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CONTRIBUTION OF RURAL AND URBAN LAND AND BUILDING TAX (PBB-P2) TO THE LOCAL COMMUNITY AND ECONOMY

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ABSTRACT

Study This aim For know The mechanism for collecting and determining the calculation of PPB-P2 in Bangsal Village, Mojokerto Regency, the impact of village fund contributions and the potential of PBB-P2 for infrastructure development and local economic development. This study uses qualitative research methods using observation, interviews, and documentation. The results of the study show that the community village , relationship Tax Earth Building with funds village give transparency in utilization the taxes they pay pay . Society can see in a way direct How taxes paid contribute to development in his village through various programs and funded activities from funds for results Tax Earth Building

Text font is Times New Roman, 11 pt size, italic, and justify the alignment.

Keywords: PPB - P2, Community , local economy

INTRODUCTION

Taxes are a fiscal instrument that plays a strategic role in a country's development and economy. In Indonesia, one type of tax that significantly contributes to regional development, particularly at the village level, is the Rural and Urban Land and Building Tax (PBB-P2). Since the enactment of Law Number 28 of 2009 concerning Regional Taxes and Regional Levies, the management of the Rural and Urban Land and Building Tax (PBB-P2) has been transferred from the central government to regional governments. This transfer aims to improve accountability in the implementation of regional autonomy and provide new opportunities for regions to explore their potential for more optimal regional revenue. Yunanda, *et.al* (2024) Tax Earth And The (UN) building is Wrong One type taxes imposed to ownership or utilization land And Buildings in Indonesia Tax This charged every year to owner land And building , with base calculation based on Mark Sell Object Tax (NJOP) determined by government

As the smallest governmental unit, villages play a crucial role in national development. Law No. 6 of 2014 concerning Villages has strengthened their position as development entities, empowered to regulate and manage government affairs, address local community interests, and independently manage village finances. In this context, the allocation of funds from the PBB-

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P2 (Regional Property Tax) returned to villages through a revenue-sharing system has the potential to drive infrastructure development, improve public services, and foster local economic development. However, the implementation of the PBB-P2 policy at the village level still faces various challenges and problems. Villagers' awareness of paying PBB-P2 is often low, caused by various factors such as limited understanding of tax benefits, the economic conditions of the majority of village residents who are lower-middle class, and public perceptions of transparency and accountability in tax management. Furthermore, the administrative capacity of village governments in data collection, collection, and management of PBB-P2 is also still limited, which impacts the optimization of PBB-P2 revenue and utilization for village development.The implication of this situation is that the PBB-P2 contribution to supporting village development and improving community welfare is less than optimal. However, if managed properly, PBB-P2 can be a sustainable source of funding for basic infrastructure development in villages, such as roads, bridges, irrigation, and other public facilities. Furthermore, PBB also has the potential to stimulate local economic growth through job creation, increased economic activity, and empowerment of MSMEs in villages .

LITERATURE REVIEW

Definition of Tax

Definition of Tax According to Article 1 Paragraph 1 of the KUP Law No. 28 of 2007, Tax isa mandatory contribution made by individuals or bodies to the State in accordance with the law, which is mandatory in nature, without receiving direct compensation, and is used for the needs of the State and to achieve the greatest possible prosperity of the people. Supramono And Damayanti (2010:2) defines taxes as contributions from the people to the state treasury based on law (which can be enforced), without receiving direct compensation (reciprocal performance), to cover general expenses. According to Adam Smith (Nisaak & Khasanah, 2022), taxation is the contribution of every citizen according to their ability to support national government and finance public expenditures. Based on this definition, it can be concluded that taxes have the following elements: Taxes are collected based on laws that can be enforced. In paying taxes, there cannot be any direct counter-performance by the government. Taxes are collected by the central/regional government. Taxes are used to finance state expenditures for the prosperity of the people. Sihombing and Sibagariang (2020:103) state that mandatory contributions from the people to the state are coercive, do not receive direct compensation, and

aim to support general state expenditures in carrying out government functions. Taxes are also seen as a form of transfer of resources or assets from the community to the government which are used to finance public expenditures and spending.

Function Tax

Taxes play a crucial role in national life, particularly in the implementation of national development. Taxes are a source of state revenue to fund all expenditures, including development costs. Taxes are divided into several functions based on their purpose. The various functions of taxes are as follows, as described by Supramono in Rizkina *et al.* (2021):

1. Budget Function

Taxes, as a source of state revenue, play a role in funding all state expenditures. To meet state needs and carry out development, the state requires funds. This expenditure comes from tax revenues. Currently, taxes are used to finance routine activities such as employee salaries, goods purchases, maintenance, and other expenses. To finance development, funds are drawn from government reserves, which are domestic revenues minus routine expenses. The government needs to set savings targets to ensure optimal use of development funding and other state expenditures.

