

Market Retribution Market Potential Analysis in Malang City

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ABSTRACT

The factors that determine the success of collecting market levies are the number of traders, the area of kiosks, stalls and open grounds, rates and the collection performance (efficiency and effectiveness of collection) of market levies. Because more and more people are taking advantage of regional government services, regional revenues from levies are also increasing. This can be seen from the economic development of the Malang City area, therefore the presence of traders greatly influences the effectiveness of market levy receipts. The aim of the work on preparing this potential market levy analysis document is to: 1) Examine current market management patterns based on relevant regulations or policies. 2) Identify and study the pattern of determining levies or rents on markets based on market classification in order to measure more optimal levels of income. This type of research is policy research which aims to explore various information related to market service fees in order to provide recommendations for policy making for regional (market) asset management. The analysis technique in this research uses descriptive statistical analysis techniques. The research results show that optimization of sources of Regional Original Income (PAD), including market levies, needs to be carried out to improve the regional financial capacity of Malang City. What can be done immediately is to intensify existing regional income objects or sources, especially through the use of information technology.

1. INTRODUCTION

The factors that determine the success of collecting market levies are the number of traders, the area of kiosks, stalls and open grounds, rates and the collection performance (efficiency and effectiveness of collection) of market levies. Because more and more people are taking advantage of regional government services, regional revenues from levies are also increasing. This can be seen from the economic development of the Malang City area, therefore the presence of traders greatly influences the effectiveness of market levy receipts.

If the realization of market levy revenues is greater, the greater the target set, then this condition shows the consequences of the principle of decentralization, the formation of local government units which are often called autonomous regions, namely regions

that have the obligation and right to regulate and manage their own households. According to (Malang Mayor Regulation Number 4 of 2022 concerning the Second Amendment to Mayor Regulation Number 23 of 2021 concerning the Elaboration of Regional Revenue and Expenditure Budgets for Fiscal Year 2022), stated that the PAD target from the Market Service Levy sector is IDR 7,000,000,000.

Determination of levy rates has an influence on the effectiveness of regional revenues. The amount of market levy rates that are applied greatly influences regional levy revenues. If market levy rates are carried out well in collection from each business unit, levy receipts will increasingly contribute to regional income. With tariffs set, no one dares to change them. Market levy collectors have an influence on the effectiveness of revenue. The area of Malang City is around 110.06 Km², with this area, administratively, the government is divided into 5 sub-districts which are divided into 57 sub-districts, in almost every sub-district there is a market as a means for the community to transact buying and selling mixed goods for the daily needs of the people in the city. Poor.

In this way, it is hoped that market levies as a source of local original income (PAD) will continue to increase, and more and more regional needs can be financed with local original income (PAD).

To achieve the direction of economic development, it is necessary to know the variables that can influence the region concerned in order to be able to estimate the potential of Human Resources (HR) that are most needed for regional economic development. In ensuring the implementation of increasingly advanced and developing regional autonomy, efforts are needed to increase one's own financial capacity, namely by efforts to increase the receipt of Original Regional Income (PAD), as well as by exploring new sources of Original Regional Income, with existing compliance and showing conditions. and the economic potential of the community.

Based on the description above, the problem in this research is what the current market management pattern is based on relevant regulations or policies, as well as what the pattern of determining levies or rents on markets is based on market classification in order to measure more optimal income levels. The aim of this research is to examine current market management patterns based on relevant regulations or policies, as well as patterns of determining levies or rents on markets based on market classification in order to measure more optimal income levels. This research is useful in providing recommendations for follow-up activities as policy material to improve market management in Malang City.

2. LITERATURE REVIEW

1) Market

In general, the definition of a market is a place where sellers and buyers can meet to buy and sell goods. Sellers offer their merchandise in the hope of selling it and getting money in return. There the seller and buyer will haggle over the price until a price agreement is reached. After a price agreement can be made, the goods will move from the seller's hands to the buyer's hands. The buyer will receive the goods and the seller will receive the money. This is a concrete

understanding of the market, meaning the meaning of the market in everyday life, namely a place where people meet to carry out transactions of buying and selling goods. However, the market can also be interpreted in the sense of a market according to economics (abstract), namely a meeting between sellers and buyers to buy and sell certain goods or services at a certain price (Understanding.Org., 2015).

