ANALYSIS OF THE EFFECTS OF ECONOMIC GROWTH, PER CAPITA INCOME, POPULATION, AND INFLATION ON REGIONAL TAX REVENUES IN INDONESIA 2018-2022

(Case Study: 34 Provinces in Indonesia)

ABSTRACT

There is a high gap in regional tax revenues between provinces in Indonesia. In addition, taxes are a major contributor to state revenue, so it is important to develop the right strategy to stabilize Indonesia's tax revenues. This study examined the influence of economic growth, per capita income, population, and inflation on regional tax revenues in Indonesia in 2018-2022.

This study uses a quantitative and panel data regression analysis method to test 170 secondary data from 1 dependent variable and 4 independent variables from 34 provinces from 2018 to 2022 using EViews 12 software.

The study's findings show that economic growth, per capita income, population number, and inflation rate affect regional tax revenue simultaneously. Partially, economic growth, per capita income, and population have a positive effect, while inflation has a negative impact. West Sulawesi contributed the least to tax revenue, while the province that contributed the most was DKI Jakarta. Compared to provinces on other islands, the provinces of Java contribute significantly more to regional tax collections.

***Keywords**: Regional Tax, Economic Growth, Per Capita Income, Population, Inflation*