

FACTORS AFFECTING THE FISCAL DECENTRALIZATION OF LOCAL GOVERNMENT (CASE STUDY IN TASIKMALAYA CITY)

Ghina Kamila Sofa

Faculty Economic and Business, Padjadjaran University
Email: ghina19009@mail.unpad.ac.id

Abstract

This study aims to examine and find out about the factors that influence the case study Fiscal Decentralization in the City of Tasikmalaya. In connection with the research analysis unit at the Local Government of Tasikmalaya City as a whole, the sampling technique used is saturated sampling, which is a sampling technique when all members of the population are used as samples. This study uses a secondary sample of Budget Realization Report (LRA) reported from Kota Tasikmalaya Fiscal Year 2008-2020. The method of analysis used in this research is descriptive method. Multiple linear regression analysis was used for data analysis. The influence of Local Own Revenue (PAD) and Balanced Funds on Fiscal Decentralization is concluded from the results of research that has been conducted by the author showing the influence of Local Own Revenue (PAD) and Balancing Funds on Fiscal Decentralization. PAD has a positive effect on Fiscal Decentralization, and for Balanced Funds has a negative effect on Fiscal Decentralization

Keywords: Local Own Revenue (PAD), Balanced Fund, Fiscal Desentralization

INTRODUCTION

Financial factors are the most dominant factors in measuring the level of regional capability in relation to the implementation of regional autonomy. On January 1, 2001 there was a change in the mechanism of government implementation in Indonesia, namely the implementation of fiscal decentralization. Law No. 22 of 1999 on Regional Autonomy which was changed to Law No. 32 of 2004, and Law No. 25 of 1999 on Financial Balance between the Central Government and Local Government which was changed to Law No. 33 of 2004. Regulations in terms of regional autonomy have established the granting of broad, real, autonomy to the region. The purpose of the handover of autonomous power requires the region to carry out the dividing in various fields, especially in terms of public development. The development is expected to be carried out independently by the local government both in terms of planning, development, and financing.

Currently, a common phenomenon in regional finance faced by most local governments in Indonesia is the low contribution of PAD in the APBD structure. Acceptance from the central government is still the role that dominates the composition of the APBD. If the PAD of an area is getting bigger compared to the assistance received from the central government then it can be said that the local government at the city or district level becomes more independent. PAD is the main thing in assessing the fiscal decentralization of local government.

Tasikmalaya city is the poorest city in the province of West Java based on Hadiyana (2021). But, Tasikmalaya city is a city that has potential in the wealth of natural resources that can be developed into a tourist attraction that will attract investors to invest and can add PAD Tasikmalaya City. However, until now it has not been optimally developed by the local government. According to the online media Focus Jabar from Agung (2018) through BPKAD Tasikmalaya City, the source of tasikmalaya city budget still relies on assistance from West Java Province, state budget in the form of Special Allocation Fund (DAK) and General Allocation Fund (DAU). Tasik City Budget in 2017 then amounted to Rp. 2.08 trillion, consisting of balanced funds from both Province and the Center including pure APBD. So far, Tasikmalaya city has always relied on financial assistance because to meet the needs in the region, tasik city budget is insufficient so it still relies on balance funds both from the Province and from the central government.

From Sukma, Fajar (2017), Tasikmalaya Mayor Mr. H. Budi some time ago proposed a budget of Rp 448 billion for all priority activities in Tasikmalaya City to the West Java Provincial Government via

teleconference. The mayor of Tasikmalaya said that the priority activity program requires funds reaching Rp 448 billion from the total proposal of approximately Rp 1.4 trillion. Hopefully, The Provincial Government of West Java can support this with budget assistance as needed for the development of Tasikmalaya City. The development of Fiscal Year 2018 is in accordance with the results of the city-level Musrebang held some time ago. From the above information sources can be concluded that tasikmalaya city facilitates Transfer Fund (Balance Fund) from the Central Government to fund the activities of tasikmalaya city government, one of which is in the field of Economy which will also fund economic growth for the long term so as to increase the ability / capacity / fiscal space of Tasikmalaya City.

