The Influence of Village Own – Source Revenues, Village Fund and Sharing Tax Results – Retributions on Village Expenditures (Case Study at Village in Batang District 2020)

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Abstract

This Study aims to analyze the effect of village own – source revenues, village fund and sharing tax result – retributions on village expenditures. This research was conducted in the village of Batang District with 173 village as a sample by purposive sampling. The method used by researchers is a quantitative descriptive and the type of data used based on the time of collection is cross section data. Then the data is processed using descriptive statistical analysis, multiple linear analysis and hypothesis testing. The results showed that the village own – source revenues, village fund and sharing tax result – retributions influenced village expenditures.

Keywords
Village Fund, Village Expenditures, Revenues, Retributions and Sharing Tax Result.

1. Introduction
Indonesia is a unitary state in the form of a Republic and is made up of Provinces, Regencies/Cities, Districts, Sub – Districts and Villages which are the smallest units of the government structure. Based on Law Number 6 of 2014 concerning Villages which explains that a village is a group of legal communities that have territorial boundaries and have the right to participate in government matters, the interests of the surrounding community based on community initiatives, origin rights recognized in the government of the Unitary State of the Republic of Indonesia. Batang Regency is one of the regencies/cities in Central Java, Indonesia. Based on the Batang Regency Regional Regulation Number 7 of 2004 concerning the Establishment of Batang Regency Subdistricts, the number of subs – districts in Batang Regency which was originally 12 sub – districts have changed to 15 sub – districts and 239 villages.

Village expenditure is an expenditure used for the benefit of village activities. The village expenditures in question can be in the form of village expenditures in the field of village administration, the field of implementing village development, the field of village community empowerment in the field of village community development and the field of unexpected spending. Hutami. (2017). Village expenditures in accordance with the provisions of Government Regulation Article 100 Number 47 of 2015 namely, at least seventy percent (70%) of the total village expenditure budget is used to fund village administration, implementation of village development, village community development and community empowerment. village, and at least thirty percent (30%) of the total village budget is used for fixed income and allowances for the village head and village officials, village operations, allowances and operations of the Village Consultative Body, and institutional assistance used for village operations. Village Expenditures are also part of the annual financial plan organized by the village government, village community development, village community empowerment, and implementation of village development based on Article 12 of the Minister of Home Affairs

Number 113 of 2014 concerning Village Financial Management. The use of the expenditure budget must be allocated for useful things, such as regional development.

Village Original Income is one of the incomes that meet the budget for village expenditures where the income obtained by the village itself and other things including legitimate village income include income because of cooperation with third parties as well as assistance from companies located in the village. Hoesada. (2019). In addition to what has been explained there are several things that are still included in the Village Original Income described by Hoesada (2019) including, central and regional financial balance funds received by districts/cities, central government assistance to villages, grants and non-binding donations. received by the village which is recognized as inventory and village treasury, and there is also a share of the results of local tax Retributions and district/city Retributions. In addition to Village Original Income, another source of income that can increase the budget for Village Expenditures is the Village Fund. The Village Fund is a mandate from the Law as regulated in Article 72 Paragraph 2 of Law Number 6 of 2014. Village Funds as a source of village income, the central government is obliged to allocate the Village Funds in the State Revenue and Expenditure Budget. budgeted annually. According to the Village Law, Village Funds are defined as funds sourced from the State Revenue and Expenditure Budget intended for Villages which are transferred through the Regency/City State Revenue and Expenditure Budget and are used to finance the administration of village government, implementation of village development, village development, community, and village community empowerment. Sharing the results of taxes – Retributions is also one of the incomes obtained by the village in addition to the Village Original Income from the Village Fund. With the additional income obtained from sharing the results of taxes – Retributions it is hoped that it can increase the budget for Village Expenditures and can increase village independence and increase village development.

2. Literature Review and Hypothesis Development

Based on Law Number 6 Article 71 paragraph (2) of 2014 which explains that the original income of the village consists of business results, asset results, mutual aid, self-help and participation as well as others that are included in the original income of the village. Village assets can be in the form of village cash land, customary land, village markets, animal markets, boat moorings, village buildings, fish auctions, auctions of agricultural products, village-owned forests, village-owned springs, public baths, and other assets that are ownership of the village. *Permendagri* Number 113 Article 9 of 2014 explains that village business results can be in the form of Village-Owned Enterprises or abbreviated as *BUMDesa*, the results of village wealth, the results of self-help and community participation, and other legitimate original village income. Based on Government Regulation Number 72 Article 78 of 2005 concerning Village-Owned Enterprises states that to increase the income of the surrounding community and the village, the village government has the right to establish a Village-Owned Enterprise according to the needs and potential of the village.

