

The Impact of Market Service and Recreational Levies on Regional Revenue: Empirical Evidence from Central Java, Indonesia

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Abstract

This study aims to determine how market service levies and levies on recreation and sports venues affect local original income in five districts within the Central Java Province between 2017 and 2022. This study employs a quantitative methodology and uses secondary data, specifically the budget realization report from the Central Java Province. Six cities and 29 districts made up the study's population. In order to get 30 pieces of research data, the study sample collected data from 5 districts in the Central Java Province between 2017 and 2022. The analytical techniques employed include multiple linear regression analysis, traditional assumption testing, and descriptive statistical analysis. Using the Eviews Version 12 Software test tool, hypothesis testing employed the t test and coefficient of determination (R²). According to the study's findings, Original Regional Income in five Central Java Province districts increased due to Market Service Retributions between 2017 and 2022. As a result, the PAD in that region rises in proportion to the Market Service Levy and vice versa. The Central Java Province's five districts' original regional income for 2017–2022 is unaffected by the recreation and sports facilities levy. This is due to the fact that the expenses incurred in maintaining sports and recreation facilities exceed the revenue generated by these levies. Restrictions brought on by the Covid-19 epidemic also contributed to this drop.

Keywords: Local Original Revenue; Market Service Retribution; Recreation and Sports Levy

JEL CODE: H71, R53, O5

1. Introduction

As the Unitary State of the Republic of Indonesia, regions are an inseparable part of implementing the government. Each region called an autonomous region is authorized by the central government to manage its household. Regional autonomy has a big impact in the form of opportunities for each region to be able to maximize its performance. Referring to Law no. 1 of 2022 concerning Financial Relations between the Central Government and Regional Governments, it is the responsibility of each region to meet the needs of its respective regions. Regional independence is the goal the government wants to achieve in implementing regional autonomy.

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General service levies consist of health service levies, cleaning service levies, parking service levies, market service levies, motor vehicle testing levies, latrine supply and/or suction levies, stamping/reprinting service levies, and telecommunications tower control levies. Apart from general levies, there are business service levies which consist of levies on the use of regional assets, levies on wholesale markets and/or shops, terminal levies, special parking lot levies, slaughterhouse levies, recreation and sports venue levies, levies on sales of regional business production, and levies on other business services. Based on these regulations, regional governments can legally collect levies in their areas. Regional governments need to maximize regional levy revenues so that PAD contributions increase ([Nugroho & Budiman, 2018](#)).

Of some of these regional levies, general service levies have the potential to be developed because this type of levy is widely used for facilities by the community or agencies. One type of general service levy is market services. Market service levies are regional levies for services provided by the Regional Government for carrying out buying and selling business activities in the market. The size of regional income from market levies depends on the method of levy collection determined by the regional government ([Susilawati, Amitarwati, & Prabowo, 2021](#)). The market is one of the government's facilities for the community to carry out economic activities. With the existence of a market, a money circulation cycle will be created to improve the community's economy and will indirectly have an impact on increasing PAD ([Hermawan, 2021](#)). According to PP no. 35 of 2023, market services are the provision of traditional or simple market facilities, in the form of courtyards, stalls and kiosks managed by the Regional Government. Therefore, researchers used market service retribution as a variable in conducting this research.

Apart from general services levies, what has the potential to be developed in increasing PAD is business services levies, one of which is by maximizing the potential in the tourism sector in recreation and sports areas. It is hoped that this levy for recreation and sports venues will be a major contribution to PAD and support regional financing in carrying out regional development, so that it will help efforts to improve and equalize the economy and community welfare. Tourism managed by local governments is closely related to PAD. If an area has high tourism potential, then the level of contribution of the tourism sector to PAD will also be high and vice versa ([Purwaningsih & Sunaningsih, 2021](#)). Increasing revenue from recreation site levies must be supported through efforts to improve infrastructure and a good system in terms of management, because if the realization of recreation site levy receipts is greater, closer to the set target, this shows that its effectiveness is greater, but the further it is from the set target, it is necessary deeper study of the influencing factors, one of which is the condition of tourist attractions with the hope that the realization of recreation site levies will be able to achieve the levy targets set by the government ([Efrem, Lau, Junias, 2020](#)).

