

Influence of Local Tax and Zakat Infaq Maslahah Through to Regional Income (Overview of New Trends in Sustainable Development)

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Abstract

Conditions Batam Island, Indonesia, economic growth declined from 5.4% in 2016, to under 2% percent in 2017, the disparity is difficult to increase revenue growth in Batam. It is necessary to look beyond the local revenues of local taxes, such as zakat and donation, to contribute to Maslahah through local revenue. Which research aimed at contributing to the Regional Income and Maslahah by using samples taken from the Department of Revenue at Batam City, Amil Zakat Agency (BAZ), Indonesia Religious Leader (MUI), Public Welfare with respondents 190. This study used software AMOS version 23 with Structural Equation Modeling (SEM). The result shows that the variable contribution of local taxes to regional variable income is a significant positive contribution to variable regional Infaq variable income is not notable positive. Tithe variable contribution towards regional variable pay is a significant positive contribution of the variable to variable Maslahah local tax is not significant positive contribution of geographical variables to variable Maslahah income is not a significant negative contribution to mutable Maslahah title variable is significantly positive, Infaq variable contribution towards Maslahah variable is significantly positive, regional changes in contributions by local income tax, donation, charity amounted to 55.2%, a shift Maslahah given by local tax contribution, Infaq, welfare, and regional income amounted to 53.6%. For the local contribution, Maslahah significant positive income to the charity and donation should be maximized not a tax.

Keywords: local tax, Infaq, Zakat, regional income, Maslahah

JEL Codes: H71, O15, R12

1. Introduction

Execution and implementation of regional development geared to spur development equalization to increase the potential of each area owned optimally. In carrying out various activities related to the implementation of regional development would require considerable expense. For local governments to manage their household with the best, the necessary sources of financing sufficient. But because not all sources of financing can be given to the regions, local governments are required to explore and innovate their financial sources based on the legislation in force. Economic independence of an area heavily influenced by local revenue (PAD). To improve the implementation of the development and provision of services to the community as well as increased economic growth areas, required the provision of local revenue sources are adequate (Kim, 2019 and Power, 2019). Efforts to improve the provision of financing from these sources, among others, carried out by polling performance improvements, enhancements and additional types of taxes as well as providing flexibility for regions to explore sources of revenue, such as local taxes, charity, and donation (Aliyev, 2018, Kuran, 2018; Taylor, 2018; Abdulfatah, 2019 and Mohseni, 2019). Local taxes have been conducted energetically but has not been able to incubate poverty, let alone make Batam as the World Port of Madani where people should have the outer and inner happiness is called *maslahah*. Efforts to improve the provision of financing from these sources, among others, carried out by polling performance improvements, enhancements and additional types of taxes as well as providing flexibility for regions to explore sources of revenue, such as local taxes, charity, and donation. Local taxes have been conducted energetically but has not been able to incubate poverty, let alone make Batam as the World Bandar Madani where people should have the outer and inner happiness is called *maslahah*. Efforts to improve the provision of financing from these sources, among others, carried out by polling performance improvements, enhancements and additional types of taxes as well as providing

flexibility for regions to explore sources of revenue, such as local taxes, charity, and donation. Local taxes have been conducted energetically but have not been able to incubate poverty, let alone make Batam as the World Bandar Madani where people should have the outer and inner happiness is called Maslahah.

Problems in the city of Batam to date still are the people's choice to seek employment elsewhere. But of the many people who come looking for work, only part of which has expertise. Most of the others do not have the skills and eventually become unemployed thus increasing poverty, when compared to other regions, the number of poor people tend to be difficult Batam down. Because, when the government in addressing poverty program was informed, the other residents come and add to poverty. The high number of poor people in Batam not be separated from economic conditions in Batam, which slowed in the past three years. A slowdown in economic growth caused by sluggish investment and declining orders of manufactured products in some industrial areas. Plus the shipbuilding industry (shipyard) which can absorb a lot of labor is also slow shipbuilding orders. The lid is a few companies in the industrial area and quiet the demand in the property sector in Batam also encouraged the economic slowdown in the free trade zone (FTZ).

Growth conditions Batam current economic decline of 5.4% in 2016, to under 2% percent in 2017, this disparity gap will be challenging to increase revenue growth in Batam. What more if only rely on increasing revenue from tax sector area alone, it would be difficult to pursue an increase in local revenue. Therefore there should be variable earnings beyond local taxes, such as: zakat and donation, in order to contribute towards masalah through domestic income, because there are elements religious in increasing revenues that do not solely rely on local taxes alone but accompanied by charity and donation as an independent variable Hopefully affect the benefit for the Community and the development of the World Civil Airport in Batam. Influence of Local Tax, Infaq, and Zakat to Masalah Through Regional Income in Batam City, Indonesia from the background elaborated problem was discovered three independent variables, one intervening variable and the dependent variable or to do research.

2. Literature Review

2.1 Local Tax Theory

Soemitro in Mardiasmo (2013) defines a tax is a levy of the people to the state treasury by law (enforceable) with no lead gets services (contra) directly demonstrated and used to pay for general expenses. Taxes have a significant role in the life of the state, especially in the implementation of development for a source of state income tax to fund all development expenses. Mardiasmo (2013) states that the tax function is divided into two tasks:

- a) Function Budgetair
- b) Taxes as a source of funds for the government to finance expenditures-expenditures.
- c) Function Regulered

Charge as the tool to organize or carry out government policy in social and economic fields. Mardiasmo (2013) states following Act No. 28 of 2009 on Local Taxes and Levies suggested several terms associated with the Regional Tax as mentioned below:

- a) Autonomous Region, from now on referred to as Region, is a unit of community-border has a limit authorized to regulate and manage local government affairs and interests of society own initiative based on the aspirations of the people within the Unitary Republic of Indonesia.
- b) Local Taxes hereinafter referred to as the tax is the mandatory contribution to a region indebted by individuals or entities that are enforceable under the Act, by not getting the rewards directly and used for the magnitude of prosperity Regions for the people.
- c) Entity is a group of people and/or capital as a union, whether conducts or not conduct business that includes limited liability companies, limited partnerships, other company. State Owned Enterprises or Region with the name and in whatever form, firm partnership cooperatives, pension funds, corporations, associations, foundations, mass organizations, social organizations, political or similar organizations, institutions, permanent establishments, and other bodies.
- d) The tax subject is an individual or entity may be subject to Local Tax.
- e) Taxpayers are individuals or of the Agency, include the taxpayer, withholding, and tax collector, who have rights and obligations under the provisions of tax laws and tax laws area.
- f) Whether the tax will make a useful contribution to income are masalah through the area, it is necessary first defined contribute meaning and effectiveness. Effectiveness is the relationship between the output of the goals or

objectives to be achieved. Is said to be useful if the process of making goals and objectives of the end of the policy (spending wisely). The higher the output is generated to the achievement of specified goals and objectives, the more efficient work processes an organizational unit. Mahmudi (2010) contributions are used to determine the extent of local tax receipts contributed to the revenue. In knowing the contribution made by comparing a certain period of local tax revenue to domestic revenue receipts given period anyway. The higher the payoff means, the more significant the role of local taxes on income,

Therefore, taxes on Muslims not to be interpreted humiliation low or reduced. Prophet Muhammad never called Jizya much less wear to the Muslims. Jizya is more accurately translated as "tribute" (head tax), levied against the Book and Zoroastrians, as explained by Imam Syafe'i in Kitab Al-Umm, Imam Malik in the book Al-Muwatha ', Sayyid Fiqhus Sabaq in the book of Sunnah, Sa'id Hawwa in the book of Al-Islam Ibn Taymiyyah in the book Fatawa Majmu'atul, and Imam Al Mawardi in the book Al Ahkam al Sulthaniyah (Gusfahmi, 2015). Matching the most appropriate word for tax is Dhariibah which means the load. Why is it called dharibah (expenses)? Because taxes are an additional obligation (tathawwu ') for Muslims after Zakat, so that the application would be perceived as a burden or a heavy yoke (Qaradawi, Fiqhuz Zakah, Chapter Zakah wa dharibah, 1973). Etymologically, dharibah, which is derived from the basic dharaba, yadhribu, dharban which means: obliging, establish, determine, hitting, explain or charge, and others.

Dharaba is the verb form (fiscal), whereas the noun form (ism) is dharibah which can mean load. Dharibah is isim simplex (singular) with the plural form is Dharaaib. In the example application, the tax department in the Arab countries called the adh-Dharaaib masalahah. There are also Muslim scholars or economists in the literature refer to taxes with equivalent word/term Kharaj (land tax) or 'ushr (duties) besides the Jizya (tribute), when in fact they differ with dharibah. Tax Object (dharibah) is al-Maal (assets/income), the object of Jizya is the soul (an-nafs), the object Kharaj is a land (the land status), and the object 'ushr is incoming goods (imports). Therefore, a different object, then if used term Kharaj, Jizya, or 'ushr to be confused with dharibah tax. To that end, let the tax on land is called Kharaj, while the right term for the object property tax/income is dharibah (Gusfahmi, 2015); whereas the appropriate term for the object property tax/income is dharibah (Gusfahmi, 2015); whereas the appropriate term for the object property tax/income is dharibah (Gusfahmi, 2015).

2.2 Theory of Zakat

Regarding language, the word charity has several meanings that are blessing, growth and development, morality and impression (Kuran, 2018). Zakat is intended to clean up other people's property, which intentionally or unintentionally, have been included in our property (Prayer, 2001). By the term, charity is part of the estate with the specific requirements which are required by God to the owners to be given to those who deserve it (Hafidhuddin, 2002). In general, *Zakat* can be formulated as part of a treasure that must be given by every Muslim who meets certain requirements (Baqtayan et al., 2018). The terms that are Nishab (the minimum amount of wealth that must be excluded Zakat), Haul (prescribed period when issuing compulsory Zakat).

Law No. 38 of 1999 article 1, paragraph 2, states that the definition of charity is a treasure that must be set aside by a Muslim or owned by Muslims by the provisions of the religion to be given to those who deserve it. Broadly speaking there are two types of zakat tithes paid each month of Ramadan in the form of rice and alms or zakat maal is removed from the property owned by certain requirements. In calculating the potential zakat has been some Muslim economists who have done it. According to calculations the Public Interest Research and Advocacy Center (PIRAC) 2007 zakat potential in Indonesia to conduct a survey of 2,000 respondents in 11 major cities was IDR. 9.09 Trillion. Meanwhile, according to Islamic economics expert Antonio *et al.*, (2012) mention the potential zakat Indonesia could reach IDR. 17 Trillion. The new research from Ivan Syaftian, researchers from the University of Indonesia in 2008 the potential for the profession zakat amounting to IDR. 4.825 Trillion per year. As well as those that calculate the potential zakat based on a country's gross domestic income, the calculation is done zakat potential of 2.5% of gross domestic income countries. However, calculations using gross domestic income are still less precise when used not in Islamic countries such as Indonesia, because the gross domestic product generated is a mixture. (Al Arif and Rianto, 2010) Researchers from the University of Indonesia in 2008 found the potential for the profession zakat amounting to IDR 4.825 Trillion per year. As well as those that calculate the potential zakat based on a country's gross domestic income, the calculation is done zakat potential of 2.5% of gross domestic income countries. However, calculations using gross domestic income are still less precise when used not in Islamic countries such as Indonesia, because the gross domestic product generated is a mixture (Al Arif and Rianto, 2010). However, calculations using gross domestic income are still less precise when used not in Islamic countries such as Indonesia, because the gross domestic product generated is a mixture (Al Arif and Rianto, 2010). However, calculations using gross domestic

