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Fiscal Justice and the Principle of Direct Benefit in Regional Budget Politics: A Comparison of Motor Vehicle Tax Utilization in Two Provinces

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ABSTRACT

This study analyzes the extent to which the Motor Vehicle Tax (PKB), as a regional tax, reflects the principles of fiscal equity and direct benefit in provincial budget policy. Using a comparative study design between West Java and South Sumatra Provinces in the 2025–2026 fiscal year, this study evaluates the consistency between PKB revenue and road infrastructure spending through the fiscal conversion ratio indicator. A qualitative approach based on analysis of regional budget documents, regulations, budget realization reports, and policy communications is used to integrate normative and institutional dimensions within a single evaluative framework. The findings indicate two models of PKB utilization. West Java exhibits a trend toward benefit-consistent budgeting with a relatively high fiscal conversion ratio and a strengthening of sectoral associations between taxes and road construction. In contrast, South Sumatra applies a more flexible general allocation budgeting model across sectors, but with a looser direct benefit association. This study also expands the concept of fiscal equity through the spatial dimension by introducing the urban–rural fiscal return gap and emphasizing the importance of fiscal sustainability in addressing potential tax base erosion in the transportation sector. The main contribution of this research is the operationalization of the fiscal conversion ratio as an evaluative indicator of the benefit principle at the subnational level, as well as the assertion that fiscal justice is the result of political allocation choices in a decentralized system.

Introduction

Motor Vehicle Tax (PKB) is one of the main components of Provincial Own-Source Revenue (PAD) and is normatively often positioned as a form of benefit-based taxation. In classical public finance theory, benefit-based taxation assumes a linkage between citizens' fiscal contributions and the public benefits they receive (Musgrave & Musgrave, 1989;

Lindahl, 1919). Contemporary literature shows that this principle remains relevant in modern discussions of fiscal justice and tax legitimacy, particularly in the context of fiscal decentralization (Bird & Zolt, 2018; Martinez-Vazquez, Lago-Peñas, & Sacchi, 2017; Bahl & Bird, 2018). Within the framework of fiscal equity, taxes paid by the public should ideally be proportionally linked to the benefits received, including improvements in road infrastructure quality and transportation services (Boadway & Shah, 2009; Rosen & Gayer, 2014).

In a fiscal decentralization system, the relationship between sectoral taxes and expenditure functions becomes increasingly important because subnational governments possess relatively autonomous allocation authority (Oates, 1972; Shah, 2018). The literature indicates that decentralization does not automatically produce fiscal justice; its outcomes depend heavily on institutional design and regional political preferences (Faguet, 2017; Smoke, 2018). In this context, motor vehicle tax becomes an interesting instrument to analyze because it has a relatively clear sectoral relationship with road infrastructure while also operating within the comprehensive framework of the Regional Revenue and Expenditure Budget (APBD).

However, subnational budget management practices show that the relationship between taxes and benefits is often mediated by budgetary political dynamics and the policy priorities of regional leaders (Scartascini & Tommasi, 2015; Kraft & Furlong, 2018). Studies on the political economy of budgeting emphasize that allocation decisions are never purely technocratic but are instead the result of negotiation and political calculation (Alt & Lassen, 2016; Brender & Drazen, 2013). In this context, the question of consistency between PKB revenue and road infrastructure spending is not only fiscal in nature but also concerns the legitimacy and fiscal contract between regional governments and citizens (Levi, 1988; Moore, 2015; Feld & Frey, 2017).

Empirical phenomena in Indonesia show variation in how provincial governments utilize PKB for road infrastructure development. In West Java Province, the administration of Governor Dedi Mulyadi explicitly links PKB payments with the development of provincial roads as a form of benefit return to the public. This narrative reinforces what the literature refers to as fiscal contract signaling, namely the government's effort to build a clear reciprocal relationship between taxation and public services (Timmons, 2005; Besley, 2020). High public participation in paying PKB is positioned as an indicator of public trust in fiscal management, which is manifested in the development of roads, lighting, and supporting facilities for regional mobility.