Area size is one of the factors that can influence population growth, where population is one of the factors for increasing PAD. The higher the population of an area can provide the potential for increased visitors to recreation and sports venues. This is one of the reasons the researchers took the title with a sample of 5 (five) districts based on area area. Researchers also want to know the influence of market service levies and recreation and sports levies on increasing PAD before and after the Covid-19 pandemic.

A common problem often found in Central Java Province in managing regional levies, both market service levies and recreation area levies, is that the desired or expected level has not been achieved. Report on the Realization of the Revenue Budget for Market Service Levy and Levy for Recreation and Sports Places from 2017 to 2022 has not met the targets set by the

government (BPKPAD Data 2022). This is due to the limited ability of regions to identify and determine the real potential of their levy objects. This problem results in arrears in levy payments which will result in the total target of revenue from market service levies and recreation and sports venue levies not being achieved from year to year (BPKPAD Data 2022).

Based on the explanation regarding the influence of market service levies and recreation and sports venue levies on PAD, there are similarities in research results, but they still provide several different research results. Therefore, further research will be carried out. This research is actually research conducted by researchers in Central Java Province with case studies in several districts. The conditions experienced by the Central Java regional government certainly require more efforts to maximize all the potential that exists in Central Java to encourage PAD through regional levy revenues. Therefore, this research can make a contribution to local governments with the aim of exploring the potential for regional levies better and which can be maximized to encourage an increase in PAD in Central Java Province. Therefore, further research will be carried out with the title "The Influence of Market Service Fees and Recreation and Sports Place Fees on Regional Original Income (Case Study of 5 Districts in Central Java Province 2017-2022)"

2. Literature Review

Based on Law Number 23 of 2014, Article 285, paragraph (1), PP Number 35 of 2023, and Minister of Home Affairs Regulation Number 77 of 2020. PAD is the right and authority of regional governments which are recognized as adding to the value of net assets obtained from Regional Taxes, Regional Levies, Management Results Separated Regional Assets and Other Legal Original Regional Income, in its implementation the object of original regional income must have a clear and firm legal basis for whether to collect it or not. Law Number 28 of 2009 Article 1 number 10 concerning Regional Taxes and Regional Levies, where regional regulations and regional governments must regulate their implementation, are prohibited from carrying out collection activities outside of those determined by the applicable laws and regulations. Regional Regulations as the basis for implementation are mandatory requirements for Regional Governments to levy levies, because SKPDs are prohibited from levying levies other than those stipulated in Regional Regulation Article 58 paragraph (1) and PP Number 35 of 2023.

2.1 Previous Research

Several previous studies regarding the influence of market service levies and recreation and tourism site levies on PAD can be seen as follows:

Previous research conducted by ([Sugiyono & Rita, 2020](#)) shows that waste service levies have a positive effect on Tanjungpinang City's PAD. The success of collecting taxes and levies will increase regional financing capacity, a prerequisite for achieving regional independence. [Mwanga et al., \(2020\)](#) The data obtained was classified and processed using Eviews using multiple linear regression analysis. The research results reveal that central government transfer funds have a negative effect on the PAD of Ugandan cities. This is because local governments are still too dependent on transfer funds from the central government.

Another research ([Marie & Widodo, 2020](#)) stated that there was a positive influence between the number of foreign tourist visits and the level of hotel accommodation on the PAD of the Yogyakarta Special Region Tourism Sub Sector in 2017-2018. [Alam & Faizal, \(2021\)](#) conducted research using a quantitative approach and secondary data in the form of

panel data for the 2012 - 2020 observation period with multiple linear regression analysis. The research results show that the number of religious tourists and hotel occupancy rates have a positive effect on PAD of Bangkalan Regency. ([Anam et al., 2021](#)) stated that there was no influence of market levy contributions on Jombang Regency's PAD from 2015-2019. This is because the PAD contribution does not only come from regional levies but also comes from regional tax revenues, the results of separate regional wealth management, and other legitimate matters.