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Implementation of worship *Zakat* if done in a systematic and organized will give a multiplier effect that does little to increase revenue. Whoever intends to do good and does not do it, then God noted in his side as a perfect goodness (Arjmand, 2018, Masruki et al., 2018 and Shinkafi, 2018). If he intends to do good and he do it, then God will record in his side ten kindness to seven hundred times and even still doubled again. If he intends to do evil and does not do so Allah record it as a kindness. And if he intends doing something bad and he really did it, God only noted in his side of the evils "(Bukhari and Muslim Hadist) in the verses and the Hadith implicitly described multiplier effect of charity. How does the mechanism of the multiplier effect of this charity? Economically, it is described as follows: it is assumed *Zakat* assistance given in the form of consumptive (Abraham, 2018, Adachi, 2018 and Hassan, 2018). Assistance given to *Mustahik* consumption will increase the purchasing power of an item *mustahik* the needs. Increased purchasing power of an item this will impact on increased production of a company, the impact of the increase in production is increasing production capacity that this means that the company will absorb more labor. (Al Arif and Rianto, 2010 and Mohamad et al., 2018) this is described as follows: it is assumed *Zakat* assistance given in the form of consumptive. Assistance given to *mustahik* consumption will increase the purchasing power of an item *mustahik* the needs. Increased purchasing power of an item this will impact on increased production of a company, the impact of the increase in production is increasing production capacity that this means that the company will absorb more labor. (Al Arif and Rianto, 2010) this is described as follows: it is assumed *Zakat* assistance given in the form of consumptive. Assistance given to *mustahik* consumption will increase the purchasing power of an item *Mustahik* the needs. Increased purchasing power of an item this will impact on increased production of a company, the impact of the increase in production is increasing production capacity that this means that the company will absorb more labor (Al Arif and Rianto, 2010). Apart from the grandeur, worship also has a unique charity. Imam Ibn Qudaamah al-Maqdashy revealed this in the book *Mukhtasor Minhajul Qashidin*. He explained that *Zakat* is a combination of nature worship and at the same *Ubudiyah Ijtima'iyah* (social). Social worship side because *Zakat* is essentially giving wealth to others who are entitled or need. While *ubudiyah* side is because the rules governing withdrawal and distribution of *Zakat* very, very carefully regulated in sharia. No liability is prescribed in Islam, except to bring a variety of benefits and wisdom for mankind. Similarly, *Zakat* worship that holds a lot of wisdom and secrets shari'ah. If only we could see more clearly about the function and *Zakat* wisdom, of course, will further lighten step in fulfilling the obligation of *Zakat* on a regular basis. Among the functions of such charity is:

- a) The obligation of *Zakat* is the test of obedience for Muslims, as well as proof of the belief that the real treasure that is obtained is a gift from Allah SWT. Thus, the payment of *Zakat* is actually the embodiment of gratitude productive.
- b) *Zakat* is worship that would reduce the gap between the rich and the poor. To create a conducive social life without envy and spite of the poor to the rich. When sent Muadh bin Jabal to Yemen, the Prophet explained about charity: "God requires *Zakat* on your riches, taken from the rich and given to the poor" (HR pilgrims from Ibn Abbas).
- c) *Zakat* also has the function of the economy and empowerment, because the target is such a diverse *Zakat* distribution (eight classes).
- d) The investment function in Islamic economics can be expressed as follows:

$$I = (R, Z_a, Z, X), \text{ and } R = r (SI / SF)$$

Where: I = demand for investment; r the level of expected benefits; R : return on capital; SI : part of profits /losses of investors; SF : share of the profit/loss of the borrower; Z_a : *Zakat* unproductive assets; Z : Rate of *Zakat* on investing their profits; = Expenses other than charity. However, due to the level of charity remains, then the equation can be written:

$$I = (R,) \text{ Where, } I/r > 0; I / > 0.$$

According to the equation, the demand will increase investment in Islamic economics if:

1. The rising level of profit expected
2. Increasing the contribution rate to the assets / less productive
3. *Zakat* important effect on improving the investment

$$R = / I; E = (- Z) / I = / I (I - Z = R (I - Z)$$

Where: I = Investment; R: return on capital; r the level of expected benefits; the expected benefits in total; Za zakat unproductive assets; Z=Zakat on profit levels of investment; E = level expected net profit; G net investment level is expected. The above formulations can be resumed:

$$G = r(1-Z) + ZA;$$

Investment will continue in the long term, as far as $G > 0$ or: $R(1-Z) > -ZA$

Investment and stops when $G = 0$ or: $R(1-Z) = -ZA$;

Investment stops when the expected profit rate became negative value shown

$$R = ZA / Z - 1$$

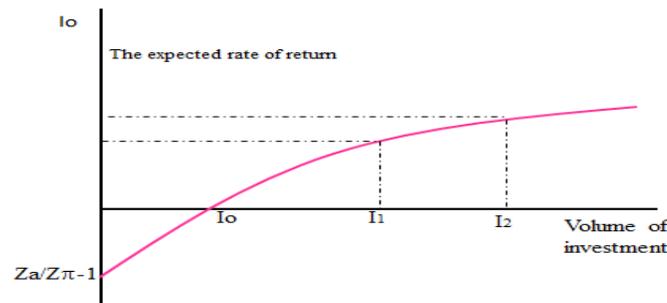


Figure 1. Graph Zakat and investment (Wibisono, 2017)

As shown in the Figure 1 above that the expected profit rate determines the volume of investment in the economy who knows Zakat without interest. Therefore, when the predicted profit rate to zero, the investment is still ongoing. It is probably not derived from the favorable interest rate economy. Investment in relative Islam will be more significant than conventional. Islamic finance in relatively more stable, because influenced by the level of expected profit, not interest (Nagaoka, 2018 and Power, 2019). With tithe, someone will be free from miserly nature and will increase compassion for others.