According to (Government Regulation of the Republic of Indonesia Number 29 of 2021 concerning the Implementation of the Trade Sector, 2021), that what is meant by People's Market is a place of business which is organized, built and managed by the Government, Regional Government, private sector, state-owned enterprises and/or regionally-owned enterprises, which can be in the form of shops/kiosks, stalls and tents which are owned/managed by small and medium traders, non-governmental organizations, or cooperatives and MSMEs with the process of buying and selling goods through bargaining.

2) Market Levy

Of several local revenues, levies are one of the most important revenues next to taxes. One regional levy that has the potential to increase regional income is the market levy. According to (Poerwadarminta, 2006) What is meant by levy is a levy in the form of money by the government as compensation for services.

Meanwhile, the definition of market is a business unit that has a strategic role in the running of the distribution network from producers to consumers who need a product. Thus, the market can be said to be a direct provider of people's daily needs and various interactions within it involving government, private and community elements (traders and buyers). This condition confirms that the market is a significant contributor to the implementation of development in the region, because through the levies it generates it can increase regional income (Sugianto, 2008).

In (Law Number 1 of 2022 concerning Financial Relations Between the Central Government and Regional Governments, 2022) in Article 88 paragraph (1), that market levies are grouped into a type of general service levy under the name "Market Service Levy".

3) Regional Original Income (PAD)

According to (Law of the Republic of Indonesia Number 23 of 2014 concerning Regional Government, 2014) Regarding Regional Government, the definition of Regional Original Income (PAD) is income obtained by the region which is collected based on Regional Regulations in accordance with statutory regulations. Regional Original Income (PAD) is an accumulation of tax revenue posts containing regional taxes, regional levy posts, non-tax revenue posts containing the results of regionally owned companies, and investment receipts and management of natural resources.

(Halim, 2007) states that Original Regional Income (PAD) is all regional revenue originating from original regional economic sources. Meanwhile, according to (Mardiasmo, 2013), Original Regional Income is revenue obtained

from the regional tax sector, regional levies, results from regionally owned companies, results from the management of separated regional assets, and other legitimate Regional Original Income.

3. RESEARCH METHODS

This type of research is policy research which aims to explore various information related to market service fees in order to provide recommendations for policy making for regional (market) asset management.

Policy research is a research process carried out on fundamental social problems, so that the results of the research can be used as recommendations in making decisions to act practically in resolving cases. (Sani et al., 2018). The research locations are in markets managed by the Department of Cooperatives, Industry and Trade of Malang City, totaling 26 markets.

The type of data used is quantitative data about the characteristics of market traders, the number of active and inactive markets, targets and realization of market levy income and other supporting data. This data comes from the Department of Cooperatives, Industry and Trade of Malang City, and data from BPS Malang City. Data collection instruments used interviews, documentation and questionnaires.

4. RESULTS AND DISCUSSION

Research Results

The development of the realization of market levy revenues during the observation period from 2019, 2020 to 2021 shows fluctuations. The realization of market levy revenues in 2020 was 4,830,149,601 rupiah with a growth rate of -24.60%. This is due to the Large-Scale Social Restrictions (PSBB) policy. These restrictions include school and workplace closures, restrictions on religious activities, restrictions on activities in public places or facilities, restrictions on socio-cultural activities, restrictions on modes of transportation, and restrictions on other activities. In Malang City itself, this policy is stated in (Malang Mayor Regulation Number 17 of 2020 concerning Guidelines for Large-Scale Social Restrictions (PSBB) in the Context of Accelerating Handling of Corona Virus Disease (COVID-19), 2020), This policy will have the impact of reducing buying and selling activities in the market, which will ultimately reduce market levy revenues.

Meanwhile, the realization of market levy revenues in 2021 was 5,322,484,069 rupiah with a growth rate of 10.19%. This is due to the easing of the PSBB and the new normal policy so that buying and selling activities will increase, and in the end this will increase market levy revenues.