[Anggraeni & Priyono, \(2022\)](#) revealed that tourist visits, MSMEs, and entertainment taxes do not have significant influence on the PAD of Surakarta City. However, the tourism levy variable has a partial influence on the PAD of Surakarta City for 2005-2020.

Further research was carried out by ([Rahman, 2022](#)) using quantitative descriptive analysis methods. The sample used in this research was Maros Regency which was taken from the income and expenditure realization report in 2016-2020. The results of this research show that the tourism business positively contributes to cities in Maros Regency. The large number of tourists, both domestic and foreign, is proof that the tourism industry, including the Rammang destination - Rammang is a popular with many tourists.

[Saputra et al., \(2022\)](#) states that tourism income, tourist visits, infrastructure, and labor significantly and positively influence economic growth in Aceh Province. Based on these findings, it is hoped that the government can formulate strategic policies, especially in the tourism sector, to accelerate and maintain economic growth in Aceh Province.

[Mulya & Wulandari \(2023\)](#) states The link between market service taxes and parking service levies and PAD is positively impacted by both, and inflation has no moderating effect on this relationship. This indicates that the PAD will likewise be higher if the revenue from market service levies and parking service levies is higher, but it will also be lower if the contrary is true. In the meantime, inflation cannot affect the impact of market service levies and parking service levies on PAD. Research conducted by ([Simbolon et al., 2023](#)) using multiple linear regression method analysis, the data obtained was classified and processed using Eviews Version 12. Based on the results of this research, regional taxes have a positive effect on PAD, while regional levies have no effect on PAD in North Sumatra.

([Putri & Asmara, 2023](#)) conducted research using secondary data using multiple liner regression analysis in Eviews 12. The research results showed that hotel taxes had a positive influence on PAD, but entertainment taxes, recreation and sports levies, and lodging levies had no influence on PAD in the Tourism Sector of Yogyakarta Special Region Province 2012-2021.

The Influence of Market Service Levy on PAD

According to Central Java Province Regional Regulation no. 6 of 2019, explains that public services are services offered or supplied by the regional government for the benefit and interest of the general public, and it is available for use by people or organizations. The Regional Government collects a variety of public service charges of Central Java Province, the one with potential is the market service levy because it is able to make a sizable contribution to regional revenues. If levy revenues can be maximized and managed well, PAD will increase and can be used to support regional development funds ([Mulya & Wulandari, 2023](#)). Study ([Hermawan, 2021](#)) stated that the contribution of market levies and the contribution of waste/cleaning levies had a positive effect on Sukabumi City's PAD. Other research conducted by ([Mulya & Wulandari, 2023](#)) stated that market service levies and parking service levies have a positive

effect on PAD of Purworejo Regency. Based on the results of this research, it can be concluded that the size of the market service levy is one of the determining factors in increasing PAD. The greater the contribution to market service levies received, the PAD obtained will also increase.

Based on the theoretical basis and several research results, the researcher determined the following hypothesis:

H₁: Market Service Levy Has a Positive Influence on the Allocation of Original Regional Income.

The Influence of Levy for Recreation and Sports Places on PAD

Central Java Province Regional Regulation No. 6 of 2019, also explains that what is meant by Because they can essentially be supplied by the private sector, business services are those that the regional government offers while abiding by commercial standards. Among the different kinds of business services taxes collected by the Regional Government of Central Java Province, the potential ones are levies for recreation and sports venues. Through the implementation of tourism, it is hoped that it will be able to increase PAD in order to improve community welfare. Tourism development causes an increase in PAD which can stimulate investment in new infrastructure to support the sustainability of tourism in an area. This is in line with research ([Alam & Faizal, 2021](#)) which states that the number of religious tourists and hotel occupancy rates have a positive effect on PAD of Bangkalan Regency in 2012-2020. This is because many tourists who carry out tourism activities by visiting tourist attractions will be charged a fee in the form of entry tickets which will generate income from tourist attraction levies. Other research conducted by ([Marie & Widodo, 2020](#)) which stated that the number of foreign tourist visits and the level of hotel accommodation had a positive effect on the PAD of the Yogyakarta Special Region Sub-Sector in 2007-2018. Based on the results of this research, it can be concluded that the size of the levy for recreation and sports venues is one of the determining factors in increasing PAD. The greater the contribution to recreation and sports levies received, the PAD obtained will also increase.

