

EFFECTIVENESS REVIEW ON SOPPENG'S TOBACCO PRODUCT INDUSTRIAL ESTATES (KIHT SOPPENG): THE FIRST TOBACCO INDUSTRIAL ESTATES IN INDONESIA

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ABSTRACT:

The inauguration of the Soppeng's Tobacco Products Industrial Estate (KIHT Soppeng) has been carried out for about a year since October 2020. To assess the effectiveness of its establishment, it is necessary to conduct a review. This study seeks to review the effectiveness of the establishment of KIHT Soppeng from the perspective of excise revenue and supervision (enforcement activities) approach with quantitative analysis by comparing data before and after the time of its establishment. The results of the study can significantly show that there are differences in excise revenues before and after the establishment of KIHT. In terms of supervisory activities, the results of the study still cannot show the expected differences in law enforcement activities before and after the establishment of KIHT. Several things caused this to be suspected, including the location of KIHT Soppeng which is under the supervision of Customs and Excise Supervision and Service Office of Parepare (KPPBC Parepare) in the distribution channel of cigarettes produced on the island of Java for distribution in marketing areas in the Sulawesi as well as the condition of the COVID-19 pandemic which has caused law enforcement activities to not yet run properly.

Keywords: KIHT, Excise Revenue, Enforcement Activities, Cigarettes.

1. INTRODUCTION

One of the elements in determining the Gross Domestic Product (GDP) of a country is Government Expenditure. To finance this expenditure, the Indonesian government has determined the sources of funding as stated in the State Revenue and Expenditure Budget (APBN), one of which comes from excise revenues as a source of domestic tax revenue.

Excise revenue from year to year so far continues to increase. However, this does not mean that to achieve this revenue, The Directorate General of Customs and Excise (DGCE) as an institution authorized to carry out excise collection does not face obstacles in its implementation, one of which is the circulation of illegal cigarettes that do not fulfill the obligation to pay excise. Various strategies to reduce the circulation of illegal cigarettes has been carried out, including increasing surveillance activities in the field through market operations within the framework of the excise connection, activities to increase education and outreach to the public and service users, activities to improve the security standards of excise stamps so that they are not easy to imitate and counterfeit, increasing excise document analysis activities, increasing coordination with other law enforcement officials and with local governments, initiating policies on the establishment of Tobacco Products Industrial Estates (KIHT), and various other activities.

Related to the development of the KIHT, some of the expected benefits are the reduction in the circulation of illegal cigarettes, the development of the economy around the area, the utilization of Tobacco Excise Revenue Sharing Fund (DBH CHT), as well as in the context of increasing revenues. In October 2020, the first KIHT in Indonesia was inaugurated, namely KIHT Soppeng which is owned by the Regional Company of Soppeng Regency, South Sulawesi. This KIHT is a form of commitment from the Regional Government in coordination with DGCE to be able to fulfill some of the goals that have been set.

Until now, it has been about a year since the KIHT Soppeng has been operating since it was first inaugurated. To find out the progress in achieving the goal of establishing KIHT Soppeng, a qualitative evaluation of the effectiveness of KIHT Soppeng has been carried out in reducing the circulation of illegal cigarettes and increasing excise revenues by the South Sulawesi Regional Office of DGCE. In addition to these two aspects, there are other variable aspects of benefits before and after the establishment of KIHT such as aspects of the economic impact around the area. With this background, the authors are interested in researching to find out the progress in achieving the benefits of KIHT Soppeng in a broader aspect with different approaches before and until about one year since its establishment.

2. LITERATURE REVIEW

2.1 Indonesian Excise

According to Law Number 39 of 2007 concerning Amendments to Law Number 11 of 1995 concerning Excise (UU Excise) Article 1 Paragraph (1), it is stated that excise is a state levy imposed on certain goods that have specified properties or characteristics. Article 2 of the Excise Law states that the characteristics of an item to be subject to excise include four characteristics, namely: 1) its consumption needs to be controlled; 2) its circulation needs to be monitored; 3) its use may harm on society or environment; or 4) its use requires the imposition of state levies for justice and balance. The goods referred to in question are declared as Excisable Goods (BKC).