2.3 Theory of Infaq

Infaq comes from the word nafaqa, which means it has passed, gone, finished, remove the contents, drained, spent hers, or shopping. Infaq is eliminating particular property to be used for an interest that is commanded by God outside rather than charity. Infaq own priorities, relying on post fie sabilillah (Ridwan, 2013). Infaq of the word al-infaq (Arabic) means to spend. In the Qur'an the word *Infaq* only called once, namely in the letter of al-Isra verse 100. However, in other words, that one root with words, such as *Anfawa*, *Yunfiqu* and *Nafaqatan* called as many as 73 times while the letter al-Isra 'verse 100 and translation quoted as follows: it means: Say: 'If you master the vocabulary-vocabulary grace of my Lord, surely the treasury that you hold, In the Islamic view infaq people will gain good fortune multiplied in the world and the hereafter. People who infaq guaranteed never to become poor, but provision will be increased and the flow and road his effort growing. In jurisprudence infaq distinguished from zakat and sadaqah (Supadie and Irkham, 2013). According to the terminology of the Shari'a, donation means taking out some of the assets or revenue/income to an interest that was ordered, Islam. If there his nishab charity, contribution does not know nishab. Infaq issued each of the believers, both high and low income, whether he was at the time or in adversity. In the Islamic view infaq, people will gain good fortune multiplied in the world and the hereafter. People who infaq guaranteed never to become poor, but provision will be increased and the flow and road his effort growing. In jurisprudence infaq distinguished from zakat and sadaqah (Supadie and Irkham, 2013). According to the terminology of the Shari'a, donation means taking out some of the assets or revenue/income to an interest that was ordered, Islam. If there his nishab charity, contribution does not know nishab. Infaq issued each of the believers, both high and low income, whether he was at the time or in adversity. But provision will increase and the flow and road his effort growing. In jurisprudence infaq distinguished from zakat and sadaqah (Supadie and Irkham, 2013). According to the terminology of the Shari'a, donation means taking out some of the assets or revenue/income to an interest that was ordered, Islam. If there his nishab charity, contribution does not know nishab. Infaq issued each of the believers, both high and low income, whether he was at the time or in adversity. But provision will increase and

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Understanding Infaq is the use of the property to meet the needs of such with human, *Infaq* has a broader scope than charity. In categorization, *Infaq* can be likened to a "means of public transport," it includes planes, cars, trains, buses, ships and so forth. While *Zakat* analogized to a "car", as one means of transportation It so grant, waqf, wills, vow (to spend treasure), giving sustenance to the family, giving gifts, *Kaffarah* (such as property) for violating the oath, killed intentionally, do *Zihar* and *Ijma* during the day in *Ramadhan* is included *Infaq*. Even charity is also included among the activities infaq. Of these categories is an attempt to meet the needs of both the donor as well needs of the recipient. In other words, Understanding *Infaq* is consumptive activity use of property, "i.e., spending or assets is to meet the needs of" not productive, use of the property to be developed and played more economically. Pay zakat and sadaqah also called *Infaq*, because both exclude or clean the property in the way of Allah solely for worship becomes a habit in Indonesian society that has a connotation *Infaq* more focused on the sunnah gave alms for religious activities. For example, to build a house of worship (mosques, broken, prayer rooms), founded the Islamic hospital, set up *Madrasahs*, orphanage, and individuals and religious institutions manage good schools. The verses that describe the amount of maintenance that is required to be spent (in *Infaq*) contained in the Qur'an Surah Al-Baqarah: 215 which means: "They ask questions about what they spend. Answer: "Any wealth you spend let awarded to mother father, kinsfolk, orphans, the poor and those who were on the way." and what are the good things you do, verily Allah doth know. "Benefits of \infaq is to be prayed over by angels every day as word of the Prophet Muhammad: that does not come one day but would go down two angels, one of which says, "Yes, God gives those who infaq it replies," and the other says, "Yes, God gives the people griping destruction (freely)" (Hadith History *Muttafaq 'alaihi*) (Anila, 2016).

2.4 Theory of Regional Income

2.4.1 Regional Income

Local revenue is the increase or decrease of assets and debts from various activities of a particular accounting period runs (Halim, 2004). According to the Minister Regulation No. 13 of 2006 of Revenue is recognized the right of local government as an addition to net asset value in the period in question. According to Mardiasmo *et al.*, (2000), the local revenue potential is the power that is in an area to produce a certain amount of acceptance. To see the potential of local revenue sources needed knowledge about the development of some of the variables that can be controlled (i.e., economic variables), and which can not be controlled (i.e., variables non-economic) which may affect the strength of the sources of local revenue. Based on Law No. 33 2004 Regional Income derived from 1) revenue (PAD), 2) sharing revenue (DBH) 3) other legitimate regional income and 4) Local Borrowing (Baihaqi, 2011).

2.4.2 Finance Area

Finance areas are all rights and obligations that can be valued in money; everything is in the form of money or goods that may be used during the regional assets not owned by the State or the higher regions as well as other parties by applicable laws and regulations (Mamesah, 1995). Then Halim (2004), which is referred to by all rights is a concession to the sources of revenues, such as taxes, retribution, the result of company-owned area, and others, and or the right to receive revenue sources such as Dana allocation of General and Special allocation Fund accordance with prescribed rules to enhance the richness of the area. Other than that, is all obligations are obligations to spend money to pay the bills to the region in the framework of the implementation of governmental functions, infrastructure, public services, and economic development. Another important criterion to determine the real ability to regulate and manage the area in the household is a regional power in the field of finance. In other words, the financial factor is an important factor in regulating the level of regional capabilities in implementing regional autonomy (Aranguren *et al.*, 2019 and Morisson & Doussineau, 2019). Finance area also has a scope that consists of directly managed regional financial and wealth separated areas. In Government Regulation No. 105 2000, mentioned that the financial areas are all rights and obligations in respect of the area of local government that can be valued in

money including the inside of all forms of property-related rights and obligations of the region within the framework of budget revenues and expenditures (budget). About the importance of the financial position, as one of the region's financial indicators to determine the regional ability to organize and manage their household. With the promulgation of the law on regional autonomy, have consequences for the region that would cause regional disparities with one another, especially in terms of local financial capacity, among others (Nataluddin, 2001). The area capable of implementing regional autonomy. 2) the area approaching capable of implementing regional autonomy. 3) Areas that little capable of implementing regional autonomy and, 4) Regions are less able to carry out the affairs of regional autonomy (Baihaqi, 2011).

