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Implementation of the Maximum Increase Policy on the Sales Value of Taxable Object (NJOP) from the Perspective of Legal Certainty Based on Law Number 01 of 2022 Concerning the Financial Relationship Between the Central Government and Regional Governments

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Abstract

This study aims to analyze the implementation of the policy on the maximum limit of the increase in the Sales Value of Taxable Objects (NJOP) from the perspective of legal certainty with a specific focus based on Law Number 01 of 2022 concerning the Financial Relationship between the Central Government and Regional Governments (HKPD Law), with case study in Labuan Bajo, West Manggarai Regency. The background of this research arises from a drastic increase in NJOP, exceeding 100%, which has caused significant public concern and the potential for violations of the principles of justice and legal certainty. This study uses a normative juridical method with a descriptive qualitative approach. This research collects data through literature study, documentation, and interviews with government officials, tax law experts and affected citizens. The focus of the analysis is on legal certainty, regional government authority and legal protection for the public regarding the policy. The results show that the NJOP increase the policy in Labuan Bajo is not fully aligned with the principles of legal certainty. The absence of clear regulation on maximum limit of NJOP increase provides wide interpretive space for local governments (risking arbitrary decisions and weakened legal protection for taxpayers). This opens the potential for inequality, abuse of authority, and minimal legal protection for the public. Furthermore, the policy, which does not take into account the economic capacity of the community, has social implications such as anxiety, objections and potential legal conflict. The lack of public participation and insufficient dissemination of information further exacerbates social and economic distress among residents and local businesses. This study recommends revising regulations to provide explicit limits on NJOP increases by local governments (for the establishment of national standards and maximum thresholds for NJOP

increases), as well as strengthening public objection mechanisms to be faster and more effective, and enhanced legal education and transparency within fiscal policy-making processes.

Keywords: *Public Policy, NJOP, Legal Certainty, Regional Government, HKPD Law.*

Abstrak

Penelitian ini bertujuan untuk menganalisis implementasi kebijakan batas maksimal kenaikan Nilai Jual Objek Pajak (NJOP) dari perspektif kepastian hukum dengan fokus khusus berdasarkan Undang-Undang Nomor 01 Tahun 2022 tentang Hubungan Keuangan antara Pemerintah Pusat dan Pemerintahan Daerah (UU HKPD), dengan studi kasus di Labuan Bajo, Kabupaten Manggarai Barat. Latar belakang penelitian ini adalah adanya kenaikan NJOP yang cukup drastis hingga melebihi 100% yang telah menimbulkan keresahan masyarakat yang cukup besar serta berpotensi terjadinya pelanggaran asas keadilan dan kepastian hukum. Penelitian ini menggunakan metode yuridis normatif dengan pendekatan kualitatif deskriptif. Penelitian ini mengumpulkan data melalui studi kepustakaan, dokumentasi, dan wawancara dengan pejabat pemerintah, pakar hukum pajak, serta warga masyarakat yang terdampak. Fokus analisis adalah pada kepastian hukum, kewenangan pemerintah daerah, dan perlindungan hukum bagi masyarakat terkait kebijakan tersebut. Hasil penelitian menunjukkan bahwa kebijakan kenaikan NJOP di Labuan Bajo belum sepenuhnya selaras dengan asas kepastian hukum. Belum adanya regulasi yang jelas mengenai batas maksimal kenaikan NJOP, memberikan ruang interpretasi yang luas bagi pemerintah daerah (beresiko menimbulkan keputusan sewenang-wenang dan melemahnya perlindungan hukum bagi wajib pajak). Hal ini membuka potensi terjadinya ketimpangan, penyalahgunaan wewenang, dan minimnya perlindungan hukum bagi masyarakat. Lebih jauh, kebijakan yang tidak mempertimbangkan kemampuan ekonomi masyarakat tersebut berimplikasi sosial seperti keresahan, keberatan, dan potensi konflik hukum. Minimnya partisipasi masyarakat dan minimnya sosialisasi semakin memperparah keresahan sosial ekonomi warga dan pelaku usaha setempat. Kajian ini merekomendasikan revisi regulasi untuk memberikan batasan yang tegas terhadap kenaikan NJOP oleh pemerintah daerah (dalam rangka penetapan standar nasional dan ambang batas maksimal kenaikan NJOP), serta penguatan mekanisme keberatan masyarakat agar lebih cepat dan efektif, serta peningkatan edukasi hukum dan transparansi dalam proses penyusunan kebijakan fiskal.