According to Cnossen (2005), it is stated that several things that distinguish excise duty are selectivity in coverage, discrimination in intent, and quantitative measurement in determining excise duty. Until now, excise duty is imposed on BKC as follows: 1) Ethyl Alcohol or Ethanol (EA); 2) Drinks Containing Ethyl Alcohol (MMEA); 3) Tobacco Products (HT). According to Cnossen (2005), the objectives of the imposition of excise duty are as follows:

1. To Raise Revenue for General Purposes
2. To Reflect External Costs
3. To Discourage Consumption
4. To Charge Road Users for Government-Provided Services
5. Other Objectives.

2.2 Earmarking

Cnossen (2005) states that one of the purposes of tax imposition is to reflect external costs levied on consumers or producers of goods subject to excise duty to other parties. The existence of external costs requires the government to intervene through the excise collection mechanism. The principle of imposition of external costs is in accordance with the principle of Pigouvian Tax which say that a tax have to be levied on any market activity that generates negative externalities intended to correct unwanted or inefficient market outcomes (market failure).

One of the methods used to provide compensation to externally affected parties for a product is through earmarking. According to Greene (2021), earmarking is dedicating certain sources of income to fund certain types of expenses. The Center for State Revenue and Expenditure Budget Policy (2013) states that in public policy theory, efficient use of the budget for the government is important. One of the steps to achieve government budget efficiency,

according to economists, is through earmarking, namely the government's policy on using a budget whose source of revenue and expenditure program will be specifically determined.

2.3 Tobacco Excise Revenue Sharing Fund (DBH CHT)

In the Regulation of the Minister of Finance Number 233/PMK.07/2020 concerning Amendments to the Regulation of the Minister of Finance Number 139/PMK.07/2019 concerning the Management of Revenue Sharing Funds, General Allocation Funds, and Special Autonomy Funds, Article 1 Paragraph (10) it is stated that the Shared Funds, hereinafter abbreviated as DBH, are funds allocated in the State Revenue and Expenditure Budget to the Regions based on a certain percentage of state revenues to fund regional needs in the context of implementing decentralization. One form of revenue sharing fund set by the government is the Tobacco Excise Revenue Sharing Fund which according to PMK 206/PMK.07/2020 is part of Transfers to Regions distributed to excise-producing provinces and/or tobacco-producing provinces as a form of earmarking on the imposition of Excise on Tobacco Products.

Earmarking feature in excise can be seen from the allocation of its use which is specific. This feature in accordance with the mandate of Law Number 39 of 2007 concerning Excise in Article 66A which states: "State revenues from tobacco excise taxes made in Indonesia are distributed to provinces that produce tobacco products excise duty of 2% (two percent) which is used to fund the improvement of the quality of raw materials, industrial development, social environment development, socialization of provisions in the field of excise, and/or eradication of illegal excisable goods".

2.4 Tobacco Products Industrial Estates (KIHT)

It has been previously mentioned that one of the earmarks of DBH CHT is for industrial coaching activities. In Warta Bea Cukai (2020) has mentioned that the effort in eradicating illegal tobacco circulation and developing small to medium tobacco product industries is currently conducted by the government through the establishment of a centralized tobacco industry area or known as Tobacco Products Industry Area (KIHT). KIHT allows the smallmedium tobacco industry to legally run their business despite being unable to meet the minimum size possible for a plant to operate according to the Minister of Finance (MoF) regulation number 200/2008. Moreover, KIHT will also provide facilities such as cigarette rolling subcontract with other operators within the KIHT and excise settlement postponement up to 90 days. Among the considerations for issuing these provisions are to improve services, develop industry, and supervise the production and distribution of tobacco products as well as to further support, develop and improve the competitiveness of small and medium industries

in the tobacco products sector, as well as to support the implementation of Presidential Regulation No. 2017 concerning the Acceleration of Business Implementation.

By definition, KIHT is an area where the activities of the tobacco products industry are concentrated, equipped with infrastructure, facilities, and supporting facilities for the tobacco products industry that are provided, developed, and managed by entrepreneurs of the tobacco products industrial area. Factory Entrepreneurs in Tobacco Products Industrial Estates are provided with facilities in the form of:

- a. business license;
- b. business activities; and
- c. delay in paying taxes.