The Government and people responsible for the welfare of the people by looking for local revenue plumber legitimate and lawful. Mandatory and important not to be defeated by vague (dissenting), because the area is an absolute revenue by source: local tax, donation, charity, and so forth. Scholars differed on what local tax, her there is an obligation for Muslims on their property besides zakat. The majority of scholars argue that charity is the only obligation of the Muslims over the treasure. Anyone who has to practice regular charity, then clean and free of his property and obligations. Is the various hadith of the Prophet, among other hadith that the Prophet asked "Is there any other obligations outside of zakat? The Prophet replied, "No, unless shadaqah Sunnah" (Hadith Bukhari and Muslim). On the other hand there is the opinion of scholars that there is an obligation in the assets other than *Zakat*. A middle ground of these two differences is that the obligations on the property is the obligatory zakat, but if it comes the condition that calls for additional purposes (*Darurah*), then there will be another addition in the form of tax liabilities (*Dharibah*). This opinion was expressed by eg Qadi Abu Bakr Ibn al-Arabi, Imam Malik, Imam Qurtubi, Imam Syatibi, Mahmud Syaltut, and others. (Gusfahmi, 2007) On the other hand there is the opinion of scholars that there is an obligation in the assets other than zakat. A middle ground of these two differences is that the obligations on the property is the obligatory zakat, but if it comes the condition that calls for additional purposes (*darurah*), then there will be another addition in the form of tax liabilities (*Dharibah*). This opinion was expressed by eg Qadi Abu Bakr Ibn al-Arabi, Imam Malik, Imam Qurtubi, Imam Syatibi, Mahmud Syaltut, and others (Gusfahmi, 2015). On the other hand there is the opinion of scholars that there is an obligation in the assets other than *Zakat*. A middle ground of these two differences is that the obligations on the property is the obligatory *Zakat*, but if it comes the condition that calls for additional purposes (*Darurah*), then there will be another addition in the form of tax liabilities (*Dharibah*). This opinion was expressed by eg Qadi Abu Bakr Ibn al-Arabi, Imam Malik, Imam Qurtubi, Imam Syatibi, Mahmud Syaltut, and others. (Gusfahmi, 2007) This opinion was expressed by eg Qadi Abu Bakr Ibn al-Arabi, Imam Malik, Imam Qurtubi, Imam Syatibi, Mahmud Syaltut, and others (Gusfahmi, 2007). This opinion was expressed by eg Qadi Abu Bakr Ibn al-Arabi, Imam Malik, Imam Qurtubi, Imam Syatibi, Mahmud Syaltut, and others (Gusfahmi, 2007).

Permissibility levy taxes according to the religious scholars, the main reason is for the benefit of the people, because the government funding was inadequate to cover various expenses, that if spending were not financed, it would arise mudharat. While preventing mudharat is also an obligation. As the rules of general fiqh: *Ma'laa yutimmul illa bihi Fahuwa* mandatory (Something that conveys the mandatory then obligatory). Therefore, the tax should not be levied se by force and sheer power, but because there is an obligation of the Muslims imposed on the country, such as giving a sense of security, health care and education spending as income for the soldiers, salaries, judges, and others etc. (Purkon, 2014) Therefore, tax it is the responsibility of citizens in a Muslim country, where the state is obliged also to meet two conditions (terms); (1) Acceptance hasl-tax results should be viewed as a mandate and spent honestly and efficiently to realize tax purposes; (2) The government should distribute the tax burden evenly among those obliged to pay (Chapra 2000).

2.5 Theory Maslahah

Mashallah in the science of usul fiqh have some sense, but in the essence of its content is the same. Imam al-Ghazali said that in principle maslahah is "benefit and refused Mudharatan to maintain the objectives of Personality'." Imam al-Ghazali considers that a Mashlahah should always be in line with the objectives of Personality', even if it conflicts with-purpose personal purpose. This is because the human Mashlahah not always in line with the objectives of Personality' even more based on the lust. Similarly, the consumption made by humans (Ali et al., 2018). Because consumption is a boost lust it is certain that the human desire for consumption has always been driven by the passion of lust. That is why they are used as a benchmark in determining Mashlahah it is the will and purpose of Personality, not the will and purpose human (Islam, 2019). Goal of law to be maintained, further al-Ghazali, there are five types: preserve religion, life, intellect, lineage and property, when someone does an act which is essentially to maintain the five aspects, it may say Maslahah.

Viewed regarding quality and interest Maslahah it can be divided into three types, namely:

Maslahah al-dharuriyyah, Namely Mashlahah related to the basic needs of humanity in the world and the hereafter. This means that without this man cannot live. Kemashlahatan like this there is five, namely (1) maintenance of religion, (2) nourishes the soul, (3) maintain a sense, (4) the breeding and (5) keep the property.

Maslahah al-Hajjiyyah, Namely Mashlahah required in mashlahah enhance staple. It means supporting the achievement mashlahah principal in its application form of relief to maintain basic human needs. Examples such as hunting animals and eating good food.

