



Portrait of Public Policy Formulation on Local Taxes in Bekasi City

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A B S T R A C T

This research aims to analyze the implementation and obstacles in the public policy formulation of local tax regulations in Bekasi City. Employing a descriptive qualitative method with a case study approach, data were collected through interviews with purposively selected policy-formulating informants and analyzed using the Miles and Huberman interactive analysis model. The research results showed that the policy formulation process went through four stages (problem identification, policy agenda, alternative selection, and policy determination) but was marked by four main obstacles: time management, incompetence of human resources, differing actor agendas, and prevailing rules and procedures. This research contributes empirical evidence on how contextual factors, such as legal deadlines and local political dynamics, can impede policy formulation at the regional level, offering practical implications for local governments to improve management capacity and institutional coordination.

INTRODUCTION

On January 5, 2022, the Indonesian government officially issued the latest regulations related to local taxes and retributions, namely the HKPD Law which revoked the PDRD Law. The transition of local taxes and retributions encouraged revitalization in various regions. The HKPD Law is a manifestation of the concept of fiscal decentralization and regional autonomy so that the allocation of national resources become more effective and efficient towards accelerating equitable welfare throughout Indonesia. One of the pillars of the HKPD Law in strengthening fiscal decentralization is strengthening local taxing power through expanding the tax base, reducing administration and compliance costs, and harmonizing with other regulations (DJPK Ministry of Finance, 2022).

Based on Article 192 of the HKPD Law, implementing regulations related to local taxes and retributions as a follow-up to the HKPD Law must be established by the regional government no later than two years after the HKPD Law was enacted, namely January 5, 2024. Various factors such as the comprehensive review process, completion of the transition period, and limited time were challenges for regional governments so that the formulation of implementing regulations for the HKPD Law did not cause problems in the implementation of local taxes and retributions collection. If the regional government had not issued implementing regulations for local taxes and retributions, then the regional government did not have the right to collect local taxes and retributions as stated by Zuraida (2022) that local taxes have the characteristic of being collected by the government based on established regional regulations. The process of drafting regional regulations

related to local taxes and retributions is closely related to public policy formulation. This shows a research gap in the form of a discovery gap where the author reviews the process of drafting regional regulations related to local taxes as a follow-up to the HKPD Law through public policy science.

The stages of public policy formulation are the most crucial stages because the failure of a public policy stems from the imperfection of management in the formulation stage (Madjid, 2018). Problems that arise due to imperfections in the public policy formulation stage are proven in the research of Handrian et al. (2021) which states that the job creation program implemented in Riau Province did not meet the needs of the community, especially in addressing the problem of open unemployment. The mismatch between community needs and the implemented public policy should be anticipated at the public policy formulation stage through comprehensive studies and community aspirations. Therefore, the author is interested in analyzing public policy, especially at the public policy formulation stage.

Public policy formulation cannot be separated from the influence of the environment in the region (Dye, 1995 quoted in Mustari, 2015). Kadji (2015) states that environmental factors can include the general environment, institutional environment, and specific environment. In addition, Kadji (2015) also states that besides these three environments, other environmental factors such as geographical characteristics and demographic variables can also influence public policy formulation both as consideration factors and obstacles. This is proven by Handrian et al. (2021) who state that the job creation policy implemented in Riau Province was hindered by several resource factors such as limited time, costs, and information in formulating public

policy alternatives. In addition, political factors such as maintaining stability and protecting the political system were also considerations in the public policy formulation process in Riau Province. Therefore, the author is interested in identifying the public policy environment that becomes obstacles in public policy formulation, especially local taxes.

As one of the administrative cities in West Java, Bekasi City was a region that has an optimal economic growth rate (Hasan et al., 2019). Based on data on the DJPK Ministry of Finance website, the contribution of local taxes and retributions in Bekasi City to the regional revenue and expenditure budget (APBD) target for 2023 to the original regional revenue of Bekasi City was 81.74 percent or valued at 2.54 trillion rupiah. This showed that the contribution of local taxes and retributions was included in the very good criteria (Arikunto, 2016 quoted in Nofitasari, 2022). In carrying out the function of managing regional revenue, especially local taxes in Bekasi City, the Bekasi City government has a management unit called the Bekasi City Regional Revenue Agency. Therefore, the author is interested in analyzing the public policy formulation process that occurs in regional regulations on local taxes at Bekasi City Regional Revenue Agency.

