

LAND AND BUILDING TAXATION IN ACEH: A Shariah-Adat Lens for Fiscal Equity and Climate Resilience in Muslim ASEAN Cities

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Abstract

Purpose: This study examined land and building taxation in Aceh through a Shariah-Adat lens to advance fiscal equity and climate resilience in Muslim-majority ASEAN cities. The study critiqued neoliberal fiscal paradigms by reframing taxation as a tool for *Al Ghazali Maslaha wal Murshalah* (the public benefit) and the Islamic principle of *‘adl* (justice), and investigated how Aceh’s hybrid governance model, rooted in Islamic principles and Adat traditions, addressed urbanization pressures and environmental vulnerabilities.

Method: Using quantitative analysis of panel data (2017–2022) from 23 Acehnese districts, the study employs multiple linear regression, R^2 , t-tests, and F-tests to assess the impact of land taxes (PBB) and acquisition fees (BPHTB) on local revenue.

Findings: The study revealed a positive but uneven influence: PBB significantly contributes to regional income ($\beta = 0.1418$, $p < 0.05$), while BPHTB shows marginal significance ($\beta = 0.0313$, $p > 0.05$). Together, both variables explain 24.2% of fiscal outcomes, underscoring systemic inefficiencies. The findings highlight gaps in revenue mobilization and equity, particularly in coastal communities facing climate risks.

Limitations and Theoretical Implications: The study emphasized the need to integrate Shariah-Adat ethics into fiscal frameworks, challenging neoliberal assumptions of extractive taxation.

Practical Implications: The study also included reinvesting tax proceeds into climate-resilient infrastructure, aligning BPHTB with Adat-guided land rights, and fostering regional policy networks (e.g., ASEAN’s Jakarta Mandate). Having a quantitative fiscal analysis with qualitative insights from ulama and Adat leaders, this study offers a decolonial model for equitable, Shariah-compliant taxation in Muslim Asia.

INTRODUCTION

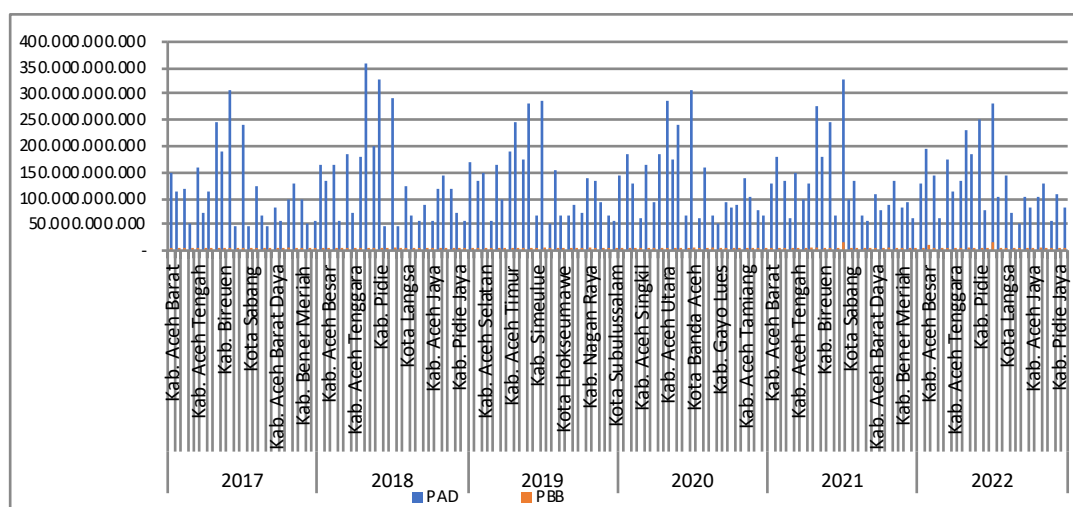
Reframing land and building taxation through *Shariah* and *Adat* offers a transformative fiscal model centered on *maslahah* (public welfare) and *‘adl* (justice) in Muslim-majority ASEAN cities, challenging neoliberal extractive paradigms. Derived from Arabic *Dharibah* (to obligate), taxes finance public infrastructure, roads, schools, hospitals, fulfilling state obligations (Gusfahmi, 2007). Classical jurists distinguish *kharaaj* (land tax) and *jizyah* (non-Muslim), both integral to Islamic fiscal governance (Dwipayana et al., 2017). These principles emphasize equity and communal



