Assessing the Effectiveness and Potential of Building Permit Retribution Receipts for Regional Revenue Enhancement

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Abstract

This study conducts an in-depth investigation into the efficacy of building permit retribution receipts as a means of bolstering Kendari City's regional revenue between 2018 and 2022. Additionally, the study assesses the future potential of retribution receipts generated from building permits, specifically the "*Izin Mendirikan Bangunan*" (IMB) for the period spanning 2023 to 2025 in Kendari City. Employing a quantitative descriptive research approach, the study collects data through both documentation and interviews. The findings unveil a fluctuating pattern in the effectiveness of IMB retribution receipts across different years. Notably, the years 2019 and 2020 demonstrate a high degree of effectiveness, while the years 2018, 2021, and 2022 exhibit varying levels of sufficiency, inadequacy, or even ineffectiveness. However, when considering the cumulative five-year timeframe (2018-2022), the average effectiveness of IMB retribution receipts in Kendari City registers at 90.20%, positioning it within the effective category. The potential for IMB retribution within Kendari City for the examined period of 2018-2022 is delineated through a potential matrix, positioning it within the Prima category. Furthermore, anticipations for the forthcoming triennium spanning 2023 to 2025 reveal a promising trajectory in IMB retribution receipts, denoting a positive trend characterized by successive annual increments.

Keywords: Building Permit Retribution, Effectiveness, Potential, Regional Retribution.

INTRODUCTION

Local Revenue, referred to as Pendapatan Asli Daerah (PAD) in Indonesia, constitutes a vital financial resource for regions, encompassing funds generated from diverse sources within the region's jurisdiction. These funds, collected in compliance with regional regulations and prevailing laws, encompass various local taxes, retributions, and income derived from the management of regional wealth. The region is entrusted with the responsibility of managing these resources. Among these revenue sources, local retributions, specifically the retribution from "*Izin Mendirikan Bangunan*" (IMB) or Building Construction Permits, stand as a significant component of PAD.

Local retributions are payments made for services or special permits rendered or issued by local governments. These include public service retribution, business service retribution, and specific licensing retribution, guided by Law Number 34 of 2000 on Local Taxes and Local Retributions. IMB retribution, a notable instance of local retribution, is collected by the Kendari City local government. This retribution, governed by Kendari City's Regional Regulation Number 1 of 2013, pertains to building permit issuance.

An essential factor for local financing and development, IMB retribution collections in Kendari City have consistently surpassed set targets, reflecting effective revenue management. The passage of Presidential Regulation (Peraturan Presiden or PP) Number 16 of 2021, related to Building Construction Approvals (Persetujuan Bangunan Gedung or PBG), marks a transition in regulatory nomenclature from IMB to PBG. As a consequence, local legal instruments, such as regional regulations (Peraturan Daerah or Perda), are necessary to implement PBG and related retributions.

Despite possessing a Perda on PBG, Kendari City's PBG implementation remains suboptimal. The urgency to enact this regulation is underscored by Law Number 11 of 2022, which stipulates that IMB retributions can be collected until January 5, 2024, provided PBG services adhere to the provisions of PP Number 16 of 2021.

In light of these developments, this research endeavors to evaluate the effectiveness of IMB retribution collection, particularly in the context of transitioning to PBG nomenclature. By analyzing IMB retribution collections and potential challenges, the study contributes to understanding the region's ability to enhance local retributions. The work aims to provide insights into the implications of regulatory changes on revenue collection and offer recommendations for optimizing retribution collection in Kendari City.

The conceptual underpinning of this study is anchored in the Stewardship theory, which assumes the role of the principal theoretical framework. Beyond this overarching framework, the research also integrates middle theory and ancillary theories into its analytical framework. The auxiliary theories encompass the domains of local revenue, local retribution, building permit retribution, retribution collection effectiveness, and retribution collection potential. Functioning as the intermediate theoretical construct within this context is the Public Service theory.

According to the stewardship hypothesis, managerial orientations prioritize the achievement of primary organizational objectives over individual goal attainment (Donaldson, 1989; Davis, 1991). This perspective posits a substantial interrelationship between owner satisfaction and the overarching success of the organization.

