

Effectiveness of the Civil Service Unit for Increasing Local Revenue through Local Taxes and Levies in Simalungun Regency

**Tony Gabriely Saragih^{1*}, Tunggul Sihombing²,
Simson Ginting³**

1 Author: Post Graduate Program in Public Administration Science, Universitas Sumatera Utara, Medan, Indonesia*

2,3 Lecturers: Post Graduate Program in Public Administration Science, Universitas Sumatera Utara, Medan, Indonesia

Authors' contributions

This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.

Article Information

<https://doi.org/10.70471/w10q8e77>

Received: 20/01/2026

Published: 31/01/2026

Original Research Article

Abstract

This study aims to analyze the role of the Civil Service Police Unit (Satpol PP) in increasing Local Revenue (PAD) in Simalungun Regency through the supervision of local taxes and levies. The research method used is descriptive qualitative with a case study approach. Data were collected through interviews with Satpol PP officers, officials from the Regional Finance and Revenue Management Agency (BPKPD), and business actors involved in local taxes and levies. The results show that Satpol PP plays an important role in supervising advertisement taxes and traditional market levies using both preventive and repressive approaches. The preventive approach through socialization succeeded in increasing business actors' awareness, while repressive actions such as enforcement and sanctions were applied to address non-compliance. However, challenges such as limited human resources and resistance from the informal sector to tax obligations remain major issues. This study recommends improving inter-agency coordination, enhancing human resource

*Corresponding author: Email: gabrielsaragih2@gmail.com

Cite as: Gabriel Saragih, T., Sihombing, T., & Ginting, S. (n.d.). Effectiveness of the Civil Service Police Unit (Satpol PP) in Increasing Local Revenue through Local Taxes and Levies in Simalungun Regency. *Asian Multidisciplinary Research Journal of Economy and Learning*, 3(1), 01-11. <https://doi.org/10.70471/w10q8e77>

capacity, and utilizing information technology to strengthen the effectiveness of supervision and increase PAD.

Keywords *Satpol PP, Local Revenue, local taxes, supervision, coordination, Simalungun*

1. INTRODUCTION

Local governments in Indonesia are currently facing significant challenges in optimizing Local Revenue (PAD) as a source of regional development funding. One of the key instruments used in managing PAD is the supervision of local taxes and levies, which plays a vital role in supporting the sustainability of independent regional development (Kamala et al., 2025). Simalungun Regency, located in North Sumatra Province, has considerable economic potential, yet still faces various obstacles in achieving PAD targets, particularly in the supervision of taxes and levies (BPKPD Simalungun, 2024).

One agency that plays a strategic role in supervising local taxes and levies is the Civil Service Police Unit (Satpol PP) (Yani, 2023). Satpol PP is responsible for enforcing Regional Regulations (Perda) and Regional Head Regulations (Perkada), including supervising tax and levy objects. According to data from BPKPD Simalungun Regency (2024), supervision of tax and levy objects still faces significant challenges, including low taxpayer compliance and a lack of coordination between Satpol PP and other Regional Work Units (OPD).

Local Revenue (PAD) is one of the main components in the regional financial system, reflecting the fiscal independence of a region. With the enactment of Law No. 23 of 2014 on Regional Government, regional autonomy has granted local governments greater authority to manage financial resources independently. However, despite its vast potential, Simalungun Regency still faces a gap between PAD targets and actual realization, reflecting problems in supervision and enforcement of tax obligations (Gunawan & Suebah, 2022).

Supervision conducted by Satpol PP in Simalungun Regency plays a crucial role in increasing PAD, particularly through local taxes and levies. However, in practice, the supervision carried out by Satpol PP is still constrained by several factors, such as limited human resources, budgets, and available infrastructure. This limits the effectiveness of supervision, even though Satpol PP has made efforts to enforce regulations using both preventive and repressive approaches (Rosidin et al., 2025).

One of the key aspects of Satpol PP's supervision is the enforcement of advertisement taxes and market levies (Bima et al., 2021). In Simalungun Regency, advertisement taxes and market levies are the two most significant sectors contributing to PAD. According to BPKPD data (2024), advertisement taxes account for a notable share of local tax revenue, while market levies also contribute significantly. However, the implementation of supervision in these two sectors still shows non-compliance, affecting the optimization of PAD revenue.