Village Fund According to David Wijaya (2018) is a fund obtained from the State Budget obtained to meet or meet the needs and interests of villages transferred through the State Budget in regencies/cities and is intended to finance government administration, development implementation, community development, and community empowerment. The amount of budget allocation he intended directly to the village is determined by ten percent (10%) of and outside the regional transfer fund in stages. Village funds are also explained in Government Regulation Number 47 of 2015, which is a fund sourced from the state budget intended and utilized for villages that are transferred through the Regency/City regional revenue and expenditure budget or can be called the central government, which is then used to finance government administration, development implementation, community development, and can also be used for community empowerment.

Tax Revenue Sharing – Retributions is an allocation sourced from the central government or Regency/City government to villages of at least ten percent (10%) of the realization of tax revenues – regency/city regional Retributions. This is also explained in Law Number 6 of 2014 that the revenue sharing of taxes – Retributions of regencies/cities allocates at least 10 percent (10%) to villages that will be used to finance the operational activities of the village government and village building. 60 percent of this allocation is distributed equally to all villages and the remaining 40 percent is used to proportionalism the realization of tax and Retributions revenues from villages in the Regency /City based on Wijaya's explanation (2018).

According to *Permendagri* Number 113 of Article 12 of 2014 Village Expenditure includes all expenses from village accounts which are village obligations in one fiscal year that will not be repaid by the village. David Wijaya (2018) Village expenditure is all expenditure from the village account which is a village obligation one fiscal year that will

not be repaid by the village. Village spending is used to fund the implementation of village authority. The dimensions of Village Spending are the field of village government administration, the field of village development implementation, the field of village community development, the field of village community empowerment, and the field of unexpected spending.

2.1 Hypothesis Development

In general, if the original income of the village, village funds and tax and Retributions revenues increase, the greater the budget that can be used for village expenditure. And this also applies to the opposite, that is, if the original income of the village, village funds and tax and Retributions revenues decrease, the smaller the budget that can be used for village expenditure. The above statement is in line with research conducted by Waloo Sumiati (2017) which shows that village original income, village funds and tax revenue sharing – Retributions has a significant effect on village spending.

H1	Village Original Income, Village Fund, Tax Revenue Sharing – Retributions simultaneously affects Village Expenditure in Batang Regency in 2020

The original income of the village is one of the incomes generated by the village to fund and develop the village. In addition, the original income of the village is also used for village expenditure, the higher the income obtained by the village, the level of independence of the village also increases which means that the village does not really need the regency/city government or the central government to support the income of the village. The original income of the village is also expected to provide a positive impact on village spending so that the village government can carry out development and village services better. The above statement is in line with research conducted by Waloo Sumiati (2017) which shows that Village Original Income has a significant effect on Village Spending. The village government in terms of allocating the original income of the village is still considered low for village expenditure which has a higher nominal; therefore, it is expected that assistance from the central government or local government will later realize this through village funds or from the proceeds of taxes and Retributions.

H2	Village Original Income partially affects Village Spending in Batang Regency in 2020

Village funds are obtained from the central government to be used in the implementation of government activities, the implementation of development, community development and for community empowerment. Village funds are sourced from the State Budget which is transferred through regencies/cities. With this village fund, it is hoped that it can overcome the gap that occurs between the central government and the village government in terms of development and improvement of community services and public services. The village funds obtained should also be allocated for village expenditures which are also aimed at village development and community welfare. The above statement is in line with research conducted by Waloo Sumiati (2017) which shows that village funds have a significant effect on village spending. However, even though the village has a high level of independence, there are still many priorities and directions in determining the allocation of village expenditure.

H3	Village Fund partially affects Village Spending in Batang Regency in 2020

The tax and Retributions revenue is one of the village incomes that has the potential to meet or meet the village's spending needs and can also be used or used for village development or development. In general, and overall tax and Retributions revenues have a positive effect on village spen ding because almost all villages are still dependent on those given or transferred by the central government. The above statement is in line with research conducted by Waloo Sumiati (2017) showing that Tax Revenue Sharing – Retributions has a significant effect on Village Spending. If the results of taxes and Retributions provided by the central government increase, this will also increase the potential for the village to develop, especially in the field of development and can also make the village an independent village.