2. Regulating Function (Regulerend)

Through tax policy, the government can control economic growth. Through its regulatory function, taxes can be used as a means to achieve goals. Similarly, various tax incentives are provided to encourage investment, both domestic and international. To protect domestic production, the government imposes high import duties on imported goods or foreign products.

3. Stability Function

Through taxes, the government obtains funds to implement policies related to price stability so that inflation can be controlled. This can be done by regulating the circulation of money in society, collecting taxes, and using taxes effectively and efficiently.

4. Income Redistribution Function

Taxes collected by the government will be used to fund all state needs, including to finance development in order to create jobs, which will ultimately increase people's income and provide benefits to the community.

Types of Taxes

Tax glossary (www.pajakku.com, 2022), there are several types of taxes that are grouped based on the categories of tax types, namely as follows:

1. Based on tax classification, taxes are divided into 2 (two) types, namely:
    a. Direct taxes are taxes that must be borne by the taxpayer themselves and cannot be transferred or charged to another party. Instead, they must be the taxpayer's responsibility. For example, income tax (PPh) is paid and borne by the party receiving the income.
    b. Indirect taxes are the opposite of direct taxes, taxes that can be shifted or transferred to other taxpayers or individuals for payment. Indirect taxes arise when an event gives rise to a tax obligation, for example, when goods or services are delivered.

Example: Value Added Tax (VAT). VAT arises from an increase in the value of goods or services. This tax is paid by the seller or producer, but it can also be levied on buyers or consumers, either directly or indirectly.

2. Taxes based on nature are divided into 2 (two) types, namely:
    a. subjective tax, tax imposed based on the personal situation of the taxpayer or tax whose application takes into account the circumstances of the subject .

Example: Income Tax (PPh), in PPh there are taxpayers or tax subjects, the determination of PPh for these individuals takes into account the personal circumstances of the taxpayer (marital status, number of children and other dependents), the personal conditions of the taxpayer will determine the amount of income that is not subject to tax.

    b. Objective Tax, Tax that is determined based on the condition of the tax object, which looks at the object, whether in the form of goods, conditions or events that give rise to the obligation to pay tax without considering the personal condition of the taxpayer or tax subject.

Examples: Luxury Goods Sales Tax (PPnBM), Value Added Tax (PPN), and Land and Building Tax (PBB).

3. Taxes based on the collecting institution are divided into 2 (two) types, namely:
    a. State Tax (Central Tax) is a tax collected by the central government and used to finance the country's household expenses. Examples:

PPh (Income Tax), PPN and PPnBM (Value Added Tax and Sales Tax on Luxury Goods), and Stamp Duty.

b. Regional Taxes are taxes collected by regional governments, both at the provincial and district/city levels, and are used to finance regional household expenses. Regional Taxes are regulated by Law Number 28 of 2009. Examples:
    1) Types of Provincial Taxes consist of: Motor Vehicle Tax, Motor Vehicle Transfer Fee, Motor Vehicle Fuel Tax, Surface Water Tax, and Cigarette Tax.
    2) Types of Regency/City Taxes consist of: Hotel Tax, Restaurant Tax, Entertainment Tax, Advertising Tax, Street Lighting Tax, Metal and Rock Mineral Tax, Parking Tax, Groundwater Tax, Swallow's Nest Tax, Rural and Urban Land and Building Tax, and Land and Building Acquisition Tax.

Tax Collection Procedures

Tax collection procedures include the tax system, principles of tax collection, and tax collection system.

1. Tax System: tax collection is carried out using 3 (three) systems, the following is an explanation:
    a. Real System: This system states that tax collection is based on the actual taxable object (for Income Tax, the object is income). Therefore, tax collection can only be implemented at the end of the tax period, that is, after all actual income for a tax year is known. The advantage of the Real System is that calculations are based on actual income, making them more accurate. However, the disadvantage of this system is that it can only be implemented at the end of the period.
    b. The Assumptive (Fictitious) System states that tax is calculated based on assumptions stipulated in laws and regulations. The advantage of the Assumptive System is that taxes can be paid throughout the year without having to wait until the end of the year. While the disadvantage of the Budget System is that taxes are not paid based on actual income, resulting in inaccurate tax determinations.
    c. Mixed System: This system states that tax collection is based on a combination of the Real System and the Assumption System. At the beginning of the year, the amount of tax imposed will be determined based on an assumption, while at the end of the year the amount of tax imposed is calculated based on actual income. If the amount of tax calculated based on actual conditions exceeds that determined based on an assumption, then the taxpayer must pay the difference (Income Tax Article 29). Conversely, if the

amount of tax calculated based on actual conditions is lower than based on an assumption, then the taxpayer has the right to request a refund of the excess or compensate it in future years, after being calculated with other taxes (Income Tax Article 23 (a)).