There are four main activities that can be carried out in the tobacco products industrial estates, namely:

- a. First, managing and developing tobacco products industrial estates that can be carried out by zone entrepreneurs;
- b. Second, produce Excisable Goods (BKC) in the form of tobacco products in the form of bars which are carried out by factory entrepreneurs;
- c. Third, packaging BKC in the form of tobacco products in packaging for retail sales and sticking of excise stamps by factory entrepreneurs;
- d. Fourth, producing goods other than BKC and/or support services for the tobacco products industry by entrepreneurs. Entrepreneurs who operate industrial areas for tobacco products can also double as factory entrepreneurs.

2.5 Soppeng Tobacco Industrial Estates (KIHT Soppeng)

The Soppeng Tobacco Products Industrial Estate was established by Decree Number KM-12/WBC.17/2020 dated 7 July 2020 and inaugurated on 16 October 2020. The area of the Soppeng KIHT location is 36,000m². Soppeng Regency is located in the Province of South Sulawesi and is under the supervision of the Customs and Excise Supervision and Service Office (KPPBC Parepare).

Figure 1.
Regency Map of Soppeng



Source: Google

Currently, there are 6 (six) cigarette companies operating within KIHT since its inauguration. Of these companies, most are cigarette factories that were established before KIHT was inaugurated. The study conducted by South Sulawesi Regional Office of DGCE (2021) mentioned that the government's efforts through the establishment of KIHT were intended for small and medium cigarette factories to reduce illegal practices and to make it easier in supervision. The fewer illegal practice activities, the less enforcement activities.

2.6 Previous Research

The previous research related to KIHT Soppeng was like that conducted by the Regional Office of DGCE Southern Sulawesi (2021). The research conducted was descriptive and qualitative. This research focused on the effectiveness of the establishment of KIHT Soppeng in terms of supervision (enforcement) and revenue. Research related to the impact of the establishment of an industrial estate is also carried out, such as that conducted by Sari and Rahayu (2014) which was carried out using a qualitative method with a comparative analysis approach to research variable data before and after the existence of the PT. Korindo Ariabima Sari. The research that will be carried out by the author tries to provide added value to existing research by adding a period of research data with a quantitative main approach before and after the establishment of the KIHT Soppeng.

2.7 Research Hypothesis

The hypotheses to be tested in this study are:

Hypothesis 1

H_0 : There is no difference in excise revenue at KPPBC Parepare between before and after the establishment of KIHT Soppeng

H_a : There is a difference in excise revenue at KPPBC Parepare between before and after the establishment of KIHT Soppeng

Hypothesis 2

H_o : There is no difference in the enforcement activities at KPPBC Parepare between before and after the establishment of KIHT Soppeng

H_a : There is a difference in the enforcement activities at KPPBC Parepare between before and after the establishment of KIHT

3. RESEARCH METHODS

The methods that will be used in this research are dominantly based on a quantitative approach and partially qualitative approach. According to Creswell & Creswell (2018), Quantitative research is an approach for testing objective theories by examining the relationship among variables. These variables, in turn, can be measured, typically on instruments, so that numbered data can be analyzed using statistical procedures. The final written report has a set structure consisting of introduction, literature and theory, methods, results, and discussion. Madekhan (2018) stated that qualitative research is research on descriptive research and tends to use an inductive approach to analysis. Process and meaning (subject perspective) are more highlighted in qualitative research. The theoretical basis is used as a guide so that the research focus with the facts on the ground. Denzin & Lincoln (2017) describe that qualitative research includes an interpretive and naturalistic approach to objects. According to Moleong (2005), qualitative research has several characteristics including research results in the form of descriptions and interpretations in the context of time and certain situations.

This study will use data on excise revenues and prosecution before and after the establishment of KIHT Soppeng for the years 2020 s.d. 2021. The secondary data obtained from DGCE. In the Regulation of the Minister of Finance Number 188/PMK.01/2016 concerning the Organization and Work Procedure of the Vertical Agencies of the Directorate General of Customs and Excise, it is stated that the KPPBC Parepare oversees several regencies and cities, namely Parepare City, Barru Regency, Pinrang Regency, Enrekang Regency, Regency Sidenreng Rappang, Wajo Regency, Soppeng Regency, Polewali Mandar Regency, Mamasa Regency, Majene Regency, Mamuju Regency, and Central Mamuju Regency. The formation of the industry will affect other similar industries both in the framework of cooperation, collaboration, and competition so that the industry is assumed to go forward and backward together, including for industries in the surrounding area. Based on this approach,

this study assumes and limits that excise revenues and illegal cigarette crackdown activities will apply equally to several areas around KIHT Soppeng which are under the supervision area of KPPBC Parepare.

