

ANALYSIS OF THE INFLUENCE OF VILLAGE ORIGINAL INCOME, VILLAGE FUNDS AND RETRIBUTION TAX SHARING ON VILLAGE EXPENDITURES IN THE GIRIWOYO SUB-DISTRICT, WONOGIRI DISTRICT, 2019-2022

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Abstract: This study aims to determine the effect of Village Original Income, Village Funds and Revenue Sharing Tax Retribution on Village Expenditure in the Region of Giriwoyo District, Wonogiri Regency in 2019-2022. This research uses quantitative research with secondary data. Data collection techniques use data collection from library studies and documentation studies, document reports on the realization of the 2019-2022 APBDes. The population was obtained from villages throughout the Giriwoyo District. The sampling technique uses saturated sampling technique. The sample used in this study is the Village Government in the Giriwoyo District area consisting of 14 Villages for 4 years, the period 2019-2022. Totaling 54 samples. Data analysis used to process research data is descriptive statistical analysis, validity test, reliability test, classic assumption test using normality test, multicollinearity test, and autocorrelation test. Testing the hypothesis using multiple linear analysis, F test, t test, and test the coefficient of determination (R²). The results of data processing using SPSS show that testing the regression model with the F test is feasible to use in this study. Then partially Original Village Income has a positive and significant effect on Village Expenditures. Village Funds have a positive and significant effect on Village Expenditures. Profit Sharing Taxes and Levies have a positive and significant effect on Village Spending.

Keywords: *Village Original Income, Village Fund, Tax and Retribution Sharing, Village Expenditures.*

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1. Introduction

The Unitary State of the Republic of Indonesia (NKRI) has a village as the smallest unit of regional administration. A group of residents who have the ability to self-regulate are within the village legal unit. The village has a unique structure based on certain origin rights to regulate government affairs and the interests of the local community in the form of the NKRI government.

In the power or privileges given to the village, the government structure is handed over to the village as an autonomous region. In accordance with the potential to achieve village prosperity and welfare, as well as the right to own property and wealth, the village has the right to manage and manage its own house. The village government system can change due to

the granting of village autonomy. Therefore, it is hoped that with the creation of village autonomy a superior government will be achieved.

Based on customary law, villages are given true autonomous rights, including the ability to manage their finances, find sources of income, and make and determine the village income and expenditure budget (APBDes). In accordance with Law Number 6 of 2014 concerning Villages, APBDes is an accountability system from village management holders that aims to inform village communities about village activities in implementing program plans financed with village assets and overseeing village finances.

Village income, village financing, and village spending are all included in the APBDes. In addition to transfer funds (village funds, village fund allocations, and district/city regional tax and retribution sharing), village income also includes village original income (results from village businesses, results from village assets, results from self-help, and other village income). Expenditure in the village varies depending on type, organization and activities.

According to Permendagri No. 113 of 2014, village spending. Expenditures for villages are allocated according to their needs, including instituting village governance and empowering villages within a predetermined timeframe. The quantity of village income must be used to adjust village expenditures. APBDes must be produced successfully, cheaply, and efficiently to prevent waste and shortages using local money. Village community needs are fulfilled as much as possible by using regional spending. The amount of village income that is managed in a transparent and fair manner affects the amount of village spending. Village Original Income (PADesa) provides the majority of village income.

Village Original Income (PAD) is income originating from the village government based on origin rights and local village-scale authority. Business results, self-help, results and involvement of assets, mutual cooperation, and other matters are all included in PADesa. In order to improve and fortify village finances in village management and development, PADesa is a source of village income. This makes it important to optimize the village's first income. If PADesa can be optimally utilized, the community will receive management and financial money, so that it can become an autonomous village and meet the needs of its public facilities. (Government of the Republic of Indonesia, 2014). In addition to PADesa, the center also provides balancing money to villages in the form of Village Funds (DD).

Village Fund (DD) is the term used to describe the village finance portion of the center. based on Village Fund Government Regulation Number 60 of 2014. In addition, villages receive cash from the State Revenue and Expenditure Budget, which is then channeled through the Regency/City Regional Revenue and Expenditure Budget to villages. Village and community growth gets first priority when local money is allocated. Tax Revenue Sharing Fund Transfers (BHPR) are also given to villages.

Based on Permendagri No. 113 of 2014. At least 10% of district/city regional tax revenues and levies are channeled by district/city governments to villages as BHPR. Once the community's source of income is known, the money is then set aside for regional spending.

However, in its implementation, there are problems that often occur, especially in villages in Giriwoyo District, Wonogiri Regency, where the amount of village funds used to finance village expenditures exceeds the village's initial income. The initial village income which is still very small when compared to the distribution of village finances, DD and BHPR is the problem.

Similar to Habibah Ummu's research (2017) which found that PADesa, ADD, and BHPR had no visible effect on village spending on education in Sukoharjo District, it is necessary to conduct a re-examination by developing additional variables that affect village spending.