Table 1. Development of Realization and Growth Rate Market Retribution Receipts in Malang City 2019-2021

Year	Realization	Achievements
2019	6,406,244,403	-
2020	4,830,149,601	-24.60%
2021	5,322,484,069	10.19%

Source: Malang City Cooperative and Trade Office (2022)

Economic development in Malang City is dominated by the trade sector. One of the economic activities that drives trade in Malang City is the market. With the existence of a market, a cycle of money circulation will be created to improve the economic life of the community. This increase in the economy has an indirect impact on the Malang City Government to continue to develop markets facilitated by the government which are also used as potential regional revenue. Therefore, the more markets that are facilitated by the Malang City Government, the impact it will have on increasing market levy revenues.

Based on data available from the Department of Cooperatives, Industry and Trade (Diskopindag) of Malang City, during the period 2019 to 2021 the realization of market levy revenues exceeded the predetermined target, as explained in Table 2 below.

Table 2. Target and Realization of Malang City Market Levy, 2019-2021

Year	Target	Realization	Achievements
2019	5,780,000,000	6,406,244,403	110.83%
2020	4,000,000,000	4,830,149,601	120.75%
2021	5,950,000,000	5,322,484,069	89.45%

Source: Malang City Diskopindag, processed (2022)

Based on Table 2 above, it can be seen that the effectiveness of market levy collection in 2019 was 110.83%, in 2020 it was 120.75% and in 2021 it reached 89.45%. This shows that the receipt of market levies exceeds the set target. Based on the description above, studying market levies in more depth is interesting, especially in terms of the potential for market levies and the contribution of market levies to local revenue, as well as the effectiveness of collecting market levies in Malang City. Interestingly, this study is based on data available from the Malang City Cooperative and Trade Office. During the last 3 years, the realization of market levy revenues has almost all exceeded the set target, except for 2021 which did not meet the target. This shows that the high or low realization compared to the target is likely due to setting targets that are over or under valued. Thus, there are still opportunities and opportunities to increase the realization of market levy revenues based on the potential that exists in the future. With this potential analysis, it is hoped that it will have an important meaning, because the results of the analysis will be valuable input for the Malang City Government in increasing original income area.

In line with enactment (Law of the Republic of Indonesia Number 23 of 2014 concerning Regional Government, 2014) And (Law of the Republic of Indonesia Number 33 of 2004 concerning Financial Balance Between the Central Government and Regional Governments, 2004), in essence, is to give regions the right to carry out regional autonomy by giving broad, real and responsible authority to regions to regulate their own households. For this reason, Malang City is required to be proactive in increasing regional revenue by exploring the potential of existing resources, so that regional autonomy can run as expected. In supporting government financing and administration as well as development financing, Malang City must be able to explore and utilize original regional financial sources originating from regional original income (PAD).

Furthermore, the role or contribution of market levies to regional levies is as shown in Table 3 below.

Table 3. Contribution of Market Levy to Regional Levy in Malang City for the 2019-2021 Fiscal Year

No.	Fiscal year	Realization of Acceptance Market Levy (Rp)	Realization of Acceptance Regional Levy (Rp)	Contribution (%)
1	2019	6,406,244,403	42,963,819,700	14.91%
2	2020	4,830,149,601	45,724,817,200	10.56%
3	2021	5,322,484,069	55,226,385,400	9.64%
Average				11.70%

Source: Malang City Diskopindag, processed (2022)

From Table 3 above, it shows that the role or contribution of market levies to regional levies is quite significant, namely that during the 2019, 2020 and 2021 time periods it had an average contribution of 11.70%. However, this contribution has decreased, in the 2020 period it was 10.56%, and continues to decline to 9.64% in 2021.

The contribution of market levies to Original Regional Income during the three budget years, namely the 2019, 2020 and 2021 periods, fluctuated as shown in Table 4 below.

Table 4. The role of market levies on PAD in Malang City for the 2019-2021 Fiscal Year

No.	Fiscal year	Realization of Acceptance Market Levy (Rp)	Realization of PAD Revenue (Rp)	Contribution
1	2019	6,406,244,403	533.511.294.685	1.20%
2	2020	4,830,149,601	731.100.229.507	0.66%
3	2021	5,322,484,069	776.689.035.142	0.69%
Average				0.85%

Source: Malang City Diskopindag, processed (2022)

In Table 4 above, it can be seen that the contribution of market levies to Original Regional Income during the period 2019, 2020 and 2021 shows a tendency to fluctuate from year to year, namely ranging from 1.20% in 2019 to a decrease in 2020 of 0.66%, then in in 2021 it will increase to 0.69%.