H4	Tax Revenue Sharing – Retribution partially affects Village Spending in Batang Regency in 2020.

3. Methods

The purpose of this study was to determine the effect of Village Original Income, Village Funds, and Revenue Sharing Taxes - Retributions on Village Expenditures. Based on these objectives, this research was conducted descriptively quantitatively and verified. The strategy used in this research is secondary data analysis. This study obtained data to

be used from the official website of the Central Statistics Agency and then processed systematically. This study did not intervene in the data based on the unit of research analysis used, namely the group. The groups analyzed were all villages in Batang Regency for the period 2020. The type of data used in the study based on the time of collection was cross section data.

4. Data Collection

In this study, the population used were villages in Batang Regency in 2020. In this study, the research sample was all villages in Batang Regency in 2020. The technique used in sampling in this study was purposive sampling. Purposive sampling is a sampling technique that uses certain criteria based on the explanation from Sugiyono (2019). The criteria that will be used in determining the sample of this study are as follows. (Table 1)

Table 1. Sample Selection Criteria

Number	Criteria	Total
1.	All villages in Batang Regency that use the Village Revenue and Expenditure Budget and publish on the official website of the Batang Regency Central Statistics Agency in 2020.	229
2.	Incomplete data for villages in Batang Regency for analysis.	(10)
	Total Research Sample	203

5. Results and Discussion

5.1 Descriptive Statistical Analysis

Descriptive statistics are statistics that explain the object being studied through a sample without having the objective of making generally accepted conclusions. Here are the test results of descriptive statistical analysis obtained.

Table 2. Descriptive Statistical Analysis Results

	N	Minimum	Maximum	Mean	Std. Deviation
VOSR	173	15.89	19.55	17.6557	.73048
VF	173	20.35	20.84	20.4736	.09543
STRR	173	17.09	18.23	17.4045	.19459
VE	173	20.80	21.61	21.1114	.17790
Valid N (listwise)	173				

Based on Table 2, it states that the variables of original village income, village funds, tax revenue sharing – Retributions and village expenditure have an average value (mean) greater than the standard deviation value, meaning that the data do not vary or tend to be in groups.

5.2 Classical Assumption Test
5.2.1 Normality Test

Figure 1. Normality Test Histogram

Based on Figure 1, it states that the data points spread around the diagonal line and follow the direction of the line and it is stated that the data used is normally distributed and the regression model is declared to meet the assumption of normality. If using a normal graph PP – plot of regression standardized residual the results obtained visually look normal, but not necessarily statistically also look normal, therefore it is necessary to test statistically using non-parametric statistics Kolmogorov – Smirnov (K – Smirnov). The results of the non-parametric statistics kolmogorov – Smirnov (K – S) in this study can be seen as follows.

Table 3. Kolmogorov – Smirnov Test Results (K – S)

		Unstandardized Residual
N		173
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.14788242
Most Extreme Differences	Absolute	.060
	Positive	.060
	Negative	-.042
Test Statistic		.060
Asymp. Sig. (2-tailed)		.200[c,d]

    a.   Test distribution id Normal.
    b.   Calculated from data.
    c.   Lilliefors Significance Correction.
    d.   This is a lower bound of the true significance.

Based on Table 3 asymp values. Sig. (2 – tailed) of 0.200 which is greater than $\alpha = 0.05$ (0.200 > 0.05), so that the data used in this study were declared to be normally distributed and the regression model was declared to meet the assumption of normality.

5.2.2 Multicollinearity Test

Table 4. Multicollinearity Test Results

	Unstandardized Coefficients		Standardized Coefficients			Correlations			Collinearity Statistics	
	B	Std. Error	Beta	t	Sig.	Zero-order	Partial	Part	Tolerance	VIF
(Constant)	1.665	2.675		.622	.535					
VOSR	.068	.016	.279	4.131	.000	.280	.303	.264	.898	1.113
VF	.642	.123	.344	5.227	.000	.301	.373	.334	.946	1.057
STRR	.293	.061	.320	4.846	.000	.401	.349	.310	.938	1.067