After the data is obtained, the results will be processed and analyzed to determine whether based on the data there are significant differences between conditions before and after the formation of KIHT Soppeng from the perspective of excise revenues and supervision using SPSS software.

4. ANALYSIS AND DISCUSSION

4.1 General Analysis

In this general analysis, an analysis will be carried out based on descriptive statistical data from the side of excise revenues for the period of 8 months before the inauguration of KIHT Soppeng and 8 months after the inauguration which was collected totally by KPPBC Parepare. Especially for the October period, a cut-off date will be made before the KIHT inauguration date (October 16, 2021) and after the inauguration date. The results of descriptive statistics for acceptance data are as follows:

Table 1.
Descriptive Statistics-Excise Revenue Pre and Post KIHT Soppeng
(Indonesia Rupiah)

	N	Minimum	Maximum	Mean	Std. Deviation
Revenue-Pre KIHT (Rp)	9	21120000.00	2804007000	1412632667	991701725.7
Revenue-Post KIHT (Rp)	9	63360000.00	5500707000	2763044667	1503901955
Valid N (listwise)	9				

Source: SPSS Output

The results of descriptive statistics for excise revenue data before and after the inauguration date of KIHT Soppeng can be explained that the average excise revenue of KPPBC Parepare for the period of 8 months before the inauguration date of KIHT Soppeng is Rp1.41 billion with a lower standard deviation (991,701,725.5) than the average. On the other hand, the average excise revenue of KPPBC Parepare for the period of 8 months after the inauguration date of KIHT Soppeng is Rp2.76 billion with a standard deviation (1,503,901,955) which is lower than the average. The standard deviation value that is lower than the mean reflects the absence of a large variation between the maximum and minimum values of the mean value.

In addition to excise revenue analysis, in this general analysis, an analysis will be carried out based on descriptive statistical data from the side of supervision in the form of

cracking down on illegal cigarettes for the period of 10 months before the inauguration and 10 months after the inauguration of KIHT Soppeng conducted by KPPBC Parepare. Considering that the data on the prosecution in October could not be obtained in detail on the date of the enforcement activities, for this analysis, the data on the actions in October were categorized as the data period before the inauguration of the Soppeng KIHT. In addition, based on the data collected, there are also two versions of data obtained where the first version is based on the approach to the number of prosecution activities, while the second version is based on the approach to the number of illegal cigarettes that have been secured from the prosecution. To enrich the research, further analysis will be carried out on all versions of the action data. The results of descriptive statistics for enforcement data based on the number of prosecution activities (first version data) are as follows:

Table 2.
Descriptive Statistics-Number of Prosecutions Pre and Post KIHT Soppeng (Proof of Enforcement)

	N	Minimum	Maximum	Mean	Std. Deviation
Pre_Penindakan_SBP	10	7	23	13.40	6.204
Post_Penindakan_SBP	10	3	20	13.10	5.724
Valid N (listwise)	10				

Source: SPSS Output

The results of descriptive statistics for data on enforcement activities before and after the inauguration date of KIHT Soppeng can be explained that the average enforcement activity of KPPBC Parepare for the period 10 months before the date of inauguration of KIHT Soppeng is 13.3 times with a standard deviation (6.204) which is lower than the average. On the other hand, the average excise action of KPPBC Parepare for a period of 10 months after the inauguration date of KIHT Soppeng is 13.10 times with a standard deviation (5.724) which is lower than the average. The standard deviation value that is lower than the mean reflects the absence of a large variation between the maximum and minimum values of the mean value.

