ABSTRACT

This study aims to analyze the effect of local tax revenue and revenue from separated regional asset management on Local Own-Source Revenue (Pendapatan Asli Daerah/PAD) during the COVID-19 pandemic, the transition period, and the post-pandemic phase. The research covers 35 regencies and municipalities in Central Java Province for the period 2021–2023. A quantitative approach was employed using secondary data obtained from Audit Reports issued by the Audit Board of the Republic of Indonesia (BPK) and official publications from Statistics Indonesia (BPS). Panel data regression analysis was applied to examine the relationship between the independent variables and PAD as the dependent variable.

Data analysis was conducted through several testing stages using a panel data regression model to obtain a comprehensive understanding of the relationships among the research variables. The analysis began with descriptive statistical testing to illustrate the characteristics of the data during the pandemic, transition, and post-pandemic periods, followed by the selection of the most appropriate panel regression model using the Chow test, Hausman test, and Lagrange Multiplier test. Hypothesis testing was then performed to examine the effect of local tax revenue and revenue from separated regional asset management on Local Own-Source Revenue (PAD) in regencies and municipalities in Central Java for the period 2021–2023, resulting in empirical findings that objectively explain the relationships among the variables.

The results indicate that local tax revenue has a positive and significant effect on Local Own-Source Revenue across all observation periods. In contrast, revenue from separated regional asset management does not have a significant impact on PAD. These findings suggest that although the performance of Region-Owned Enterprises (BUMD) improved during the post-pandemic period, their contribution to PAD remains relatively limited compared to local taxes. Furthermore, the study reveals differences in PAD dynamics across the pandemic, transition, and post-pandemic periods, reflecting variations in regional fiscal adaptability in response to economic changes.

Keywords: local tax revenue, separated regional asset management, local own-source revenue, Panel data regression, COVID-19 pandemic, Central Java