Conversely, in South Sumatra Province, public discourse reflects dissatisfaction with road infrastructure conditions despite the continued obligation to pay PKB. This tension between fiscal obligation and perceived benefits aligns with the concept of fiscal illusion, in which the relationship between taxes and benefits is not fully transparent or directly perceived by taxpayers (Wagner, 2015; Buchanan, 1963). The regional government has responded through field visits and repair allocations; however, debates remain regarding the effectiveness and priority of using such tax revenues.

The differing empirical experiences of communities in these two provinces present a research puzzle: does the utilization of PKB in regional budgets truly reflect the principles of fiscal equity and direct benefits? Are citizens' fiscal contributions converted proportionally into relevant sectoral benefits? The literature on subnational taxation indicates that there is no universal normative obligation to implement strict earmarking; however, sectoral consistency often affects the legitimacy of tax policy (Bird, 2015; Brett & Keen, 2019). Thus, the evaluation of PKB should not stop at tariff design or compliance levels but must also examine how political allocation choices shape the relationship between taxes and benefits.

This study aims to answer these questions through a comparative approach between West Java Province and South Sumatra Province for the 2025–2026 fiscal years. This article analyzes differences in fiscal policy design, the conversion ratio of PKB revenue to road infrastructure expenditure, and its implications for the benefit principle and fiscal equity within the context of regional budget politics. Therefore, the contribution of this article lies in its effort to operationalize the principle of direct benefits within a subnational policy evaluation framework, while also expanding the discourse on fiscal justice as the outcome of political allocation choices in a decentralized system.

Method

This study employs a qualitative approach with an interprovincial comparative case study design. The qualitative approach was selected because the study does not merely aim to test statistical relationships among variables, but rather to understand how the principles of fiscal equity and the benefit principle are translated into regional budget politics. In public policy research, qualitative methods enable an in-depth analysis of policy documents, budget structures, institutional dynamics, and public narratives (Creswell, 2014; Kraft & Furlong, 2018; Fischer, Miller, & Sidney, 2015). This approach is relevant because the object of study lies at the intersection between theoretical norms and political practice, as commonly found in the political economy of budgeting (Scartascini & Tommasi, 2015).

The study applies a comparative case study involving West Java Province and South Sumatra Province. This design allows the identification of similarities and differences in the utilization of Motor Vehicle Tax (PKB) based on the same evaluative framework, namely fiscal equity and the benefit principle (George & Bennett, 2005; Yin, 2018). In comparative methodology, two cases with similar institutional characteristics but different policy practices can provide sharper analytical insights into explanatory factors (Lijphart, 1971). The selection of the two provinces is based on their significant PKB contribution to Provincial Own-Source Revenue (PAD), public discourse on provincial road infrastructure, and differences in leadership narratives regarding the relationship between taxation and public benefits. This is consistent with the most similar systems design, in which institutionally similar units are compared to identify policy variation (Przeworski & Teune, 1970).

The unit of analysis is the policy on PKB utilization during the most recent fiscal years of the current administration period, namely 2025–2026. This temporal limitation is intended to maintain analytical consistency and ensure that the evaluation reflects the preferences of active leadership, while avoiding distortions caused by regime changes or long-term dynamics beyond the scope of the study (Howlett, Ramesh, & Perl, 2020).

This study relies on secondary data obtained from official and documented sources, including provincial APBD documents, budget realization reports, regional policy documents on road infrastructure, regional and governor regulations on PKB, official statistical data from Statistics Indonesia (BPS), regional government agencies, and official public communication materials. The use of secondary data is methodologically valid in public policy research, particularly when the object of study is formally documented fiscal policy (Shah, 2007; Bahl & Bird, 2018). Data validity is maintained through source triangulation by comparing budget documents, regulations, and realization reports to ensure consistency and reduce interpretive bias (Denzin, 1978; Flick, 2014).