Research that has been conducted by Andriani and Wahid (2018) in the journal Influence of Local Own Revenue (PAD) and Balance Fund on Regional Financial Independence, the receipt of The Original Revenue of Tasikmalaya City reached 31,519,058,438.32 in 2004. Then in 2005 to 2008 the percentage of revenue growth experienced a fluctuating increase of 25.96%, 32.05%, 21.46%, 0.27%, and 22.9%. In 2010, the increase in local revenues reached 31.59%. In 2011 to 2014, the percentage of revenue revenue in Tasikmalaya city was 6.88%, 34.53%, 16.21%, 40.83%. Then in 2015 experienced a very significant increase of 320.02%. Although the revenue of the region has increased and achieved a very significant increase in 2015, tasikmalaya city has not been able to meet the regional spending financing because of the increase in its PAD, the programs developed by Tasikmalaya city also increased. Therefore, it is also necessary to receive balance funds from the central government. The receipt of balancing funds by the Tasikmalaya City Government also increased because the tasikmalaya city government needs a lot of funds to run its government programs. Because the receipt from PAD alone could not be enough to finance the government program. In 2004 the receipt of balance funds reached 241.000.652.378.00 and increased by 1.10% the following year. In 2006 the balance fund increased to 53.75%. In 2007 to 2009 the receipt of balance funds increased in a row by 4.10%, 11.4%, and 10.12%. In 2010 the receipt of balance funds decreased to reach a percentage of 3.67%. In 2011 to 2014 the receipt of balance funds increased again by 11.17%, 19.02%, 10.2%, and 11.875. In 2015 the balance fund increased by 21.94%. Based on the calculation, the local revenue influenced 96.4% of the regional financial independence. This means that with the greater the original income of the region received, the more the level of financial independence of the region and vice versa, the smaller the original income of the region obtained, the smaller the level of independence of a region. Although the revenue of Tasikmalaya city for 12 years increased, but because the need in government programs also increased, so regional spending increased as well. The increase in spending of the area cannot simply be covered by using the revenue of the original region. So it still needs outside help to cover the shortcomings. This can affect the level of financial independence of tasikmalaya city. Based on the calculation results, the balance fund has a negative influence on regional financial independence of 5.2%. This indicates that the higher the balance of funds received by a region, the lower the level of financial independence of the region. It can be concluded that the balance fund has an influence on the financial independence of the region by 5.2%. This balance fund serves to provide financing to the needs of government programs if the government has a deficit. And if this happens then the balance fund will give a negative percentage to the financial independence of the region.

The author was interested in conducting a study with the title: "Factors influencing The Fiscal Decentralization of Local Government (Case Study in Tasikmalaya City)" based on the background stated.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Regional Finance

According to Halim, Abdul (2016: 19), toregional money can be interpreted as: "All rights and obligations that can be assessed with money, as well as everything in the form of money and goods that can be used as regional wealth as long as it has not been owned / controlled by the state or higher region and other parties in accordance with the provisions / applicable laws and regulations".

In Permendagri No.13 Year 2006 mentioned that regional wealth is all rights and obligations of the region in the framework of the implementation of local government that can be assessed with money including all forms of wealth related to the rights and obligations of the region.

Definision of APBD

According to Law No. 17 of 2003 on State Finance, APBD is the annual financial plan of local government approved by the House of Representatives Regional People's Representative. Regulation of the Minister of Home Affairs No. 21 of 2011, APBD is the annual financial plan of local government that is discussed and approved jointly by the local government and DPRD (Regional People's Representative Council), and stipulated by local regulations.

Local of Own Revenue

Mardiasmo (2009:132), referred to from PAD are: "Receipts from the local tax sector, regional retribution, the results of regional-owned companies, the results of the management of regional wealth are separated, and other Legitimate Regional Revenue". Local Own Revenue (PAD) is income sourced and collected as by the local government, based on Warsito (2016:128). Source PAD consists of: local taxes, regional levy, profits from regional owned enterprises (BUMD), and other legitimate local native income".

Based on Law No.33 of 2004, Local Own Revenue (PAD) are: The revenue obtained by the Region is collected based on local regulations in accordance with the laws and regulations (Article 1 number 18). PAD aims to provide flexibility to the Region in exploring funding in the implementation of regional autonomy as a manifestation of the principle of Decentralization.