Based on the theoretical basis and several research results above, the researcher determined the second hypothesis as follows:

H₂: Recreation Place Levy and Sports Have a Positive Influence on Regional Original Income.

3. Research Method

3.1 Research Population and Sample

3.1.1 Research Population

The population in this study was all districts and cities in Central Java Province, consisting of 29 districts and 6 cities for research. Researchers in the study took several population criteria including; district and city governments submitting the 2017-2022 Regency APBD Realization Report in Central Java Province to the Directorate General of Financial Balance containing information regarding data on the Realization of Market Service Levy, Recreation and Sports Place Levy, and Regional Original Income; and districts and cities whose financial reports have been audited for the last 4 (four) years from 2017-2022.

3.1.2 Research Sample

The sample is part of the number and characteristics of the population. Sampling data is taken

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using purposive sampling or sample determination based on an assessment of several characteristics of sample members that are adjusted or considered suitable for research and can provide the required information. The samples used in this research were the five major regencies/cities based on area in Central Java province from 2017 to 2022. This aims to determine the increase or decrease in PAD in Central Java Province before the Covid-19 pandemic until after. Based on Central Java Province BPS data, it can be seen that the contribution of market service levies and recreation and sports venue levies in each district is still fluctuating from 2017-2022.

3.2 Data and Data Collection Methods

The type of data used in this research is secondary data which is quantitative and was obtained from the Directorate General of Financial Balance in 5 Regencies in Central Java Province. The secondary data used is panel data from Market Service Levy, Recreation and Sports Place Levy, and Regency and City PAD in Central Java Province for 2017-2022.

According to Sugiyono (2018: 147) what is meant by Following the collection of data from all respondents or other data sources, data analysis procedures are actions that are taken. Data analysis tasks include sorting data according to respondent kinds and variables, tabulating data according to all respondents' variables, presenting data for each variable under study, carrying out calculations to answer the problem formulation, and carrying out calculations to test the proposed hypothesis. The role of statistical data processing plays a very important role in research because from the results of data processing research conclusions can be obtained.

The data analysis technique used in this research is regression analysis with panel data because the data in this research uses several objects over many time periods. The periodic data regression estimation approach is Ordinary Least Square (OLS). By using the Ordinary Least Square (OLS) method, in this model it is assumed that the behavior of the data is the same over different eras. Since time and individual dimensions are not taken into account in this model, it is assumed that individual behavior does not vary over time. The regression equation that follows is:

$$Y_{it} = \alpha + \beta^1 X_{it} + e_{it}$$

for $i = 1, 2, \dots, N$ and $t = 1, 2, \dots, T$, where N is the number of Cross Section units/individuals and T is the number of time periods. From the Common Effects model, $N+T$ equations can be produced, namely T Cross Section equations and N Time Series equations.

Data processing techniques include data calculations and analysis of research models. Before making conclusions in a research analysis of the data must be carried out so that the research results are accurate. So this research was carried out using statistical methods

4. Findings and Discussions

4.1 Findings

Test Chow

When estimating the panel data regression model, the Chow-test is utilized to decide between the Common Effect Model and the Fixed Effect Model. H_0 is rejected and H_1 is approved if the computed F value (F -test) and chi-square test are less than $\alpha = 0.05$ (5%). This demonstrates that when estimating the panel data regression approach, the Fixed Effect model continues to outperform the Common Effect model.

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Table 1. Chow Test Results

Redundant Fixed Effects Tests			
Cross-Section Fixed Effects Test			
Effects Test	Statistics	df	Prob.
Cross-Section F	0.584959	(4.23)	0.6767

Source: (data processed)

The Common Effect Model is the appropriate regression estimation model for this study because, according to the calculation results in table 1, the chow-test indicates that the probability value of the F test and chi-square test is greater than $\alpha = 0.05$ (5%) i.e. 0.6767. As a result, H1 is rejected and H0 is accepted.