Local Revenue is defined as all fiscal rights attributed to a regional jurisdiction that augment its net financial resources within a specific budgetary timeframe, in accordance with the provisions outlined in Law Number 32 of 2004 pertaining to Regional Government. Abdul Halim (2004) characterizes Local Revenue as financial proceeds accrued to the regional administration from sources situated within its territorial purview, collected in conformity with locally promulgated regulations and in adherence to prevailing statutory directives.

Sutendi (2008) delineates retribution as pecuniary disbursements designated for the acquisition of specific services or permits, as well as services dispensed by the regional government to the benefit of individuals or entities. Retribution, in this context, signifies the financial levies imposed by the regional government for specific services or privileges that are exclusively offered and/or granted by the regional authority, as stipulated in Article 1, number 26 of Law Number 34 of 2000 concerning Local Taxes and Local Retribution.

Building permit retribution constitutes levies exacted upon proprietors intending to construct novel edifices, modify existing structures, downsize extant constructions, expand prevailing edifices, or undertake demolitions in accordance with extant legal provisions (Aritonang, 2019). The financial remittances made by individuals or organizations as compensation to the Regional Government, which in turn authorizes building permits, are denoted as "building permit retribution." The acquisition of a building permit is an indispensable prerequisite before the initiation of construction activities (Qodariah, 2020).

Effectiveness, as elucidated by Mardiasmo (2009), signifies the degree to which program outcomes align with established objectives. Furthermore, effectiveness serves as the gauge of an organization's triumph or failure in attaining its stated aims, as delineated by Ulum (2009). When an entity attains its predetermined objectives, it is deemed to operate with efficacy.

The potential is characterized as the latent strength, capacity, or force that holds the promise of development, as per the Indonesian Dictionary. In this context, potential denotes something concealed and as yet unrealized. The transformation of potential into tangible outcomes necessitates concerted effort and diligence. The latent capacity of building permit retribution to evolve into a pivotal revenue-generating sector, if managed and nurtured judiciously, embodies the inherent potential of building permit retribution.

METHODS

This study was conducted at the Office of the Investment and Integrated One-Stop Service Agency of Kendari City, located at Jl. Dr. H. Abdullah Silondae No. 8 Kendari, Southeast Sulawesi. The primary objective was to scrutinize the efficacy of building permit retribution collection. To provide an accurate portrayal of the data acquired, this research adopted a descriptive research methodology employing a quantitative approach.

Qualitative and quantitative data constitute the two categories employed in this study. Qualitative data encompassed an overview and organizational structure analysis of the Investment and Integrated One-Stop Service Agency of Kendari City. Conversely, quantitative data encompassed the goals and actualization of building permit retribution collection spanning the years 2018-2022, as well as the actualization of local retribution collection over the same period.

Data for this research was procured from both primary and secondary sources. Primary data emanated from direct interviews with informants associated with the Investment and Integrated One-Stop Service Agency of Kendari City. Secondary data, conversely, comprised information cataloged within records, documents, archives, and reports maintained by the Investment and Integrated One-Stop Service Agency of

Kendari City, the One-Stop Service, and the Local Revenue Agency of Kendari City.

We amassed data by chronicling observations and interview findings as secondary data pertinent to the Efficiency of IMB (*Izin Mendirikan Bangunan*) retribution collection at the Investment and Integrated One-Stop Service Agency of Kendari City (*Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu Kota Kendari*). The author conducted comprehensive interviews with informants through direct engagement at the Investment and Integrated One-Stop Service Agency of Kendari City (*Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu Kota Kendari*).

A quantitative descriptive analysis method was employed in this study to assess the effectiveness of building permit retribution collection from 2018 to 2022 and to project potential building permit retribution collection from 2023 to 2025.

