

ABSTARCT

(DUDUNG B SUPARDI, NIM 986 11 0067, Analisis of Tax Elasticity at Purwakarta Regency)

To explore fluctuation of local government income, mainly taxes revenues in the era of decentralization fiscal (autonomy) at Purwakarta Regency. We observe the tax elasticity at Purwakarta regency. The objective of this study is to get some information about 1) taxes sources of local government 2) the relationship between the response of taxes revenues and economy activity in local area and 3) the ability of local government to realize taxes revenues based on the potential targeted.

This empirical study is using secondary data published by the related institutions relevant to the objective study. Meanwhile, the instruments of the analysis used are the linear regression model, and some significance test like a *t* Test and *F* Test.

The conclusion of this study are :

The results of *t* Test and *F* Test indicates that the economy activity has a significant influence on PAD, and coefficient of determination informed that economy activity has determined 61,3 % and the other factors was 38,7 %. Meanwhile, the economy activity has determined 32,9 % to the taxes revenues, and 67,1 % was influenced by the other factors.

The capacity of taxes revenues at Purwakarta regency significantly influenced by the previous year of taxes revenues, although the capacity of previous year, partially has not influence significant to the enhancement of taxes capacity. Such was the case, simultaneous test indicates that influence relatively was small.

The taxes efforts of Purwakarta regency was analyzed during the last ten years indicates the fluctuation was influenced by some factors, among other things are :

- The change of financial policy especially in tax policy
- The fluctuation of financial situation, as well as financial crisis or inflation.