Maslahah al-jahiliyyah, Namely Mashlahah that is the corresponding form of flexibility that can complement the previous benefit. Without the fulfillment of this Mashlahah, men can continue his life, but it also supports the achievement Mashlahah other mashlahah. For example, it is recommended to eat foods that are nutritious and dress nice. (Iqbal, 2016)

Furthermore, Khallaf (1994) in the book Science Usul Fiqh says, "the most important of the three primary objectives are darury and must be maintained. Hajiyi is abandoned if damaging support darury law, and taking be left if the law was keeping darury and taking damage. From concept mashlahat seen that there are fundamental rules, such as rules Islamiyah is substantially maintaining human kindness as well. But this does not make the man perform activities become rigid and stuck consumption, on the contrary, people will always be supported and preserved himself from anything that threatens its survival. Since this is just a general guide is the reference in the application of human consumption behavior. As with the utility concept initiated by conventional economists. Logically it is the idea of utility is very sensible and humane. Their desire or craving that can be measured by a unit value, which is commonly referred to the amount, making clear their size in studying consumer behavior. But this concept is not fenced off by the fundamental values of humanity and morality, so that in practice it is materealis and put aside anything that can not be measured by material, such as reward and hereafter.

In the book Macroeconomics in the Perspective of Islam, Muhammad (2004) quotes Fahim Khan's article, "Theory of Consumer Behavior in an Islamic Perspective," about the concept maslahah several advantages, namely:

Maslahah is subjective in the sense that people will judge which is best for them on the goods/services maslahah for himself. But the criteria for determining maslahah are not left in the case of subjective factors such as utilities. Criteria maslahah subjectivity is maqasid sharia, which was mentioned earlier. While the utility criteria are subjectivity to the wishes of the man himself.

Maslahah people will be filled with social maslahah and not as the personal satisfaction that often will lead to a conflict of social achievement.

Maslahah concept is emphasized in all economic activity in a community. So the concept maslahah emphasis on the problem of consumption, production, and exchange, unlike the conventional theory where the satisfaction is only concerned with the issue of waste and profits intersect with production problems. Likewise, Maslahah keep in touch with the goal of economic activity, whether it is done at the individual level and State level (Iqbal, 2016).

2.6 Conceptual Framework

Based on the theory of variable theory Local Tax, Infaq, Zakat, Regional Income, Maslahah built, then it can be shown the theoretical framework in Figure 1 as follows:

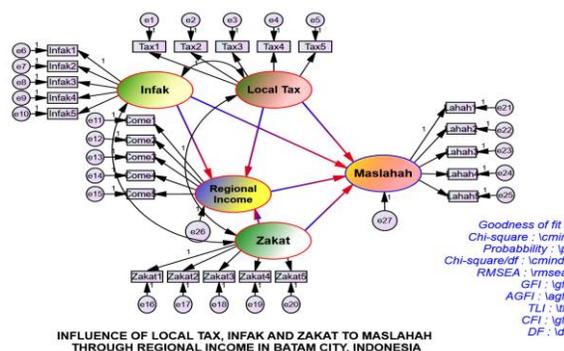


Figure 2. Research model

Based on Figure 2, the *Infaq* does not mean spending or use property at will, but no provisions have been set in either Islam at a time when life and after death. At a time when life, such as grants, gifts, and alms, sometimes when the die is shaped like a will. Islam has set the terms of use of this property, thus prohibiting individuals to give away, donate, or to spend it, but what is not needed by the persons concerned and their families. For self and family, which is forbidden for a Muslim not to allow or forbid halal wealth and good fortune for himself and his family, but he was able to get it.

3. Research Methods

3.1 Population and Sample

3.1.1 Population

The community is a collection of the whole object to be measured in the study (Cooper and Schindler, 2003). The people in this research are all entire street vendors in the Market of Badung, Bali. Therefore, the size of the population in this study is unknown, so the sampling technique used in the category of non-probability sampling. By the specific sample, characteristics are required, are the entire workers, then sampling technique selected non-probability technique is judgmental (purposive). This method is chosen to ensure that only the samples that have certain elements that have been established by researchers who will be taken as sample. Gambill population of from Badan Amil Zakat Indonesian, Ulama Council, Department of Revenue, The Department of Public Welfare 190 respondents.

3.1.2 Sample

The sample is an element of the population selected to represent the people in the research (Cooper and Schindler, 2003). In this study, the sample size adapted to the analysis, the models used is Structural Equation Model (SEM). In this regard, the sample size for SEM used the models estimates the maximum likelihood estimation (MLE) is 100-200 samples (Hair *et al.*, 1998), or as much as 5-10 times the number of parameters estimated (Ferdinand, 2006). In this study, the number of respondents of 190, then the amount of the sampled using the census as many as 190 respondents, consisting of in Table 1 as a follows:

Table 1. Respondents table

No.	Respondents	Amount
1	Amil Zakat Board of Batam	50
2	Indonesian Ulema Council Batam	50
3	Regional Revenue Office Batam	50
4	Department of Public Welfare Batam	40
	Number of Respondents	190

3.2 Research Instruments

The primary instrument in this research was a questionnaire. Variable measurement is done by using the Likert scale. Measurement procedure as follows:

1. Respondents were asked to answer the common questions that will be used as the basis of Whether the respondents included in the criteria or not.
2. Respondents were asked to agree or disagree with the statement filed by the researcher's perception of each respondent. The answer consists of five options itemsitems, namely: Strongly Disagree (SD), Disagree (D), Doubtful (Df), Agree (S), and Strongly Agree (SS).
3. Scoring. To answer Strongly Agree (SA) is assigned the value 5, and so on down to the answer of Strongly Disagree (SD) is given a score of 1.