2. The principles of tax collection consist of:
   a. The Domicile Principle (Principle of Residence) states that the state has the right to collect tax on all income of taxpayers residing within its territory, both domestic and international. Every taxpayer residing in Indonesia (Domestic Taxpayer) is subject to tax on all income earned, whether originating in Indonesia or abroad.
   b. The Source Principle states that the state has the right to collect taxes from any taxpayer whose income originates within its territory, regardless of the taxpayer's residence. Every individual who earns income within Indonesia will be taxed on the income earned.
   c. The Nationality Principle states that taxation is related to a country's citizenship. For example, taxes for foreign nationals will be applied in Indonesia to individuals who are not Indonesian citizens but reside in Indonesia.
3. The Tax Collection System is as follows:
   a. *The Official Assessment System* is a tax collection system that gives tax officials the authority to determine the amount of tax payable each year in accordance with applicable tax laws and regulations. Under this system, full authority rests with tax officials; therefore, the success or failure of tax collection depends on the role of tax officials.
   b. *Self Assessment System* , a tax collection system that gives taxpayers the right to calculate their own taxes to be paid each year in accordance with applicable tax laws. Because taxpayers are considered capable and are expected to: calculate the taxes to be paid themselves, calculate the taxes to be paid themselves, bear the amount of taxes to be paid themselves, report independently the amount of taxes to be paid, convey responsibility for the taxes to be paid Therefore, the success or failure of the implementation of tax collection depends greatly on the taxpayers themselves.
   c. *With Holding System* , a tax collection system that authorizes a designated third party to determine the amount of tax payable by taxpayers in accordance with applicable tax laws and regulations. This third party is appointed in accordance with tax laws, presidential decrees, and other regulations for collection, remittance, and accountability

through existing taxation facilities. Therefore, the success or failure of tax collection is largely determined by the designated third party.

Regional Income

Definition Regional Income

Law Number 1 of 2022 Article 1 Regional Original Income is regional income obtained from Regional Taxes, Regional Levies, Results of Management of Separated Regional Assets, and legitimate Regional Original Income in accordance with statutory regulations. Regional income is a recognized right for regions as an increase in the value of net assets in the relevant year and does not need to be returned by the region. Fahira, *et.al* (2025) Regional Original Income (PAD) provides opportunities for each region to carry out tax collection optimally and as a regional independence . Regional income includes all cash receipts received through the regional general cash account which increases fund equity. Regional income consists of: Regional Original Income, Balancing Funds, and Other Income as follows:

1. Regional Original Income (PAD) is an element of regional revenue derived from the region's potential and collected in accordance with applicable regional regulations and laws. Regional authority to collect Regional Original Income aims to enable regions to fund the implementation of regional autonomy from their own potential. Regional Original Income consists of: Regional Taxes , Regional Levies , results of management of separated regional assets, which include Regionally Owned Public Entities (BUMD); State-Owned Public Entities (BUMN); and Portion of profits from capital participation in privately owned companies. Other Legitimate PAD, which includes: proceeds from the sale of undivided regional assets , proceeds from the utilization or empowerment of undivided regional assets , Current Account Services , interest income , receipts from regional compensation claims , profits from the difference in the rupiah exchange rate against foreign currencies , commissions, deductions, or other forms as a result of sales , and/or procurement of goods and/or services by the region , fines for late work implementation , tax and levy fines , income from social facilities and public facilities , income from the provision of education and training; and income from installments/sales installments.

2. Balancing Funds, including: general allocation funds , special allocation funds and revenue sharing funds, which include tax revenue sharing and non-tax revenue sharing.
3. Other Income, including: grant income , emergency fund income , tax sharing funds from the province to districts/cities , financial assistance from the Province or other Regional Governments , adjustment funds and special autonomy funds.

