ABSTRACT

Tax revenue has been a major contribution to Indonesia's Government, especially since 2000. Although tax revenue has been a main source, in the implementation there are several problems are tax ratio and tax buoyancy low, the number of realized tax revenue are smaller than the target, the fall in the percentage realized tax revenue to target and low awareness of paying taxes. To solve that problems, economic factors also need to be included in addition to see their effects to tax revenue.

The goals of this research was to analyze the effect of income per capita, inflation and openness to tax revenue. This study uses a Keynes Theory and Romer - Lucas Theory.

The data used is secondary data obtained from the Ministry of Finance of Republic of Indonesia, Central Statistics Institution and World Bank. The approach used is a Multiple Linear Regression with time series data 1984 – 2015. Dependent variable of this research is tax revenue with income per capita, inflation and openness as independent variable.

The results showed that the variable inflation negatively affects tax revenue significantly and openness positively affects tax revenue significantly. Meanwhile, variable income per capita does not have a significant effect on tax revenue.

Keywords: Tax revenue, Income per capita, Inflation, Openness