Each village in the APBDes also has its own unique implementation in line with the vision and mission of its government and the goals of its respective village community, especially in terms of spending.

The amount of village income that is managed in a transparent and fair manner affects the amount of village spending. This assertion is in line with the results of research by Heri Wahyu Pinilih (2018) which found that PADesa, DD, ADD, and BHPR had an impact on village spending on infrastructure in Wonogiri Regency based on simultaneous testing. According to Suhairi (2016), village spending in Kepayang Village is significantly influenced by village income.

With regard to this phenomenon, the researcher wishes to conduct research entitled **"Analysis of the Influence of PAD, Village Funds, Tax Revenue and Village Retribution, on Village Spending in Giriwoyo District in 2019-2022"**.

2. Research Method

This research uses quantitative research with secondary data. Data collection techniques use library study data collection and documentation studies, document reports on the realization of the 2019-2022 APBDes. The population was obtained from villages throughout the Giriwoyo District. The sampling technique uses saturated sampling technique. The sample used in this study is the Village Government in the Giriwoyo District area consisting of 14 Villages for 4 years, the period 2019-2022. Totaling 54 samples. Data analysis used to process research data is descriptive statistical analysis, validity test, reliability test, classic assumption test using normality test, multicollinearity test, and autocorrelation test. Testing the hypothesis using multiple linear analysis, F test, t test, and test the coefficient of determination (R²).

3. Result and Discussion

3.1. Result

Classical Assumption testing result

a. Normality test

Table 1. Normality Test Results

	Unstandardized Residual
Kolmogorov-Smirnov	0,734
Asymp. Sig.	0,654

Source: Processed Research Data, 2023

The normality test results above show the sig. (Asymp.Sig.) of 0.654 > 0.05, meaning that the regression equation is generated by looking at the residual values of normally distributed data.

b. Multicollinerity test

Table 2. Multicollinerity Test

Variabel Bebas	<i>Tolerance</i>	<i>VIF</i>
PADesa	0,895	1,117
DD	0,896	1,117
BHPR	0,999	1,001

Source: Processed Research Data, 2023

The multicollinearity test results above show that all Tolerance values are more than 0.10 and all VIF values are less than 10, this indicates that there are no independent variables that are multicollinear.

c. Heteroscedasticity test

Table 3. Heteroscedasticity test

Variabel Bebas	<i>t</i>	<i>Sig</i>
PADesa	1,200	0,236
DD	-1,026	0,310
BHPR	1,840	0,071

Source: Processed Research Data, 2023

The results of the heteroscedasticity test above in this study showed no heteroscedasticity problems, as shown by the results of the heteroscedasticity test above in this study, which showed all $t_{count} < t_{table}$ and $sig. > 0.05$.

d. Autokorelasi test

Table 4. Autokorelasi test

<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Durbin Watson</i>
0,882	0,778	0,765	1,792

Source: Processed Research Data, 2023

The autocorrelation test above shows a Durbin Watson value of 1.792, which means there are no problems with positive or negative autocorrelation. Based on the Durbin Watson table, it is known that the dl value is 1.42 and the $4-dl$ value is 2.58, so $1.45 < 1.792 < 2.55$, or the dl dw value is $4-dl$.

e. Hypotesis Test

a. Multiple linier regresion test

Table 5. Multiple linier regresion test

Variabel Bebas	<i>Unstandardized Coefficients</i>	
	<i>B</i>	<i>Std. Error</i>
<i>Constant</i>	-27184566,19	2,797
PADesa	0,484	0,044
DD	0,046	0,022
BHPR	0,297	0,065

Source: Processed Research Data, 2023

The test results show that if the PADesa is increased, it will be able to increase village spending.

b. Test F

Table 6. Test F

Model	<i>F</i>	<i>Sig.</i>
Regression	60,718	0,000
Residual		
Total		

Source: Processed Research Data, 2023

The results of the F test calculation obtained the value of $F_{count} > F_{table}$ and $sig. < 0.05$ or $60.718 > 2.79$ and $0.000 < 0.05$, then the statement H_1 is accepted as true, so that it can be concluded that the independent variables consisting of Village Original Income, Village Funds, Tax Sharing and Levies have an effect simultaneously on the dependent variable Expenditures Village.

c. Test t

Table 7. Test t

Variabel Bebas	t_{hitung}	t_{tabel}	Sig
PADesa	11,014	2,013	0,000
DD	2,091	2,013	0,041
BHPR	4,578	2,013	0,000

Source: Processed Research Data, 2023

In the table above, the test results show that Village Original Income (PADesa), Village Funds (DD), and Tax and Retribution Revenue Sharing (BHPR) have a significant effect on Village Expenditures (BD).

d. Test of the coefficient of determination

Table 8. Test of coefficient of determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,882	0,778	0,765	2689582,550

Source: Processed Research Data, 2023

The results of the test for the coefficient of determination obtained an R Square (R^2) value of 0.778 while an Adjusted R Square value of 0.765 or 76.50%, meaning that Village Original Income, Village Funds, Tax and Levy Profit Sharing are able to influence Village Spending (BD) of 76.50 %. On the other hand, Village Expenditure is still influenced by external variables of 23.50% in addition to the variables that have been examined in this study, for example the Village Fund Allocation (ADD) variable.