Classification of Regional Original Income

Local original income is:

1. Regional Tax

Based on Law Number 28 of 2009 Article 1 concerning Regional Taxes and Regional Retributions, regional taxes are contributions required to the region that are the responsibility of individuals or entities that are mandatory based on the Law without receiving direct compensation and are used for the needs of the region as optimally as possible for the welfare of the community. According to Law Number 28 of 2009, district/city taxes are divided into several types, namely Hotel Tax, Restaurant Tax, Entertainment Tax, Advertising Tax, Street Lighting Tax, Non-Metallic Mineral and Rock Tax, Parking Tax, Groundwater Tax, Swallow's Nest Tax, Rural and Urban Land and Building Tax, and Land and Building Acquisition Tax.

2. Regional Retribution

Based on Law Number 28 of 2009 Article 1, regional levies are regional levies as payment for services or granting of certain permits specifically provided and/or granted by the Regional Government for the benefit of individuals or bodies.

3. Results of Management of Separated Assets

The results of managing separated regional assets are the results of management determined by Regional Regulations with reference to the provisions of statutory regulations.

4. Other legitimate Regional Original Income

Other legitimate PAD comes from the sale of regional assets that are not separated, the results of the utilization or empowerment of regional assets that are not separated, current account services, interest income, claims for compensation, profits from the difference in the rupiah exchange rate against foreign currencies, commissions,

deductions, or other forms as a result of the sale and/or procurement of goods and/or services by the region.

Tax Earth And Building Rural And Urban

Law Number 1 of 2022 Concerning Financial Relations Between the Central and Regional Governments, what is meant by Rural and Urban Land and Building Tax (PBB-P2) is a tax on land and/or buildings owned, controlled, and/or utilized by individuals or entities. Meanwhile, what is meant by earth is the surface of the planet which includes land and fresh water, including surfaces resulting from reclamation or filling activities, and what is meant by buildings is technical structures planted or permanently installed above and below the earth's surface. PBB-P2 is imposed by district/city regional governments. PBB-P2 is a type of tax taken based on a decision of the Regional Head. SPPT or Tax Payable Notification Letter is a document used to inform the amount of PBB-P2 that must be paid by Taxpayers. Quoted from 208/PMK.07/2018 Rural and Urban Land and Building Tax, abbreviated as PBB-P2, is a tax on land and/or buildings owned, controlled, and utilized by individuals or entities, except for areas used for plantation, forestry, and mining business activities.

Land and Building Tax is a fee levied on land and buildings, arising from the profits and/or socioeconomic status of individuals or entities that own or benefit from them. In terms of its nature, Land and Building Tax is a material tax. In other words, the amount of tax payable is determined by the condition of the object in question, namely the land and/or building. Meanwhile, the condition of the subject does not affect the size of the object. It is not included in the land and building tax.

PBB-P2 objects include land and/or buildings owned, controlled, and/or used by individuals or entities, except areas used for plantation, forestry, and mining purposes. Land is the surface that includes soil and deep water, including the Earth's surface obtained through reclamation or surveying activities. Meanwhile, buildings are engineering structures planted or permanently placed above or below ground.

The PBB-P2 Tax Subject is an individual or body that actually has rights to land and/or obtains benefits from land, and/or owns, controls, and/or obtains benefits from buildings. Must PBB-P2 tax is for individuals or The body that is real have the right to the Earth and / or get benefit from Earth , and / or own , control , and / or get benefit from Building .

Method Study

Method study This use study descriptive with approach qualitative . Data collection with using : observation through observation in a way direct in activity collection Rural and Urban Land and Building Tax (PBB-P2) by Bangsal Village Office. This observation was conducted to obtain an initial picture of the flow of calculation, collection and deposit of Regional Taxes which will later be returned for the advancement of the community's economy, Direct interviews with the Village Head to obtain accurate data, in the interview session the author obtained information that village funds sourced from Rural and Urban Land and Building Tax (PBB-P2) are managed and allocated well for the development of village area progress in order to increase the selling value and economic turnover of the village and documentation by collecting data or information by reading letters or proof of transactions related to the object being studied.