METHOD

This research employed a descriptive qualitative method with a case study approach. The qualitative approach was selected as this research aimed to gain a deep and holistic understanding of the complex process of public policy formulation. This process involves interactions among actors, political interests, and institutional dynamics that are not quantitatively measurable. The case study approach was specifically utilized to focus the research on the phenomenon of formulating the Regional Regulation on Local Taxes within the Bekasi City Regional Revenue Agency. This approach enabled the researcher to conduct an intensive data exploration within a single unit of analysis to produce a factual report.

Data sources for this research consisted of primary data obtained through semi-structured interviews and secondary data from administrative documents related to the regulation drafting process. Informants were selected using the purposive sampling technique to ensure that the information was gathered from individuals with the most comprehensive understanding of the research substance. The selected informants were four employees of the Bekasi City Regional Revenue Agency who met the following criteria: 1) direct involvement in the special task force for drafting the regional regulation; 2) possession of a strategic position and technical knowledge relevant to the policy formulation process; and 3) comprehensive participation in the process from its inception to the final stages, enabling them to provide a complete overview of the stages and obstacles encountered.

Data were collected through semi-structured interviews and documentation. The semi-structured interview format allowed the researcher to delve deeper into the informants' responses and explore emergent issues that were not previously identified. All collected data were subsequently analyzed using the interactive analysis technique developed by Miles and Huberman. This procedure involved three concurrent streams of activity that occurred simultaneously: 1) Data Reduction, the process of selecting, focusing, and organizing data from interview transcripts into key themes; 2) Data Display, wherein

the organized data were presented in narrative and matrix forms to facilitate the identification of patterns; and 3) Conclusion Drawing/Verification, the process of interpreting the data to answer the research questions, with conclusions being continuously verified throughout the study.

RESULTS AND DISCUSSION

Stages of Public Policy Formulation in Regional Regulations on Local Taxes in Bekasi City

In the process of public policy formulation related to regional regulations on local taxes, Bekasi City Regional Revenue Agency carried out nine activities as outlined in Table 1, namely: 1) Problem identification; 2) Priority agenda for drafting in 2023; 3) Drafting academic papers; 4) Formation of a local tax regulation drafting team; 5) Organizing public discussion activities in the form of providing input and inventorying problems with previous regulations; 6) Discussion and determination of provisions regulated in the draft regional regulations before discussion with the legislative party; 7) Discussion of the draft regional regulations with the legislative party; 8) Re-consolidation after discussion with the legislative party and determination of technical guidelines for drafting local taxes regulations; and 9) Determination of the draft regional regulations into regional regulations. All stages carried out by Bekasi City Regional Revenue Agency were analyzed through the theory of public policy formulation stages according to Winarno (2014) which is divided into four stages, namely problem formulation, policy agenda, selection of policy alternatives, and policy determination.

Table 1. Analysis of public policy formulation stages (Winarno, 2014) with the process of drafting regional regulations at Bekasi City Regional Revenue Agency.

| Public Policy Formulation Stages (Winarno, 2014) | Activities carried out by Bekasi City Regional Revenue Agency |
|--|--|
| Problem formulation | Determination of regional regulations according to the time frame set by the HKPD Law |
| Policy agenda | Priority agenda for drafting regional regulations in 2023 |
| Selection of policy alternatives | <ol style="list-style-type: none"> 1. Drafting academic papers in 2022 2. Formation of a regulation drafting team 3. Organizing public discussion activities in the form of providing input and inventorying problems with previous regulations 4. Discussion and determination of provisions regulated in the draft regional regulations before discussion with the legislative party 5. Discussion of the draft regional regulations with |

| Public Policy Formulation Stages (Winarno, 2014) | Activities carried out by Bekasi City Regional Revenue Agency |
|--|---|
| | the legislative party |
| | 6. Re-consolidation after discussion with the legislative party and determination of technical guidelines for drafting local taxes regulation |
| Policy determination | Determination of the draft regional regulation into official regional regulation |

