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Community Participation in the Payment of Rural and Urban Land and Building Tax (PBB-P2) in East Ratahan District

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Abstract: This study analyzes community participation in paying Rural and Urban Land and Building Tax (PBB-P2) in East Ratahan District, Southeast Minahasa Regency, using Cohen and Uphoff's participation framework (planning, implementation, benefits, and evaluation) together with compliance theory. A descriptive qualitative approach was applied, drawing on a semi-structured interview with the Sub-district Secretary, field observation, and documentation of 2025 collection data, analyzed with the Miles and Huberman interactive model. At the planning stage, the government conducts conventional and digital outreach, yet understanding of calculation and payment procedures remains uneven. At the implementation stage, participation is moderate: only 52.41% of the assessed amount (IDR 113.3 million of IDR 216.2 million) was realized, ranging from 14.00% to 100% across villages. The main obstacles are landowners living outside the area, hilly terrain, and an approximation-based (taksasi) tax assessment. Benefits are communicated through social media and village forums, and evaluation is routine within the government, but community feedback channels remain passive. Outreach to absentee landowners, more accurate assessment, and digital complaint channels are recommended.

Keywords: *Community Participation, Land and Building Tax, PBB-P2, Taxpayer Compliance, East Ratahan.*

A. INTRODUCTION

In the era of regional autonomy, local governments are required to finance development independently by optimizing Regional Original Revenue (PAD). The contribution of PAD to regency/municipal revenue in Indonesia remains around 25%–35%, meaning that many regions still depend on central government transfers (Guzali, 2025), while local taxes account for more than 70% of total regency/municipal PAD (Budie et al., 2025).

One local tax directly related to the community is the Rural and Urban Land and Building Tax (PBB-P2). Its tax objects are clearly identifiable and relatively stable, have considerable potential, and the revenue is returned to the region for development (Lubis et al., 2024).

The authority to collect PBB-P2 rests with regency/municipal governments. The basis for regional autonomy is regulated under Law Number 23 of 2014 concerning Regional Government, while the current regulation of local taxes is based on Law Number 1 of 2022 concerning Financial Relations between the Central Government and Regional Governments (HKPD), which aims to strengthen local taxation, with implementation provisions set out in Government Regulation Number 35 of 2023. With this authority, the success of PBB-P2 collection is the responsibility of local government, but it also depends on the willingness of the community, as taxpayers, to pay.

PBB-P2 realization often falls short of its target. In various regions, realization ranges from 60%–85% of the annual target, depending on the level of public compliance (Sumual et al., 2024). Factors influencing it include taxpayer awareness and understanding, perceptions

of the fairness of the Tax Object Sales Value (NJOP), service quality, sanctions, economic conditions, and government outreach (Ivon and Furqon, 2025). In East Ratahan District, Southeast Minahasa Regency, the government almost always reminds residents to pay taxes, particularly PBB-P2, during thanksgiving and bereavement gatherings. This phenomenon indicates barriers to community participation and administrative problems that affect target achievement.

Community participation in tax payment should not be understood merely as the act of paying. Arnstein (1969) describes participation as a ladder of involvement, ranging from simply receiving information to having authority in decision-making. Cohen and Uphoff (1980) detail participation in terms of the type of involvement, the parties involved, and how that involvement takes place, after previously dividing it into four stages: decision-making, implementation, benefits, and evaluation (Cohen and Uphoff, 1977). This stage-based framework is relevant to PBB-P2 because it allows researchers to identify the stages at which participation is strong and those at which it encounters obstacles.

From the perspective of taxpayer behavior, compliance is explained through two complementary approaches. The classical model of Allingham and Sandmo (1972) views compliance as a decision that considers the probability of an audit and the magnitude of sanctions, while Kirchler et al.'s (2008) slippery-slope framework emphasizes that compliance results from a combination of tax authority power (enforced compliance) and trust in the authority (voluntary compliance). These approaches show that efforts to increase revenue need to consider external factors, such as supervision and service, as well as internal factors, such as awareness and perceptions of fairness.

Previous studies have reported varying results. Lahada (2024) found that average realization reached only 64% of the target, while suboptimal participation was also reported by Nuraisyah and Haryono (2024), Kadir and Ali (2024), and Miladiah and Meirini (2023). In contrast, Agustin and Mustoffa (2023) found alignment between the number of taxpayers who paid and the target, while Putri and Khasanah (2025) emphasized the role of village officials. Other studies examined determinants of PBB-P2 payment compliance, such as awareness and outreach (Handayani and Kusuma, 2023), income and tax sanctions (Indriyanti et al., 2023), as well as awareness, outreach, and sanctions (Salsabillah et al., 2026). Most studies focus on a single village or city and on compliance in general, rather than community participation at the district level.