3.3 Data Collection Procedures

The Data used in the procedure of collecting the data in this research consisted of the primary data and secondary data. Primary Data is the Data Obtained directly from the object of research items, namely by sending questionnaires directly to potential respondents. Data score of respondents' answers to any further processed with statistical

indicators Full Model Structural Equation Modeling (SEM) using AMOS * software for Windows version 22.0 (Adi, 2015), Obtained was like the image display processing results Structural Equation Modeling (SEM) following. Local Tax (X_1), Infaq (X_2), Zakat (X_3), the Regional Income (Y), Maslahah (Z) as the following equation:

H1: $Y = \gamma_{y.x1} X_1 + e_1, \rightarrow$ Direct Effects X_1 to Y ,

H2: $Y = \gamma_{y.x2} X_2 + e_1, \rightarrow$ Direct Effects X_2 to Y ,

H3: $Y = \gamma_{y.x3} X_3 + e_1, \rightarrow$ Direct Effects X_3 to Y ,

H4: $Z = \gamma_{z.x1} X_1 + e_2, \rightarrow$ Direct Effects X_1 to Z ,

H5: $Z = \gamma_{z.x2} X_2 + e_2, \rightarrow$ Direct Effects X_2 to Z ,

H6: $Z = \gamma_{z.x3} X_3 + e_2, \rightarrow$ Direct Effects X_3 to Z ,

H7: $Z = \beta_{ZY} Y + e_2, \rightarrow$ Direct Effects Y to Z

3.4 Data Analysis Method

Data analysis was performed using Structural Equation Model (SEM). The software used for the structural analysis is AMOS 22. There are seven steps Involved in modeling SEM items, namely: Model-based development theory, Making the flow diagram (path diagram), Convert flowchart into a series of structural equation, Selection of the input matrix and estimation techniques of models built, Assess possible problems of identification, Evaluation criteria for goodness of fit, Interpretation, and modification of the models.

4. Results and Discussion

4.1 Research Result

The research location of the Batam City National Zakat Agency (BAZNAS) is in the following Figure 3 as a follows:



Figure 3. Illustration of BANAZ office, revenue service and MUI of Batam City

Source: Batam City Government

The research model is found in the following in Figure 4 as a follows:

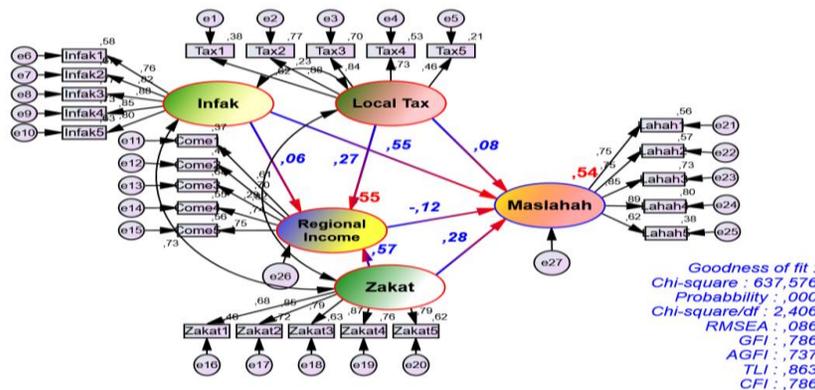


Figure 4. Full model

Based on the model on Figure 4 shows that Taxes and Zakat collected affect Regional Income. While the Goodness of Fit models are in the following Table 2:

Table 2. Analysis goodness of fit

Goodness of Fit Index	Cut-Off Value	Model Results	Information
Chi-square	Expected To Be Small	637.576	Good
Relative Chi-square	≤ 3:00	2, 406	Good
probability	> 0.05	0,00	Not Good
RMSEA	≤ 0:08	0.086	Marginal
GFI	≥ 0.90	0.786	Not Good
AGFI	≥ 0.90	.737	Not Good
CFI	≥ 0.95	.786	Not Good
TLI	≥ 0.95	.863	Marginal

Source: AMOS Result (2018).

The results of the Table 2 show that the value of the goodness of fit model is sufficient. The weighted average model produced is as follows in Table 3:

Table 3. Regression weights: (group number 1 - default model)

			estimate	SE	CR	P	Label
COME	<---	TAX	, 172	.048	3,563	***	par_5
COME	<---	INFA	, 037	, 063	, 595	, 552	par_23
COME	<---	ZAKA	, 543	, 118	4.589	***	par_30
Laha	<---	TAX	, 070	, 062	1,122	, 262	par_1
Laha	<---	COME	-, 165	, 143	-1.154	, 249	par_2
Laha	<---	ZAKA	, 370	, 159	2.335	, 020	par_3
Laha	<---	INFA	, 476	, 093	5.132	***	par_4

Source: AMOS Result (2018).

Based on Table 3, the weighted average model shows that the Tax and Zakat variables have dominant influence on Local Own Revenue. For the Standardized Regression Weights as estimated model show in Table 4:

Table 4. Standardized regression weights: (group number 1 - default model)

			estimate
COME	<---	TAX	, 269
COME	<---	INFA	, 059
COME	<---	ZAKA	, 574
Laha	<---	TAX	, 079
Laha	<---	COME	-, 119
Laha	<---	ZAKA	, 283
Laha	<---	INFA	, 548

Source: AMOS Result (2018).

Based on the Table 4 shows the estimated value of the equation that is produced is moderate with an adequate estimation value. The Squared Multiple Correlations value in Table 5 generated is as follows:

Table 5. Squared multiple correlations: (group number 1 - default model)

	estimate
COME	, 552
Laha	, 536

Source: AMOS Result (2018).

The Squared Multiple Correlations values show above 50% thus resulting in a close correlation.