Source: Processed by the author

Problem Formulation Stage

Bekasi City Regional Revenue Agency defined the problem as the importance of establishing regional regulations before the deadline set by the HKPD Law, which is January 5, 2024. This was conveyed by informant 2, “because the threat is, if after January 5, 2024, we are not allowed to collect.”. Additionally, this statement was supported by informant 4, “January 5, 2024, the regional regulation must be issued immediately, if it is not issued, the region cannot collect local taxes and retributions.”. If the Bekasi City government had not issued the implementing regulations, then the Bekasi City government was not allowed to collect local taxes as Zuraida (2022) states that local taxes have the characteristic of being collected by the government based on established regional regulations. This condition showed that Bekasi City Regional Revenue Agency needed to establish regional regulations before the deadline to ensure the Bekasi City government had the authority to collect local taxes. The ability to accurately identify public problems enabled Bekasi City Regional Revenue Agency to understand the steps that needed to be considered in the public policy formulation process, such as the content of the regulations and the various parties that needed to be involved. This is in line with Dewi (2022) who states that errors in identifying and defining problems can lead to mistakes in the established policy. This statement is also supported by Handrian et al. (2021) who state that the inability of regional governments to determine the problems that occur causes the public policy formulation process to be less effective, resulting in public policies that cannot solve existing problems.

Therefore, Bekasi City Regional Revenue Agency had carried out the first stage of public policy formulation according to Winarno (2014), which is identifying the problem as the importance of issuing regional regulations before the deadline set by the HKPD Law. If this problem was not resolved immediately, Bekasi City Regional Revenue Agency could not carry out tax collection. This condition would lead to a decrease in regional revenue and hampers the development of Bekasi City.

Policy Agenda Stage

Bekasi City Regional Revenue Agency could not prioritize the discussion of regional regulations on local taxes in the policy agenda of Bekasi City in 2022 after the HKPD Law was enacted. This was due to the delay in the issuance of the Government Regulation on General Provisions of Local Taxes and Retributions (PP KUPDRD) as technical guidelines for drafting local taxes regulations, as stated by informant 2, “If we have

finished the regional regulation, the PP just comes down, the worry is that it might not be in accordance” and supported by informant 3, “Where from Law number 1 in January 2022, the implementation guidelines have a quite long time span... PP 35 came out in July 2023, whereas the guidelines for drafting regional regulations are in PP 35.”. This condition is supported by Dewi (2022) who states that the reason a problem is not considered a priority in the public policy agenda discussion is the strategy to be implemented in solving the problem. In this case, the strategy to be implemented by the Bekasi City government was to wait for the issuance of PP KUPDRD so that the drafted regional regulations complied with higher regulations.

However, due to limited time and the potential negative impact on regional revenue in Bekasi City, Bekasi City Regional Revenue Agency prioritized the discussion of regional regulations on local taxes in the policy agenda for 2023. This was conveyed by informant 4, “Our target was November 2023, it must be completed. We actually started from the beginning of 2023, because of the mandate of Law number one... the implementation was waiting for the issuance of the PP”. This is supported by Kusumanegara (2010, quoted in Kadji, 2015) who states that public problems can become a priority in the policy agenda due to the significant impact if the public problems are not resolved immediately.

Policy Alternatives Selection Stage

Bekasi City Regional Revenue Agency began the activity of selecting policy alternatives by drafting academic papers in 2022, as stated by informant 3, “The guidelines for drafting regional regulations came from the academic papers”. Academic papers are documents that play a strategic role in the process of drafting regional regulations and are prepared by experts in the field (Sofwan et al., 2022). With academic papers, the regional regulations to be drafted can refer to the academic papers to ensure that the established regional regulations are objective and scientifically accountable (Sofwan et al., 2022).

Then, Bekasi City Regional Revenue Agency formed a special regulation drafting team related to the drafting of regional regulations as a follow-up to the HKPD Law at the beginning of 2023. This was conveyed by informant 3, “There was a drafting team... Decree of the head of the Bekasi City Regional Revenue Agency. And of course, these teams would coordinate with the necessary other departments.” and informant 4, “The initial stage was to form a drafting team, initially at the middle level, then directly increased to the high level”. The purpose of forming this special team was to ensure that the drafted regional regulations comply with higher regulations and were completed before the deadline. The members of the regulation drafting team were officials at Bekasi City Regional Revenue Agency and representatives of employees in each field of Bekasi City Regional Revenue Agency who had expertise in local taxation. This is in line with Syahrir (2018) and Bagaskara and Lituhayu (2017) who state that the formation of special teams in drafting regional regulations aims to make the drafting process more focused and able to resolve existing problems. Additionally, the regulation drafting team consists of bureaucratic officials and public policy experts.