Balance Fund

According to Permendagri No.32 Year 2008, in the framework of decentralization implementation, to the region is given Balance Fund through the State Budget which is transfer with the principle of money follows function. One of the objectives of the Balance Fund is to reduce the fiscal gap between the government and the region and between regions, as well as increase the capacity of the region in exploring the economic potential of the region.

The Balance Fund is sourced from the State Budget allocated to the regions to fund regional needs in the framework of decentralization implementation, in the research of Azzumar (2011: 36). The balance fund to reduce the fiscal gap between central and local governments, and between local governments (local economic development). The types of balance funds are as follows:

1. Revenue Sharing Fund
2. General Allocation Fund
3. Special Allocation Fund

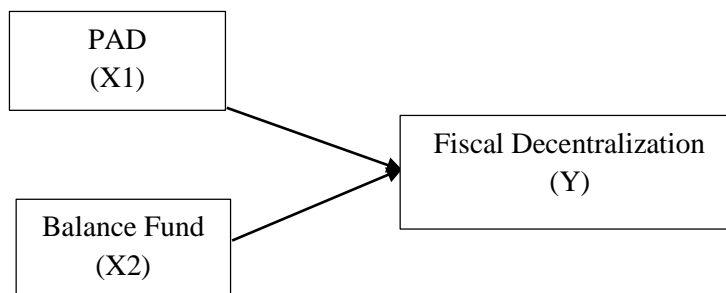
Fiscal Desentralization

"The delegation of authority in the field of budget or financial receipts that were previously centralized, both administratively and utilization is regulated or carried out by the central government," regarding the definition of fiscal decentralization based on Khusaini (2006: 29).

Saragih (2003: 83) defines decentralization as "the process of distributing budgets from higher government to lower government to fulfill a function or administer public services in accordance with the various authority areas of government bestowed."

Frame of Mind

Picture No 1 below is the frame of mind in this study:



Based on picture 1, it can be explained that independent variables PAD (X1) and Balance Fund (X2) affect dependent variables namely Fiscal Decentralization (Y) both partially and simultaneously.

Hypothesis

Hypotheses in this study are as follows:

H1 = Suspected there is an Effect of Local Own Revenue on Fiscal Decentralization

The level of Regional Financial Independence of a local government will increase if the local government manages to increase revenues and explore its Local Revenue optimally, which shows that the local government has managed to improve its ability to finance its own government affairs, development, and services to its own community. If the revenue of Regional Native Income increases, it will be followed by an increase in the level of Regional Financial Independence.

The results of research conducted by Lestari, Dali, and Abdullah (2016), that PAD positively affects the financial independence of the region. PAD has a very important role in measuring the level of regional financial independence. The higher the realization of PAD, the higher the percentage of regional financial independence reasio and vice versa the PAD decreases can result in the level of regional financial independence decreases.

H2 = Suspected influence of Balance Fund on Fiscal Decentralization

A local government is considered less able to increase the level of Regional Financial Independence if the local government is still dependent on the Transfer Revenue obtained from parties outside its own region, especially dependence on the Balance Fund obtained from the central government. This is because the local government still relies on the central government in self-financing government affairs, development, and services to the community in its own region. This means that if the receipt of the Balance Fund obtained increases, there will be a decrease in the level of Regional Financial Independence.

This is supported by several previous research results, namely research conducted by Andriani and Wahid (2018), showing that the Balance Fund negatively affects the Level of Regional Financial Independence. Andriani and Wahid (2018), concluded that if the Balance Fund received is smaller than the PAD it will increase regional financial independence, and vice versa. Putri and Sjadili (2013) concluded that the transfer from the central government, namely the Balance Fund, was intended to encourage economic activities in the region so as to increase the Local Own Revenue (PAD).

H3 = Suspected Influence of Local Revenue and Balance Fund on Fiscal Decentralization

this study support the results of research conducted by Citra (2016) which states that in its research shows that PAD and Balance Fund have a significant effect on Regional Financial Independence or Fiscal Desentralization.

