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Tax Penalties and Compliance in Rural and Urban Land and Building Tax: A Constitutional Law Perspective on Local Revenue

Muhammad Catur Rizky¹✉, Dudit Darmawan²

^{1,2}Law Study Program, Universitas Sunan Giri Surabaya, Sidoarjo, Indonesia

✉ corresponding email: m.caturizky@gmail.com

| Article | Abstract |
|---|---|
| Keywords: PBB-P2 Fines; Taxpayers: Constitutional Law: | PBB-P2 is a type of tax that can be adjusted or changed based on rates set by the regional government based on the number of local residents (PAD) domiciled in an area. Land and Building Tax (PBB) is one of the most important components in the Indonesian tax system. This research applies normative juridical, which focuses on the analysis of positive legal norms and relevant data from Rural and Urban Land and Building Tax (PBB-P2), as well as its implications for regional tax and revenue needs. The essence of this research is that regional governments are constitutionally authorized to determine PBB-P2 fines as part of their fiscal autonomy based on Law No. 28 of 2009 concerning Regional Taxes and Regional Levies, However, due to the limited delegative authority of local governments in determining and implementing PBB-P2 taxes, there is the potential for deviation from the principle of legality. In addition, the application of fines does not fully reflect the principle of proportionality because the amount of the fine is not always proportional to the level of |
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violation committed by the taxpayer. This can also be seen in the potential for unequal treatment of taxpayers due to differences in the social and economic conditions of the community. These conditions indicate that the application of PBB-P2 fines still tends to be oriented towards increasing regional revenue, so that the function of taxes as an instrument of justice, equality, and legal certainty in a democratic state based on the rule of law has not been fully realized.



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Introduction

Several regions in Indonesia rely on the Rural and Urban Land and Building Tax (PBB-P2) as a stable component of Regional Original Income (PAD). Based on physical decentralization, PBB-P2 serves as a revenue instrument and a tool to support public service delivery, utilization research, and service renewal. A general phenomenon indicates that taxpayer compliance with PBB-P2 is significantly influenced by service design, service quality, and sanction mechanisms, particularly those related to delays or non-compliance^{1,2,3}.

The implementation of PBB-P2 fines across regions shows variation in amount, collection procedures, leniency, and enforcement. Fines are intended to create a deterrent effect and improve compliance⁴. In regions with low administrative capacity,

¹ A R Pratama et al., "Analisis Efektivitas Penerimaan, Kontribusi Dan Laju Pertumbuhan Pajak Bumi Dan Bangunan Perdesaan Dan Perkotaan (Pbb-P2) Terhadap Pendapatan Asli Daerah Dki Jakarta," *Jurnal Ilmiah Wahana Pendidikan* 11, no. 8. B (2025): 1-17. <https://jurnal.peneliti.net/index.php/JIWP/article/view/11060>

² M C Rizky et al., "Constitutional Law Adaptation in Response to Globalization and Urbanization in Contemporary Societies," *Journal of Social Science Studies* 2, no. 1 (2022): 195-200. <https://jos3journals.id/index.php/jos3/article/view/142>

³ S Suhartono et al., "The Effectiveness of Criminal Sanctions in Preventing Corruption," *A Literature Review of the Indonesian Legal System. Bulletin of Science, Technology and Society* 3, no. 3 (2024): 43-48. <https://inti.ejournalmeta.com/index.php/inti/article/view/77>

⁴ I S R Rafsanjani and Z Zulkifli, "Analisis Efektivitas Program Pengurangan Pokok Pajak Dan Penghapusan Denda Secara Otomatis Untuk Tunggakan

outdated tax databases, and less user-friendly payment services, fines can actually increase arrears and generate resistance. This disparity suggests problems with policy design and implementation at the local level^{5,6}.