The activities continued with public discussions involving various departments in Bekasi City. This activity aimed to ensure that the established regional regulations complied with higher regulations and to inventory the problems that occurred

in previous regulations. This statement was conveyed by informant 4, “We made meeting invitations according to the schedule... inviting, in other words, creating a discussion forum for other departments that were related to taxes, or... retributions” and informant 3, “We must first understand the contents of the law. We also shared with other departments, their inputs... So when this regional regulation was drafted, we didn't deviate from the rules”. This is supported by Syahrir (2018) who states that public discussions with various departments aim to ensure that the drafted regional regulations can accommodate various opinions and perspectives on the existing condition problems.

After conducting public discussions with various departments in Bekasi City, Bekasi City Regional Revenue Agency discussed the results of the public discussions and drafted regional regulations within the internal scope of Bekasi City Regional Revenue Agency, as stated by informant 3, “We held discussions together. So, inputs were shared from colleagues... We also had a group on whatapps application, right? Well, when the draft was being prepared, inputs from colleagues were also there”. This discussion aimed to determine the selected policy alternatives related to local taxation in Bekasi City. However, Bekasi City Regional Revenue Agency did not consider academic papers in drafting the regional regulation draft and only focused on discussions, as stated by informant 4, “Yes, just considerations and discussions. scientifically it had not been made yet.”. This could happen because, according to Indrati (1998, quoted in Sofwan *et al.*, 2022), if academic papers are considered to have less impact, then academic papers are not used as the basis for drafting regional regulations. Additionally, Sutikno *et al.* (2020) state that deliberation and consultation activities are steps that can be taken in determining the appropriate policy alternatives. Furthermore, Bekasi City Regional Revenue Agency did not directly involve the community in providing inputs or determining the policy alternatives. This was because direct community involvement could make the drafting of regional regulations less conducive and exceed the set deadline, as stated by informant 3, “If later it was accommodated by everyone, it would definitely be crowded”. Moreover, community involvement was already represented by the legislative party, as stated by informant 1, “Whether it's from the legislative party... their position represents the community”. This condition is in line with Alaslan (2021) who states that public policies often do not involve community participation in the formulation process and supported by Winarno (2014) who states that citizen involvement in the public policy process is often neglected in democratic countries because the people have already voted in elections and the legislative party is considered as the people's representative.

Next, Bekasi City Regional Revenue Agency held discussions with the legislative party regarding the drafted regional regulations. This was conveyed by informant 3, “First, we initially drafted it, then we discussed it with the legislative party”. In the discussions with the legislative party, the legislative party questioned the policy alternatives and the basis for the considerations chosen by Bekasi City Regional Revenue Agency. This is natural because Winarno (2014) states that policy formulators will face the interests of actors such as the legislative party in the policy formulation process. Additionally, every regional regulation related to public issues must obtain approval from the legislative party (Winarno, 2014). The

discussions with the legislative party proceeded smoothly because Bekasi City Regional Revenue Agency had strong arguments and had involved various departments in formulating policy alternatives.

After the PP KUPDRD was established as the guideline for drafting local taxes regulations, Bekasi City Regional Revenue Agency held further discussions to ensure that the drafted regional regulations did not conflict with the PP KUPDRD. The importance of harmonizing with the PP KUPDRD was stated by Elcaputera (2022), who mentioned that harmonizing regional regulations with other regulations aims to ensure that the content regulated in the regional regulations aligns with the content regulated in higher regulations and does not cause problems. After harmonizing, Bekasi City Regional Revenue Agency submitted the draft regional regulations to the Legal Bureau of Bekasi City for further action to the policy determination stage.