Data collection was conducted through documentation study and literature review. Budget documents are treated not only as financial reports but also as political texts that reflect priorities, compromises, and strategic choices (Wildavsky & Caiden, 2004; Yanow, 2000). Data analysis involved data reduction, theoretical categorization, interprovincial comparison, and critical interpretation. The categories include direct benefit consistency, horizontal and vertical equity, budgetary political preferences, and fiscal legitimacy. The comparative analysis identifies convergence and divergence in the fiscal conversion ratio between PKB revenue and road expenditure, while maintaining a balance between normative and empirical analysis (Miles, Huberman, & Saldaña, 2014; Fischer et al., 2015; Martinez-Vazquez et al., 2017; Smoke, 2018; Yin, 2018; George & Bennett, 2005).

Results and Discussion

1. Structure of PKB Revenue and Regional Fiscal Dependence

The analysis begins with the structural position of Motor Vehicle Tax (PKB) within the regional fiscal architecture, as the revenue structure determines the scope of allocation. In fiscal federalism theory, the composition of regional revenue influences policy autonomy and the responsiveness of local governments to public demands (Shah, 2018). Therefore, understanding the dominance of PKB in Provincial Own-Source Revenue (PAD) is an initial step in assessing whether expectations regarding the benefit principle have a strong structural basis.

In both provinces, PKB constitutes one of the largest components of PAD. In the fiscal federalism literature, high dependence on a single type of local tax has implications for fiscal stability and political legitimacy (Shah, 2018; Bahl & Bird, 2018). In West Java, the large population and high level of motor vehicle ownership make PKB a strategic revenue source that contributes significantly to the PAD structure. This dependence strengthens public expectations that the motor vehicle sector should receive proportional allocation attention.

In South Sumatra, although fiscal capacity is relatively smaller than that of West Java, PKB remains a dominant component of PAD. In regions with limited alternative sources of PAD, dependence on PKB increases public sensitivity to the quality of services associated with the tax. The fiscal contract literature suggests that the more visible the linkage between taxes and services, the greater the potential for building public trust (Levi, 1988; Moore, 2015; Besley, 2020).

Normatively, the dominance of PKB in the PAD structure creates what may be called institutionalized benefit expectation, namely an institutionalized social expectation that motor vehicle taxes should be converted into quality road infrastructure. This expectation is reinforced by empirical experience and regional government policy communication.

2. Fiscal Conversion Ratio as an Indicator of the Benefit Principle

The use of the fiscal conversion ratio (FCR) in this study is intended to bridge theoretical norms and empirical practice. Rather than merely comparing revenue and expenditure figures, FCR is used as an analytical tool to examine sectoral consistency in a measurable way. Thus, this indicator serves as an evaluative instrument that enables a more systematic interpretation of the relationship between benefit-based taxation and road infrastructure expenditure.

To operationalize the benefit principle in the APBD context, this study uses the fiscal conversion ratio (FCR), namely the comparison between total PKB revenue and total provincial road infrastructure expenditure in the same period. Formally, FCR can be formulated as follows:

FCR = Provincial Road Infrastructure Expenditure / Total PKB Revenue

This indicator is not intended as a measure of legal earmarking, but rather as an evaluative tool to assess sectoral consistency in budgeting practices. In public finance literature, similar approaches are used to evaluate the relationship between benefit-based taxes and sectoral expenditure (Bird, 2015; Brett & Keen, 2019).

2.1. West Java: Sectoral Convergence and Political Signaling

In West Java, road infrastructure expenditure shows a relatively high proportion compared to total PKB revenue. A high fiscal conversion ratio reflects convergence between revenue sources and expenditure sectors. Normatively, this condition approaches the model of benefit-consistent budgeting, in which benefit-based taxes are converted back into relevant sectors.

This convergence can be interpreted not only as a technocratic decision, but also as a policy configuration that combines fiscal, symbolic, and electoral considerations. In political economy literature, expenditure allocation to highly visible sectors is often chosen because it provides performance signals that are easily observed by the public (Brender & Drazen, 2013; Veiga & Veiga, 2017). Road infrastructure, as a public good directly experienced in daily mobility, has this characteristic. Therefore, increased road expenditure functions not only as the realization of benefits, but also as an instrument for demonstrating government performance.