4.2 Discussion

a) Local tax variable contribution to variable Regional Income Tax has standardized estimate (regression weight) of 0.269 to Cr (Critical ratio = identical to the value t-test) of 3,563 on probability = 3.563, *** Rated $CR \geq 2.00$ and Probability = *** ≤ 0.05 indicates that Local tax variable Contributions to Regional Income variable is significantly positive. The results are consistent with the theory that taxes are the contributions of the people to the state treasury by law (enforceable) with no lead gets services (contra) directly demonstrated and used to pay for general expenses. Taxes have a significant role in the life of the state,

b) Infaq variable contribution to the Regional Income variables have standardized estimate (regression weight) of 0.059 to Cr (Critical ratio = identical to the value t-test) of 0.595 on a probability = 0.552, 0.595 CR value ≤ 2.00 and $0.05 \geq$ Probability = 0.552 indicates that the variable Infaq Contributions to Regional Income variable is not significant positive. By command from Allah to man to spend the wealth we have with the best do not wasteful-wasteful, we are expected to behave frugally. Also, Allah advised his people to do good to others by sharing part of his wealth to those in need. (QS. Al-Baqarah: 195) In contrast to the charity that is obligatory, whereas circumcision of legal donation (voluntary)

c) Zakat variable contribution to the Regional Income variables have standardized estimate (regression weight) of 0,574dengan Cr (Critical ratio = identical to the value t-test) of CR on probability = 4.589, *** 4.589 CR value ≥ 2.00 and Probability = *** ≤ 0.05 indicates that the Zakat Contributions variable to variable Regional Income is a significant positive. In accordance Word of Allah: "Parable (income incurred by) those who spend their wealth in the way of Allah is like a seed that grows seven ears, in every ear a hundred grains. God magnifies (reward) for whom He will. And Allah is the area (his gift), the Knower." (QS. Al-Baqarah: 261) Based on the Word of God Almighty,

d) Local Tax Contributions variable to variable Maslahah have standardized estimate (regression weight) of 0.079 to Cr (Critical ratio = identical to the value t-test) of 1,122 on probability = 0.262, 1.122 CR value ≤ 2.00 and $0.05 \geq$ Probability = 0.262 indicates that the Local Tax Contributions variable to variable positive Maslahah is not significant. The greater the payoff means, the greater the role of local taxes on revenue, and vice versa if the result of the comparison is too small means that the role of local taxes on revenue is also small (Mahmudi, 2010). Withdrawal of Local Tax law is based positive (non-Islamic) so that its contribution Maslahah (inner and outer well-being and the world hereafter) is positive, not significant,

e) Regional Income variable contribution to variable Maslahah have standardized estimate (regression weight) of -0.119 with Cr (Critical ratio = identical to the value t count) equal to the probability = -1.154, P = 0.249, -1.154 CR value ≤ 2.00 and Probability = 0.249 ≥ 0.05 indicates that the Regional Income Contributions variable to variable negative Maslahah is not significant. This research is the Word of Allah: "And let fear of Allah those who suppose to leave behind their weak children, they worry about the (welfare) them. Therefore, let them fear Allah and let them pronounce words correctly. (QS. An Nisa: 9). Mandatory and important not to be defeated by vague (dissenting), therefore the area is an absolute revenue by source: local tax, donation, charity, and so forth. Evidence that income areas dominated by local taxes do not contribute maslahah, therefore local revenues should be maximized through potential zakat.

f) Zakat variable contribution to variable Maslahah have standardized estimate (regression weight) of 0.283 to Cr (Critical ratio = identical to the value t-test) of 2.335 on a probability = 0.020, 2.335 CR value ≥ 2.00 and ≤ 0.05 Probability = 0,020 shows that Contributions variable to variable Maslahah Zakat is a significant positive. The Word of Allah supported this research: "Parable (income incurred by) those who spend their wealth in the way of Allah is

like a seed that grows seven ears, in every ear a hundred grains. God magnifies (reward) for whom He will. And Allah is the area (his gift), the Knower. (QS. Al-Baqarah: 261) For those who give most of his wealth to the people in need with a sincere heart and solely for worshiping Allah. Then Allah will double the reward for those who spend their wealth, even if only a grain of rice then Allah will double one. Because Allah is omniscient, all-seeing again, this is God's promise to contribute alms to the significant positive masalahah.

g) Infaq variable contribution to variable Masalahah have standardized estimate (regression weight) of 0,548 to Cr (Critical ratio = identical to the value t-test) of 5.132 on a probability = 5.132 *** CR value ≥ 2.00 and \leq Probability = *** 0.05 indicates that the variable Contributions Masalahah Infaq variable is significantly positive. The Word of God supported this research: "(They are) those who spend (freely), whether time or in adversity, and those who restrain anger and forgive (error) people, Allah loves those who do virtue. (QS. Ali Imran: 134) If zakat should be given to certain mustahik (8 asnaf), then the donation be given to anyone, so it is a significant positive contribution to Masalahah.

h) Square Multiple Correlation of Regional Income = 0, 552, For Masalahah =, 536 According to Ferdinand, (2002) the value of the variable Correlation untuk Square Regional Multiple Income $R^2 = 0.552$ identical to R^2 in SPSS by 0, 552 then the amount of Contributions is a value to a variable Correlation Square Regional Multiple Income times 100% = 0, 552 x 100% = 55.2%. Thus it can be stated that the regional changes in contributions by the Local Income Tax, donation, Zakat of 55.2%. To Masalahah $R^2 = 0,536$ then the magnitude Contribution = 0, 536 x 100% = 53.6%. Thus it can be stated that the changes Masalahah by contributions by the Local Tax, donation, Zakat, and Income Regional 53.6%.

5. Conclusion

1. Local tax variable contribution to the Regional Income variable is significantly positive.
2. Infaq variable contribution to the Regional Income variable is not significant positive.
3. Zakat variable contribution to the Regional Income variable is significantly positive.
4. Local Tax variable contribution towards positive Masalahah is variables were not significant
5. Regional Income variable contribution towards Masalahah variable is not significantly negative.
6. Zakat variable contribution towards Masalahah variable is significantly positive.
7. Infaq variable contribution towards Masalahah variable is significantly positive.
8. Regional changes in contributions by the Local Income Tax, Infaq, Zakat of 55.2% change Masalahah by contributions by the Local Tax, Infaq, Zakat, and Income Regional 53.6%.

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