Policy Determination Stage

Bekasi City Regional Revenue Agency submitted the draft regional regulations that had been prepared to the Legal Bureau of Bekasi City for a plenary session with the legislative party. This is in line with Winarno (2014) who states that the determination of selected policy alternatives requires support from the legislative majority in the final stage of public policy formulation. Additionally, this stage of public policy determination aims to ensure that the agreed-upon public policy has binding legal force (Mulia, 2019). After the plenary session held by the legislative party of Bekasi City, Bekasi City Regional Revenue Agency coordinated with the ministry and provincial government to harmonize the agreed-upon draft regional regulations. This was conveyed by informant 1, “The draft regional regulation had been ratified by the legislative party, we facilitate it to the Provincial Government, from the Provincial Government to the Ministry of Home Affairs and the Ministry of Finance to be corrected... whether there was conformity, whether there was non-conformity... What needs to be improved, it went back down to the region”. Harmonizing regional regulations with other regulations aimed to ensure that the regional regulations established by the Bekasi City government comply with higher regulations. Then, the draft regional regulations that had been harmonized by the ministry and provincial government were established as official regional regulations and signed by the Mayor of Bekasi, as Barlian (2016) states that regional regulations are regulations established by the regional head with the approval of the legislative party.

Obstacles in Regional Regulations on Local Taxes in Bekasi City

In the formulation of public policy during the drafting of regional regulations on local taxes, Bekasi City Regional Revenue Agency encountered five obstacles, namely: 1) Limited time in the process of drafting regional regulations; 2) Lengthy evaluation process of regional regulations; 3) Limited knowledge and human resources; 4) Harmonizing the content of regional regulations; and 5) Inconsistency in the attendance of the legislative party. The obstacles encountered were classified based on the theory of obstacles (Pasolong, 2010) as shown in Table 2 and described as follows.

Table 2. Analysis of public policy formulation obstacles (Pasolong, 2010) with obstacles in drafting regional regulations at Bekasi City Regional Revenue Agency

| No | Public Policy Formulation Obstacles (Pasolong, 2010) | Obstacles at Bekasi City Regional Revenue Agency |
|----|--|---|
| 1 | Time Management | Limited time in the process of drafting regional regulations |
| 2 | Incompetence of Human Resources in Technical and Administrative Fields | Limited knowledge and human resources |
| 3 | Differences in Actor's Agenda Objective | Inconsistency in the attendance of the legislative party |
| 4 | Rules, Systems, and Procedures that must be used | Lengthy evaluation process of regional regulations Harmonizing the content of regional regulations |

Source: Processed by the author

Time Management

The limited time available was the main obstacle in the implementation of public policy formulation at Bekasi City Regional Revenue Agency, as Pasolong (2010) states that time management is the most common obstacle in the realm of public policy. This is due to the deadline for the formulation of regional regulations on January 5, 2024, as conveyed by informant 3, “Yes, maybe because this was a new law and it applied throughout Indonesia and the time was tight”. Additionally, the time constraint is exacerbated by the delayed issuance of PP KUPDRD as the guideline for drafting local taxes regulations, as stated by informant 2, “Because yesterday, actually, we were not blaming the central government. Because the law, the derivative of PP 35, also took a while. So our regional regulation drafting also took a while” and informant 3, “One of the obstacles related to regional regulations was more about the higher regulations that we were waiting for... it was a bit late, because the worry was that there might be non-conformity..”

The delay in the issuance of PP KUPDRD until early 2023 caused Bekasi City Regional Revenue Agency to urgently proceed with the drafting of regional regulations within the remaining time. Additionally, the process of drafting regional regulations was quite complex, as Huzaeni and Firdausiah (2022) state that the drafting of regional regulations is a process that starts from the planning stage to promulgation and involves various parties such as the executive, legislative, government agencies, and the community. The issuance of PP KUPDRD in June 2023 made the time constraint even more pressing, as the regional regulations must be established by January 2024.

Incompetence of Human Resources in Technical and Administrative Fields

The limited number of human resources and the knowledge they possess became obstacles in the process of formulating regional regulations on local taxes. The limitations of knowledge and human resources consist of two conditions: 1) Limited availability of human resources; and 2) Limited knowledge related to the drafting of regional regulations. This is supported by Nugroho (2020) who states that the obstacles that usually occur in the formulation of public policies are the availability

and technical capabilities of policy formulators, and Pasolong (2010) states that the technical incompetence of human resources can cause obstacles in the formulation of public policies.