Kata Kunci: *Kebijakan Publik, NJOP, Kepastian Hukum, Pemerintah Daerah, UU HKPD.*

INTRODUCTION

Regional fiscal policy through taxes and levies is one of the main instruments for supporting development funding and the provision of public services. The Rural and Urban Land and Building Tax (PBB-P2) is a strategic local tax whose imposition is based on the Sales Value of Taxable Object (NJOP). The NJOP is determined annually by local governments and serves as the basis for calculating property tax liabilities.

Ideally, NJOP should reflect the fair market value of a taxable object based on prevailing economic conditions. However, in recent years, a significant surge in NJOP has occurred in several regions, one of the most prominent being in Labuan Bajo, West Manggarai Regency, East Nusa Tenggara Province. In this region, NJOP increases have exceeded 1000% (one thousand percent) in several strategic locations, such as harbor areas and tourism zones. These increases have sparked public unrest and raised serious concerns regarding economic burdens and legal uncertainty. Such drastic increases not only strain the financial capacity of the population—particularly micro, small, and medium-sized enterprises (MSMEs), but also challenge the principles of the fairness and legal certainty in tax policy. Many citizens were taken by surprise, as they received little to no prior information or opportunity to engage in the policy process. The abrupt implementation and lack of public outreach reflect systemic weaknesses in participatory governance at the local level.

The impact of these policies is not only limited to local residents, but also significantly affects investor confidence. The sudden and unregulated increase in NJOP contributes to an unstable investment climate, particularly in a region such as Labuan Bajo that is positioned as a national priority tourism destination. Investors may perceive such volatility as a sign of regulatory risk, which could deter future investments and hinder local economic development.

A key issue in this context is the absence of a legal provisions that explicitly regulates the maximum allowable increase in NJOP from year to year. Law Number 01 of 22 on the Financial Relationship between the Central and Regional Governments (HKPD Law) grants regional governments the authority to determine NJOP. However, it does not stipulate any technical parameters, formulas for adjustment, or requirements for periodic evaluations involving public participation. This regulatory gap poses a risk of fiscal imbalance and potential misuse of authority by regional governments. From a legal standpoint, this ambiguity undermines the principle of legal certainty, which is a cornerstone of a fair taxation system. The 1945 Constitution of The Republic Indonesia, specifically Article 23 A,

and national tax legislation emphasize that any tax imposition must be grounded in law and execute fairly. The lack of regulation on NJOP ceilings raises questions about compliance with these foundational legal standards. Moreover, this situation reveals an institutional gap at the local level in terms of capacity to understand and apply equitable fiscal principles. The absence of clear criteria for NJOP adjustment, coupled with limited public involvement and weak mechanisms for objections or appeals, suggests a lack of good governance in fiscal policy making. These conditions risk eroding the legitimacy of local government policies and escalating conflicts between the state and its citizens.

Accordingly, this study seeks to critically evaluate the implementation of NJOP increase policies in Labuan Bajo from the perspective of legal certainty. It applies a normative juridical method and a qualitative descriptive approach to examine the regulatory frame work and community responses to the policy. By employing the Van Meter and Van Horn model of policy implementation, which emphasizes six variables: policy standards and objectives, resources, implementing agency characteristics, inter organizational communication, implementor disposition and socio-economic conditions, this research aims to provide both scholarly and practical insights. The ultimate goal is to contribute the improvement of regional fiscal policies that are more equitable, transparent, participatory, and legally sound.