The main issues that emerged were low formal (timely payment) and material (accurate payment) compliance, which impacted regional cash liquidity and budget planning. PBB-P2 arrears often stemmed from unverified taxable data, varying levels of tax awareness, and limited payment channels⁷. Unverified object-subject data, such as area, designation, ownership, and NJOP, often leads to misclassification, erroneous invoices, overlapping objects, and increases compliance costs and the potential for disputes. Variations in tax awareness are reflected in differences in fiscal literacy, perceptions of service fairness, and levels of trust in local governments, which reduce willingness to pay and encourage free-riding behavior. Limitations in payment channels, ranging from geographic reach, service hours, digital system reliability, to administrative fees, increase transaction costs and widen the access gap, especially for low-income taxpayers and those in the 3T (frontier and outermost) regions. The interaction of these three factors, combined with the design of accumulative fines and non-transparent relief procedures, leads to accumulating arrears, weakening incentives for early compliance, and reducing enforcement effectiveness. At the governance level, the

Pajak PBB-P2 Tahun 1994 Hingga 2022 Terhadap Pengurangan Piutang PBB-P2 Di Kota Yogyakarta: Efektivitas Program Pengurangan Pokok Pajak Dan Penghapusan,” *Upajiwa Dewantara: Jurnal Ekonomi, Bisnis Dan Manajemen Daulat Rakyat* 9, no. 1 (2025): 11-19. <https://doi.org/10.30738/mmud.v9i1.19297>

⁵ M C Rizky et al., “The Effectiveness of the Legal System in Guaranteeing Equal Rights of Minority Groups in Constitutional Structures,” *Journal of Social Science Studies* 1, no. 2 (2021): 193-196. <https://jos3journals.id/index.php/jos3/article/view/122>

⁶ M C Rizky and H Udjari, “Reflections on Social Welfare Theory in the Juridical Foundation of Sustainable Public Policy,” *Journal of Social Science Studies* 1, no. 1 (2021): 185-190. <https://doi.org/10.30649/htlj.v10i1.330>

⁷ A Z Rohmah and R Sulistyowati, “Evaluasi Prosedur Verifikasi Dan Validasi Objek PBB-P2 Dalam Meningkatkan Pelayanan Pajak,” *Jurnal Media Komunikasi Ilmu Ekonomi* 41, no. 1 (2024): 46-59. <https://doi.org/10.58906/melati.v41i2.203>

absence of data interoperability between sub-districts/agencies and the misalignment of central and regional regulations hinder mass updating and targeted interventions. Under these conditions, flat and accumulative fines can widen the gap between compliant and non-compliant taxpayers without addressing the root of the problem.

The next issue concerns the fairness and proportionality of sanctions. Fines that fail to take into account the ability to pay, socio-economic conditions, or disputed status of the tax object have the potential to create a disproportionate burden⁸. When procedures for objections, reductions, or waivers are unclear or difficult to access, fines lose their educational function and become administrative burdens that fuel distrust of regional tax authorities. Flat, accumulative fine provisions without an assessment of ability to pay ignore the principle of proportionality and risk pushing vulnerable taxpayers into a cycle of delinquency. The absence of differentiation based on socio-economic indicators such as informal employment status, poverty level, or post-disaster vulnerability will create regressive outcomes and deviate from the principle of distributive justice. Imposing fines on objects still under dispute or with overlapping ownership creates legal uncertainty, increases transaction costs, and potentially triggers unnecessary litigation. When procedures for objections, reductions, or waivers of fines are not standardized, transparent, and lack service channels, the corrective mechanisms that should protect taxpayers become administrative obstacles. This shifts the function of fines from educational instruments and compliance incentives to mere administrative punishment instruments, which undermine public trust in regional tax authorities. At the institutional level, weak decision documentation, inconsistent evidentiary standards, and uncertain service deadlines exacerbate information asymmetries between regional governments and taxpayers. As a result, collection effectiveness declines due to increased resistance to payment, while governance goals such as legal certainty, fairness, and accountability are not achieved sustainably.