Supervision of local taxes and levies requires effective coordination between Satpol PP, BPKPD, and other OPDs. Good coordination ensures that supervision is comprehensive, starting from the data collection of tax objects to law enforcement for violators. However, despite efforts to improve coordination, the results have not been fully satisfactory, as reflected in the low compliance rates for market levies and advertisement taxes (Manto et al., 2025). This indicates a gap between planning and the implementation of supervision.

Sukmawati (2024) states that the role of Satpol PP in supervising local taxes and levies is not limited to law enforcement but also includes educational and preventive functions. In order to raise public awareness about the importance of tax and levy obligations, Satpol PP also adopts a persuasive approach with business actors. This approach has proven

2.2. Research setting and focus

The research is carried out in Simalungun Regency, North Sumatra, with empirical attention to PAD objects that typically require active supervision—especially advertisement tax and market levies. The study focuses on how Satpol PP coordinates with relevant OPDs (particularly BPKPD) to ensure supervision results are translated into revenue administration and realization.

2.3 Participants and sampling

Informants are selected using **purposive sampling**, targeting actor groups that sit at different points of the supervision–revenue chain: (i) Satpol PP (implementing monitoring and enforcement), (ii) BPKPD (recording and reconciliation), and (iii) business actors/levy payers (regulated parties whose compliance determines PAD inflow). Selection emphasizes **direct involvement**, **knowledge of constraints**, and **experience with compliance procedures**. A supervision practice is treated as “effective” only when these three perspectives align or when inconsistencies can be explained with credible documentary/observational evidence.

Table 1. Informant groups and analytic function

Informant group	Example roles	Why they matter	Core selection criteria
Satpol PP	Field supervisors; enforcement members	Explains how supervision is executed, what is targeted, and what constraints occur on the ground	Directly involved in monitoring/enforcement; understands routines & constraints
BPKPD	Revenue admin staff; recording/reconciliation officers	Explains how field supervision results become PAD records and whether leakage occurs in administration	Responsible for recording/verification; coordinates with Satpol PP
Business actors / levy payers	Market vendors; kiosk owners; advertisement operators	Explains compliance behaviour and real barriers (ability/willingness to pay, procedures, perceptions of fairness)	Regulated subjects; compliance experience; willing to be interviewed

2.4 Data sources and collection techniques

The study uses primary and secondary data:

- Primary data
 1. Semi-structured interviews covering: supervision planning, coordination mechanisms, compliance challenges, enforcement actions, and follow-up/corrective actions.
 2. Non-participant observation of supervision routines (particularly in market areas and other relevant tax/levy locations) and coordination activities (e.g., meetings or joint operations).
- Secondary data
 1. Official documents (PAD realization reports, supervision notes/records, relevant regulations, SOPs where available).

2. Supporting literature related to supervision, compliance, and PAD governance.

2.5 Data analysis framework and procedure

To evaluate effectiveness in a disciplined manner, analysis is anchored to the four-stage supervision model (Robbins & Coulter, 2019): setting standards → measurement → comparison → corrective action. Field evidence is coded and interpreted according to these stages to show where supervision works and where breakdowns occur. Table 2 functions as the study’s analytic spine. Coding is not done randomly; instead, each theme (e.g., low awareness, resistance, staffing limits, weak coordination, data mismatch) is placed under one of the four stages. This makes conclusions defensible: the study can pinpoint whether the weakness lies in standards, measurement/recording, cross-agency comparison, or corrective follow-up.

Table 2. Supervision model operationalisation

Stage of supervision	What is examined	Primary evidence used	Output of analysis
Setting standards	Existence/clarity of supervision standards/targets (coverage, frequency, compliance expectations)	Interview themes + SOP/regulation references	Narrative of how standards are defined and whether they are feasible
Measurement	How supervision results are detected and recorded (objects monitored, violations, compliance)	Observation notes + supervision logs (if available) + Satpol PP interviews	Description of how monitoring is executed and documented
Comparison	How field findings are matched with administrative records and PAD realization	BPKPD records + meeting notes + triangulated interviews	Identification of gaps/mismatch between field conditions and recorded revenue
Corrective action	Follow-up actions: warnings, enforcement escalation, joint operations, procedure changes	Interviews + documents + observation of follow-up	Explanation of whether corrections reduce repeated non-compliance and strengthen PAD capture

2.6 Data analysis steps

Data analysis follows descriptive qualitative procedures:

1. Data reduction: selecting and grouping interview/observation/document information that directly relates to supervision effectiveness and PAD outcomes.
2. Data display: presenting findings in a structured narrative aligned with the four supervision stages (Table 2), supported by targeted quotes and document references.
3. Conclusion drawing: identifying patterns and causal explanations for why supervision strengthens (or fails to strengthen) compliance and PAD realization.