RESEARCH METHOD

This research employs a normative juridical method complemented by a qualitative descriptive approach. Normative juridical research is a legal research method that treats law as a system of norms. It focuses on the study of legal principles, statutory regulations, legal doctrines, jurisprudence (court decisions), and scholarly interpretations. This approach is used to examine the consistency of the NJOP increase policy with the legal framework provided by Law Number 1 of 2022 on the Financial Relationship between the Central Government and Regional Governments (HKPD Law) and the broader principles of legal certainty, justice and legal protection.

The qualitative-descriptive method complements the normative juridical approach by interpreting legal phenomena based on real social contexts. It allows the researcher to explore the actual implementation of law and how NJOP policy affects society, especially in Labuan Bajo. Through this approach, the researcher can describe existing problems, identify legal gaps, and analyze community responses based on qualitative data such as interviews and documentation. This research is analytical-descriptive in nature. It aims to systematically

describe and analyze legal issues related to the implementation of NJOP increases in Labuan Bajo. Descriptive research presents the legal norms and facts as they are, while analytical methods are used to evaluate and interpret these findings based on legal theory and principles. This includes exploring the implications of the absence of a maximum limit for NJOP increases and the consequences for legal certainty and fairness.

This research is carried out through the following stages: 1) Literature Study, aimed at collecting secondary legal data by reviewing various legal texts and academic materials relevant to the research. These materials include Primary Legal Materials the 1945 Constitution, Law Number 1 of 2022, Law on General Tax Provisions and Procedures, and relevant regional regulations, Secondary Legal Materials – textbooks, academic journals, legal commentaries, and expert analyses on public finance law, legal certainty, and regional autonomy, Tertiary Legal Materials legal dictionaries, encyclopedias, new papers, and internet sources that support legal interpretation. 2) Field Study, conducted to obtain primary data through interviews and direct observation in Labuan Bajo. This includes discussions with government officials, legal scholars and community members affected by NJOP increases. The purpose is to gather qualitative data to support the normative analysis and understand the practical implications of the policy.

Data in this study is collected using two main techniques. First is document study, which involves reviewing legal documents, official reports, taxpayer objection letters, court rulings, and media publications. This technique is essential for understanding the legal framework and policy development. Second, is field interviews and observations, used to collect primary data from people who directly involved or affected by NJOP increase. These include structured and semi – structured interviews that provide insights into how the policy is perceived and experienced on the ground. The data analysis technique used in this research is normative qualitative analysis. Normative analysis focuses on legal texts (law in books), comparing them with theoretical doctrines and evaluating their consistency with constitutional principles. At the same time, qualitative analysis interprets data obtained from field research to understand social responses, institutional behaviors, and the overall effectiveness of policy implementation enables a comprehensive understanding of how legal norms are applied and the extent to which they ensure justice and legal certainty in society.

RESULT AND DISCUSSION

This section presents the results of the research and provides a comprehensive analysis of the implementation of the NJOP increase policy in Labuan Bajo, West Manggarai Regency. This discussion is structured to align with legal theory, statutory interpretation and field observations, especially in relation to legal certainty, legal protection and justice from a civil law perspective.

Legal Framework and the Absence of Clear Limits

Law number 01 of 2022 concerning the Financial Relationship between the Central and Regional Governments (HKPD Law) grants authority to local governments to determine NJOP as the basis for calculation Land and Building Tax (PBB). However, the law does not contain any specific provision limiting the annual increase of NJOP, nor does it mandate the use of standards formulas or evaluation procedures. This legal vacuum has resulted in uncontrolled discretion at the local level, allowing drastic NJOP increases without legal safeguards. In Labuan Bajo, this legal ambiguity contributed to an increase of over 1000% in certain tourism-designated areas. From a normative legal perspective, such a leap in valuation without clear regulatory parameters undermines the principle of legal certainty and could violate the constitutional principle.

Regional Autonomy vs Legal Accountability

The regional government exercised its autonomy through a Mayor's Regulation to enforce the new NJOP values. However, this was done without transparent public consultations, impact assessments, or adequate information dissemination. As a result, many taxpayers-particularly small business owners and local residents-experienced confusion and felt excluded from the policy process. This failure to involve stakeholders violates the procedural aspect of legal protection and raises question about legitimacy of the policy.