Hausman test

The Hausman test is used to determine which panel data regression technique—the Fixed-Effect model or the Random—Effect model—should be used for estimation. H0 is rejected, and H1 is accepted if the Probability (Prob) Chi-Square Hausman Test value is less than $\alpha=0.05$ (5%). This suggests that a fixed-effect model (Fixed Effect) is a superior way to estimate the panel data regression approach than a random-effect model (Random Effect).

Table 2. Hausman Test (Hausman Test)

Correlated Random Effects – Hausman Test			
Random Effects Cross-Section Test			
Test Summary	Chi-Sq Statistics	Chi-Sq df	Prob.
Random Cross-Section	0.099949	2	0.9513

Source: (data processed)

Based on the results of the Hausman test calculation shown in table 2, it is concluded that the Chi-Square Probability value is $0.9513 > \alpha = 0.05$ (5%) so the panel data regression method used in the research to estimate what influences PAD is the Random Effect Model.

Lagrange Multiplier Test(LM-Test)

Lagrange Multiplier is a test to determine whether the Random effect model or the Common effect model is most appropriate. The basis for decision making in the Lagrange Multiplier Test uses the Breusch-Pagan One Sided Cross-Section value. If the probability value is greater than 0.05, it means that H0 is accepted and H1 is rejected, then the best model used in this research is the Common Effect Model and vice versa. The Common Effect Model was selected, according to the Chow-test model test. However, the Hausman model test findings indicate that the Random Effect Model was selected.

Table 3. Lagrange Multiplier Test (LM-Test)

Langrange Multiplier Tests for Random Effects			
Alternative Hypotheses: Two-Sided (Breusch-Pagan) and One-Sided (All Other) Alternatives			
	Test Hypothesis		
	Cross-Section	Time	Both

Breusch-Pagan	0.945514 (0.3309)	2.588410 (0.1076)	3.533924 (0.0601)
Honda	-0.972376 (0.8346)	-1.608853 (0.9462)	-1.825205 (0.9660)
King Wu	-0.972376 (0.8346)	-1.608853 (0.9462)	-1.797335 (0.9639)
Standardized Honda	-0.671814 (0.7491)	-1.476416 (0.9301)	-4.833594 (1.0000)
Standardized King-Wu	-0.671814 (0.7491)	-1.476416 (0.9301)	-4.810409 (1.0000)
Gourieroux, et al.	--	--	0.000000 (1.0000)

Source: (data processed)

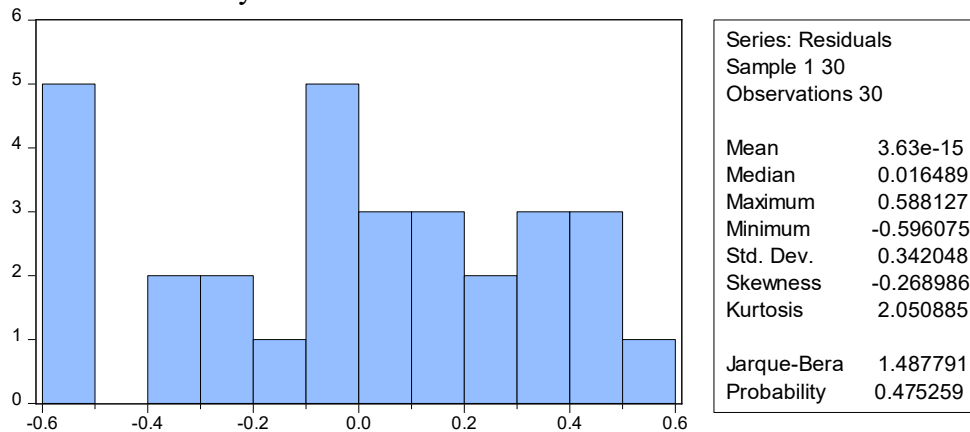
From the results of the Lagrange Multiplier Test above, it can be seen that the One-Sided Cross-Section value in Prob. Breusch-Pagan (BP) shows a value of $0.3309 > 0.05$, so H_0 is accepted, and H_1 is rejected. Based on the Lagrange Multiplier Test, the appropriate regression estimation model for this research is the Random Effect Model.