A high contribution was achieved in the 2019 budget year, while the average contribution level of market levies to Original Regional Income during the 2019, 2021 and 2021 time periods was 0.85%, this means that during this time period market levies as one of the components of regional levies were able to contribute/contribute to PAD of 0.85%.

The potential calculated is the potential for market levies based on the survey team in 2022. This calculation aims to find out how much potential there is and the realization of potential revenue in the 26 markets classified as traditional markets in Malang City by using the calculation formula for calculating potential general market levies for a year with the following formula:

Potential = (Number of inactive traders x Average selling area x Tariff per meter x 365 days)

By using the formula above, this formula is then implied into the calculation of potential market levies for Malang City based on the results of the survey team in 2022. Calculation of potential is based on the rates charged in accordance with Appendix IV (Malang City Regional Regulation No. 1 of 2021 concerning Amendments to Regional Regulation No. 3 of 2015 concerning Public Service Levy, 2021), the calculation of Malang City market service levies in a year can be obtained as follows:

If you look at the condition, the number of inactive traders as a whole is quite large, namely 5,893 traders or 34.35%. This is of course a potential regional income that must be resolved immediately. Market service levy income from all active traders is currently realized at IDR 5,322,484,069, per year, or the equivalent of 65.65% of active traders. So there is still potential to get additional income from market service levies of 34.35% from inactive traders or the equivalent of Rp. 6,452,835,000.

Table 5. Potential Retribution Revenue Per-Market

No.	Market Name	Inactive Amount (Traders)	Average Area (M2)	Tariff Per Meter (Rp)	Retribution Per Day (Rp)	Annual Retribution (Rp)
Class I Market						
1	Big	1,332	3	1,000	3,000	1,458,540,000
2	New West	1,067	3	1,000	3,000	1,168,365,000
3	Blimbing	351	3	1,000	3,000	384,345,000
4	Tawangmangu	348	3	1,000	3,000	381,060,000
5	Klojen	216	3	1,000	3,000	236,520,000
6	Main Gadang	722	3	1,000	3,000	790,590,000
7	Oro-oro Dowo	-				
8	Bunul	144	3	1,000	3,000	157,680,000
9	Kasin	37	3	1,000	3,000	40,515,000
10	Breadfruit	306	3	1,000	3,000	335,070,000
11	Willis Books	-				
12	Madyopuro	62	3	1,000	3,000	67,890,000
Class II Market						
13	Mergan	89	3	1,000	3,000	97,455,000
14	Old Gadang	8	3	1,000	3,000	8,760,000
15	Flower	-				
16	Bird	162	3	1,000	3,000	177,390,000
17	Sawojajar	-				
18	Invulnerable	230	3	1,000	3,000	251,850,000
19	New East	89	3	1,000	3,000	97,455,000
Class III Market						
20	Embong Brantas	207	3	1,000	3,000	226,665,000
21	Old City	-				
22	Lesanpuro	22	3	1,000	3,000	24,090,000
23	Kedungkandang	322	3	1,000	3,000	352,590,000
Class IV Market						
24	With	97	3	1,000	3,000	106,215,000
25	Nusakambangan	28	3	1,000	3,000	30,660,000
26	Talun	54	3	1,000	3,000	59,130,000
TOTAL		5,893				6,452,835,000

Source: Malang City Diskoperindag (2022)

Based on Table 5 above, it is known that the potential results of market levy revenues in Malang City in 2022 generate income of IDR 6,452,835,000 from the total potential in 26 Malang City markets. Please note that this figure has not been deducted

from operational costs for market management. Assuming operational costs are 50%, the potential net market levy revenue is IDR 3,226,417,500.

Then, if the potential net levy receipts are added to the realization of levy receipts in 2021 amounting to IDR 5,322,484,069, then the total revenue from market levies will be 8,548,901,569. This figure has certainly exceeded the 2022 market levy revenue target of IDR 7,000,000,000.