Discussion

1. Mechanism for implementing the collection and determination of PBB-P2 calculations

The following is the method of collecting PBB-P2 which is carried out in Bangsal Village , namely by identifying Taxpayers. by matching the taxpayer's personal data and the address of the tax subject who will be taxed, whether the taxpayer is truly a resident of Bangsal Village or an individual / entity that has rights to land and buildings in the Bangsal Village area , Issuing a Tax Payable Notification Letter (SPPT) which is a tax bill containing the Land and Building Tax (PBB) imposition rate that has been calculated by NJOP multiplied by the rate according to local Regional Regulations. Thus the PBB collector must issue / provide a tax bill to the taxpayer stating the amount of tax to be paid so that the taxpayer is not confused with the amount of tax that will be imposed and is also a form

Data transparency and accountability , Conducting Tax Audits to ensure that taxpayers pay the taxes they should. The audits conducted include the use of the correct formula, tax base, rates imposed, writing, use of accurate data, and others , Supervising and Controlling Taxes to ensure that taxpayers pay the taxes they should by visiting the homes of people / taxpayers to provide Land and Building Tax bills and provide education so that taxpayers do not pay tax obligations beyond the specified due date, and also educate the community / taxpayers that Land and Building Tax (PBB) payments can be paid online or through partners such as the Post Office, Pegadaian, Alfamart, Indomart and others , Collecting Taxes from taxpayers by By the due date, taxpayers can be assisted in paying

their tax obligations through the PBB collector, who will then deposit the amount into the state treasury. This nominal tax payment activity is usually carried out periodically by the PBB collector, which will then be deposited with the Mojokerto Regency Regional Revenue Agency (Bapenda). Updating Tax Data: to ensure that Existing tax data is accurate and up-to-date. This activity is usually assisted by the Village Secretary to upload data on taxpayers who have fulfilled their tax obligations.

2. Impact of Village Fund Contributions on the local village community and economy

Village Funds have had a significant impact on local communities and the village economy in Indonesia, the following impacts are as follows:

1. Increasing Welfare and Reducing Poverty

Village Funds play a crucial role in village development, as evidenced by the success in improving the Village Development Index (IDM) status. The Village Development Index (IDM) is a composite index formed from three indices: the social resilience index, the economic resilience index, and the environmental resilience index. The IDM captures the development of village independence based on the implementation of the Village Law with the support of Village Funds and Village Facilitators. According to Law Number 16 of 2014 concerning Villages, a village is a legal community unit with territorial boundaries authorized to regulate and manage government affairs and the interests of the local community based on community initiatives, ancestral rights, and/or traditional rights recognized and respected within the government system of the Unitary State of the Republic of Indonesia. In order to regulate and manage villages, the central government disburses Village Funds sourced from the State Budget (APBN) to realize village development and empowerment towards a just, prosperous, and prosperous society.

The government first disbursed Village Funds in 2015, through direct transfers to local government accounts. Since 2020, Village Funds have been transferred directly to village cash accounts (RKD) instead of through local government accounts. This change was not without reason, as an evaluation revealed that Village Funds were not being transferred directly to villages by local governments. This has resulted in suboptimal village development progress.

2. Community Economic Empowerment

Village funds have a significant impact on community economic empowerment through various interconnected mechanisms. The primary contribution is seen in the development of basic economic infrastructure such as village roads, bridges, traditional markets, and irrigation systems, facilitating community access to markets and the distribution of products. Furthermore, the allocation of funds for productive economic programs has helped develop micro and small businesses through business capital assistance, skills training, and technical assistance in various sectors such as agriculture, fisheries, crafts, and trade. Human resource capacity building programs through training in technical skills, business management, and financial literacy have also contributed to increasing the productivity and economic competitiveness of village communities. The use of village funds, involving local labor and resources, creates a multiplier effect in the village economy, where every rupiah spent circulates within the local economy and increases the income and purchasing power of the community as a whole.

c.
d.
e.
f.
g.
h. Figure 1



i. Hall Integrated Health Post RT 12 RW 02 dsn Ward

3. Development of BUMDes (Village-Owned Enterprises)

Village-Owned Enterprises (BUMDes) are a crucial instrument for driving the village economy. They increase community income, particularly for those directly involved in BUMDes. The allocation of village funds for BUMDes capital provides a strong financial foundation for the development of various village-managed business units, such as savings and loan units, gas stations, and local product processing. In addition to capital investment, village funds are also used to build supporting infrastructure for BUMDes businesses, such as gas stations managed by youth groups. Training and human resource development programs for BUMDes managers funded through village funds also contribute to improving managerial capabilities, technical skills, and understanding of good business governance. The direct impact of this investment is seen in the increase in the number of active BUMDes, the diversification of business types, and increased

turnover and profits, which ultimately increase Village Original Income (PADes) and create jobs for the local community.