METHOD

Types of Research

In this research the method used is descriptive research method analysis with case study approach. This research is included in the case study research, because from the implementation of this research is conducted based on problems, then the solution is carried out through steps in accordance with the study of research methods relevant to this research, so that an understanding of the answers to problems in this study. In addition, this study is a Comparative Causal study, because this study explores the cause and effect between 2 or more variables. This method is called quantitative method because the research data in the form of numbers and analysis using statistics Sugiyono (2011).

Population and Sample

In connection with the research analysis unit at the Local Government of Tasikmalaya City as a whole, the sampling technique used is saturated sampling, which is a sampling technique when all members of the population are used as samples. This study uses a secondary sample of Budget Realization Report

(LRA) reported from Kota Tasikmalaya Fiscal Year 2008-2020 obtained from the official website of the Local Government of Tasikmalaya City, namely [www. data.tasikmalayakota.go.id](http://www.data.tasikmalayakota.go.id).

Data Collection Method

The data collection methods used in this study are observation methods, interviews, documentation, and literature studies. And the data used are:

1. Report on The Realization of Tasikmalaya City Budget in 2008-2020.
2. Previous research as well as various literatures of scientific works and reference books concerning related theories relevant to the issues discussed.

Types and Data Source

The data used in this study is quantitative data which is data in the form of numbers that can be calculated and can be analyzed systematically contained in the Budget Realization Report of Tasikmalaya City in 2008-2020.

Variable Operation

For more details on the research variables that the authors used in this study can be seen in Table 1 as follows:

Table 1. Variable Operation

variable	Variable Definitions	indicator	Size	scale
Local Own Revenue (X_1)	Local Own Revenue is income earned by the Region collected based on local regulations in accordance with the laws and regulations (Law No. 33 of 2004).	- Local Tax - Regional Retribution - Proceeds from the wealth of the separated regions - Other valid PAD	Rupiah	Ratio
Balance Fund (X_2)	Balance Fund is a fund sourced from the State Budget allocated to the regions to fund regional needs in the framework of decentralization implementation (PP No. 55 of 2005)	- Revenue Sharing Fund (Tax and Natural Resources) - General Allocation Fund - Special Allocation Fund	Rupiah	Ratio
Fiscal Decentralization (Y)	Fiscal Decentralization is the delegation of authority in the field of budget or financial receipts that were previously centralized both administratively and usefully regulated or carried out by the central government (Kusaini,2006:29)	- Degree of Fiscal Decentralization	Percentage	Ratio

Analytical Method and Techniques

This study uses multiple linear regression analysis as a method and analysis technique. Multiple linear regression is a regression analysis that describes the relationship between response changes (dependent variables) and factors that affect more than one predictor (independent variable). Multiple linear regressions are about the same as simple linear regressions, only in multiple linear regressions the free variables are more than one suspect variable. The purpose of multiple linear regression analysis is to measure the intensity of the relationship between two or more variables and make predictions of approximate Y values over X.

This research consists of two independent variables, namely local own revenue (PAD), balance fund and one dependent variable, namely fiscal decentralization so as to use multiple regression role equations. The regression equation used is a three-predictor regression equation:

$$Y = a + b_1X_1 + b_2X_2 + \varepsilon \quad (\text{Sugiyono, 2013:275})$$

The analysis models used in this study are:

$$Y = a + b_1x_1 + b_2x_2 + e$$

Description:

- Y = Fiscal Desentralization
- a = Constant Value
- b1, b2 = regression coefficient value
- x1 = PAD
- x2 = Balance Fund
- e = other factor not studied

RESULT

Local Own Revenue (PAD)

The data on The Original Revenue (PAD) of Tasikmalaya City obtained from the Report on The Realization of Budget Revenue and Expenditure at the Regional Financial and Asset Management Agency of Tasikmalaya city for 13 years, namely from 2008 to 2020 can be seen in Table 2 as follows:

Table 2. PAD Tasikmalaya City
Years 2008-2020

Years	PAD
2008	Rp 65,715,623,639
2009	Rp 76,503,523,370
2010	Rp 104,787,914,974
2011	Rp 110,369,865,905
2012	Rp 153,009,410,135
2013	Rp 172,883,279,898
2014	Rp 253,429,871,132
2015	Rp 242,979,820,518
2016	Rp 254,532,699,376
2017	Rp 354,840,203,843
2018	Rp 280,014,887,927
2019	Rp 290,971,707,718
2020	Rp 298,507,826,186
Amount	Rp 2,658,546,634,622
Smallest	Rp 65,715,623,639
Largest	Rp 354,840,203,843
Average	Rp 204,503,587,279