Discussion

Descriptive Analysis of Trader Characteristics

Based on the results of a survey conducted in 26 Malang City markets, several characteristics or conditions of Malang City markets were found, namely as follows:

1. The layout of the powder, stall and emper in several markets is not neatly arranged.
2. Road access to several markets in Malang City, such as Talun Market, is difficult to visit because the market location is not strategic and is not known to many people in Malang City.
3. Parking spaces in several markets in Malang City are inadequate.
4. In several markets in Malang City, the access road to enter the market is muddy because there have been no repairs.
5. There are still many street vendors selling around Malang city markets.
6. The presence of brokers in certain markets
7. There are market buildings that can be said to be redundant because of the large number of empty and unused areas.
8. There are several markets whose buildings have not been updated
9. There are markets that are considered passive

One of the management of regional goods assets is traditional markets. Malang City has 26 traditional markets spread across five sub-districts.

Table 6 Types of Business Places and Number of Traders According to Market and District

Market	Powder		Los/Emper		Street vendors	Total number	
	Units	Pdg	Units	Pdg	Pdg	Units	Pdg
010. Kedungkandang							
Madyopuro Market	176	151	452	392	0	628	543
Sawojajar Market	178	161	0	0	0	178	161
Kedungkandang Market	0	0	386	325	0	386	325
Kotalama Market	0	0	125	96	46	125	96
Lesanpuro Market	0	0	106	89	5	106	89
Kebalen Market	52	15	341	255	816	393	270
020. Sukun							
Breadfruit Market	38	13	345	186	0	383	199
Gadang Market	58	36	200	166	0	258	202
Gadang Main Market	70	68	2,689	2,281	605	2,759	2,349
Breadfruit Animal Market	0	0	0	0	0	0	0
030. Klojen							
Big Market	784	715	3,719	2,609	407	4,503	3,324
West New Market	174	110	1,081	1,046	0	1,255	1,156
Klojen Market	44	36	273	162	0	317	198
Casino Market	28	19	241	105	14	269	124

Market	Powder		Los/Emper		Street vendors	Total number	
	Units	Pdg	Units	Pdg	Pdg	Units	Pdg
Oro-oro Dowo Market	40	33	211	147	0	251	180
Joint Market	45	28	210	121	0	255	149
Willis Book Market	68	60	0	0	0	68	60
Mergan Market	0	0	269	228	0	269	228
Flower Market	0	0	110	98	0	110	98
Bird Market	238	175	5	5	0	243	180
East New Market	80	58	156	87	0	236	145
Embong Brantas Market	53	26	179	71	12	232	97
Nusakambangan Market	47	45	0	0	0	47	45
Talun Market	27	27	58	32	0	85	59
040. B limbing							
Blimbing Market	116	103	2,134	1,804	0	2,250	1,907
Bunul Market	102	49	330	223	21	432	272
050. Lowokwaru							
Tawangmangu Market	276	126	840	358	0	1,116	484
Dinoyo Market	64	64	1,328	667	325	1,392	731
Total number	2,758	2,118	15,788	11,553	2,251	18,546	13,671

Source: Malang City Diskoperindag (2022)

The traditional markets in Malang City are all managed by the Malang City Trade and Industry Office which has the function of managing regional property as the Goods Administration Officer. Based on Malang City Regional Regulation Number 8 of 2007 concerning Regional Market Management Levy, markets are grouped by class into five market classes, namely Class I, Class II, Class III, Class IV and Class V. However, in reality there are only 4 just class. The number of markets for each market class includes 12 Class I markets, 7 Class II markets, 4 Class III markets, and 3 Class IV markets. Class assignment is determined based on location, facilities, mobility of buyers and visitors. So that way it can be adjusted according to the situation and conditions of each market.

Currently, of the 26 existing markets, not all units (bebek/los/emper) are filled. Most markets have inactive units, which overall account for 34.35%.

Table 7. Recapitulation of the Number of Active Traders and Inactive Per-Market

No.	Market Name	Number of units	Active Amount	Amount Not active
1	2	3	4	5
Class I Market				
1	Big	4503	3171	1,332
2	New West	1255	188	1,067
3	Blimbing	2250	1899	351
4	Tawangmangu	1116	768	348
5	Klojen	317	101	216
6	Main Gadang	2759	2037	722
7	Oro-oro Dowo	251	251	-
8	Bunul	432	288	144
9	Kasin	269	232	37
10	Breadfruit	383	77	306
11	Willis Books	68	68	-
12	Madyopuro	628	566	62