Based on Table 4 of the result of the tolerance value for the original village income variable of 0.898, the village fund of 0.946, and the profit sharing of taxes – Retributions of 0.938, it can be stated that the tolerance value is greater than 0.10 (tolerance ≥ 0.10). While the value of the variance inflation factor (VIF) for the original village income variable is 1,113, the village fund is 1,057, and the tax revenue share – Retributions is 1,067, it can be stated that the value of the variance inflation factor (VIF) is less than 10 (VIP ≤ 10). Based on the results obtained after the multicollinearity test, it can be stated that the data used in this study are free or do not show the presence of multicollinearity.
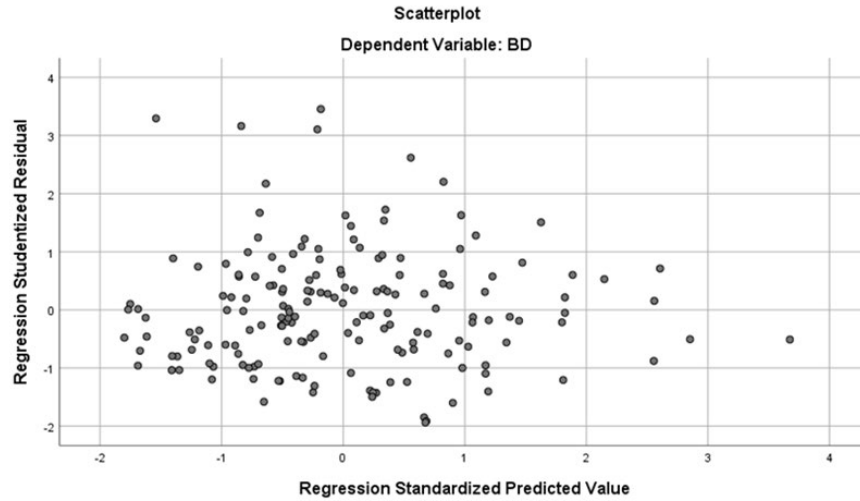
5.2.3   Heteroskedasticity Test

Figure 1. Heteroskedasticity Test Results

Based on Figure 2, it depicts the data points used in the study spreading above and below the zero points on the X-axis and Y-axis and not forming a specific pattern. Based on this, it can be concluded that there is no heteroskedasticity in the data used in the study and the regression model is included in the good category, namely experiencing homoskedasticity.

5.3 Multiple Linear Regression Test

Table 5. Multiple Linear Regression Test Results

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	sig
(Constant)	1.665	2.675		.622	.535
VOSR	.068	.016	.279	4.131	.000
VF	.642	.123	.344	5.227	.000
STRR	.293	.293	.320	4.846	.000

Based on Table 5, the equation of the multiple linear regression model can be formulated, which will explain the dependent variables used, namely village expenditure and independent variables used, namely village original income, village funds and tax – Retributions revenue sharing in villages in Batang Regency for 2020. The equation of the multiple linear regression model will be formulated as follows.

$$Y = 1,665 + 0,068PAD + 0,642DD + 0,293BHPR + e$$

Information   :
Y   =   Village Expenditures
α   =   Constant
β1 – β3   =   Regression Coefficient
PAD   =   Village Own – Source Revenues
DD   =   Village Fund
BHPR   =   Sharing Tax Results – Retributions
e   =   Error term

Based on the formulation of the multiple linear regression model, it can produce a regression equation that will be used in this study as follows.

a. The value of the constant (α) obtained is 1.665 which if the independent variable, namely the original village income, village funds, and tax revenue sharing – Retributions is in a cash state (0), then the dependent variable, namely village expenditure has a value of 1,665.

b. The value of the regression coefficient (β) obtained in the independent variable of the original village income is 0.068 and has a positive sign. If there is an increase in the independent variable of the original village income, there will also be an increase in the dependent variable of village expenditure by the value of the regression coefficient (β) which is 0.068. Assuming other independent variables, namely village funds and tax revenue sharing – Retributions are in a constant state (0).

c. The value of the regression coefficient (β) obtained in the independent village fund variable is 0.642 and has a positive sign. If there is an increase in the independent village fund variable, there will also be an increase in the dependent variable of village expenditure by the value of the regression coefficient (β) which is 0.642. Assuming other independent variables, namely the original village income and the tax revenue sharing – Retributions are in a constant state (0).

d. The value of the regression coefficient (β) obtained in the independent variable of tax revenue sharing – Retributions is 0.293 and has a positive sign. If there is an increase in the independent variable of tax revenue sharing – Retributions, there will also be an increase in the dependent variable of village expenditure by the value of the regression coefficient (β) which is 0.293. Assuming other independent variables, namely the original village income and village funds are in a constant state (0).