Classic assumption test

Normality test

The normality test aims to determine whether the confounding or residual variables in the regression model have a normal distribution.

Table 4. Normality Test Results



Source: Eviews processed results (2023)

Based on the graph above, the Normality Test results show a Jarque-Bera value of $1.487791 < 2$ with a probability value of $0.475259 > 0.05$, so it can be concluded that the data is normally distributed.

Autocorrelation Test

To find out if there are any deviations from the traditional autocorrelation assumption—that is, the correlation between the residuals in one observation and other data in the regression model—use the Autocorrelation Test.

Table 5. Autocorrelation Test Results

<i>F-statistic</i>	27.25085
Prob. F(2.25)	0.2521
<i>Obs*R-squared</i>	20.56624
<i>Prob. Chi-Square (2)</i>	0.1146

Source: (processed data)

If the Autocorrelation Test Results show the value of Prob. Chi-Square on Obs*R-squared $0.1146 > 0.05$, then H_0 is accepted, or it can be concluded that there is no positive or negative autocorrelation in the model.

Multicollinearity Test

The test method to determine whether or not there is multicollinearity in the regression model is carried out using the Variance Inflation Factor (VIF) value.

Table 6. Multicollinearity Test Results

Variable	Centered VIF	Information
Market Service Levy (X1)	1.030648	Multicollinearity does not occur
Levy for Recreation & Sports Places (X2)	1.030648	Multicollinearity does not occur

Source: (processed data)

Multicollinearity means the existence of a perfect or definite linear relationship between some or all of the variables that explain the Regression Model. If the correlation coefficient between each independent variable is greater than 0.80, it means that multicollinearity occurs in the Regression Model. From the results of the multicollinearity test above, it can be seen that all the research variables have a VIF value < 10 , so the regression model in this study does not have multicollinearity.

Heteroscedasticity Test

Testing is carried out using the Breusch-Pagan-Godfrey Test, if the value of Prob. Chi-Square on Obs*R-Squared > 0.05 , then heteroscedasticity does not occur or the regression model that occurs is homoscedastic.

Table 7. Heteroscedasticity Test Results

<i>F-statistic</i>	2.289770
Prob. F(2.25)	0.1206
<i>Obs*R-squared</i>	4.350481
<i>Prob. Chi-Square (2)</i>	0.1136
<i>Scaled explained SS</i>	3.429911
<i>Prob. Chi-Square (2)</i>	0.1800

Source: (processed data)

Based on test results Heteroscedasticity can be seen from the Prob value. Chi-Square on Obs*R-Squared is $0.1136 > 0.05$, so it can be concluded that heteroscedasticity or regression models do not occur, homoscedasticity.

Multiple Linear Regression Analysis

Panel data regression analysis used in hypothesis testing is to test the effect of Market Service Levy and Recreation and Sports Place Levy on PAD.

Table 8. Results of Multiple Linear Regression Analysis

Dependent Variable: Y_PAD			
Method: EGLS Panel			
Sample: 2017 2022			
Periods included: 6			
Cross-sections included: 5			
Total panel (balanced) observations: 30			
Variable	Coefficient	Std. Error	Prob
C	9.172767	6.511190	0.1703
lesson plan	0.731506	0.299931	0.0216
RTRO	0.073218	0.042979	0.0999

Source: (processed data)