2.7 Trustworthiness

Credibility is strengthened through:

- Source triangulation: comparing interviews, observations, and documents.
- Time triangulation: collecting information at different supervision moments to avoid relying on a single event/operation.
- Cross-actor checking: validating key claims from Satpol PP using BPKPD records and taxpayer/levy payer accounts.

2.8 Supporting PAD indicator

To provide a simple fiscal context, the study uses:

$$\text{Contribution Ratio of Local Taxes to PAD} = \frac{\text{Total Local Tax Revenue}}{\text{Total PAD}} \times 100$$

This ratio is used descriptively to show the relative contribution of local taxes to PAD during the observed period and to support interpretation when discussing supervision outcomes

3. RESULTS AND DISCUSSIONS

This study focuses on the role of the Civil Service Police Unit (Satpol PP) in increasing Local Revenue (PAD) in Simalungun Regency through the supervision of local taxes and levies. The study identifies the main activities and challenges in the supervision process carried out by Satpol PP and its contribution to the region's fiscal independence. This section presents deeper findings and analysis related to the research objectives.

3.1 Role of Satpol PP in Increasing PAD

The primary task of Satpol PP in Simalungun Regency is to enforce regional regulations (Perda) related to local taxes and levies, particularly in the traditional market and advertisement tax sectors. Satpol PP plays both a preventive and corrective role, with a primary focus on preventing tax evasion before violations occur. Coordination between Satpol PP and the Regional Finance and Revenue Management Agency (BPKPD) has proven effective in identifying tax obligations and ensuring their collection. Satpol PP mainly focuses on markets and advertisements, two sectors with significant potential for increasing PAD. Through routine inspections and integrated operations, Satpol PP directly contributes to the increase of PAD. Table 3 shows the details of the routine and incidental monitoring operations carried out by Satpol PP, including regular checks on market kiosks and monthly inspections on advertisement tax compliance.

Table 3. Satpol PP Monitoring Operations

Activity	Frequency	Focus Area
Market Inspection	Weekly	Levy on market kiosks
Advertisement Inspection	Monthly	Tax on advertisements and billboards
Incident-Based Actions	As Needed	Handling complaints or violations

3.2. Effectiveness of Preventive and Repressive Measures

Satpol PP uses both persuasive and repressive approaches in law enforcement. The persuasive measures include public education, direct communication with business actors, and issuing warnings before further actions are taken. This method has successfully fostered cooperation and compliance from business actors. However, when warnings are ignored, repressive actions such as sealing or dismantling operations are carried out. This

dual approach aligns with the compliance theory proposed by James & Alley (2002), where the presence of clear consequences encourages greater compliance.



Source: Satpol PP operational documentation/interviews

Figure 2. Inter-agency/internal coordination meeting supporting PAD supervision (Simalungun Regency).

Through interviews with Satpol PP officers, it was revealed that clear regulations and consistent law enforcement improve business actors' compliance rates. Cooperation with other agencies, particularly BPKPD, plays a vital role in ensuring that enforcement actions are based on accurate data and comply with the legal framework in place. However, the study also found that while preventive measures generally work, there are still challenges in ensuring consistent follow-up actions.

3.3 Challenges in Enforcement and Coordination

Despite numerous successes, this study identifies several challenges in the law enforcement process. Internal constraints such as limited personnel are a major issue, with Satpol PP staff often being assigned to multiple tasks. The vast area of Simalungun Regency further exacerbates this issue, making it difficult to ensure regular and thorough inspections. As revealed in the interviews, personnel are often spread across various sub-districts, and only a limited team is assigned to handle taxes and levies.

