

ABSTRACT

This research aims to analyze the effect of PBB-P2 and BPHTB on Local Own-Source Revenue which has an impact on Local Economic Growth. The variables used in this research are local economic growth as the dependent variable, PBB-P2 and BPHTB as independent variables, and local own-source revenue as an intervening or mediating variable.

The data source used in this study is secondary data in the form of panel data. The population used is all regions in Central Java Province from 2019-2021. The population is 35 regions, while the sample is 105 obtained from 35 districts/cities multiplied by 3 years. The sample selection used the saturated sampling method and there are 12 outlier data and obtained a number of research samples totaling 92 samples. Data analysis methods used are path analysis and Sobel test, which were previously conducted descriptive statistical analysis as well as the classical assumption test.

The results of the study showed that PBB-P2 and BPHTB are proven to have a positive and significant effect on local own-source revenue. PBB-P2 and local own-source revenue has a positive and significant effect on local economic growth, but BPHTB uncertainty does not have a positive effect on local economic growth. Local own-source revenue is able to mediate the influence of PBB-P2 and BPHTB on local economic growth.

Keywords: *Local Economic Growth, PBB-P2 and BPHTB, Local Own-Source Revenue*