Based on the panel data regression analysis results table above, the panel data regression equation can be formulated as follows

$$PAD_{i,t} = \beta_0 + \beta_1 RPP_{i,t} + \beta_2 RTRO_{i,t} + \varepsilon$$

$$Paddy, t = 9.172767 + 0.731506 RPP_{i,t} + 0.073218 RTRO_{i,t} + \varepsilon$$

Partial Hypothesis Testing Analysis

Next, test a simple hypothesis with the t test. With a number of observations of ($n = 30$), a number of independent variables of ($k = 2$), then the degree of freedom ($df = nk = 30 - 2 = 28$), where the significance level is $\alpha = 0.05$. So ttable can be determined using Ms Excel with the Insert Function formula as follows:

$$ttable = TINV(probability, deg_freedom)$$

$$ttable = TINV(0.05, 30 - 2)$$

$$ttable = 2.048$$

4.2 Discussions

The Influence of Market Service Levy on PAD

Market Service Levy is one source of PAD in districts in Central Java. Retributions given by a person or group contribute to the level of PAD. Based on the research results, the Regency Market Service Retribution in Central Java is always changing. Every year, the contribution of Market Service Levy to Original Regional Income is significant in accordance with the PAD target. Market Service Levy is a fee charged for services provided by local governments in the form of traditional market facilities such as courtyards, booths, kiosks, or powder rooms which are managed and explicitly shown to traders. The source of market service levy funds comes from the community who utilize public services provided by the regional government. Receipt of regional levies is considered as part of a contribution to PAD which will later be used for regional development projects that benefit the community.

From Market Service Retributions have a positive and significant impact on Regional Original

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Income, according to the findings of partial regression tests conducted using the Random Effect Model (REM). Market Service Retributions have a positive and significant effect on Regional Original Income. This is shown from the results of the t test which obtained a t-count of 2.438917 so that the t-count is greater ($>$) than the t-table with a probability of $0.0216 < 0.05$, from the research results of the regression equation above it can be seen that the regression coefficient for the market service levy variable is worth positive amounting to 0.731506, meaning that the Market Service Levy has a positive and significant effect on PAD.

This is in line with research([Hermawan, 2021](#))stated that the contribution of market levies and the contribution of waste/cleaning levies positively affected Sukabumi City's PAD. Other research conducted by([Mulya & Wulandari, 2023](#)) stated that market service levies and parking service levies have a positive effect on PAD of Purworejo Regency. Based on the results of this research, it can be concluded that the size of the market service levy is one of the determining factors in increasing PAD. The greater the contribution to market service levies received, the PAD obtained will also increase.

The Influence of Levy for Recreation and Sports Places on PAD

Based on the results of research on the Recreation & Sports Place Levy variable, a partial regression test using the Random Effect Model (REM) shows that the Recreation & Sports Place Levy has a t-count of 1.703567 so the t-count is smaller ($<$) than the t-table with a probability of $0.0999 > 0.05$, from the research results of the regression equation above, it can be seen that the regression coefficient for the recreation and sports places levy variable has a positive value of 0.073218, meaning that the recreation & sports places levy has no effect on PAD.

This is in line with research conducted by([Anggraeni & Priyono, 2022](#))said that tourist visits, MSMEs, and entertainment taxes did not have a significant effect on Surakarta City PAD. Other research conducted by([Olivia et al., 2023](#))states that the number of tourist visits, tourist attraction levies and the number of business actors have no influence on the PAD of Tomohon City for the period 2010 - 2020. The absence of influence is caused by facilities and infrastructure factors in a tourist attraction that are not yet optimal. Apart from that, several tourist attractions in Central Java Province are not managed by the regional government, but by the private sector or the local community. The income obtained from entrance ticket levies is small, so it cannot increase PAD. So the fewer the number of tourist attractions managed by local governments, the contribution to PAD will not increase. The lack of development and utilization of tourist attractions in the area means that tourists are not interested in visiting

Conclusion

Based on the results of the research and discussion, it can be concluded that the Market Service Levy has a positive effect on PAD in 5 districts in Central Java Province 2017-2022. This results in the higher the Market Service Levy, the higher the PAD in that area and conversely, the lower the Market Service Levy will reduce the PAD in that area. However, the Levy for Recreation and Sports Places has no effect on PAD in 5 Regencies in Central Java Province 2017-2022. This is because the costs of maintaining recreation and sports areas are greater than the income from these levies.

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