

A B S T R A C T

STIMULUS FUNDS THE FISCAL INDEPENDENCE OF EQUALIZATION (LOCAL TAX) IN THE WAY KANAN, 2003-2010

From:

M. Reza Pratama Putra

Since Indonesia's economy gets monetary crisis in 1997 and the Government's failure to control the effective system of Government, the establishment of the autonomous region of discourse is increasingly growing. Discourse of the application of the second autonomous region realized effectively in 2004 with the enactment of law No. 32 of 2004 and Act No. 33 of 2004, which in principle govern conduct of local governance that favour the implementation of the principle of decentralization. The implementation of regional autonomy until today its implementation throughout the regencies and cities throughout Indonesia is developing towards that is getting better, but the reality shows that local governments can't be completely separated from the Central Government in organizing the household area.

The issue raised in this study is whether the balance of Funds to stimulate Fiscal Independence (local tax) in the right Way in 2003-2010? The purpose of this study was to determine the ability of the equalization funds to stimulate local tax in the right Way in 2003% u2013 2010. As for the data analysis used in qualitative descriptive data analysis.

Based on existing problems the authors conclude that the proportion of transfer income to the central region are still high compared with the revenue receipt of County area right Way of tax areas. The Fund balance of the Centre thus became diisentif for the region in increasing the tax effort. This trend shows the dependence of the Government District, the right Way to the Central Government is still high.

The authors recommend that should the local government districts of the right Way to reduce dependence on the Equalization Fund/Central Government transfers by doing an effort improve the reception area, in particular the tax revenue should be directed at the efforts that are ongoing and continuing so that tax revenue could increase. as well as the District Government the right Way need to make cooperation with the private sector by establishing a new area of the company so that it becomes a source of reception area as well as from the receipt of other areas especially revenues from the Central Government.