No.	Market Name	Number of units	Active Amount	Amount Not active
Class II Market				
13	Mergan	269	180	89
14	Old Gadang	258	250	8
15	Flower	110	110	-
16	Bird	243	81	162
17	Sawojajar	178	178	-
18	Invulnerable	393	163	230
19	New East	236	147	89
Class III Market				
20	Embong Brantas	232	25	207
21	Old City	125	125	-
22	Lesanpuro	106	84	22
23	Kedungkandang	386	64	322
Class IV Market				
24	With	255	158	97
25	Nusakambangan	47	19	28
26	Talun	85	31	54
TOTAL		17,154	11,261	5,893
Percentage		100%	65.65%	34.35%

Source: Malang City Diskoperindag (2022)

Analysis of Market Management Patterns from the Regulatory Aspect

The role of the Malang City Government as a Regulator is to prepare a direction to balance the implementation of development (issuing regulations in the framework of effective and orderly development administration). As a regulator, the Malang City Government provides a basic reference which is then interpreted by the community as an instrument to regulate every empowerment implementation activity in the community. Community empowerment from an economic perspective will be linked to policies that support the development of their businesses.

This Malang City Regional Regulation concerning Management of Markets and Vendors' Selling Places is a guideline for both the Malang City Government as the manager and the parties involved in the use of selling places in markets and certain permitted places as well as investors who will collaborate in development and management.

Management of markets and places of sale in Malang City is regulated in (Malang City Regional Regulation Number 12 of 2004 concerning Management of Markets and Traders' Selling Places, 2004) provide opportunities for the community or bodies to manage or utilize markets and places of sale for the progress of Malang City through a collaborative process with the Regional Government.

Malang City Regional Regulations on Market Management are very necessary as a legal basis for the implementation and development of markets and places where traders sell, to provide services to the community based on the principles of benefit, fairness and equality and empowering the community's economy.

Mentioned in (Malang City Regional Regulation Number 12 of 2004 concerning Management of Markets and Traders' Selling Places, 2004), that the management of markets and places of sale is carried out based on the principles of benefit, fairness and equality and empowering the community's economy.

Management of markets and places of sale aims to:

1. Creating, expanding and equalizing employment opportunities in the trade sector;
2. Increasing community income and welfare;
3. Utilizing Regional Government resources for the benefit of the community;
4. Providing opportunities for communities or agencies to manage or utilize markets for regional progress;
5. Increase local original income.

The scope of management of markets or other selling places in this Regional Regulation includes Permanent Markets, Temporary Markets and permitted selling places whose management is the right and authority of the Regional Government. The scope of market management and selling places includes:

- a. Arrangement of permits for use of selling premises;
- b. Shop/Kiosk or Powder;
- c. Los;
- d. Courtyard;
- e. Other legitimate buildings.

In terms of licensing the use of markets and selling places, every person or entity who intends to permanently use selling places in markets or other permitted places must have permission from the Regional Head or appointed official. The permit as intended is valid for 2 (two) years from the date of issuance. Permits whose terms have expired can be extended in accordance with applicable regulations. Request for permit extension, no later than 7 (seven) days before the permit expires.

The granting of permits as referred to above and the use of selling places in markets and other permitted places are subject to a levy.

Analysis of Levy Revenue Optimization

Optimization of sources of Regional Original Income (PAD), including market levies, needs to be carried out to improve regional financial capacity. What can be done immediately is to intensify existing regional income objects or sources, especially through the use of information technology.

From the existing number of 18,546 units of powder/lot/emper/PKL with an average area of 3 m², then multiplied by IDR 1000 and multiplied by 365 days, the resulting levy revenue was IDR 20,307,870,000. If this figure is reduced by 50% as operational costs and other costs, it will result in net levy receipts of IDR 10,153,935,000. This figure is certainly very far above the actual revenue in 2021 of IDR 5,322,484,069, and above the APBD target of IDR 7,000,000,000.