Source: LRA Tasikmalaya City (data has been processed)

Tasikmalaya City Balance Fund

The data on Tasikmalaya City Balance Fund obtained from the Report on The Realization of Budget Revenue and Expenditure at the Regional Financial and Asset Management Agency tasikmalaya for 13 years, namely from 2008 to 2020 can be seen in Table 3 as follows:

Table 3. Tasikmalaya City Balance Fund
Years 2008-2020

Years	Balance Fund
2008	Rp 487,178,833,482
2009	Rp 536,381,538,872
2010	Rp 516,684,338,560
2011	Rp 574,424,542,326
2012	Rp 686,462,039,932
2013	Rp 756,557,906,043
2014	Rp 842,857,954,631
2015	Rp 849,187,546,730
2016	Rp 1,077,545,283,278
2017	Rp 1,114,721,743,585
2018	Rp 1,145,172,887,845
2019	Rp 1,140,745,750,458
2020	Rp 1,168,782,148,000
Amount	Rp 10,896,702,513,742
Smallest	Rp 487,178,833,482
Largest	Rp 1,168,782,148,000
Average	Rp 838,207,885,672

Source: LRA Tasikmalaya City (data has been processed)

Tasikmalaya City Fiscal Decentralization

The data on Fiscal Decentralization of Tasikmalaya City obtained from the Report on The Realization of Budget Revenue and Expenditure at the Regional Financial and Asset Management Agency tasikmalaya for 13 years, namely from 2008 to 2020 can be seen in Table 4 as follows:

Table 4. Fiscal Decentralization of Tasikmalaya City
Years 2008-2020

Years	Fiscal Decentralization
2008	10,65%
2009	10,79%
2010	12,63%
2011	12,05%
2012	14,41%
2013	12,65%
2014	15,88%
2015	15,14%
2016	15,83%
2017	19,45%
2018	15,23%
2019	15,07%
2020	17,85%
Amount	187,63%
Smallest	10,65%
Largest	19,45%
average	14,43%

Source: LRA Tasikmalaya City (data has been processed)

DISCUSSION

Descriptive Statistic

The analysis was conducted by comparing the minimum value, maximum value, and average. The following table is a descriptive statistic of the independent variables i.e. Local Own Revenue and Balance Fund and dependent variables i.e. Fiscal Decentralization.

Table 5. Descriptive Statistic

	Desentralisasi Fiskal (Y)	PAD (X1)	Dana Perimbangan (X2)
Mean	3,0454	10,4723	7,0308
Std. Deviation	14,11266	16,16168	7,02696
Observation	13	13	13

From the picture above it is known that the amount of data as much as 13, with an explanation of each variable as follows:

1. Pad variables have an average value (mean) of 10.4723% and a standard deviation of 16.16168%. this means that the average value is smaller than the standard deviation, thus indicating that the result is not good. Because standard deviation is a very high mirroring of deviations, so the dissemination of data shows abnormal results and causes bias.
2. Variable Balance Fund has an average value (mean) of 7.0308%, and a standard deviation of 7.02696%. Means that the average value is greater than the standard deviation, thus indicating that the result is quite good. This is because the standard deviation is a very high mirroring of deviations, so the dissemination of data shows normal results and does not cause bias.
3. Fiscal Decentralized Variable has an average value (mean) of 3.0454% and a standard deviation of 14.11266%. This means that the average value is smaller than the standard deviation, thus indicating that the result is not good enough. Because standard deviation is a very high mirroring of deviations, so the dissemination of data shows abnormal results and causes bias.

Multiple Linier Regression Test

Data analysis using multiple linear regression analysis is performed with the help of SPSS. The results of the research obtained were then analyzed to see the influence of PAD, balance funds on fiscal decentralization both partially and simultaneously.

