among implementers, even though they are not directly part of the government bureaucracy. However, this attitude is not universally shared among all businesses. Business owners still perceive the restaurant tax as a burden, especially for small businesses. In interviews, some business owners expressed concern that the restaurant tax could discourage customers, particularly if prices are higher after the tax. These concerns reflect negative perceptions of the policy, which impact taxpayer acceptance of the regulations.

In the context of Van Metter and Van Horn's theory, this points to challenges in the disposition of implementers, particularly from business actors as the policy's targets. Poor understanding of tax benefits and concerns about its economic impacts lead to passive resistance (failing to report turnover honestly) and active resistance (refusing to pay taxes or being interviewed).

Such negative perceptions can hinder the effectiveness of policy implementation if not addressed through an educational approach and open dialogue. Therefore, a more adaptive and empathetic communication strategy is needed so that businesses view taxes not merely as a burden but as a contribution to city development, which will also increase visits and customer satisfaction. Bapenda's efforts to foster business actors and provide an understanding of the role of taxes in providing public facilities are key to turning negative perceptions into voluntary support for the policy.

Regarding bureaucratic Structure, the Batu City Regional Revenue Agency (Bapenda) has demonstrated a functional and adaptive organizational model. Establishing the Turnover Monitoring and Evaluation Team demonstrates the strategic delegation of authority in overseeing restaurant, hotel, and entertainment taxes. The team's existence also demonstrates that Bapenda has sufficient institutional capacity to address immediate issues in the field, such as data manipulation and the tipping box system.

Furthermore, Bapenda has implemented procedural innovations through digital reporting and payment channel integration. These innovations make it easier for taxpayers to fulfill their obligations and demonstrate that the bureaucratic Structure is not only hierarchical but also responsive to service needs. However, weaknesses remain in inter-agency coordination, particularly with the Public Order Agency (Satpol PP) and the Licensing Office. These agencies play a crucial role in enforcing against businesses that lack a Taxpayer Identification Number (NPWPD). Unfortunately, interviews revealed that this coordination remains suboptimal. Despite being contacted, some businesses still fail to return their NPWPD forms, indicating a weak cross-sector oversight function. Without external structural support, policy implementation will be challenging in reaching uncooperative taxpayers.

5. CONCLUSION
This study aims to analyze and describe the implementation of Batu City Regional Regulation No. 4 of 2023 concerning restaurant tax, and to identify supporting and inhibiting factors in efforts to increase Regional Original Income (PAD). Based on the results of thematic analysis of in-depth interviews, observations, and documentation, the following conclusions can be drawn: The implementation of the restaurant tax policy in Batu City has been quite effective. The Batu City Government, through the Regional Revenue Agency (Bapenda), has implemented various strategies such as setting targets based on academic studies, using tapping box technology, establishing a Revenue Monitoring and Evaluation (Monev) Team, and engaging in persuasive communication with taxpayers. This implementation reflects the six indicators of the Van Meter and Van Horn model: clear policy standards and objectives, open

communication, adequate resource availability, adaptive implementer characteristics, a dynamic social environment, and a progressive implementer attitude. This study successfully explains how the restaurant tax policy in Batu City is implemented and identifies the technical and socio-political aspects that influence it. The goal of outlining supporting and inhibiting factors was also achieved through empirical data from key informants such as the Head of Bapenda, the Head of the Collection Division, and business owners from large, medium, and minor scales. A key finding of this study is the gap between potential and actual restaurant tax revenue, influenced by the suboptimal data collection and oversight of small-scale and informal restaurants, particularly in rural areas or non-central tourist locations. Furthermore, the persuasive and educational approach implemented by Bapenda has proven more effective in fostering tax compliance than coercive approaches.

These findings provide important prospects for the development of regional fiscal policies in the future, including: The potential for increasing PAD is still huge if the monitoring system is expanded digitally and location-based (geo-tagging), Cross-OPD synergy needs to be strengthened through the integration of licensing, taxation, population data and Local governments need to develop a proactive approach and community-based participatory education to reach unregistered taxpayers.

Based on the research results, conclusions, and analysis of the policy to increase Regional Original Income (PAD) through restaurant tax in Batu City, the researcher provides several strategic suggestions aimed at policy makers and related parties: The Batu City Government needs to strengthen its restaurant and food service data collection system, especially those located in tourist villages and non-central areas that are currently under-monitored. Location-based data collection (geo-mapping) and information technology will improve the accuracy of the regional tax database. The implemented tapping boxes must have an integrated, real-time monitoring system directly connected to Bapenda. Furthermore, developing a user-friendly digital reporting system for small businesses could be a step towards encouraging tax compliance.

Regional tax officials need to increase the number and competency, including training in digital technology, persuasive communication, and transaction audits. Coordination with the Licensing Office, Public Order Agency (Satpol PP), Tourism Office, and village officials must be established through an integrated forum or cross-OPD information system. Local governments must actively engage in educational outreach to restaurant businesses and small and medium-sized enterprises (MSMEs). Outreach can be conducted through social media, entrepreneurship seminars, tax training for beginners, and on-site counseling. Existing Regional Regulations can be supplemented with derivative regulations or more technical mayoral regulations (Perwali), such as incentives for compliant taxpayers, firm but fair administrative sanctions, and mechanisms for mediation and resolution of tax disputes.

The persuasive approach implemented by the Batu City Regional Revenue Agency (Bapenda) has proven successful in maintaining good business relationships and encouraging voluntary compliance. This approach needs further development by involving community leaders, restaurant business associations, and local media as outreach partners. The Batu City Government is also advised to explore the potential for new taxable entities derived from restaurant activities, such as food delivery services, collective kitchens (cloud kitchens), and app-based culinary businesses. Therefore, to increase local revenue (PAD) sustainably and equitably, the Batu City Government needs to develop comprehensive and balanced policies that balance efforts to increase tax revenue with healthy economic growth. Optimizing local potential, reforming tax governance, and enhancing the role of the tourism and MSME sectors must be implemented synergistically to support fiscal independence and sustainable regional development.

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