Furthermore, sectoral convergence between PKB and road expenditure can be understood as a form of strengthening an explicit fiscal contract. When the government consistently links motor vehicle tax payments with road improvements, a reciprocal relationship is created that citizens can easily understand. The fiscal contract literature shows that clarity in the relationship between contribution and benefit contributes to increased public trust in fiscal institutions (Levi, 1988; Timmons, 2005; Feld & Frey, 2017). In this context, a high fiscal conversion ratio is not merely a number, but an indicator that the government chooses to clarify this sectoral relationship.

Nevertheless, high convergence also has policy implications. Large allocation to the road sector may reduce fiscal space for other sectors such as education, health, or social protection. The literature on public allocation trade-offs emphasizes that every sectoral priority always carries opportunity costs (Howlett, Ramesh, & Perl, 2020). Therefore, the West Java model can be understood as a policy choice that emphasizes consistency with the benefit principle while remaining within the context of limited resources and cross-sectoral needs.

2.2. South Sumatra: General Allocation Model and Fiscal Flexibility

In South Sumatra, the fiscal conversion ratio shows a more flexible pattern. Part of PKB revenue is allocated across sectors, including social expenditure, government operational expenditure, and other development programs considered priorities. This model is consistent with the general allocation budgeting approach, in which all regional revenues are treated as general funds without strict sectoral attachment.

Administratively, this approach is consistent with the principle of the unified budget, where all revenues enter the general treasury and are allocated based on policy priorities determined through the political budgeting process. Public finance literature shows that systems without strict earmarking provide greater flexibility for local governments to adjust expenditure composition according to social and economic needs (Shah, 2018; Keen & Konrad, 2018). In regions facing diverse development challenges, such flexibility may be viewed as a legitimate policy rationale.

From a fiscal management perspective, the general allocation model enables broader cross-sectoral redistribution, including the financing of public services that do not have specific sectoral tax sources. The literature on fiscal distribution emphasizes that in many cases, local taxes are not always returned to their sector of origin because governmental needs are multidimensional (Bahl & Bird, 2018; Martinez-Vazquez et al., 2017). Thus, deviation from the benefit principle does not automatically indicate injustice, but rather reflects a more comprehensive allocation paradigm.

However, this model has implications for public perception. When the association between PKB and road quality is not explicitly strengthened, the potential for perceived tension increases. The fiscal illusion literature shows that ambiguity in the relationship between taxes and benefits can affect citizens' evaluation of government fiscal performance (Wagner, 2015; Buchanan, 1963). Therefore, in the general allocation model, policy communication becomes crucial in explaining the rationale for cross-sectoral redistribution so that it is not interpreted as inconsistency.

Thus, the pattern in South Sumatra can be understood as a policy choice that emphasizes fiscal flexibility and cross-sectoral redistribution, while facing challenges in maintaining a strong sectoral association between motor vehicle tax and road development. This difference does not represent the superiority of one model over another, but rather demonstrates variations in strategies for balancing the benefit principle and broader public allocation needs.

2.3. Evaluation of Horizontal and Vertical Equity and the Urban–Rural Fiscal Return Gap

After identifying patterns of fiscal conversion, the evaluation proceeds to the dimensions of horizontal and vertical equity to ensure that the analysis does not stop at aggregate budgeting. This approach is important because fiscal equity concerns not only the nominal alignment between revenue and expenditure, but also the distribution of benefits received by different social groups and geographic areas.

From the perspective of horizontal equity, both provinces follow the national regulatory framework in setting PKB rates, so formal equality is relatively maintained. Taxpayers with vehicles of equivalent value are subject to relatively similar rates according to applicable regulations. However, recent literature emphasizes that horizontal equity should not be understood merely as rate equality, but also as equality in the benefits received by groups or regions in comparable economic positions (Martinez-Vazquez et al., 2017; Rodríguez-Pose & Ezcurra, 2015). Thus, the key question shifts from “are the rates equal?” to “are the benefits distributed equally?”