The degree of effectiveness in building permit retribution collection was computed using the formula outlined by Abdul Halim (2014):

$$Effectiveness = \frac{local\ retribution\ collection\ realization}{Target\ local\ retribution\ collection} \times 100\%$$

For a more precise evaluation of building permit retribution collection effectiveness, the Ministry of Home Affairs Decree No. 690.900.327 of 1996, which establishes evaluation standards and financial performance criteria, was consulted:

Table 1. Classification Criteria of Effectiveness

Effectiveness Value	Criteria
>100%	VeryEffective
90%-100%	Effective
80%-90%	Sufficiently Effective
60%-80%	Less Effective
<60%	Ineffective

Source: Ministry of Home Affairs Decree No. 690.900.327 of 1996 (cited in Murniati 2017)

To forecast and assess the building permit retribution collection potential of Kendari City for the period 2023-2025, the least squares method was employed, utilizing the following equation:

$$Y = a + bX$$

Source: Sudjana (Paramita Lea Christanti 2021)

Where:

- Y = Predicted variable
- a = Constant value (a = $\Sigma Y / N$)
- b = Coefficient of linear regression direction (b = $\Sigma XY / \Sigma X^2$)
- X = Time variable (years)

The analysis of the building permit retribution collection potential for the years 2018-2022 was executed through the following stages:

- **Contribution:** The contribution of building permit retribution collection was ascertained using the formula established by Halim (2004: 163):

$$Contribution = \frac{Y}{X} \times 100\%$$

X: Realization of Building Permit Retribution Collection
Y: Realization of Local Retribution Collection
If the average contribution of building permit retribution collection exceeded the average contribution of local retribution collection, it was deemed potential. Conversely, if the average contribution of building permit retribution collection fell below that of local retribution collection, it was considered non-potential.

- **Growth Rate:** The growth rate of building permit retribution collection was calculated using the following formula (Halim 2004):

$$Gx = \frac{X_t - X_{(t-1)}}{X_{(t-1)}} \times 100$$

Gx   : Growth rate of building permit retribution collection
Xt   : Realization of building permit retribution collection in a specific year
X(t-1): Realization of building permit retribution collection in the previous year

- **Potential Matrix:** Four criteria were established for the potential matrix of building permit retribution collection (Haning and Radianto 2005):

  – Prime, if the growth rate is positive and the contribution is potential.

  – Potential, if the growth rate is negative and the contribution is potential.

− Developing, if the growth rate is positive and the contribution is not potential.

− Backward, if the growth rate is negative and the contribution is not potential.

Table 2. Building Permit Retribution Collection Potential Matrix Criteria

Growth	Contribution	
	Potential	Not Potential
Positive	Prime	Developing
Negative	Potential	Backward

Source: Haning and Radianto, 2005

Operational Definitions of Variables

1. Local retribution collection pertains to payments remitted to the local government of Kendari City or levies imposed by the Kendari City local government as obligatory fees for services rendered by the respective agency.

2. Building permit retribution collection encompasses the permit granted by the Kendari City Government for the erection of structures for personal or commercial purposes, with building permit retribution representing a local assessment earmarked for this service.

3. The effectiveness of building permit retribution collection signifies the gauge of performance in terms of realizing the targets established by the Kendari City Government for building permit retribution collection. Effectiveness is evaluated based on the extent of achievement relative to the set collection targets.

4. Potential building permit retribution collection alludes to the inherent capacity possessed by building permit retribution collection, which can serve as a source of local retribution collection for Kendari City if appropriately developed and managed. This is determined through the least squares method to formulate a trend equation and forecast future collections.

RESULTS AND DISCUSSION

Commencing with the issuance of Ministry of Home Affairs Decree No. 25 of 1998, which pertained to the establishment of one-stop licensing services within regional jurisdictions, and subsequently guided by Governor's Instruction No. 02 of 1999, a pivotal milestone was reached on November 19, 1999. This momentous occasion marked the inauguration of the Integrated One-Stop Service Unit in Kendari City, operating under the Single Roof and Single Door System, denoted as "Unit Pelayanan Terpadu Sistem Satu Atap dan Satu Pintu Kota Kendari." Notably, over the years, this institution underwent several nomenclatural transformations in 2001, 2009, and 2013.

To further align its operations with the fundamental mission of the Integrated One-Stop Service Unit (PTSP) – namely, the expeditious, facile, pragmatic, and efficient provision of licensing services to the populace – a pivotal institutional transition occurred on October 17, 2016. This transition elevated its status to that of the Department of Investment and Integrated One-Stop Service Kendari City, as mandated by Regional Regulation No. 5 of 2016. This regulatory framework laid the foundation for the establishment and organizational structuring of Kendari City's regional apparatus.