3.2. Discussion

Effect of Village Original Income, Village Funds, Tax Sharing and Retribution on Village Expenditure.

The calculation of the F test produces a value of $F_{count} > F_{table}$ and $sig. 0.05$ or $60.718 > 2.79$ and $0.000 < 0.05$ which causes H_1 to be accepted, so it is concluded that village original income, village funds, tax sharing, and levies all affect village expenditure simultaneously. Permendagri No. 113 of 2014 states that village spending includes expenditures from village accounts that become village debts within one year after being budgeted and will not be returned to the village.

In particular, village spending is used to finance the administration of village government and empower village residents within a certain period of time. Regional income must be adjusted to regional expenditure. To prevent a waste of village income, the village must be able to create an effective, efficient and cost-effective income and expenditure budget.

Village income, which must be managed honestly and openly, affects how much or how little village expenditure is. Village expenditure is spent as much as possible for the benefit of the village.

The Influence of village original income on village spending.

The H3 statement is recognized as true based on the results of the t test which shows tcount of $2.091 > 2.013$ and is supported by a significance value of $0.041 < 0.05$ so it is concluded that Village Funds (DD) have a significant effect on Village Expenditures (BD). It is stated in Chapter 1 of Permendagri Number 20 of 2018 concerning Village Financial Management that income is all village income in one fiscal year that belongs to the village and does not require the village to return it.

Village Original Income (PADesa) that has a significant impact on village expenditure is money from village businesses, village wealth, self-help and participation, as well as other village original income. Village income is broken down into three categories in article 11 of Minister of Home Affairs Regulation (Permendagri) Number 20 of 2018: Original Village Income, Transfers, and Other Income.

The influence of village funds on village spending

The H3 statement was accepted based on the results of the t test which showed tcount of $2.091 > 2.013$ and supported by a significance value of $0.041 < 0.05$ so it was concluded that Village Funds (DD) had a significant effect on Village Expenditures (BD). The development and empowerment of rural communities is prioritized in the use of village funds, with the main objective being to improve living standards, reduce poverty, and improve people's welfare. Village funds are used for development, construction, procurement and maintenance in the field of village development.

Village funds are funds allocated from the State Revenue and Expenditure Budget for villages and transferred through district/city budgets and expenditures to fund village development, community development, community empowerment, and village administration. As part of the state's commitment to empower and protect villages so that they become strong, advanced, independent and democratic, the Village Law, Law Number 6 of 2014 which covers villages, is being implemented. Most of the village funds in the village are allocated or used for infrastructure and physical development.

The influence of tax and levy sharing on village spending

Taxes and Levy Revenue Sharing Funds (BHPR) have a significant effect on Village Expenditure (BD) based on the results of the t test which produces a tcount of $4.578 > 2.013$ and is supported by a significance value of $0.000 < 0.05$. According to Permendagri Number 20 of 2018, profit sharing, especially regional/regency/city tax sharing and regional levies, is a component of village income sources.

Government Regulation of the Republic of Indonesia Number 43 of 2014 determines as follows: The percentage of Regency/City Government that allocates a portion of Regency/City regional taxes and levies to Villages is at least 10% of the realization of Regency/City regional taxes and collects income. (1) Each community receives an equal share of 60%. (2) Based on the realization of regional tax revenues and levies from each Village, it shall be distributed proportionally at 40%.

4. Conclusion

Based on the results of research conducted using data from the Regional Government in Giriwoyo District, Wonogiri Regency in 2019–2022 it can be concluded as follows:

- 1) Village Original Income (PADesa), Village Fund (DD), Tax and Retribution Sharing (BHPR) simultaneously have a significant effect on Village Spending (sig. 0.000). This means that if PADesa, Village Funds, Revenue Sharing Tax Retribution increases, village expenditure on village needs increases, and vice versa if it decreases, the realization of village spending will also decrease.
- 2) Village Original Income (PADesa) partially has a significant effect on Village Expenditures (sig. 0.000). If the PADesa increases or decreases, it can affect the realization of village spending.
- 3) Village Funds (DD) partially have a significant effect on Village Expenditures (sig. 0.041). If the Realization of Village Funds experiences an increase or decrease, it can affect the realization for village spending.
- 4) Tax and Retribution Revenue Sharing (BHPR) partially has a significant effect on Village Spending (sig. 0.000). If BHPR revenues increase or decrease, it will affect village spending.

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