The results of descriptive statistics for enforcement data based on the number of cigarettes that are secured (second version data) are as follows:

Table 3.
Descriptive Statistics-Number of Cigarettes Enforcement Pre and Post KIHT Soppeng
(Number of Cigarettes)

	N	Minimum	Maximum	Mean	Std. Deviation
Pre_Penindakan_Jumlah Batang	10	3520	144640	76304.00	40605.380
Post_Penindakan_Jumlah Batang	10	15580	237800	120404.00	68414.339
Valid N (listwise)	10				

Source: SPSS Output

Descriptive statistical results for data on enforcement activities based on the number of cigarettes that were secured before and after the inauguration date of KIHT Soppeng can be explained that the average number of cigarettes resulting from prosecution of KPPBC Parepare for the period 10 months before the date of inauguration of KIHT Soppeng is 76,304 cigarettes with a standard deviation (40605.38) which is lower than the average. On the other hand, the average number of cigarettes produced by KPPBC Parepare for 10 months after the inauguration date of KIHT Soppeng is 120,404 cigarettes with lower standard deviation 68,414.33. The standard deviation value that is lower than the mean reflects the absence of a large variation between the maximum and minimum values of the mean value.

4.2 Review of the Effectiveness of the Establishment of KIHT Soppeng from Revenue Perspective

Before analyzing the data the effectiveness of the establishment of KIHT Soppeng from the revenue perspective, it is necessary to test the normality of the variable of excise tax revenue of KPPBC Parepare used in this study. The normality test is used to determine the next analysis to be used whether parametric or non-parametric tests. After the normality test is carried out, data analysis will be carried out in the context of the significance test.

The data normality test will be carried out using the Kolmogorov-Smirnov Test method with the consideration that normality testing is common and widely used to test data normality. The purpose of this test is to determine whether the sample used in this study has a normal distribution or not. The sample is said to be normally distributed if the Asymptotic sig > the level of confidence used in the test is 90% or $\alpha = 10\%$. On the other hand, it is said to be abnormal if Asymptotic sig < confidence level. The null hypothesis in normality test states that the population is normally distributed, against the alternative hypothesis that it is not normally distributed.

If the test results show that they are normally distributed, then a different test will be carried out in this study in the form of a parametric test (using paired sample t-test). On the

other hand, if the data is not normally distributed, then the different test that will be used in this study is non parametric test. The results of the normality test on the excise revenue data of KPPBC Soppeng for the period before and after the establishment of KIHT Soppeng can be seen in the following table.

Table 4.
Normality Test- Excise Revenue Pre and Post KIHT Soppeng

	Null Hypothesis	Test	Sig.	Decision
1	The distribution of Revenue-Pre KIHT (Rp) is normal with mean 1,412,632,666.667 and standard deviation 991,701,725.65.	One-Sample Kolmogorov-Smirnov Test	.200 ^{1,2}	Retain the null hypothesis.
2	The distribution of Revenue-Post KIHT (Rp) is normal with mean 2,763,044,666.667 and standard deviation 1,503,901,955.24.	One-Sample Kolmogorov-Smirnov Test	.200 ^{1,2}	Retain the null hypothesis.

Source: SPSS Output

Based on the results of the normality test, it can be seen that the overall acceptance data that has been tested has a normal distribution because of the Asymptotic sig. > the level of confidence used in the test is $\alpha = 10\%$. This result also shown in decision column which states to retain or accept the null hypothesis in normality test.

Because the normality test results show that the data is normally distributed, then the next test that will be used in this study is a parametric test (paired sample t-test) to test the hypothesis in this study. Based on the results of the analysis and hypothesis testing that have been carried out in parametric test shown in Table 5, it can be stated that the first hypothesis prove that there is a difference in excise revenue of KPPBC Parepare between before and after the establishment of KIHT Soppeng. The results of the Paired Sample T-Test where the significance value obtained is as follows.

Table 5.
Paired Samples Test-Excise Revenue Pre and Post KIHT Soppeng

		Paired Differences				t	df	Sig. (2-tailed)	
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower				Upper
Pair 1	Revenue-Pre KIHT (Rp) - Revenue-Post KIHT (Rp)	-1350412000	1933972718	644657572.6	-2836995028	136171028.2	-2.095	8	.070

Source: SPSS Output

As shown in the table, the sig (2-tailed) value generated from the Paired Sample T-Test test shows that H_0 in first hypothesis is rejected, which means that there is a difference in the KPPBC Parepare excise tax revenue between before and after the establishment of KIHT Soppeng because it has *Sig. (2-tailed)* value that is greater than the probability value researchers used in this study, $\alpha = 10\%$. This results is the same as the background of the policy objectives of the establishment of KIHT, one of which is in the context of excise revenue.