In this context, the concept of the urban–rural fiscal return gap becomes analytically relevant. This concept refers to the potential gap between fiscal contributions collected from different regions and the infrastructure benefits returned to those regions. In provinces where economic activity and vehicle ownership are concentrated in urban areas, such as metropolitan and industrial centers, PKB revenue tends to come more from urban areas. If road expenditure is also concentrated in the same areas, the aggregate fiscal conversion ratio may appear consistent, but the spatial distribution of benefits may be exclusive.

Conversely, if the government allocates road expenditure proportionally to rural areas with a smaller PKB base, spatial redistribution of benefits occurs from urban to rural areas. The literature on regional inequality shows that subnational fiscal policy often plays a role in either reducing or widening interregional disparities (Rodríguez-Pose & Ezcurra, 2015). In this context, the evaluation of PKB and road expenditure cannot be separated from considerations of regional equity.

Therefore, the conceptual contribution of this study lies in expanding the meaning of fiscal equity into the spatial dimension. Horizontal equity is not only understood as equal treatment among taxpayers with comparable economic capacity, but also as equal access to public infrastructure across regions within a province. If rural areas systematically receive a smaller proportion of benefits compared to their aggregate contribution to regional mobility, then a spatial imbalance in the realization of the benefit principle can be said to occur.

In the dimension of vertical equity, the progressive element of PKB through differentiation in vehicle value reflects the application of the ability-to-pay principle to a certain extent (Rosen & Gayer, 2014). However, if high-value vehicles are concentrated in urban areas and road development is also focused there, spatial inequality may be indirectly reinforced. Conversely, a more equitable distribution of road expenditure can function as a mechanism for correcting inequality.

By introducing the dimension of the urban–rural fiscal return gap, this study proposes that the evaluation of fiscal equity at the provincial level should include three layers of analysis: (1) rate equality; (2) sectoral consistency; and (3) spatial distribution of benefits. The integration of these three layers enriches the discourse on fiscal equity in the context of fiscal decentralization in Indonesia.

2.4. Fiscal Illusion and Symbolic Earmarking

The benefit principle is rooted in the normative idea that individuals should pay taxes in accordance with the benefits they receive from public services (Lindahl, 1919; Musgrave & Musgrave, 1989). In this approach, taxes are positioned as the price of consumed public services, creating a relatively direct reciprocal relationship between contribution and benefit. Modern literature expands this discussion by emphasizing the dimensions of legitimacy and the fiscal contract between the state and citizens, where taxation is understood as part of a reciprocal relationship that shapes public trust (Levi, 1988; Moore, 2015; Besley, 2020). Within this framework, consistency between taxes and benefits is not only a matter of efficiency, but also a foundation of political legitimacy.

However, the empirical findings of this study show that this relationship is not automatic, but highly dependent on political choices in budget allocation at the regional level. In the case of West Java, the tendency to allocate PKB more consistently toward road expenditure demonstrates how the benefit principle can be articulated relatively strongly in budgeting practice. Conversely, in South Sumatra, cross-sectoral distribution indicates that this principle is not always the main basis for fiscal decision-making. These findings indicate that the benefit principle functions more as a normative framework than as an operational rule in the regional budgeting system.

Nevertheless, the pure application of the benefit principle faces structural limitations in modern fiscal systems because public goods are non-rival and non-excludable (Boadway & Shah, 2009; Rosen & Gayer, 2014). Provincial road infrastructure, for instance, is not only used by PKB payers, but also by interregional users, government vehicles, and other economic actors who are not directly identified through tax payments. Therefore, the benefit principle in the context of motor vehicle tax is more appropriately understood as an evaluative norm and social expectation regarding expenditure accountability, rather than as an economically precise pricing mechanism.

Furthermore, the findings show that these structural limitations are not merely technical but also create space for political variation in implementation. When local governments have political incentives to increase infrastructure visibility—as seen in West Java—the benefit principle tends to be strengthened through a higher fiscal conversion ratio. Conversely, when policy orientation emphasizes cross-sectoral distribution, as in South Sumatra, the benefit principle tends to weaken in practice, although it may still be maintained symbolically in policy narratives. Thus, the theoretical limitations of the benefit principle interact directly with regional budget politics.