This study was conducted in response to the need for regions to sustainably optimize their local revenue (PAD) while maintaining the legitimacy of tax policies in the eyes of citizens. Following the post-pandemic fiscal dynamics and the increasing demand for public

⁸ D G Prianti, "Hukum Kenaikan Pajak 12% Atas Barang Mewah Melalui PPnBM," *Perspektif Administrasi Publik Dan Hukum* 2, no. 2 (2025): 142–157.

services, local governments require effective yet fair and certain sanction instruments. This study will examine the contribution of PBB-P2 fines to compliance and regional revenue, providing an empirical and normative basis for evidence-based policy improvements.

From a Constitutional Law perspective, the position and authority of local governments to determine and enforce PBB-P2 fines are rooted in the principles of regional autonomy and legality. The relationship between national regulations (e.g., regional tax laws and government regulations) and regional regulations is crucial to ensure clear delegation of authority, minimum standards for protecting citizens' rights are met, and there is no disharmony in norms. The certainty of the limits of this authority determines the constitutional legitimacy of regional fines.

The implications of implementing fines on the principles of legal certainty and justice are also a major concern in the Constitutional Law system. Fines must reflect the principles of legality (a clear legal basis), proportionality (amount commensurate with the violation), and non-discrimination (equal treatment among citizens under the same circumstances)^{9,10}. Procedures that guarantee the right to be heard, access to objections, and transparency of information are a manifestation of due process in state-citizen relations at the local level.

Based on this background, the formulation of the research problem is first, what is the position and authority of the regional government to determine and apply PBB-P2 fines according to the principles of Constitutional Law, with a focus on constitutional legitimacy and regional fiscal autonomy in its interaction with national regulations; second, what are the implications of the application of administrative sanctions in the form of PBB-P2 fines on the principles of legal certainty and justice, especially regarding the fulfillment of the

⁹ C Arifin, M C Rizky, and B Handayani, "Ketentuan Sanksi Pidana Bagi Anak Yang Terbukti Melakukan Penyalagunaan Narkotika," *Jurnal Legisia* 17, no. 1 (2025): 117–129.

<https://journal.unsuri.ac.id/index.php/legisia/article/view/613>

¹⁰ M C Rizky and D Darmawan, "The Role of Registered Certificate (SKT) as an Instrument of Legal Protection in Indonesian Tax Administration," *International Journal of Health, Economics, and Social Sciences (IJHESS)* 7, no. 3 (2025): 1204–1209. <https://doi.org/10.56338/ijhess.v7i3.8108>

principles of legality, proportionality, and non-discrimination in the relationship between the state and citizens.

Theoretically, this research is expected to enrich the body of knowledge on fiscal constitutional law and regional taxation by bridging normative analysis and empirical evidence of compliance. Scientific contributions are expected to strengthen the concept of regional authority in taxation, operationalize the principle of proportionality in administrative sanctions, and integrate a risk-based compliance approach into regional taxes.

Method

This research uses a normative juridical methodology (doctrinal legal research) that focuses on the analysis of positive and legitimate norms relevant to the Rural and Urban Land and Building Tax (PBB-P2) and its implications for taxpayers and regional income. The methods used include: a conceptual approach to legal principles (legality, proportionality, non-discrimination, and due process); and laws that establish the hierarchy of statutory regulations (the 1945 Constitution, Laws, Government Regulations, and Regional Regulations).^{11,12,13}

The legal materials analyzed consisted of: (a) primary legal materials, namely the 1945 Constitution, Law Number 1 of 2022 concerning financial relations between the central government and regional governments (HKPD Law), Law Number 12 of 2011 concerning the formation of statutory regulations as amended by Law 13/2022, Government Regulation Number 35 of 2023 concerning general provisions on regional taxes and regional levies, as well as relevant regional regulations regarding PBB-P2 and its sanctions; (b) secondary legal materials in the form of legal research methodology books, tax/state administration law literature, and articles in academic journals; and (c) legal materials such as encyclopedias and legal dictionaries. Regional governments and the official legal documentation and information network (JDIH) document search,

¹¹ P M Marzuki, *Penelitian Hukum*, Edisi Revisi, Cetakan Ke-12 (Jakarta: Kencana, 2016).