Other external challenges include resistance from business actors, particularly in the informal sector, who are less willing to comply with regulations. Low public awareness of the importance of taxes and levies also hinders the effective increase of PAD. These barriers highlight the importance of cross-sector collaboration to address resistance and improve compliance. Although Satpol PP conducts socialization efforts, these attempts have been insufficient to address the resistance encountered in the field.

3.4 Strategies to Improve Coordination and Effectiveness

One of the main findings of this study is the need to improve coordination between Satpol PP and other government agencies, such as BPKPD, in enforcing local taxes and levies. Good coordination is essential to ensure that supervision is carried out comprehensively, from identifying tax objects to enforcing legal actions against violators. Developing a better system for data sharing and real-time monitoring could help reduce issues related to inaccurate reporting or neglect of tax obligations.

Additionally, the application of technology in supervision, such as digital tracking of market transactions or advertisement registration, can increase operational efficiency. Enhancing the capacity of human resources and budgets for Satpol PP is also critical to ensure effective and thorough supervision across Simalungun Regency.

3.5 Impact of Satpol PP's Efforts on PAD

The cumulative impact of Satpol PP's efforts has resulted in measurable increases in PAD, particularly in sectors where supervision has been more consistent, such as market levies and advertisement taxes. Data from BPKPD shows an upward trend in PAD from these two sectors after Satpol PP's supervision became more intensive. The partnership between Satpol PP and business actors, supported by both persuasive and repressive approaches, has led to a better understanding of tax obligations. Table 4 below shows the increase in PAD contribution from the traditional market sector and advertisement taxes between 2022 and 2024.

Table 4. PAD realization from market levies and advertisement tax (key sectors)

Year	Market Levy (IDR)	Advertisement Tax (IDR)	Subtotal (IDR)	YoY (%)
2022	15,000,000,000	8,000,000,000	23,000,000,000	-
2023	18,500,000,000	10,500,000,000	29,000,000,000	26.1
2024	22,000,000,000	12,000,000,000	34,000,000,000	17.2

Source: BPKPD Simalungun (2024), Data realisasi PAD per sektor, 2022–2024 (internal)

Table 4 shows a positive trend in PAD contributions, particularly from market levies and advertisement taxes, which are directly influenced by Satpol PP's supervision activities. This data highlights the importance of continuous monitoring and consistent law enforcement to achieve PAD targets.

3.6 Discussion

This study demonstrates that the role of the Civil Service Police Unit (Satpol PP) is crucial in increasing Local Revenue (PAD) through the supervision of local taxes and levies in Simalungun Regency. Satpol PP is responsible not only for enforcing regional regulations (Perda) but also for overseeing various tax and levy objects, such as advertisement taxes and market levies. In carrying out supervision, Satpol PP applies two main approaches: preventive and repressive. The preventive approach, which includes socialization and education for the public and business actors regarding tax and levy obligations, has proven effective in increasing public awareness of the importance of their contribution to local revenue. Meanwhile, the repressive approach—such as enforcement and sanctions for violators—ensures that those who do not comply with the rules face appropriate consequences.

With the combination of these two approaches, Satpol PP has successfully encouraged increased compliance from taxpayers and levy payers. This aligns with findings that preventive actions are more accepted by the community, but strict law enforcement is still necessary to ensure broader compliance (James & Alley, 2002). This success is reflected in the increase in contributions from the advertisement tax and market levy sectors, each of which showed a significant rise in local revenue during the period of intensive supervision.

However, to increase the impact of supervision, several challenges must be addressed. One major challenge is the limitation of human resources at Satpol PP. With the vast and diverse area of Simalungun Regency, the limited personnel make it difficult to conduct supervision uniformly and comprehensively throughout the region. This leads to some areas, especially those in remote locations, not being optimally covered, resulting in untapped PAD potential in these areas. The limited number of personnel also affects the intensity of inspections and enforcement, meaning that some non-compliant business actors often evade supervision.

External barriers also affect the effectiveness of supervision. One such barrier is resistance from the informal sector, which is often not registered as a taxpayer or levy payer. Micro and small business actors tend to avoid tax and levy obligations due to administrative difficulties or the perceived high financial burden. Additionally, many business actors still lack understanding of the importance of contributing taxes and levies for regional development, which leads to low compliance. This indicates that supervision through only repressive approaches is not enough to address tax and levy compliance issues. Further efforts are needed to build better communication with business actors, particularly in the informal sector, through more intensive education and a more humane approach.