The limited availability of human resources at Bekasi City Regional Revenue Agency was due to the routine work that must be completed by each employee as conveyed by informant 4, “The employees also had inherent tasks that must be done, in the end, we had difficulty with time, some can do it, some can't”. This certainly affected the effectiveness and efficiency of the discussion meetings held in the formulation of regional regulations, as Ramdhani and Ramdhani (2017) state that the lack of availability of human resources causes the formulation of public policies to be inefficient. Routine work that cannot be left behind caused the formulation meetings to not be attended by all members of the regional regulation drafting team. Then, the process of selecting policy alternatives became suboptimal due to the lack of aspirations needed in the formulation meetings. This was what causes the availability of human resources to become an obstacle because it made the formulation meetings ineffective and inefficient.

Furthermore, the limited of knowledge also became an obstacle in the formulation of public policies as conveyed by informant 1, “There were other obstacles related to the ability, understanding of regulations”. This was due to the limited of knowledge possessed by Bekasi City Regional Revenue Agency, causing confusion in the process of formulating public policies, as Manan (1997, quoted in Atmaja et al., 2006) states that policy formulators should master the material being drafted, not just act as policy implementers. The cause of the limited of knowledge was due to new material in the HKPD Law. The new material in the context of local taxation caused Bekasi City Regional Revenue Agency to have difficulty in benchmarking with other local governments. This was because other local governments were also confused in understanding the new material in the HKPD Law as conveyed by informant 4, “But it's new, we shared everywhere, it was the same, so there was no experience yet.”

The limited of knowledge and the number of human resources also occurred in the external scope of Bekasi City Regional Revenue Agency. The absence and lack of competence of employees from other departments who attended public discussions caused public discussion activities to be less effective and efficient. This was conveyed by informant 3, “The obstacle was when we needed to meet with competent people from the other departments, sometimes people from the department also had meetings, had activities... If those who came, those invited to the meeting, it was like they had not mastered it, it was not their competency”. The provisions of the regional regulation content that must consisted of local taxes and local retributions caused public discussions to play an important role so that regional regulations could accommodate all the problems that occurred in the previous regulation. This is supported by Bunga (2020) who states that the collection of aspirations is an important thing in the process of forming regional regulations. This aimed to make the drafted regional regulations become ideal regional regulations.

Differences in Actor's Agenda Objective

The inconsistency of legislative attendance in the discussion process was an obstacle faced by Bekasi City Regional Revenue Agency. The legislative party played an important role in the

process of formulating regional regulations in Kota Bekasi. This was because regional regulations must be discussed and ratified by the legislative party before being submitted to the ministry and provincial government, as stated by [Huzaeni and Firdausiah \(2022\)](#), who assert that regional regulations must be discussed and approved by the legislative party before the stage of regional regulation enactment. However, the discussion process did not proceed smoothly. This was due to the incomplete attendance of the legislative party in the discussion meetings, as conveyed by informant 4, *"In the end, gathering for discussions was quite difficult for us, sometimes we did not meet the quota. If it was full, it was difficult because they also took turns going out"*. The inconsistent attendance of the legislative party caused the discussion material to be repeated in each discussion meeting. This condition made the process of discussing regional regulations with the legislative party inefficient, as [Ramdhani and Ramdhani \(2017\)](#) state that the lack of human resources in the discussion process can cause inefficiency.

The cause of the inconsistency in legislative attendance was due to the election agenda in 2024, as stated by informant 4, *"During this finishing stage, it coincided with the political year. Some were outside because each was thinking about election again tomorrow"*. Most of the legislative party prioritized the campaign preparation agenda, which ultimately impacted the absence of discussion meetings on regional regulations. This condition was also in line with [Huzaeni and Firdausiah \(2022\)](#), who state that the interests held by each legislative party cause obstacles in regional regulations. Furthermore, [Pasolong \(2010\)](#) states that differences in actors' objectives are marked by differences in interests that are considered urgent by the actors.

Rules, Systems, and Procedures that must be used

Other obstacles that occurred during the public policy formulation process were the lengthy evaluation process of regional regulations and the harmonization of the content of regional regulations with other regulations, as [Pasolong \(2010\)](#) states that the procedures and rules that must be followed can cause obstacles in the public policy formulation process.