¹² J Ibrahim, *Teori Dan Metodologi Penelitian Hukum Normatif* (Malang: Bayumedia Publishing, 2006).

¹³ S Soekanto, *Pengantar Penelitian Hukum* (Jakarta: UI-Press, 2010).

namely how the material was collected, court decision directories, and academic publisher databases. Inclusion criteria included recency, source authority, and direct relevance to the issue of PBB-P2 fines, regional authority, and the principles of Constitutional Law.

Qualitative-normative approach analysis with deductive reasoning to assess the suitability of PBB-P2 fines with legality, proportionality, and non-discrimination; equipped with vertical-horizontal alignment tests between the HKPD Law, implementing PP, and Perda (regulations, decisions, literature). The results are analyzed in two main themes, namely the position/authority of the region and the implications of sanctions on legal certainty and justice with the recognition of the limitations of the absence of field data so that the recommendations are normative-analytical and ready to be tested in further empirical studies^{14,15}.

Result and Discussion

A. The position and authority of regional governments to determine and implement PBB-P2 fines based on the principles of Constitutional Law

One of the most important components of Indonesia's political system is the Land and Building Tax (PBB), which offers several benefits to the state and its citizens. For the state, the PBB serves as a research tool that can be used to support infrastructure development, public projects, and social programs. Conversely, the PBB helps the general public improve the quality of the environment and public facilities, such as roads, schools, and parks. The PBB's function goes beyond simply increasing national income; it also raises public awareness of the importance of a healthy and orderly lifestyle and encourages efficient and responsible land and building use¹⁶.

¹⁴ Soekanto.

¹⁵ Marzuki, *Penelitian Hukum*, Edisi Revisi, Cetakan Ke-12.

¹⁶ M W Agustin and A F Mustoffa, "Analisis Partisipasi Masyarakat Dalam Membayar Pajak Bumi Dan Bangunan (Studi Kasus Desa Puhpelem)," *Owner: Riset Dan Jurnal Akuntansi* 7, no. 3 (2023): 1919–1929. 10.33395/owner.v7i3.1574

Funding sources for regional government spending are divided into three broad categories, as follows:

1. Regional Original Revenue (PAD), which consists of:
 - a. Taxes imposed by the region
 - b. Levies on services within the jurisdiction of the regional government
 - c. Profits from regionally-owned enterprises
 - d. Other regional original revenue such as interest on investments;
2. Central government transfers, in the form of distributions from:
 - a. Revenue Sharing Funds (DBH),
 - b. General Allocation Funds (DAU),
 - c. Special Allocation Funds (DAK),
3. Loans.

Regional Original Income (PAD) is a form of tax revenue obtained by a region based on regional laws and regulations. Regional taxes are mandatory contributions paid by individuals and business entities to the regional government, without any comparable direct compensation, and are enforceable under statutory provisions. These contributions serve as a source of funding for the implementation of government and regional development. Article 2 of Law Number 28 of 2009 stipulates 16 types of regional taxes, 11 of which are district or city taxes, and 5 are provincial taxes. In addition, there are 31 types of statutory levies that give regional governments the authority to determine their rates.

Land and Building Tax (PBB) rates are determined based on the Taxable Object Sales Value set by the regional government, and its collection is the authority of the local regional government. This is in line with the provisions of Articles 18, 18A, and 18B of the 1945 Constitution of the Republic of Indonesia, which emphasize that regional governments are granted the broadest possible autonomy

within the framework of the Unitary State of the Republic of Indonesia, except for certain matters that are the authority of the central government. Through the implementation of decentralization and regional autonomy, each region has the freedom to organize and administer its own government more independently and efficiently, including utilizing one of its potential revenue sources, namely regional taxes.