Table 6. Hasil Regresi

Variabel	Koefisien	T hitung	Sig
(Constant)	-3,748	-1,027	0,329
X1PAD	0,733	4,690	0,001
X2DP	-0,125	-0,348	0,735
F-statistik			3,98
Adj. R Square			0,629

Based on the picture above, the constant value for the double linear regression equation in this research is -3,748 with a regression coefficient of 0.733 for variable X1 while for variable X2 it has a regression coefficient of -0.125. So it can be created multiple linear regression equations as follows:

$$Y = -3,748 + 0,733X_1 - 0,125X_2 + e$$

Based on the multiple regression equations above, it can be interpreted that:

1. With a constant value of -3,748 meaning that if PAD, and Balance Fund are worth 0, then Fiscal Decentralization is -3,748.
2. Pad regression coefficient is 0.733. This means that if PAD rises by 1% then Fiscal Decentralization will increase by 0.733.

3. The regression coefficient for the Balance Fund is -0.125. This means that if the Balance Fund rises by 1% then Fiscal Decentralization will decrease by -0.125.

Hypothesis Testing

Hypotheses are assumptions or assumptions about a thing that is made to explain it and required to check it. If these assumptions or assumptions are specific to the population, generally regarding the values of population parameters, then that hypothesis is called a statistical hypothesis.

Coefficient of Determination Test

The analysis of the coefficient of determination aims to find out how far the ability of independent variables, namely Local Own Revenue (PAD) and Balance Fund (together) in explaining dependent variables, namely Fiscal Decentralization. The following are the results of SPSS output for determination test:

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.830 ^a	.690	.628	8,61190	1,638

a. Predictors: (Constant), X2(DANA PERIMBANGAN), X1(PAD)

b. Dependent Variable: Y(DESENTRALISASI FISKAL)

Picture 2. Output test coefficient of determination
Source: SPSS processed products

Based on the table above that R^2 is 0.690 (69%), meaning independent variables X1 (PAD), and X2 (Balance Fund) are jointly able to explain dependent variables (Y) Fiscal Decentralization by 69%, the remaining 31% described other variables that were not studied in this study.

Partial Significant Test (t-Test)

H1 = Effect of PAD on Fiscal Decentralization

From output results using SPSS that the relationship between Local Own Revenue (PAD) and Fiscal Decentralization based on the calculation of t-count of data processing between Local Own Revenue (PAD) and Fiscal Decentralization is known that the significance value for the influence of X1 on Y is $0.001 < 0.05$, and the t-count value is 4,690 with an error rate of 5%, while to know the t-table that is by using the distribution of t-table where $t\text{-table} = t(\alpha / 2 ; n-k-1)$ then $t(0.025; 10) = 2,228$, then H_1 be accepted because $t\text{-count } 4,690 > t\text{-table } 2,228$. So it can be concluded that H_1 be accepted and there is an influence of X_1 on the variable Y.

In accordance with the theory of Regional Financial Asymmetry towards The Balance Fund, the tendency of increased Local Own Revenue will be followed by an increase in the Balance Fund, so that PAD's contribution to fiscal decentralization is low which will affect the total revenue of the region, so that the region will depend on the Balance Fund. This condition causes high regional total revenues, resulting in PAD not having a significant contribution based on the Degree of Fiscal Decentralization.

Based on research conducted by Jayanti, Agustina Tri (2017) that the Influence of PAD on Fiscal Decentralization of Districts / Cities of DIY Province in 2007-2014 showed that local taxes have a positive and significant effect, regional levy has a positive and significant effect, regional wealth yields are separated negatively and insignificantly, and other legitimate PAD has a positive and insignificant effect. While the results of this study showed that the influence of PAD on Fiscal Decentralization tasikmalaya city is positive.

H2 = Effect of Balance Fund on Fiscal Decentralization

Based on the results of data processing output using SPSS that the relationship between The Balance Fund and Fiscal Decentralization is -0.348. This indicates a very low relationship between the Balance Fund and Fiscal Decentralization. A negative value of 0.348 indicates that the correlation between

the Balance Fund and Fiscal Decentralization is negative. This means that when the Balance Fund rises it will be followed by a decrease in Fiscal Decentralization, and otherwise when the Balance Fund falls it will be followed by an increase in Fiscal Decentralization. So based on a partial regression test that the Balance Fund negatively affects Fiscal Decentralization.