Moreover, to enhance the impact of supervision, inter-agency coordination needs to be strengthened. Satpol PP, as the local law enforcement agency, cannot work alone in overseeing taxes and levies. Closer collaboration with the Regional Finance and Revenue Management Agency (BPKPD), the Licensing Agency, and other relevant agencies is crucial to developing more integrated policies and ensuring comprehensive supervision. Improved coordination between Satpol PP and BPKPD will allow for more efficient data management and more targeted enforcement actions. Currently, despite coordination among OPDs, communication flow and integrated supervision systems are still weak. Therefore, developing systems that enable real-time data sharing and facilitate inter-agency interaction is essential to improving the quality of supervision.

The use of information technology is also crucial in enhancing the effectiveness of supervision. By using digital systems for tax and levy recording and monitoring, Satpol PP can access data more accurately and in real-time. Technology can help optimize the verification and reporting processes, as well as simplify the data collection of tax and levy objects that are often hidden or unidentified. The use of digital platforms or applications to monitor tax and levy compliance will greatly assist in minimizing human error and improving transparency in PAD management processes. This aligns with the findings of Mardiasmo (2013), which states that digitizing tax services can increase the efficiency of local tax and levy collection.

The implementation of more advanced technology systems not only facilitates supervision but also speeds up the tax and levy collection and reporting processes. Additionally, Satpol PP can use technology to carry out supervision more precisely, utilizing digital transaction data. By using an online reporting system, the public and business actors will be more motivated to fulfill their obligations with greater transparency, as they will know that the supervision system can now be carried out more efficiently and effectively.

4. CONCLUSION AND RECOMMENDATIONS

This study successfully identifies that the supervision conducted by the Civil Service Police Unit (Satpol PP) in Simalungun Regency regarding local taxes and levies has a significant impact on increasing Local Revenue (PAD). However, the effectiveness of this supervision is still limited by several factors, such as the limited number of personnel, low compliance rates from taxpayers and levy payers, and a lack of coordination between Satpol PP and other Regional Work Units (OPDs). These constraints indicate that, despite efforts by Satpol PP to increase PAD, structural and operational challenges still affect the results achieved.

Nevertheless, the outcomes of supervision on advertisement taxes and market levies show considerable achievements, though gaps remain that need to be addressed to maximize local revenue potential. The persuasive approach implemented by Satpol PP in supervision has a positive impact on compliance levels among business actors, although not all sectors show optimal results. Therefore, strengthening human resource capacity, improving coordination among OPDs, and utilizing technology to enhance the administration of local taxes and levies are essential to improving the effectiveness of supervision.

Recommendations

Based on the findings of this study, it is recommended that the local government of Simalungun Regency enhance the human resource capacity at Satpol PP through training

and additional personnel so that supervision can be more effective across all regions, particularly in traditional markets and advertisement areas. Improving the quality of supervision will help achieve more optimal PAD targets and ensure more accurate and fair tax and levy collection. Additionally, Satpol PP should strengthen cooperation with relevant OPDs, such as BPKPD and the Licensing Agency, to create a more integrated and systematic supervision system.

To improve compliance with tax and levy obligations, it is recommended that Satpol PP intensify its socialization and education efforts with the public and business actors regarding the importance of their contribution to PAD. By adopting a more humane and data-driven approach, public awareness of tax and levy obligations can be sustainably increased. Therefore, implementing educational programs that involve business actors directly will be highly beneficial in creating active public participation in tax and levy payments.

Moreover, periodic evaluations of the PAD management system in Simalungun Regency, including supervision and enforcement by Satpol PP, are necessary. Future research can focus on a deeper evaluation of the effectiveness of the supervision programs that have been implemented and seek solutions to the challenges faced in optimizing PAD. This evaluation will provide a foundation for developing better policies to enhance regional fiscal independence and strengthen a transparent and accountable local financial management system.

Competing Interests Disclaimer:

Authors have declared that they have no known competing financial interests OR non-financial interests OR personal relationships that could have appeared to influence the work reported in this paper.