PBB-P2 is a regional tax known for its ownership or use on buildings and land, particularly for mining, forestry, and plantations. This tax subject is an individual or legal entity authorized to profit from the land and buildings. Initially, the administration and development of PBB-P2 were carried out by the central government, but the revenue was handed over to regional governments. Since 2010, the authority to collect PBB-P2 has been officially transferred to regional governments. This transfer of authority provides additional fiscal space for regional governments, while remaining within the framework of delegative national regulations.

The background and main reasons for the transfer of PBB-P2 to local governments and becoming a regional tax can be explained through several considerations: first, theoretically, PBB-P2 is a tax that has the characteristics of a local tax with a fixed or non-movable object, and there is a direct link between the party paying the tax and the party receiving the benefits from the collection results, in accordance with the benefit tax link principle. Second, the expansion of PBB-P2 to the regions is expected to increase Regional Original Income (PAD) and improve the structure of the Regional Revenue and Expenditure Budget (APBD). Third, this policy also aims to increase transparency in the tax collection process and encourage accountability. Fourth, international practice shows that PBB-P2 is generally included in the category of regional taxes in many countries.

In this way, regional fiscal authority can still be monitored, does not conflict with national interests, and aligns with the principles of fiscal decentralization, including the following:

1. Money follows function, meaning fiscal authority must be balanced with government authority;
2. Adequacy & elasticity, meaning regional governments must be adequate and adapt to needs; and
3. Accountability & transparency, meaning tax levies or fines must be legally clear and accountable.

Based on this principle, fiscal decentralization is a tool used by the government to direct construction projects aimed at improving the regional and national economy. In Indonesia, fiscal decentralization places greater emphasis on spending through transfer funds. In state administration, decentralization is crucial for achieving one of its primary goals: increasing public participation and developing more democratic decision-making methods. Through this process, regional governments can assess their respective national needs and priorities to accommodate diverse interests and ensure that decisions are more in line with community aspirations. However, in practice, regional autonomy is often misinterpreted as simply "automoney," prompting regions to devise various new funding schemes to cover the costs arising from the transfer of authority from the center to the regions.

Through these policies, the Central Government is able to implement regional regulations regarding PBB-P2 or the taxes applied. First, Minister of State Decree Number 43 of 1999 which regulates the System and Procedures for the Implementation of Regional Taxes, Regional Levies, and Other Revenue Receipts. In addition, Minister of State Regulation No. 53 of 2007 discusses the monitoring mechanism for Regional Regulations and Regional Head Regulations. Third is Minister of State Decree Number 41 of 2001 which focuses on regional law enforcement. Fourth, Ministerial Decree Number 27 of 2002, which contains information regarding regional tax costs. Fifth, Minister of State Decree Number 36 of 2002 which determines the allocation of regional tax collection costs for the younger generation. In conclusion, Minister of Home Affairs Regulation No. 56 of 2010 is an amendment to Minister of Home Affairs Regulation No. 57 of 2007 concerning the technical requirements for village administration.

B. Implications of the application of administrative sanctions in the form of PBB-P2 fines on the principles of legal certainty and justice

In the Indonesian tax system, administrative sanctions serve as a law enforcement tool outside the realm of criminal law, aimed at increasing voluntary taxpayer compliance. Through the self-assessment mechanism, each taxpayer is given full authority to calculate, pay, and report their tax obligations independently¹⁷. Therefore, the application of administrative sanctions plays a crucial role in creating a deterrent effect on taxpayers, such as those who commit late tax payments, errors in reporting, or other forms of negligence.