4.3 Review of the Effectiveness of the Establishment of KIHT Soppeng from a Supervisory Perspective (Enforcement Activities)

Similar to the analysis from the revenue perspective, before analyzing the data of the effectiveness of the establishment of KIHT Soppeng from the perspective of supervision, it is necessary to test the normality of the excise enforcement variable of KPPBC Parepare used in this study. The results of normality testing using the Kolmogorov-Smirnov Test method on the data on the number of prosecution activities for the KPPBC Parepare period before and before the establishment of KIHT Soppeng can be seen in the following table.

Table 6.
Normality Test-Number of Prosecutions Pre and Post KIHT Soppeng

	Null Hypothesis	Test	Sig.	Decision
1	The distribution of Pre_Penindakan_SBP is normal with mean 13.400 and standard deviation 6.20.	One-Sample Kolmogorov-Smirnov Test	.075 ¹	Retain the null hypothesis.
2	The distribution of Post_Penindakan_SBP is normal with mean 13.100 and standard deviation 5.72.	One-Sample Kolmogorov-Smirnov Test	.169 ¹	Retain the null hypothesis.

Source: SPSS Output

Based on the results of the normality test, it can be seen that the overall data on the enforcement activities that have been tested have a normal distribution because of the Asymptotic sig. > the level of confidence used in the test is $\alpha = 10\%$. Again, this result also shown in decision column which states to retain or accept the null hypothesis in normality test.

Because the test results show that the data is normally distributed, the parametric test (paired sample t-test) to test the second hypothesis in this study also will be conducted. From the results of the analysis and hypothesis testing that have been carried out, it can be stated that the second hypothesis is not proven any difference in the excise enforcement activities in KPPBC Parepare between before and after the establishment of KIHT Soppeng. The results of the Paired Sample T-Test where the significance value obtained is as follows.

Table 7.
Paired Samples Test-Number of Prosecutions Pre and Post KIHT Soppeng

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 Pre_Penindakan_SBP - Post_Penindakan_SBP	.300	9.429	2.982	-6.445	7.045	.101	9	.922

Source: SPSS Output

To confirm this testing results, hypothesis testing also will be carried out for enforcement activities with the approach to the number of cigarettes that were secured from the enforcement, instead from the number of enforcement itself. The results of normality testing using the Kolmogorov-Smirnov Test method on data on the number of cigarettes that were secured by the KPPBC Soppeng enforcement activities before and after the establishment of KIHT can be seen in the following table.

Table 8.
Normality Test-Number of Cigarettes Secured From Enforcement Pre and Post KIHT Soppeng

	Null Hypothesis	Test	Sig.	Decision
1	The distribution of Pre_Penindakan_JumlahBatang is normal with mean 76,304.000 and standard deviation 40,605.38.	One-Sample Kolmogorov-Smirnov Test	.200 ^{1,2}	Retain the null hypothesis.
2	The distribution of Post_Penindakan_JumlahBatang is normal with mean 120,404.000 and standard deviation 68,414.34.	One-Sample Kolmogorov-Smirnov Test	.200 ^{1,2}	Retain the null hypothesis.

Source: SPSS Output

Based on the results of the normality test, it can be seen that the overall data on the number of cigarettes that have been secured by prosecution activities are normally distributed. It is shown in decision column to retain or accept the null hypothesis in normality testing. Then, same as before, a parametric test (paired sample t-test) will be conducted for the second hypothesis in this study. The results of the Paired Sample T-Test is as follows.

Table 9.
Paired Samples Test-Number of Cigarettes Enforcement Pre and Post KIHT Soppeng

		Paired Differences				t	df	Sig. (2-tailed)	
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower				Upper
Pair 1	Pre_Penindakan_Jumlah Batang - Post_Penindakan_JumlahBatang	-44100.000	55201.884	17456.368	-83589.049	-4610.951	-2.526	9	.032

Source: SPSS Output

From the Table 9, the sig (2-tailed) value generated from the Paired Sample T-Test test is smaller than the probability value, i.e. $\alpha = 10\%$, so the second null hypothesis is rejected. The test results prove that there are significant differences in the enforcement activities at KPPBC Parepare based on the number of cigarettes that are secured from excise enforcement activities between before and after the establishment of KIHT Soppeng.