The principal objective of this research endeavor is to undertake an evaluative appraisal of the efficacy pertaining to the collection of building permit retributions within Kendari City. This investigation seeks to provide insights into the Kendari City Government's proficiency in obtaining building permit retributions, employing a performance metric rooted in the attainment of pre-established objectives or benchmarks. In essence, organizational effectiveness hinges upon the demonstrated capacity to meet or exceed these stipulated goals.

The quantification of the effectiveness in building permit retribution collection for Kendari City is delineated in the ensuing tabular representation:

Table 3. Effectiveness of Building Permit Retribution Collection in Kendari City from 2018 to 2022

Year	Target	Realization	Effectiveness (%)
2018	6.300.000.000	5.247.666.600	83,30
2019	5.300.000.000	7.605.927.986	143,51
2020	4.300.000.000	5.579.199.425	129,75
2021	7.500.000.000	5.296.527.134	70,62
2022	26.500.000.000	6.316.291.102	23,84
Average			90,20

Source: Primary data processed in 2023

Preceding the projection of building permit retribution collection for the years 2023-2025, the research encompassed an analysis of the potential

matrix pertaining to building permit retribution collection for the period spanning 2018-2022. In conducting the scrutiny of the potential matrix for building permit retribution collection within both these temporal domains, computational calculations were executed employing Microsoft Excel..

The analysis of the potential matrix pertaining to building permit retribution collection serves as a fundamental exercise aimed at classifying this collection within the delineated categories of Prime, Potential, Developing, or Backward. The categorization of building permit retribution collection into the potential segment hinges upon two crucial factors: the extent of its contribution to the local retribution collection in Kendari City and its inherent growth rate.

The designation of building permit retribution as a potential contributor is ascertained when its contribution surpasses the average local retribution collection. Conversely, it assumes the label of "not potential" when its contribution falls below the average local retribution collection. Additionally, by juxtaposing the realization of building permit retribution collection in a given year with that of the preceding year, the growth rate of building permit retribution collection is quantified. Subsequently, this data is incorporated into the matrix delineating the potential of building permit retribution collection.

The concept of potential building permit retribution collection alludes to the latent capacity inherent in building permit retribution collection, which, if appropriately harnessed and developed, possesses the potential to emerge as a pivotal source of local revenue. To conduct the quantitative evaluation and analysis of the potential building permit retribution collection for Kendari City over the forthcoming years of 2023-2025, the least squares method is employed as the chosen analytical approach.

Hereunder, a projected table has been formulated to elucidate the potential building permit retribution collection anticipated for the years 2023-2025:

Table 4. Analysis of Building Permit Retribution Collection Potential using the Least Squares Method.

Year (N)	X	Realization (Y)	x^2	XY
2017	-5	4.199.766.380	25	(20.998.831.900)
2018	-3	5.247.666.600	9	(15.742.999.800)
2019	-1	7.605.927.986	1	(7.605.927.986)
2020	1	5.579.199.425	1	5.579.199.425
2021	3	5.296.527.134	9	15.889.581.402
2022	5	6.316.291.102	25	31.581.455.510
6	0	34.245.378.627	70	8.702.476.651

Source: Primary data processed in 2023

First, the variables a and b must be calculated using the following formulas:

- $a = \Sigma Y / N$
  a = 34.245.378.627 / 6
  a = 5.707.563.105

- $b = \Sigma XY / \Sigma X^2$
  b = 8.702.476.651 / 70
  b = 124.321.095

Once variables a and b are known, the equation can be created as follows:

$Y = a + bX$
$Y = 5.707.563.105 + 124.321.095X$

Table 5. Midpoints for the Analysis of Building Permit Retribution Collection Potential from 2018 to 2022

Year	X
2023	7
2024	9
2025	11

Using the value of X inserted into the equation Y=5,707,563,105+124,321,095X, the calculation results can be seen in the equations below.