This research gap is evident in the data from East Ratahan District. PBB-P2 realization in 2025 reached only 52.41% of the assessment, with substantial differences among villages, ranging from 14.00% to 100%. Such a difference within one district under the same policy suggests that the issue lies not only in policy, but also in how the community is involved and the obstacles encountered at each stage. Therefore, the questions to be answered concern community participation in the planning, implementation, benefits, and evaluation stages, as well as the obstacles that cause realization to remain suboptimal.

The novelty of this study lies in its district-level examination in Southeast Minahasa Regency, combining Cohen and Uphoff's (1977) participation theory with compliance theory. This study aims to describe community participation in PBB-P2 payment in East Ratahan District across four stages—planning, implementation, benefits, and evaluation—and identify the factors influencing it. In practical terms, the findings are expected to provide input for district and regional governments in designing more targeted outreach, collection, and feedback channels. This article is organized into five sections: introduction, literature review, research methods, results and discussion, and conclusion.

B. LITERATURE REVIEW

Community participation. Cohen and Uphoff (1977) view participation as community involvement in four stages of development: decision-making, implementation, benefits, and evaluation. In the context of PBB-P2, participation in decision-making is reflected in outreach and deliberation forums discussing tax policy. Participation in implementation is reflected in taxpayers' willingness to pay on time and in the correct amount. Participation in benefits concerns the development outcomes and public services experienced by the community, while participation in evaluation concerns responses, criticism, and suggestions regarding the collection system. These four stages form a cycle: tangible benefits encourage participation in the preceding stages.

Compliance theory. Compliance is viewed as the result of interaction between internal factors (awareness, morals, and perceptions of fairness) and external factors (sanctions, supervision, and tax officer services), referring to Milgram's idea of legitimate authority (Manubulu and Hendrik, 2024). Compliance may be voluntary (voluntary compliance) or driven by the pressure of sanctions (enforced compliance) (Kirchler et al., 2008). Formal compliance refers to fulfilling administrative obligations, such as receiving a Tax Payable Notification Letter (SPPT) and paying before the due date, whereas material compliance means paying the amount actually owed (Erdi, 2024).

PBB-P2. Under Law Number 1 of 2022 concerning Financial Relations between the Central Government and Regional Governments (HKPD), PBB-P2 is imposed on land and/or buildings owned, controlled, or utilized by individuals or entities, except for plantation, forestry, and mining sectors. The tax base is the Tax Object Sales Value (NJOP), with a maximum rate of 0.5%. In Southeast Minahasa Regency, payments can be made through banks, official counters, or village officials, and taxpayers receive a Deposit Receipt (STTS) as proof of payment.

Previous studies. Qualitative studies in various regions generally conclude that participation in land and building tax payments is not yet optimal (Lahada, 2024; Nuraisyah and Haryono, 2024; Kadir and Ali, 2024; Miladiah and Meirini, 2023). Pane et al. (2025) found higher participation in urban areas than in suburban areas, where information distribution was uneven, and Putri and Khasanah (2025) demonstrated the significant role of village officials. Quantitative studies show that knowledge, service quality, and awareness have a positive effect on compliance (Sitanggang et al., 2021; Mulia and Ratnaningsih, 2024). No study has examined PBB-P2 participation at the district level in Southeast Minahasa Regency.

C. METHOD

This study uses a qualitative approach with a descriptive research design (Sugiyono, 2023) to describe and analyze community participation in PBB-P2 payment and the obstacles encountered. The research was conducted at the East Ratahan District Office, Southeast Minahasa Regency, covering ten villages: Wioi, Wioi Satu, Wioi Dua, Wioi Tiga, Wioi Timur, Pangu, Pangu Satu, Pangu Dua, Wongkai, and Wongkai Satu. The research took place from May 12 to June 12, 2026.

Primary data were obtained through a semi-structured interview with the Secretary of East Ratahan District on June 9, 2026, and non-participant observation. Secondary data consisted of PBB-P2 regulatory documents and 2025 PBB-P2 assessment and realization data from the district. The interview guide was developed based on Cohen and Uphoff's four stages of participation (planning, implementation, benefits, and evaluation) and the concepts of formal and material compliance. Data credibility was examined through technical triangulation, namely interviews, observation, and documentation.

Data analysis followed the Miles and Huberman interactive model (in Sugiyono, 2023), consisting of data collection, data reduction, data presentation, and conclusion drawing or verification.

D. RESULT AND DISCUSSION

1. PBB-P2 Realization in 2025

PBB-P2 realization in East Ratahan District in 2025 amounted to IDR 113,288,932 out of an assessment of IDR 216,178,571, or 52.41%. The highest achievement was in Wioi Village (100%) and the lowest in Wioi Tiga Village (14.00%), indicating that participation varies among villages and has not yet met the target.