These results are interesting that from the perspective of the number of cigarettes

prosecuted there is a significant difference between before and after the establishment of KIHT and if further investigated based on the data it shows that the results of prosecution are greater after the formation of KIHT, surprising. This condition can be explained by several assumption conditions including the following:

1. The monitoring area of KPPBC Parepare is on the cigarette distribution route from Java region for Sulawesi region, especially the Central Sulawesi, West Sulawesi, Gorontalo, and North Sulawesi regions. It is reasonable to suspect that some of the results of the prosecution of illegal cigarettes with the locus of occurrence in the KPPBC Parepare's area came from illegal cigarettes from the Java. This condition is suspected affect the results of the study on the effectiveness of KIHT Soppeng from the side of supervision which was limited to monitoring area of the KPPBC Parepare.

Figure 2.
Parepare on Cigarette Distribution Route from Java



Source: Google (edited)

2. The supervision period before the establishment of the KIHT Soppeng was the initial period of the COVID-19 pandemic, during which large-scale restrictions on social activities were carried out. This also applies to illegal cigarette control activities that must be carried out physically as well as reduced. This is different from the period after the establishment of the KIHT Soppeng. There was a reduction in the tightening of restrictions on community social activities so that monitoring activities could also be increased again.

Therefore, to find out more about the effectiveness of the establishment of the KIHT Soppeng, especially from a supervisory perspective, the researcher recommends approaches and the use of other methods to future researchers so that they are expected to be able to further find out the impact of this establishment that are not be biased due to the COVID-19 pandemic condition and not biased from the location of the KPPBC Parepare which is on the cigarette distribution route from Java to Sulawesi.

5. CONCLUSION

The results of this study indicate the results of a review of the effectiveness of the establishment of KIHT Soppeng. The conclusion of the test that compares excise revenue and the results of supervision activities at KPPBC Parepare for several months before and after the establishment of KIHT Soppeng is that there are differences in excise revenue from KPPBC Parepare, based on the results of the Paired Samples T-Test, for the period before and after the period of the establishment of the KIHT Soppeng. Meanwhile, the results of supervision activities have not shown different results as expected, based on the results of the Paired Samples T-Test, for the period before and after the establishment of KIHT. Researcher suspect that there are things that cause the results of research on the effectiveness of the establishment of KIHT on the results of surveillance activities, namely the location of the Parepare KPPBC which is in the cigarette distribution route for the Sulawesi region and the COVID-19 pandemic condition which causes surveillance activities to not be carried out effectively.

It is hoped that the results of this study can be used for stakeholders, especially policymakers continuously monitoring the effectiveness of the establishment of KIHT, especially KIHT Soppeng.

6. LIMITATIONS AND SUGGESTIONS.

This research is focused on researching conditions before and after KIHT Soppeng from the point of view of excise revenue and supervision. At the beginning of the research, the author was excited to find out the economic impact that emerged from the establishment of KIHT, but the author experienced problems in obtaining data related to the economy such as Gross Domestic Product. The Central Bureau of Statistics of Soppeng Regency routinely publishes the data yearly, not monthly, so that the GDP data is for each month in 2021 until the time this research was conducted could not be obtained. Although the inauguration of KIHT Soppeng was carried out in October 2020, so there was a GDP contribution for approximately 2 months since its establishment, the author feels that this period is still too short so that it cannot yet describe the actual impact of the establishment of KIHT Soppeng on the actual GDP.

For better quality of research results, the authors hope that in future studies in assessing the effectiveness of KIHT Soppeng, researchers can add new economic variables such as GDP and Employment Rate and by extending the research period to better understand the impact of economic establishment in the medium and long term. In addition, as the author has stated at

the end of the discussion part before, to find out more about the effectiveness of the establishment of the KIHT Soppeng, especially from a supervisory perspective, the researcher recommends approaches and the use of other methods to the next researcher so that they are expected to be able to find out more about the impact of this establishment that are not biased due to the conditions of the COVID-19 pandemic and unbiased from the location of the Parepare KPPBC area which is in the cigarette distribution route produced in Java region for the Sulawesi region.

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