The harmonization of the content of regional regulations was a problem caused by two factors: 1) The provisions of the HKPD Law which state that regional regulations must include both local taxes and local retributions; and 2) Regional regulations must comply with PP KUPDRD. The provision that local taxes and retributions were combined into one regulation made the formulation process very complex, as conveyed by informant 4, *"The derivative of Law number 1 must be made into a regional regulation... combined with the previous separate tax and retribution regulations"*. This situation caused Bekasi City Regional Revenue Agency to require synergy from other departments so that the regulations drafted became ideal, as [Bunga \(2020\)](#) states that an ideal regional regulation is one that is drafted by accommodating all aspirations. Additionally, the new material from local taxes increased the complexity of the content of regional regulations. The provision that regional regulations must comply with PP KUPDRD as the implementation guidelines for local taxes regulations becomes the next problem. This was because PP KUPDRD had not been issued until June 2023. This condition caused Bekasi City Regional Revenue Agency to wait for PP KUPDRD so that the draft regional regulations complied with the provisions in PP KUPDRD.

The next obstacle was the lengthy evaluation process of the draft regional regulations. The procedure that must be followed involves the evaluation of the draft regional regulations through three institutions (Ministry of Finance, Ministry of Home Affairs, and the West Java Provincial Government), which caused this obstacle to occur. This condition was conveyed by informant 2, *"We went to the Ministry of Home Affairs, but because this was related to fiscal matters, with revenue also the Ministry of Finance"*. The evaluation of the draft aimed to ensure that the regional regulations drafted comply with the HKPD Law and other regulations. If the draft regional regulations did not comply with the HKPD Law and other regulations, the draft regional regulations would have the potential to cause problems, as [Huzaeni and Firdausiah \(2022\)](#) state that regional regulations that conflict with higher regulations can cause problems and can be canceled. This statement was also supported by [Bunga \(2020\)](#), who states that the lack of harmony between regional regulations and higher regulations can cause the regional regulations to be revoked. Therefore, this procedure was very important for the smooth process of collecting local taxes. However, the number of draft regional regulations from the district/city governments in West Java Province that need to be evaluated was quite large, as conveyed by informant 2, *"Well, because this was all cities, districts, and provinces throughout Indonesia, well, the waiting list was long"*. According to [BPS data \(2024\)](#), the number of districts/cities in West Java was 27 districts/cities. This certainly required a long time in the evaluation process. Moreover, the evaluation process needed to be carried out carefully so that the draft regional regulations did not cause problems in the future. The lengthy evaluation process caused the follow-up on the evaluation results to be less optimal because the time frame for drafting regional regulations became increasingly limited.

CONCLUSION

This research indicates that the formulation of local tax policy at the Bekasi City Regional Revenue Agency, despite procedurally following the four standard stages from problem formulation to policy determination, was in practice a non-linear process that faced significant obstacles. The policy formulation could not proceed linearly due to the complexity of the policy alternative selection stages—aimed at producing an ideal public policy—and the delayed enactment of Government Regulation (PP) KUPDRD, which served as the guideline for drafting local tax regulations. The primary obstacles identified include limited time, inadequate human resource capacity in both quantity and quality, differing political agendas among actors, and the complexity of bureaucratic procedures within the local tax policy formulation process.

These findings have several important implications. From a practical standpoint, this research highlights the urgent need for local governments to enhance project management capacities in regulation drafting and to strengthen coordination between executive and legislative bodies to align their agendas. Failure to manage these aspects could impede the effectiveness of future local revenue collection. Theoretically, this research provides empirical evidence that enriches public policy formulation models, demonstrating how contextual variables such as the legal deadline for the formulation procedure (stipulated by the HKPD Law) and local political dynamics (the general election)

can significantly influence each stage of the policy process in a developing country like Indonesia.

The limitation of this research is its exclusive focus on internal informants from the Bekasi City Regional Revenue Agency, which was due to the difficulty of involving external informants because of administrative procedures and the limited availability of potential informants. Future research is therefore recommended to adopt a multi-actor approach. Involving informants from the legislature, the legal bureau, and relevant ministries would provide a more comprehensive perspective on the power interactions and negotiations that occur within the arena of local public policy formulation.

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