References

- Badan Pengelola Keuangan dan Pendapatan Daerah (BPKPD) Kabupaten Simalungun. (2024). *Data realisasi Pendapatan Asli Daerah (PAD) per sektor, 2022–2024* [Unpublished internal data]. Pemerintah Kabupaten Simalungun.
- Bima, B., Ritonga, S., & Batubara, B. M. (2021). Peranan Satuan Polisi Pamong Praja Dalam Penertiban Reklame Di Kabupaten Deli Serdang. *Strukturasi: Jurnal Ilmiah Magister Administrasi Publik*, 3(2), 134–142. <https://doi.org/10.31289/strukturasi.v3i2.742>
- Gunawan, I., & Suebah, S. (2022). Pengaruh pendapatan asli daerah (PAD) terhadap pertumbuhan ekonomi di Kota Serang. *Jurnal Manajemen Dan Retail*, 2(1), 54–76. <https://doi.org/10.47080/jumerita.v2i1.1941>
- James, S., & Alley, C. (2002). Tax compliance, self-assessment and tax administration. *Journal of Finance and Management in Public Services*, 2, 27–42.
- Jubair, J., & Lasatu, A. (2025). Sosialisasi Hukum Peraturan Daerah tentang Pajak Daerah dan Retribusi Daerah di Kecamatan Lindu Kabupaten Sigi Provinsi Sulawesi Tengah. *Jurnal Abdi Masyarakat Indonesia*, 5(2), 647–654. <https://doi.org/10.54082/jamsi.1535>
- Kamala, J. I., Salsa, S. A., & Pangestoeti, W. (2025). Optimalisasi Pendapatan Asli Daerah (PAD) dalam Meningkatkan Pelayanan Publik. *Jurnal Ilmiah Ekonomi Dan Manajemen*, 3(7), 120–128. <https://doi.org/10.61722/jiem.v3i7.5789>
- Manto, N., Rahim, E. I., & Ahmad, A. (2025). Implementasi Pasal 32 Peraturan Daerah Kabupaten Gorontalo Nomor 1 Tahun 2024 Tentang Pajak Daerah Dan Retribusi Daerah. *Sinergi: Jurnal Riset Ilmiah*, 2(1), 33–44. <https://doi.org/10.62335/y2rtss89>
- Mardiasmo. (2013). *Perpajakan* (Edisi revisi). ANDI.
- Robbins, S. P., Coulter, M., & DeCenzo, D. A. (2019). *Fundamentals of management* (11th ed., Global Edition). Pearson.
- Rosidin, A., Al-Ra'Zie, Z. H., Aulia, D., & Dharmawan, A. (2025). Peran Satpol PP dalam Pengawasan Tempat Hiburan Malam dan Warung Remang di Wilayah Kabupaten Serang. *Jurnal Hukum dan Adminstrasi Publik*, 3(1), 39–50. <https://doi.org/10.61813/jhap.v3i1.155>

- Simarmata, T. H. (2023). Strategi Satuan Polisi Pamong Praja Dalam Penataan, Pengawasan, Dan Penertiban Pedagang Kaki Lima Di Kota Metro. *Jurnal Progress Administrasi Publik*, 3(1), 37–44. <https://doi.org/10.37090/jpap.v3i1.949>
- Sukmawati, S., Akbar, M. G. G., & Abas, M. (2024). Peran Satuan Polisi Pamong Praja dalam Menertibkan Pedagang Kaki Lima untuk Menjamin Ketertiban Umum di Kabupaten Karawang. *Morality: Jurnal Ilmu Hukum*, 10(1), 142–155. <http://dx.doi.org/10.52947/v10i1.675>
- Yani, A. (2023). Kewenangan Polisi Pamong Praja Dalam Penegakkan Perda Pajak Daerah Dan Retribusi Daerah. *Jurnal Esensi Hukum*, 5(1), 112–124. <https://doi.org/10.35586/esensihukum.v5i1.231>
- Zahara, N. M., Arwanda, N., Naba, M., & Khoiriawati, N. (2025). Analisis Strategi Optimalisasi Retribusi Daerah Untuk Meningkatkan Pendapatan Asli Daerah Di Era Digitalisasi Di Wilayah Jawa Timur. *Musyteri: Jurnal Manajemen, Akuntansi, dan Ekonomi*, 20(9), 21–30. <https://doi.org/10.2324/yvtgbn07>