Figure 2

BUMDes Bangsal Village RT 09 RW 02 Bangsal hamlet

4. Development of the Tourism Sector

Village funds have made a substantial contribution to developing the tourism sector at the village level through various infrastructure development programs and tourism support facilities. The allocation of village funds for the construction of access roads to tourist attractions, parking lots, public toilets, gazebos, and other supporting facilities has increased the comfort and accessibility of village tourist destinations. In addition to physical infrastructure, village funds are also used to develop tourist attractions based on local potential such as nature tourism, culinary, and agrotourism that reflect the uniqueness and local wisdom of each village. The economic impact of this tourism development is evident in the creation of new jobs, increased community income through the sale of local products and tourism services, and the development of supporting businesses such as food stalls, souvenir shops, and local transportation services, which ultimately improves the overall welfare of the community.



j. Figure 3

k. Village park middle rice fields RT 12 RW 02 dsn Ward

5. Sustainable Development Strategy

Developing culinary centers is an effective strategy for utilizing village funds for sustainable development in developing villages, as it integrates local agricultural potential, traditional culinary wisdom, and creative economic opportunities into a mutually supportive ecosystem. Village funds can be allocated to build culinary center infrastructure such as traditional *food courts* , hygienic communal kitchens, and other supporting facilities that create new economic space for the community. This program involves empowering housewives and small business groups to develop regional culinary specialties such as wader chili sauce and corn rice. Furthermore, culinary center development also includes training programs for culinary business management, menu innovation, and attractive presentation techniques to increase product competitiveness.



Integration with the local agricultural sector is key to sustainability, where culinary centers become *captive markets* for local agricultural products, creating a value chain that benefits both farmers and culinary entrepreneurs. while ensuring the availability of quality raw materials at competitive prices.

Figure 4

Sambal Wader Culinary Tour RT09 RW 02 Bangsal Village

3. The potential of PBB-P2 for infrastructure development in developing the local economy.

The use of Land and Building Tax (PBB) for the development of strategic areas shows a significant correlation with local economic growth, particularly in the context of community empowerment through Village-Owned Enterprises (BUMDes) and the

development of culinary centers. In the case of BUMDes, PBB funds allocated as business capital or to strengthen supporting infrastructure create a beneficial multiplier effect. For example, when local governments use a portion of PBB funds to build supporting facilities for BUMDes, such as gas stations, culinary processing facilities, and road access to business locations, this not only increases the operational capacity of the BUMDes but also encourages an increase in property values in the surrounding area. This increase in property values then contributes to increased PBB revenues in subsequent years, creating a sustainable funding cycle for further development.

The development of culinary centers through the utilization of Land and Building Tax (PBB) funds demonstrates a more complex yet highly beneficial correlation for local communities. PBB funds used to build basic infrastructure for culinary centers, such as drainage systems, street lighting, parking areas, and sanitation facilities, not only increase the area's attractiveness to tourists but also create new business opportunities for the surrounding community. Local vendors can open stalls or kiosks, raw material suppliers gain wider market access, and various supporting services such as parking and entertainment can emerge. This increased economic activity drives demand for commercial and residential properties around culinary centers, ultimately contributing to an increase in the PBB tax base in the region. The mechanism for distributing PBB proceeds to the community follows a formula established by law, where 10% of total PBB revenue is reallocated to the village or sub-district where the taxable object is located, while 64.8% goes to the district or city government. However, the benefits felt by the community come not only from this direct distribution but also from the resulting multiplier effect. When village-owned enterprises (BUMDes) develop with the support of infrastructure funded by the UN, communities benefit from new jobs, increased income from the agricultural and craft sectors that supply them, and access to microfinance services provided by BUMDes. Similarly, in culinary centers, communities act not only as traders but also as providers of raw materials, labor, and various supporting services, creating a vibrant local economic ecosystem.

To optimize this correlation, an integrated approach is needed between spatial planning, PBB budget allocation, and community empowerment programs. Local governments need to conduct detailed mapping of local economic potential to determine strategic locations that will maximize their impact on improving community welfare. Transparency in the use of PBB funds through a public reporting system and community participation in strategic area development planning are key to success. Furthermore,

consistent, regular monitoring and evaluation of the impact of strategic area development on increasing community income and future PBB revenues is necessary to ensure program sustainability and improve implementation strategies in subsequent periods.

Conclusion

UN relations with funds village Also face challenges , especially related capacity source Power human at the level village in manage aspect technical taxation And limitations infrastructure supporters . Conditions economy between village Also result in difference significant in potential reception from for UN results . In the future , optimization UN relations with source funds village need strengthening capacity institutional village And improvement coordination between government area with village . With good management , for increase independence village And support development sustainable at the level village .

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