- Potential building permit retribution collection for 2023 is as follows:
  Y=5,707,563,105 + 124,321,095(7) = 6,577,810,770

- Potential building permit retribution collection for 2024 is as follows:

    Y= 5,707,563,105 + 124,321,095(9)

    =6,826,452,960

- Potential building permit retribution collection for 2025 is as follows:

    Y=5,707,563,105+124,321,095(11)

    =7,075,095,150

Local retribution in Kendari City pertains to payments made for services or specific permits extended by the local government for the benefit of individuals or entities. An endeavor to augment local retribution in Kendari City involves the optimization of retribution collection effectiveness.

Drawing upon the formula designed for computing the effectiveness of IMB retribution collection in Kendari City, the findings of this analysis are presented in the subsequent table:

Table 6. Effectiveness of IMB Retribution Collection in Kendari City 2018-2022

Year	Effectiveness (%)	Criteria
2018	83,30	Sufficiently Effective
2019	143,51	Highly Effective
2020	129,75	Highly Effective
2021	70,62	Less Effective
2022	23,84	Ineffective
Average	90,20	Effective

Source: processed primary data 2023

The data presented in the preceding table demonstrates that the effectiveness of IMB retribution collection in the years spanning from 2018 to 2022 exhibited fluctuations. Specifically, in 2018, the effectiveness stood at 83.30%, warranting classification as "sufficiently effective." Subsequently, in 2019, it surged to 143.51%, securing a classification as "highly effective." In 2020, a comparable level of effectiveness was sustained at 129.75%, maintaining the "highly effective" classification. However, in 2021, a decline ensued, with the effectiveness dwindling to 70.62%, resulting in categorization as "less effective." The decline continued into 2022, with effectiveness plummeting to 23.84%, garnering the classification of "ineffective." Nevertheless, when evaluating the collective performance over the past five years (2018-2022), the average effectiveness of IMB retribution collection in Kendari City amounted to 90.20%, firmly situating it within the "Effective" category. This aggregate outcome signifies the Kendari City government's proficiency in the collection of retributions.

The examination of the potential matrix for Building Construction Permit (IMB) retribution collection spanning the years 2018-2022 underwent a systematic analysis, involving the following procedural steps:

- Utilizing the formula designed for determining the contribution of local revenue in Kendari City, the ensuing outcomes are displayed in Table 7.

Table 7. Contribution of IMB Retributions to Local Revenue

Average Contribution to Local Revenue	3,99
Contribution of Building Construction Permit Retributions	30,24
Category of Building Construction Permit Retributions	Potential

Source: processed primary data 2023

The tabulated data elucidates that the average contribution of IMB retributions between 2018 and 2022 amounted to 30.24%. In contrast, the average contribution of all local revenue within Kendari City during the same period was 3.99%. This substantiates the classification of IMB retributions as "potential" due to their superior contribution compared to the broader local revenue.

- Employing the prescribed formula for calculating the growth rate of IMB retributions in Kendari City, the outcomes are presented in Table 8.

Table 8. Growth Rate of IMB Retributions 2018-2022 Year Gx Description

Year	Gx	Description
2018	24,95	Positive
2019	44,94	Positive
2020	(26,65)	Negative
2021	(5,07)	Negative
2022	19,25	Positive
Average	11,49	Positive

Source: processed primary data 2023

The data in the table reveals that the average growth rate of IMB retribution collection in Kendari City over the five-year period from 2018 to 2022 was 11.49%, signifying positive growth. This observation underscores the government's effectiveness in both augmenting and sustaining retribution collection.

- Analysis of the IMB Retribution Collection Potential Matrix 2018-2022

Table 9. IMB Retribution Collection Potential Matrix 2018-2022

Contribution	Growth Rate	Category
Potential	Positive	Prime

Source: processed primary data 2023

The data indicates that the IMB retribution collection potential in Kendari City from 2018 to 2022, as assessed through the potential matrix, falls within the "Prime" category. IMB retributions contributed significantly at 30.24% and were effectively collected during this period.

Utilizing the established equations, the potential of IMB retribution collection for the upcoming years, 2023-2025, is depicted in Table 10.