5.4 Hypothesis Testing
5.4.1 Coefficient of Determination (R²)

Table 6. Coefficient of Determination Test Results (R²)

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
.558	.311	.299	.14898	1.548

Coefficient of determination (R²) obtained a value of 0.299 or 29.9%. The dependent variables of village expenditure can be explained by original village income, village funds and Retributions tax revenue sharing with an amount of 29.9% and another 70.1% explained by other variables that are not explained in this research. (Table 6)

5.4.1 Simultaneous Test (Test – F)

Table 7. Simultaneous Test Results (Test – F)

	Sum of Squares	df	Mean Square	F	Sig.
Regression	1.685	3	.562	25.240	.000
Residual	3.762	169	.022		
Total	5.447	172			

Based on Table 7 the significance value of 0.000 which is smaller than 0.05 so that it can be stated that the independent variables used in the study, namely village original income, village funds, and Retributions tax revenue sharing simultaneously affect village spending in villages in Batang Regency in 2020.

5.4.2 Partial Test (Test –t)

Table 8. Partial Test Results (Test – t)

	Unstandardized Coefficients		Standardized		
	B	Std. Error	Beta	t	Sig.
(Constant)	1.665	2.675		.622	.535

VOSR	.068	.016	.279	4.131	.000
VF	.642	.123	.344	5.227	.000
STRR	.293	.061	.320	4.846	.000

a. The Effect of Original Village Income on Village Expenditure
The significance value of the independent variable of the original village income is 0.000 which is less than 0.05 (0.000 < 0.05). So, it can be concluded that H1 is accepted, which means that the independent variable of original village income partially has a positive effect on village spending. (Table 8)

b. Effect of Village Funds on Village Spending
The significance value of the independent village fund variable is 0.000 which is less than 0.05 (0.000 < 0.05). So, it can be concluded that H2 is accepted, which means that the independent village fund variable partially has a positive effect on village spending.

c. Effect of Tax Revenue Sharing – Retributions on Village Spending
The significance value of the independent variable for tax revenue sharing – Retributions is 0.000 which is less than 0.05 (0.000 < 0.05). So it can be concluded that H3 is accepted, which means that the independent variable of tax revenue sharing partially affects village spending.

5.5 Discussion of Research Results

5.5.1 The Effect of Village Original Income, Village Funds, Tax Profit Sharing – Retributions on Simultaneous Village Expenditures

The results of testing the coefficient of determination (R^2) obtained a value of 0.299 or 29.9%. This states that the dependent variable of village expenditure in villages in Batang Regency in 2020 can be explained by the independent variables of village original income, village funds and Retributions tax revenue sharing with a magnitude of 29 ,9% while the other 70.1% is explained by other variables that are not explained in this study. Based on the results of the simultaneous test (Test – F) in Table 7, it shows a significance value of 0.000 which is smaller than 0.05 so it can be stated that the independent variables used in the study are village original income, village funds, and the profit sharing of the Retributions tax has a simultaneous effect on village expenditure in villages in Batang Regency in 2020.

5.5.2 The Effect of Village Original Income on Village Expenditures Partially

Based on the results of the partial test (Test – t) it shows the significance value of the independent variable of village original income which is 0.000 which is smaller than 0.05 (0.000 < 0.05). Which means that the independent variable of village original income partially has a positive effect on village expenditure. If a village gets a high original village income, then the village expenditure that will be issued by the village will also increase.

5.5.3 The Effect of Village Funds on Village Expenditures Partially

Based on the results of the partial test (Test - t) shows the significance value of the independent variable of village funds is 0.000 which is smaller than 0.05 (0.000 < 0.05). Which means that the independent variable of village funds partially has a positive effect on village spending.

5.5.4 The Effect of Tax Revenue Sharing – Retributions on Village Expenditures Partially

Based on the results of the partial test (Test – t) it shows the significance value of the independent variable of village original income which is 0.000 which is smaller than 0.05 (0.000 < 0.05). Which means that the independent variable for the results of taxes – Retributions partially has a positive effect on village expenditure.

6. Conclusion

This study aims to determine whether the effect of village original income, village funds, and revenue sharing – Retributions on village expenditures in villages in Batang Regency in 2020. This research was conducted based on the report Village Finance obtained from the official website of the Central Bureau of Statistics of the Batang Regency Government. Based on the results of the analysis that has been done, namely descriptive statistical analysis and testing using multiple linear regression analysis models, it can be concluded that all hypotheses contained in this study are accepted.

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