Table 1. PBB-P2 Assessment and Realization by Village, 2025

Rank	Village	Assessment (IDR)	Realization (IDR)	Percentage (%)
1	Wioi	34,417,330	34,417,330	100.00
2	Wongkai Satu	23,918,609	19,396,929	81.10
3	Wongkai	24,812,132	15,362,844	61.92
4	Wioi Dua	17,212,946	8,851,374	51.42
5	Wioi Timur	6,091,863	2,830,000	46.46
6	Pangu	28,474,472	10,952,221	38.46
7	Pangu Dua	17,035,366	6,401,542	37.58
8	Pangu Satu	28,023,471	8,089,267	28.87
9	Wioi Satu	16,721,928	4,260,596	25.48
10	Wioi Tiga	19,470,454	2,726,829	14.00
Total		**216,178,571**	**113,288,932**	**52.41**

Source: 2025 PBB-P2 data, East Ratahan District.

2. Participation in Planning

The district government conducts outreach through several channels: banners at strategic locations and direct appeals during community activities, supplemented by social media to reach younger generations. The government also explains that paying PBB-P2 means that rights to land or buildings are recognized and administratively guaranteed. Village competitions assess PBB-P2 payment achievements, with awards presented during the Anniversary of the Independence of the Republic of Indonesia and the anniversary of Southeast Minahasa Regency. According to the informant, public knowledge is fairly good, but a small number of residents do not yet understand the calculation and payment procedures.

Within Cohen and Uphoff's framework, this stage corresponds to participation in decision-making. The form of involvement that is evident remains one-way: information is delivered by the government to the community, rather than through deliberation forums or input on policies such as NJOP determination. Community participation is therefore still at the level of receiving and understanding information. From the perspective of compliance theory, emphasizing legal certainty over land encourages voluntary compliance through internal factors (awareness and perceptions of fairness), while village competitions add an external factor in the form of institutional incentives. Gaps in procedural understanding may weaken awareness and, if not addressed, hinder formal and material compliance at the implementation stage.

3. Participation in Implementation

Collection is still conducted manually: village officials or village heads (hukum tua) collect payments, report them to the Head of the District Government Section, and the achievements are evaluated monthly. Reminders are delivered at residents' meetings and village events. The informant considers public compliance fairly good, but the realization data of 52.41% indicate that participation at this stage is moderate. This achievement means that the formal and material compliance of some taxpayers still needs to be improved. The hukum tua acts as the village-level tax collector, so implementation effectiveness depends on the village officials' proximity to residents, as reflected in the differences in achievement among villages in Table 1.

a. Landowners' place of residence. Some landowners in Pangu, Wioi, and Wongkai Villages live outside the area, making collection and communication difficult. This obstacle stems from limitations in tax authority supervision (an external factor), rather than low taxpayer awareness.
b. Geographical conditions. The hilly and dispersed terrain slows data collection and field verification and requires additional personnel.
c. Assessment system. Tax objects are still assessed using an approximation-based system (taksasi), so accuracy is not yet optimal. This may affect taxpayers' perceptions of fairness, an internal factor that determines material compliance.

4. Participation in Benefits

According to the informant, the benefits of tax revenue for development are communicated through the district's official social media and face-to-face forums, such as village deliberations, outreach sessions, and community meetings. The informant stated that development benefits experienced directly have a major influence on payment awareness, creating a reciprocal relationship between compliance and the quality of development. This is consistent with the principle of reciprocity in the participation-in-benefits dimension and strengthens voluntary compliance in the long term. However, if information about development achievements funded by PBB-P2 is not communicated continuously, some residents may see the results of development without realizing their connection to the taxes they pay, meaning that the reciprocal cycle is not yet fully closed.

5. Participation in Evaluation

Institutional evaluation is conducted continuously: meetings to evaluate the hukum tua are held three times each month to discuss taxpayer compliance developments in each village and seek solutions for villages with low achievement. From the community's perspective, the only available channel is a complaint box at the district office, which is passive because residents must visit in person. The district plans to establish a dedicated WhatsApp number. Expanding these channels has the potential to increase the community's sense of ownership and trust, strengthen internal compliance factors, and complete the participation cycle because feedback can inform outreach and planning for the following period.

E. CONCLUSION

Community participation in PBB-P2 payment in East Ratahan District is moderate. Realization in 2025 was only 52.41% of the assessed amount, with village-level achievement ranging from 14.00% to 100%. At the planning stage, conventional and digital outreach and village competitions have been implemented, but community involvement remains one-way and procedural understanding is uneven. At the implementation stage, the main obstacles are

landowners residing outside the area, hilly geographical conditions, and the assessment of tax objects using the approximation-based system (taksasi). At the benefits stage, the informant considers that the community experiences the benefits of development, although the connection between those benefits and tax payments needs to be communicated continuously. At the evaluation stage, government monitoring is intensive, while community complaint channels remain passive.

The regional government is advised to develop a specific strategy to reach taxpayers residing outside the area, including updating contact data and providing online payment channels; move from approximation-based assessment to a more accurate assessment method; maintain outreach throughout the year; and promptly establish a WhatsApp complaint channel. This study relies on one informant from the district government, so future research should involve a wider range of taxpayers and examine other factors such as education, income, service, and sanctions.

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