There are two tax sanctions in Indonesia, developed by the Directorate General of Taxes. The two most frequently cited types of sanctions are administrative and criminal. Administrative sanctions impose a monetary loss on the state. As stated in tax law, administrative sanctions are imposed when applied to taxpayers for a specified period. Administrative sanctions in legislation relate to compliance with norms expressed in the form of prohibitions, orders, or obligations. Without accompanying sanctions, these norms are difficult to enforce effectively. In tax law, administrative sanctions are imposed to recover state losses and can take the form of fines, interest, or an increase in the amount of tax owed. These sanctions apply to violations that do not constitute tax crimes. Under Indonesian tax law, there are three types of administrative sanctions:

1. Administrative fines, imposed on taxpayers who violate tax law.
2. Interest penalties, which include:
 - a) This payment is made voluntarily without issuing a tax assessment letter. Interest is paid using a Tax Payment Slip. Interest penalties include interest on corrected Annual Tax Returns, interest on installment or late payments, interest on late payments, and interest on the difference between the actual tax payable and the provisional tax amount.
 - b) Interest on collection for failure to pay on time.

¹⁷ N P P Sari, I M Sudiartana, and N.L.G.M. Dieriyani, "Pengaruh Keadilan Pajak, Sistem Perpajakan, Tarif Pajak Dan Sanksi Perpajakan Terhadap Persepsi Wajib Pajak Badan Mengenai Etika Penggelapan Pajak," 2021.

- c) Interest on tax assessments, stated in the tax assessment letter for additional tax principal, up to a maximum of 24 months.
- 3. Tax increases, which are the most feared penalty. If imposed, the tax payable can double. Tax increases are calculated as a percentage of the unpaid tax. Generally, they are imposed on taxpayers who fail to provide the information necessary to correctly calculate the tax payable.

In practice, administrative sanctions for late payments or the amount of PBB-P2 arrears are set at 2% per month. This is what must be considered first if the tax obligation is to pay Rural and Urban Land and Building Tax (PBB-P2), while non-essential tax obligations may not be fulfilled because they are not mentioned in the Regional Tax Bill on Rural and Urban Land and Building Tax (PBB-P2). To understand these tax sanctions, taxpayers must submit a request for information to the Regional Finance Agency regarding their payment status. Thus, the arrears will not automatically be known by the Taxpayer himself, indicating that there will be new things to understand when the Taxpayer still requires administrative services related to PBB and BPHTB at the Regional Finance Agency. The first thing to note is that if the tax obligation is to pay Rural and Urban Land and Building Tax (PBB-P2), then less important tax obligations cannot be ignored because they are not mentioned in the Regional Tax Bill on Rural and Urban Land and Building Tax (PBB-P2). To understand these tax sanctions, taxpayers must provide information to the Regional Finance Agency regarding their payment status. Therefore, arrears are not automatically understood by the taxpayer themselves, indicating that there will be new aspects to understand when the taxpayer still requires administrative support regarding the PBB and BPHTB at the Regional Finance Agency. This means that arrears are not automatically known to the taxpayer themselves, but only when the taxpayer directly inquires or requires administrative services related to the PBB and BPHTB at the Regional Finance Agency. Consequently, the imposition of administrative sanctions for late or non-payment of Rural Land and Building Tax for taxpayers who have not made payments and have never dealt with these services is ineffective, resulting in arrears continuing to accumulate and being recorded as Regional Government Receivables each year.

Research conducted by Sari¹⁸ showed that administrative sanctions have no direct impact on increasing tax revenue, unlike audit and collection mechanisms. These findings emphasize that administrative sanctions must be accompanied by active and coercive law enforcement measures. In other words, sanctions alone are insufficiently effective without strict oversight and firm action from the tax authorities. Normatively, regulations regarding administrative sanctions are contained in the Law on General Provisions and Tax Procedures (UU KUP), specifically Articles 13, 14, and 15. However, the extent to which these provisions are effectively implemented in practice remains to be seen. Without consistent law enforcement and a sound understanding from taxpayers, these regulations have the potential to lose their binding force¹⁹. Therefore, evaluating the application of administrative sanctions is crucial to truly support the achievement of the objectives of tax law, namely fairness, certainty, and benefit. From a positive Indonesian legal perspective, administrative sanctions have a strong normative basis, with provisions regarding fines, interest, and tax increases clearly stipulated in Law Number 6 of 1983 concerning the General Taxes and Tax Procedures (KUP), which has been amended several times. Within the legal framework, administrative sanctions serve a dual function: as a means of prevention and enforcement in maintaining orderly tax law.

