

ABSTRACT

One of the main sources of revenue to support regional development in Indramayu Regency is local tax revenue. However, the realization of local tax revenue has often been suboptimal due to various factors, one of which is the low level of taxpayer compliance. This study aims to analyze the factors influencing taxpayer compliance and formulate strategies to enhance compliance in order to optimize local tax revenue.

The research method used is a qualitative approach, with data collection through interviews, surveys, and document studies. The subjects of the study consist of employees at the Regional Revenue Agency of Indramayu Regency who have the primary duties and functions in implementing local taxation, as well as taxpayers in Indramayu Regency. Data analysis is conducted by describing the current state related to taxpayer compliance and local tax revenue, as well as identifying the factors that influence both.

The results of the research indicate that several factors affecting taxpayer compliance in Indramayu Regency include: a lack of understanding of tax obligations, negative perceptions regarding the use of tax funds, and inadequate supervision from local government authorities. In addition, a culture of indifference towards tax obligations within the community also poses a challenge in enhancing compliance.

To address these issues, this study recommends several strategies, including: improving education and outreach regarding taxation to the public, strengthening the supervision system and law enforcement against tax violations, and developing incentives and rewards for compliant taxpayers. Through these efforts, it is hoped that the level of taxpayer compliance can increase, ultimately having a positive impact on the optimization of local tax revenue in Indramayu Regency.

This research contributes not only to academic understanding of tax compliance but also provides practical solutions for local governments in efforts to enhance tax revenue. It is expected that the results of this study can serve as a reference for taxation policies in other regions facing similar challenges, as well as stimulate further discussions on the importance of tax compliance in regional development.

Keywords: *Local tax revenue, taxpayer compliance, optimization, Indramayu Regency.*