Analysis Based on the Van Meter and Van Horn Model

Based on the Van Meter and Van Horn implementation model, the NJOP policy in Labuan Bajo show weaknesses in the following aspects, such as in standards and objectives, there is no explicit benchmark for how NJOP should be adjusted annually. In Resources, local government institutions lacked human resources and legal expertise in equitable tax policy. In agency characteristics, decision making was highly centralized and bureaucratic, also in communications, socialization of the policy was minimal and ineffective. In disposition of implementers, field officers executed instructions rigidly without considering local realities, and last in socio-economic conditions, the community is highly dependent on

tourism, informal labor, and small -scale enterprises- making them vulnerable to sudden fiscal burdens.

Socio – Economic and Legal Impacts

The NJOP increase led to a proportional rise in PBB liabilities, in some cases up to tenfold, creating significant pressure on household finances and local businesses. Interviews with residents indicated that many were unaware of objection mechanisms or felt intimidated to voice dissent. The perception of unequal treatment and lack of access to legal remedies damaged public trust in local governance. This situation reflects a failure to protect civil rights and maintain a balanced relationship between the state and its citizens. It also demonstrates the gap between law in books and law in action, where formal legal norms fail to deliver justice in the implementation.

Comparative Case:

As a positive comparison, Surabaya in 2021 revised its NJOP with phased, consultative and transparent approach. The city government conducted multiple public hearings, publish detailed explanations and facilitates objection processes. This reduced resistance and maintained social stability-proving the value of participatory legal processes in fiscal policy.

Appendix A: NJOP Increase Graph Description

This is graph of NJOP Change in Labuan Bajo Before and After 2022. This graph illustrates the percentage increase in NJOP across various sub-districts in Labuan Bajo between 2021 and 2023. It shows a dramatic spike in areas categorized for tourism development, such as Bukit Pramuka, Binongko Marina, and also Pelabuhan Bajo (Kampung Ujung) where NJOP values surged by more 1000%. The graph also compares these increases to national averages and inflation-adjusted land value changes, indicating the deviation of the Labuan Bajo policy from broader fiscal trends.

Purpose:

To visualize the scale and disparity of NJOP increases, reinforcing the argument that the policy lacks proportionality and does not reflect the economic capacity of the population.

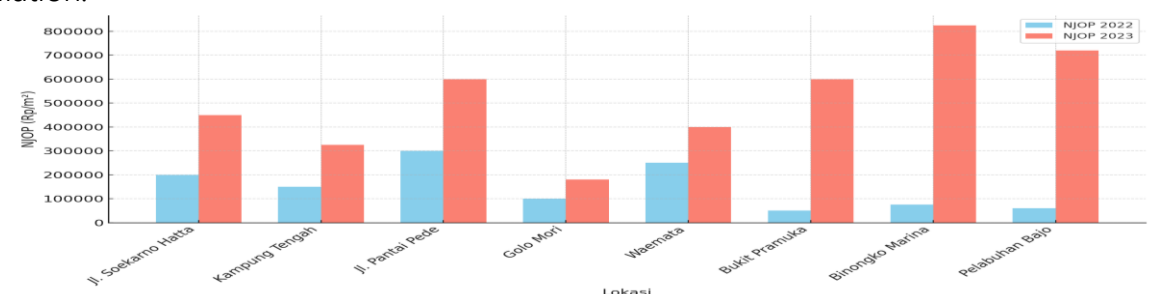


Figure 1. Comparison of NJOP 2022 and 2023 in Labuan Bajo

Table 1. Comparison of NJOP 2022 and 2023 by location

No	Location	NJOP 2022 (Rp/m ²)	NJOP 2023 (Rp/m ²)	Increase (%)
1	Jl. Soekarno Hatta	Rp200,000	Rp450,000	125%
2	Kampung Tengah	Rp150,000	Rp325,000	116%
3	Jl. Pantai Pede	Rp300,000	Rp600,000	100%
4	Golo Mori	Rp100,000	Rp180,000	80%
5	Waemata	Rp250,000	Rp400,000	60%
6	Jl. Bukit Pramuka	Rp50,000	Rp600,000	1100%
7	Jl. Binongko, Marina	Rp75,000	Rp825,000	1000%
8	Pelabuhan Bajo	Rp60,000	Rp720,000	1100%

