

ABSTRACT

In enhancing welfare and advancing Indonesia, the government plays a crucial role in promoting economic cooperation and implementing effective fiscal regulations, one of which is through optimizing revenue from the taxation sector. Value Added Tax (VAT) is a key tax instrument that serves as an important source of state revenue. As a significant tax instrument, VAT revenue plays several crucial roles, including supporting the state's fiscal revenue, funding infrastructure development, and providing public services. Therefore, this study aims to analyze the factors influencing VAT revenue in Indonesia.

This research uses time series data covering the period from 1990 to 2022. The analytical method employed is the ECM (Error Correction Model) analysis to examine both long-term and short-term effects. The independent variables used in this study include Government Consumption, C-Efficiency, and Import Tariffs. Meanwhile, the dependent variable is VAT revenue in Indonesia. The results of this study show that government consumption and C-efficiency has a positive and significant impact on VAT revenue in both the long-term and short-term. Meanwhile, the import tariff variable negatively and significantly impacts long-term revenue, but has no effect in the short term

Keywords: VAT Revenue, Government Consumption, C-efficiency, Import Tariffs, Error Correction Model