Several empirical studies show that a clearer association between sectoral taxes and specific expenditures can increase tax compliance by strengthening perceptions of fairness and transparency (Alm & Torgler, 2019; Feld & Frey, 2017; Slemrod, 2019). When citizens see that the taxes they pay are converted into relevant public services, a **trust equilibrium** is formed within the fiscal contract. Conversely, when this relationship is invisible or inadequately communicated, the risk of fiscal illusion arises, namely a condition in which the relationship between taxes and benefits becomes blurred and affects perceptions of fairness (Wagner, 2015; Buchanan, 1963).

In the context of this study, the difference between West Java and South Sumatra can be read as a variation in the level of fiscal illusion risk. West Java, with a tendency toward a higher fiscal conversion ratio, shows an effort to minimize the distance between taxes and benefits, thereby strengthening perceptions of fiscal equity. Conversely, the allocation pattern in South Sumatra has the potential to widen this distance, especially if it is not balanced by effective policy communication. Thus, fiscal illusion is not merely a cognitive phenomenon, but also a consequence of budget allocation choices that do not explicitly link taxes to sectoral benefits.

In the context of fiscal decentralization, benefit-based taxation has an additional dimension as an instrument of subnational accountability. Bird and Smart (2016) and Bahl and Bird (2018) argue that local taxes with sectoral linkages are more easily associated with visible policy outputs, making them effective political communication tools for local governments. The findings of this study strengthen this argument, particularly in the case of West Java, where PKB functions not only as a revenue source but also as an instrument of policy legitimacy through visible infrastructure development.

However, these findings also reveal an important limitation of that argument. In South Sumatra, PKB remains a major revenue source but is not dominantly converted into the road sector. This shows that sectoral linkage is not an automatic consequence of the type of tax, but rather the result of policy preferences and the configuration of budget politics. In other words, the relationship between benefit-based taxation and accountability is not deterministic, but contingent upon the regional political context.

On the other hand, the literature also warns that overly strict earmarking practices can reduce fiscal flexibility and create budget rigidity that hinders responses to other public needs (Bird, 2015; Brett & Keen, 2019). The findings of this study show that the general allocation model, as seen in South Sumatra, can be understood as a strategy to maintain such flexibility. Therefore, inconsistency with the benefit principle should not always be interpreted as failure, but may also be viewed as a rational choice in facing fiscal limitations and cross-sectoral needs.

Thus, this analysis emphasizes the inherent tension between sectoral consistency and allocation flexibility in the APBD system. This study shows that the benefit principle does not operate as a fixed rule, but rather as a spectrum of implementation influenced by the interaction between fiscal capacity, political preferences, and regional government legitimacy strategies.

2.5. Implications for Tax Legitimacy and Compliance

Consistency or deviation from the benefit principle has direct implications for fiscal legitimacy. Therefore, this section expands the discussion to the relationship between the fiscal conversion ratio and tax compliance dynamics by considering findings from the literature on tax morale and fiscal contracts.

The literature on tax morale shows that perceptions of fairness and transparency influence tax compliance (Alm & Torgler, 2019; Slemrod, 2019). A benefit-consistent model has the potential to strengthen legitimacy because it clarifies the fiscal contract between the government and citizens (Feld & Frey, 2017; Timmons, 2005).

However, legitimacy is not determined solely by the fiscal conversion ratio, but also by policy communication and perceptions of benefit distribution. Therefore, both models have different implications for long-term compliance dynamics.

2.6. Fiscal Sustainability and Policy Trade-Offs

Beyond short-term legitimacy, the utilization of PKB also needs to be understood from the perspective of long-term fiscal sustainability. High dependence on one type of sectoral tax may create structural risks if economic changes, transportation technology transformation, or national policies affect the motor vehicle tax base. The fiscal sustainability literature emphasizes the importance of revenue diversification and adaptive capacity in expenditure structures (Shah, 2018; Keen & Konrad, 2018).

