

ABSTRACT

ANALYSIS RELATIONSHIP OF TAX RATIO WITH GOVERNMENT SPENDING IN INDONESIA THE PERIOD 1999-2008

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In the context of state revenues and expenditures of the tax levy is certainly a direct impact on the financial system and national economy, which in turn affects all aspects of the life of the nation state. In practice, the tax sector are more likely to be stressed to finance expenditures by the state, which compliance is not independent of government fiscal policy. To finance the share of development programs, the government gain acceptance through the tax system designed carefully sourced from government spending to balance between the target and the realization comes down to efficiency and equity. Government's ability to increase tax revenues means improving the ability in development financing.

This study aims to find out Relationship With Tax Ratio Government Expenditure in Indonesia. This study uses secondary data. The data used is the type of time series of data (time series) in the period 1999-2008. Analysis tool used in this study is a qualitative analysis and quantitative analysis. Based on the analysis that the TG (Difference Between Tax Ratio of Percentage of Government Expenditure to GDP) had negative results (-) each year. Where each year of budget deficits. Just as the G/T (Comparison between the percentage of Government Expenditure to GDP Ratio With Tax). Where each year there is a shortage of financing for government spending. The role of the less optimal tax to finance government spending. The conclusion that the ratio of taxes to government spending has a negative relationship.

Key words: Ratio of Taxes, Government Spending, and Economic Growth.