Table 10. IMB Retribution Collection Potential for the Years 2023-2025

Year	IMB Potential
2018	5.247.666.600
2019	7.605.927.986
2020	5.579.199.425
2021	5.296.527.134
2022	6.316.291.102
2023	6.577.810.770
2024	6.826.452.960
2025	7.075.095.150

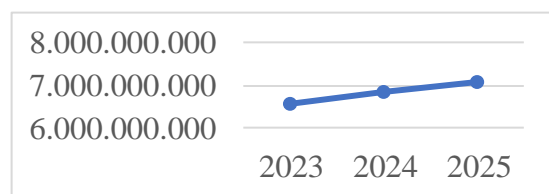Source: processed primary data 2023

Figure 1. IMB Retribution Collection Potential Chart for the Years 2023-2025

Based on Table 10, the potential of IMB retribution collection for the years 2023-2025 exhibits

an upward trajectory. In 2023, the potential IMB retribution collection amounts to Rp6,577,810,770, followed by Rp6,826,452,960 in 2024, and Rp7,075,095,150 in 2025.

To discern the trajectory of potential collection, it is vital to note that a decrease signifies a negative trend, while an increase denotes a positive trend. The tabulated data in Table 11 provides an overview of the trend tendencies.

Table 11. Trend Tendencies

Year	IMB Potential	Trend Tendency
2023	6.577.810.770	
2024	6.826.452.960	Positive Trend
2025	7.075.095.150	Positive Trend

Source: processed primary data 2023

Based on the data in the table, the potential of IMB retribution collection for the upcoming three years exhibits a positive trend, indicative of sustained growth and increasing potential.

DISCUSSION

This study delves into the effectiveness of IMB (*Izin Mendirikan Bangunan*) retribution collection in Kendari City as a means to gauge the government's success in revenue generation. It emphasizes the significance of organizations meeting their predefined goals to be considered effective. The research reveals variations in effectiveness over different years, with 2019 and 2020 showing high effectiveness, while 2018, 2021, and 2022 exhibit varying levels of effectiveness. Nevertheless, the overall average effectiveness from 2018 to 2022 stands at an impressive 90.20%, indicating the success of revenue collection efforts by the Kendari City government.

The effectiveness observed in IMB retribution collection in 2018, 2019, and 2020 can be attributed to several key factors, including active public participation in IMB processing, improved field patrol activities, and government efforts to inform the public about IMB procedures. Additionally, the success in collecting retributions for building construction permits is linked to setting realistic revenue targets, consistently surpassing them.

In contrast, 2021 saw a decrease in IMB retribution collection effectiveness due to challenges stemming from Presidential Regulation No. 16 of 2021. This regulation mandated a transition from IMB to Building Construction Approval (PBG), necessitating

the development of new regulations, taxes, and retribution schemes by local governments. This transition temporarily halted IMB issuance, leading to difficulties in adapting to the new requirements. However, efforts were made to simplify the process under new leadership.

In 2022, the study identifies the establishment of overly ambitious revenue collection targets as the primary reason for the decline in IMB retribution collection effectiveness. The research highlights a significant increase in targets compared to the previous year, resulting in challenges in achieving the collection goal. These targets were determined based on technical service expenditure, aiming to strike a balance between expenditures and revenue.

The study acknowledges the challenges faced by the Department of Investment and Integrated One-Stop Service (*Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu* or DPMPTSP) during the transition from IMB to PBG in early 2022. A technical evaluation process and transitional period were initiated, leading to a more streamlined PBG issuance process by February 2022. The active participation of the public in 2021 contributed to increased IMB retribution collection in 2022, with expectations of this trend continuing.

Furthermore, the research evaluates the potential of IMB retribution collection in Kendari City, categorizing it as highly effective. This designation underscores the city's adept management of this revenue sector, making it a substantial contributor to local revenue. Building construction permit retributions are expected to play a central role in Kendari City's locally sourced revenue, given their substantial contributions.

To harness the potential of IMB retribution collection, particularly within the Department of Investment and Integrated One-Stop Service (DPMPTSP), various initiatives have been implemented. These include improving services, enhancing field patrol activities, conducting surveys, and issuing warnings to non-compliant property owners. Additionally, outreach efforts have been launched to educate the public about the importance of obtaining IMBs and understanding the new PBG regulations.