Appendix B: Socioeconomic Impact Map Description

Map of socioeconomic Vulnerability in Response to NJOP Increases In labuan Bajo. This spatial map overlays NJOP increase zones with demographic and economic data. It highlights which communities were most affected—especially those with high population densities of informal workers, small-scale entrepreneurs, and low-income households. The map also indicates areas where residents submitted formal objections or where businesses downsized or relocated due to rising tax burdens. To demonstrate that the policy disproportionately affects vulnerable populations and contributes to spatial inequality, undermining the principle of fiscal justice.

CONCLUSION

The finding of this research demonstrates that the policy of increasing the Sales Value of Taxable Object (NJOP) in Labuan Bajo, West Manggarai Regency, was implemented without sufficient legal basis or procedural safeguards, thereby violating the fundamental principles of legal certainty, justice and legal protection. From a normative legal perspective, the absence of specific limitations on the annual increase of NJOP in Law Number 01 of 2022 (HKPD Law) has created a legal vacuum that opens space for discretionary misuse. The lack of binding standards of formulas for NJOP adjustment, coupled with the absence of regulatory oversight, contradicts the constitutional mandate in Article 23 A of the 1945 Constitution, which requires that all forms of taxation be just, lawful and predictable.

The implementation of this policy has failed to fulfill the principle of legal certainty (rechtssicherheit), as citizens were not adequately informed, consulted or given access to effective objection mechanisms. This unpredictability erodes the legitimacy of the law itself and weakens public trust in the legal system. Moreover, from the perspective of legal justice, the NJOP increases were regressive in nature, disproportionately affecting low-income residents, small business owners and informal-workers-many of whom lack the legal capacity to challenge government decisions.

The policy was applied uniformly without considering differences in socio-economic status, which violates the principle of distributive justice, wherein tax burdens must be aligned with an individual's ability to pay. In terms of legal protection, the implementation process failed to meet the procedural standards required in a democratic legal state (rechtsstaat). The public was not given adequate opportunity to participate in the policy-making process, and the absence of accessible grievance channels further denied them their right to fair treatment under the law. These shortcomings highlight not only a failure of governance but also a breach of the legal obligation to protect citizens from arbitrary state action.

In light of the above conclusions, the following suggestions are proposed: **Legislative Improvement:** The central government, through the Ministry of Finance and the Directorate General of Taxes, should revise or supplement the HKPS Law with implementing regulations that clearly define the maximum annual NJOP increase threshold. These provisions must include transparent formulas, adjustment parameters, and a mandatory impact assessment. **Strengthening Legal Safeguards:** Local governments should be required to conduct public consultations and legal socialization before implementing NJOP revisions. Furthermore, taxpayer rights must be protected through accessible, independent, and timely legal remedies, including administrative tribunals or tax courts. **Capacity Building for Local Officials:** It is essential to improve the legal and technical understanding of regional tax officials regarding constitutional principles of justice and fiscal fairness. This can be done through structured training programs, legal literacy initiatives, and expert collaborations with universities or legal institutions. **Participatory Fiscal Policy:** A more inclusive and responsive policy-making process must be institutionalized. The use of digital platforms, community forums, and structured feedback mechanisms will ensure that the voices of affected communities are heard and that taxation policies reflect local realities. **Monitoring and Oversight:** Independent bodies or civil society organizations should be empowered to

monitor the implementation of NJOP and other fiscal policies, ensuring they do not deviate from their legal and ethical obligations. Ultimately, aligning taxation policy with legal certainty, justice and protection of rights is not only a constitutional requirement but a moral imperative. The NJOP case in Labuan Bajo serves as a critical reminder of the need to strengthen legal governance and uphold the foundational principles of a rule-based democratic society.

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