As for the calculation of t-count of data processing between the Balance Fund and Fiscal Decentralization using SPSS it is known that the t-count value of -0.348 with an error level of 5%, while to know the t-table that is by using the distribution of t-table where $t\text{-table} = t(\alpha / 2; n-k-1)$ then $t(0.025; 10) = 2,228$, then H_2 rejected because $t\text{-count} -0,348 < t\text{-table} 2.228$ So that there is no significant influence of the Balance Fund on Fiscal Decentralization partially. Or H_2 rejected that there is partially negative influence of Balance Fund on Fiscal Decentralization.

In a study conducted by Citra (2016) that the Balance Fund had a significant effect on Regional Financial Independence. This is in contrast to the results of this study showing that the Balance Fund has no effect on Fiscal Decentralization. In this study, the Balance Fund partially had a negative influence. So in other words, the decline in the Balance Fund does not lead to meaningful changes to Fiscal Decentralization, it means that when the Balance Fund decreases it will not affect Fiscal Decentralization.

Simultaneous Significance Test (Test F)

Test F aims to find out if the variables of Local Own Revenue and Balance Fund simultaneously have limited influence on Fiscal Decentralization. The following are the spss output results for Ftest:

H3 = Effect of PAD and Balance Fund on Fiscal Decentralization

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1648,358	2	824,179	11,113	,003 ^b
	Residual	741,647	10	74,165		
	Total	2390,005	12			

a. Dependent Variable: Y(DESENTRALISASI FISKAL)

b. Predictors: (Constant), X2(DANA PERIMBANGAN), X1(PAD)

Picture 3. Simultaneous significance test output
 Source: SPSS processed products

From the results of processing calculations using SPSS shows the results of statistical calculation Test - F of 11,113 with a probability of significance of 0.003. Test Result – F is 11,113 greater than table F of 3.98, F calculates $11,113 >$ from F table 3.98 and because the probability value of significance $0.003 < 0.05$ means simultaneously all independent variables namely Local Own Revenue (PAD) and Balance Fund affect dependent variables. Fiscal Decentralization. This model can be used to show that Local Own Revenue (PAD) and Balance Fund have an influence on Fiscal Decentralization together.

The results of this study support the results of research conducted by Citra (2016) which states that in its research shows that PAD and Balance Fund have a significant effect on Regional Financial Independence or Fiscal Desentralization.

CONCLUSION

1. Effect of Local Own Revenue (PAD) and Partial Balance Fund:
 - a. Local Own Revenue (PAD) has a partial positive effect on Fiscal Decentralization.
 - b. The Balance Fund partially negatively affects Fiscal Decentralization.
2. The effect of Local Own Revenue (PAD) and Balance Fund simultaneously on Fiscal Decentralization. Local Own Revenue (PAD) and Balance Fund has a significant effect on dependent variables namely Fiscal Decentralization. Thus simultaneously Fiscal Decentralization is influenced by PAD and Balance Fund.

SUGGESTION

1. Practical Suggestion

For the Regional Government of the City of Tasikmalaya with the need for an improvement to the implementation of the system and stricter procedures in supervising the economic growth of a region in its spending in accordance with the prevailing regulations, namely in the provisions of legislation, and can provide related supervision in terms of tax collection, regional levy and so on in order to provide a positive result. In this case the quality and quantity of the officers to the source of income budgeted on regional expenditures need to be increased and his knowledge for the continuity of the system and procedures of collection of sources of income can provide good results. In addition, local governments need to increase from other sources of Local Revenue not only rely more on the Balance Fund. The use of the General Allocation Fund should not only be for local government spending but also for infrastructure improvement so that when the Local Government improves infrastructure, the community will get a greater profit, so that when the community gets a greater profit then the Local Government will also benefit from the payment of taxes, levies, etc. that can increase the Local Revenue.

2. Theoretical Suggestion

For further research, it is expected to examine other variables other than those that have been done by researchers to influence fiscal decentralization, so as to know what factors can influence fiscal decentralization such as loans from other local governments, transfers from provincial governments and other legitimate income. And it is expected that in the next research can get research data with the scale of local government obtained from an entity or task force of local government devices more effectively and efficiently.

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