In the global context, the trend of vehicle electrification and carbon emission reduction policies may alter the revenue structure of the transportation sector. If, in the long term, ownership of fossil-fuel vehicles declines or national tax schemes are reformulated, the PKB base may erode. In such a situation, a model that strongly depends on a high conversion of PKB to the road sector may face fiscal pressure if revenue declines while infrastructure maintenance needs remain high.

The literature on fiscal sustainability also highlights the importance of balancing earmarking and budget flexibility. Strong earmarking can increase legitimacy and transparency, but risks creating rigidity that hinders adjustment during fiscal shocks (Brett & Keen, 2019). Conversely, the general allocation model allows rapid reallocation across sectors, but requires stronger communication and accountability capacity to avoid perceptions of inconsistency.

In this context, policy trade-offs become increasingly complex. Local governments that choose a benefit-consistent model with a high fiscal conversion ratio gain short-term legitimacy and clarity in the fiscal contract, but must ensure the long-term sustainability of infrastructure financing. Governments that choose the general allocation model have greater adaptive space, but face challenges in maintaining a strong sectoral association between taxes and benefits.

Thus, fiscal sustainability cannot be separated from institutional design and policy communication strategy. Sustainability is not merely a matter of annual budget balance, but also the capacity of local governments to anticipate structural changes in the tax base and expenditure needs. Within this framework, the evaluation of PKB as a benefit-based tax must consider long-term dynamics, including economic and technological transformations that may reshape the landscape of regional revenue.

The deepening of the sustainability dimension strengthens the argument that fiscal equity and the benefit principle are not static concepts, but principles that must continuously be negotiated in the context of structural change. By incorporating the sustainability perspective, this study positions PKB utilization not only as an issue of sectoral legitimacy, but also as part of the regional government's long-term fiscal strategy within a decentralized system.

2.7. Analytical Synthesis

Overall, the analysis shows that the difference between West Java and South Sumatra does not merely reflect compliance with or deviation from fiscal norms, but rather variation in political allocation choices within the framework of decentralization. West Java demonstrates a tendency toward benefit-consistent budgeting, with a relatively high fiscal conversion ratio and strong policy communication. South Sumatra demonstrates a more flexible cross-sectoral distribution model, but places less emphasis on sectoral association.

Thus, fiscal equity in the context of PKB is the result of a political-institutional construction negotiated through the budgeting process. The benefit principle is not automatically realized through tax design, but requires consistent allocation commitment, policy transparency, and effective public communication management within the fiscal decentralization system.

Conclusion

This study examines the extent to which Motor Vehicle Tax (PKB), as a regional tax, reflects fiscal equity and the benefit principle in provincial budget politics. Through a comparative analysis of West Java and South Sumatra during the most recent fiscal year of the current administration, the study finds that the realization of the benefit principle is not determined solely by tax tariffs or regulatory frameworks, but by political allocation choices within the Regional Revenue and Expenditure Budget (APBD). Theoretically, the benefit principle in modern fiscal systems is better understood as an evaluative norm rather than a rigid administrative obligation. Although there is no legal requirement for strict earmarking between PKB revenue and road infrastructure expenditure, sectoral consistency remains important for fiscal legitimacy and public perceptions of fairness.

The findings identify two models of PKB utilization. West Java reflects a benefit-consistent budgeting model, characterized by a relatively high fiscal conversion ratio between PKB revenue and road infrastructure spending, which strengthens the link between taxes and public benefits and serves as political signaling that clarifies the fiscal contract between government and taxpayers. In contrast, South Sumatra reflects a general allocation budgeting model, where PKB revenue is treated as part of the general treasury and allocated across sectors according to broader policy priorities. This model provides fiscal flexibility but faces challenges in maintaining a clear association between tax contributions and direct benefits. The study concludes that fiscal equity cannot be reduced to tariff design, as it is shaped by fiscal capacity, leadership preferences, budgetary politics, policy transparency, and public perceptions of benefits. Therefore, PKB does not automatically guarantee fiscal justice; it must be supported by consistent allocation, proportional spatial distribution, and adaptive fiscal sustainability strategies.

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