In the context of scholarly analysis, the study employs the stewardship theory as a theoretical framework. This theory underscores the government's role as a steward entrusted with enhancing citizen welfare through effective financial management. It posits that good public service is a means to achieve societal welfare, aligning with the government's responsibility and authority in this regard.

In conclusion, this research offers a comprehensive analysis of the factors influencing the effectiveness of IMB retribution collection in Kendari City. It highlights the importance of setting realistic targets, adapting to regulatory changes, and actively engaging with the public. The stewardship theory provides a valuable framework for understanding the government's role in financial management and its contribution to societal welfare enhancement.

CONCLUSION

In conclusion, this study has provided valuable insights into the effectiveness and potential of IMB retribution collection in Kendari City. The following key conclusions emerge from our research:

1. Effectiveness of IMB Retribution Collection in Kendari City (2018-2022):

2. The analysis of IMB retribution collection effectiveness revealed a fluctuating pattern over the years under consideration. In 2019 and 2020, the collection process demonstrated a high level of effectiveness, meeting the criteria for being highly effective. In contrast, the years 2018, 2021, and 2022 exhibited effectiveness levels categorized as sufficient, insufficient, and even ineffective, respectively. Despite these variations, when considering the overall average effectiveness of IMB retribution collection in Kendari City over the five-year period from 2018 to 2022, it notably achieved an average effectiveness rating of 90.20%. This composite score unequivocally falls within the range signifying effective revenue collection efforts by the municipal authorities.

3. The potential of IMB Retribution Collection in Kendari City:

   The assessment of IMB retribution collection potential within Kendari City for the years 2018-2022, employing the potential matrix as the evaluative framework, firmly situates it within the Prime category. This designation underscores the substantial latent capacity of IMB retribution collection to make significant contributions to the city's financial resources. Furthermore, looking ahead, the trajectory of IMB retribution collection

potential for the subsequent three-year period, spanning from 2023 to 2025, indicates a positive trend characterized by consistent annual increases.

These findings collectively underscore the significance of IMB retribution collection as a vital revenue source for Kendari City. While the effectiveness may exhibit temporal fluctuations, the overall assessment indicates commendable performance in revenue collection. Moreover, the identified potential of IMB retribution collection positions it as a pivotal sector capable of further enhancing the city's fiscal sustainability in the coming years.

Based on the findings of this research, several recommendations emerge, aimed at improving the IMB retribution collection process in Kendari City and guiding future research endeavors:

1. For the Investment and Integrated One-Stop Service Agency of Kendari City:

Enhancing Field Patrol Operations: To bolster the effectiveness of field patrol operations, it is advisable to increase both the number of personnel and operational patrol vehicles. This expansion should take into account the extensive geographical area that Kendari City covers. Additionally, a careful selection process for patrol personnel, ensuring they possess the requisite qualifications and training, is crucial for efficient operations.

2. Targeted Awareness Campaigns for PBG:

Given budget constraints for outreach activities, it is recommended to initiate PBG awareness campaigns in densely populated sub-districts. This targeted approach can optimize the allocation of resources and increase the campaign's efficiency, thereby fostering greater public understanding and compliance.

3. For the Revenue Agency of Kendari City:
Diversify Revenue Sources:

Exploring the potential of currently underperforming revenue sources is essential to reduce dependence on a few key contributors to local retributions, such as Building Construction Permit retributions. Diversifying revenue sources can enhance fiscal resilience.

4. Enhance Service Quality:

To improve retribution collection and related public services, a focus on enhancing service quality is recommended. Providing efficient and user-friendly services can encourage compliance and streamline the collection process.

5. Intensify Supervision:

Strengthening supervision and oversight throughout the retribution collection and management process is crucial to ensure transparency, accountability, and the prevention of potential revenue leakages. This can involve regular audits and checks to identify and address any irregularities.

Future research in this domain should explore alternative methods for calculating potential, such as the Klassen Typology method or utilizing trend formulas available in applications like Microsoft Excel. This diversification of methodologies can provide a more comprehensive understanding of potential revenue sources.

These recommendations aim to support the continuous improvement of IMB retribution collection in Kendari City, fostering greater effectiveness and fiscal sustainability. Additionally, they provide guidance for future research efforts in this area, enabling a more comprehensive understanding of revenue collection dynamics.

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