Legal certainty is one of the main foundations in the concept of a state based on law, and its existence is always needed. This is emphasized in Article 28D Paragraph 1 of the 1945 Constitution, which states: "Everyone has the right to recognition, guarantees, protection, and certainty of fair law and equal treatment before the law." This provision shows that the law must be enforced consistently and cannot be separated from the principle of justice. Thus, legal certainty needs to be understood not only as compliance with written norms, but also as a part that is always in line with the value of justice. Furthermore, Article 23A of the 1945 Constitution of the Republic of

¹⁸ Sari, Sudiartana, and Dieriyani.

¹⁹ M N Arifyanto, "Politik Hukum Pengaturan Prinsip Self Assessment System Atas Cara Pelaporan Harta Kekayaan Wajib Pajak Dalam Undang-Undang Ketentuan Umum Dan Tata Cara Perpajakan," *Jurnal Hukum Bisnis Bonum Commune* 4, no. 1 (2021). <https://doi.org/10.30996/jhbdc.v4i1.4319>

Indonesia also emphasizes that taxes and other compulsory levies for state purposes must be regulated by law.

This explains that several aspects of tax law need to be included in existing agreements, specifically: First, a tax legal system that identifies taxable objects and subjects to determine the tax base, rates, and tax administration. Second, the basis for the government's tax collection authority, which includes the bestuur (legal title). Third, a legal relationship exists between taxpayers and collectors, which provides a sense of security and obligation to the state and its citizens. There is law enforcement through the application of administrative and criminal sanctions. Fifth, legal protection is outlined in various documents.

However, revenue effectiveness essentially refers to the monetary resources earned by taxpayers, both domestically and abroad, which are used to meet daily living needs or increase personal assets²⁰. The level of income does not necessarily affect the application of tax sanctions. If taxpayers violate applicable provisions or fail to follow procedures correctly, they will be subject to sanctions. Administrative sanctions can take the form of fines, penalties, or criminal penalties²¹.

Conceptually, the term income can be interpreted as compensation or reward, whether from primary or secondary employment. This income level also influences taxpayers' willingness to voluntarily fulfill their obligations. Furthermore, for those with a strong sense of nationalism, tax compliance is viewed as a form of responsibility, not solely determined by the amount of income. Therefore, compliant taxpayers are less likely to encounter obstacles in fulfilling their obligations.

Conclusion

The conclusions that can be drawn from this research are: first, regional governments do have the constitutional authority to set PBB-

²⁰ A Mukkaromah, "Memahami Konsep Pajak Penghasilan Di Indonesia," 2018, <https://news>.

²¹ W Nafiah and P M R Stirk, "Pengaruh Sanksi Pajak, Kesadaran Pajak, Dan Kualitas Pelayanan Pajak Terhadap Kepatuhan Wajib Pajak Dalam Membayar Pajak Bumi Dan Bangunan (Studi Kasus Pada Kecamatan Candisari Kota Semarang Tahun," 2018.

P2 fines as part of their fiscal autonomy. However, this authority is not absolute, but rather delegative and limited by the principles of the rule of law. Therefore, the constitutionally valid application of PBB-P2 fines must be derived from statutory provisions (explicit delegation), followed up by regional regulations, and not conflict with the principles of a unitary state and national fiscal uniformity.

Second, to be valid and fair, the imposition of fines must comply with various principles, namely legality, proportionality, and non-discrimination. This ensures that the implementation of fines is not merely a formality in the relationship between the state and its citizens. This balance is achieved between regional fiscal interests and the protection of citizens' constitutional rights, ensuring that taxes serve not only as an instrument of regional revenue but also as an instrument of justice and legal certainty in a democratic state governed by the rule of law.

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