

ABSTRACT

Fiscal decentralization gives local governments the authority to manage finances independently in order to improve efficiency and accountability in the delivery of public services. One indicator of the success of fiscal decentralization is the increase in local own-source revenue (PAD). Medan City as the center of economic growth in North Sumatra Province has high PAD potential, but the realization of its revenue is still not optimal and often does not reach the set target. This study aims to analyze the effect of local taxes, local levies, and the results of the management of separated local assets on PAD in Medan City. This research uses a quantitative approach with multiple linear regression analysis methods. The data used is secondary data obtained from the Medan City Government budget realization report and data archives obtained from the Regional Finance and Assets Agency (BKAD), with a total of 72 monthly data samples during the 2019-2024 period. Tests were conducted to determine the effect both simultaneously and partially of each independent variable on PAD. The results showed that the variables of local taxes and local retribution had a positive and significant effect on PAD, while the results of the management of separated regional assets did not show a significant effect. This finding indicates the need to optimize tax and levy revenues through increasing taxpayer compliance.

Keywords : Contribution, Fiscal Decentralization, Regional Original Revenue, Regional Retribution, Regional Taxes, Results of Management of Separated Regional Wealth.