Meanwhile, the solution to use a rental system is based on a comparative study with PD. Surya Market in Surabaya, the leadership suggested first improving the market conditions and SOPs. According to them, there is nothing wrong with the daily fee system or the rental system. It is important to optimize the levy system that is currently running by removing existing obstacles, including:

1. Some traders pay market fees not in accordance with applicable regulations

- a. Traders who have more than 1 Shop/Kiosk and/or Los/Powder Shop will cause some traders to pay market levies not according to the rules.
 - b. Market facilities such as electricity and water are dead or damaged, making traders unwilling to pay market fees or paying but not according to the rules.
 - c. Merchandise that does not sell will result in traders not wanting to pay market fees or paying but not according to the rules.
 - d. Traders who are not collected at the time of withdrawal due to reasons in points a to c above, will find it difficult to collect in the following days for various reasons, for example because they do not have money, trade is quiet, and others.
2. There is no legal umbrella in the form of a Guardian

The absence of a Mayor's Regulation (Perwali) regarding the implementation of Malang City Regional Regulation Number 3 of 2015, will cause difficulties in collecting levies, especially the problem of determining class, market group and levy receivables which have an impact on the amount of levy rates.

The Mayor's Regulation (Perwali) is a regulation that supports the collection of parking fees in Malang City. It is hoped that the existence of this mayor's regulation can be a reference for the work unit in the Trade Service at the Market UPT to be able to continue to "explore" the potential for market levies on market services in Malang City.

In Article 28 Paragraph (1-3) (Malang City Regional Regulation Number 3 of 2015 concerning Public Service Levy, 2015), mentions that:

- 1) Market Service Retribution Rates are determined based on Market Class and Group.
- 2) The amount of the Market Service Retribution rate as referred to in paragraph (1) is as stated in attachment IV to this Regional Regulation.
- 3) Determination of Market Classes and Groups as referred to in paragraph (1), will be further regulated by Mayor Regulation.

In Article 71 Paragraph (1) (Malang City Regional Regulation Number 3 of 2015 concerning Public Service Levy, 2015), states that: "The right to collect Retribution expires after a period of 3 (three) years from the time the Retribution is due, unless the Public Service Retribution Obligor commits a criminal offense in the field of Retribution."

Next in Article 72 Paragraph (1-3) (Malang City Regional Regulation Number 3 of 2015 concerning Public Service Levy, 2015), mentions that:

- 1) Retribution receivables that cannot be collected again because the right to collect them has expired can be written off.
- 2) The Mayor determines the Decree on Regional Retribution Receivables which has expired as intended in paragraph (1).
- 3) Procedures for writing off expired Retribution receivables will be further regulated in a Mayor's Regulation.

In Article 76 (Malang City Regional Regulation Number 3 of 2015 concerning Public Service Levy, 2015), states that: "The implementing regulations for this

Regional Regulation shall be stipulated no later than 1 (one) year after this Regional Regulation is promulgated."

Then in Article 77 Paragraph (1-3) (Malang City Regional Regulation Number 3 of 2015 concerning Public Service Levy, 2015), mentions that:

- 1) Retribution rates are reviewed no later than once every 3 (three) years.
- 2) Review of Retribution Tariffs as intended in paragraph (1) is carried out by taking into account the price index and economic development.
- 3) Determination of Retribution Rates as intended in paragraph (2) is determined by Mayor Regulation.

Apart from that, based on the survey results there are problems being faced by traders, including:

1. The increasing number of minimarkets and online shops makes people reluctant to visit traditional markets.
2. The condition of the market is dirty, making people reluctant to visit.
3. Many traders sell in front of the market or around the markets of Malang City

5. CONCLUSION

Optimization of sources of Regional Original Income (PAD), including market levies, needs to be carried out to improve regional financial capacity. What can be done immediately is to intensify existing regional income objects or sources, especially through the use of information technology.

From the existing number of 18,546 units of powder/lot/emper/PKL with an average area of 3 m², then multiplied by IDR 1000 and multiplied by 365 days, the resulting levy revenue was IDR 20,307,870,000. If this figure is reduced by 50% as operational costs and other costs, it will result in net levy receipts of IDR 10,153,935,000. This figure is certainly very far above the actual revenue in 2021 of IDR 5,322,484,069, and above the APBD target of IDR 7,000,000,000.

Meanwhile, the solution to use a rental system is based on a comparative study with PD. Surya Market in Surabaya, the leadership suggested first improving the market conditions and SOPs. According to them, there is nothing wrong with the daily fee system or the rental system. It is important to optimize the current levy system by removing existing obstacles.

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