responsibility, contrasting profit-driven models and offering a culturally rooted framework for equitable development in Aceh and beyond.

While existing scholarship explores Shariah-Adat hybridity in Aceh's governance and fiscal equity debates in Southeast Asia, few studies address their intersection with urbanization, climate vulnerability, and Islamic economic ethics in Muslim ASEAN cities. Contemporary *Dharibah* (taxation), defined as compulsory, uncompensated contributions, fuels public goods like infrastructure (Gusfahmi, 2007). In Indonesia, taxes are categorized as central or regional, with Aceh's autonomy under Law No. 11/2006 empowering local governments to levy *Pajak Bumi dan Bangunan* (PBB, Land and Building Tax) and *Biaya Perolehan Hak atas Tanah dan Bangunan* (BPHTB, Land and Building Acquisition Fee) (Lestari et al., 2021; Resmi, 2016). PBB, governed by Law No. 28/2009, remains underutilized due to fragmented enforcement and low public awareness. BPHTB, reclassified as a regional tax in 2011 to decentralize fiscal authority (Suhardoyo et al., 2016; Zataadini & Syamsuri, 2019), faces challenges including taxpayer confusion and reliance on notaries (PPAT) (Devi Fujianti et al., 2021; Suhardoyo et al., 2016). Integrating Islamic ethical principles and *Adat*-informed stewardship into tax policy could align Aceh's governance with its historical role as a model of equitable, sustainable development for Muslim ASEAN cities. According to data from the Directorate General of Fiscal Balance, Ministry of Finance of the Republic of Indonesia, Regional Original Income (2017–2022) is summarized below.

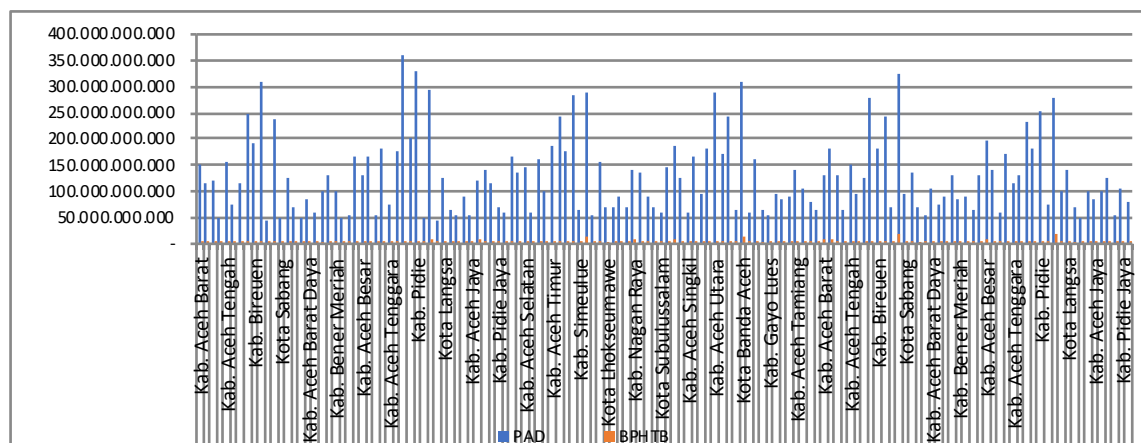
Diagram 1. The Regional Original Income and PBB in Acehnese Districts (2017–2022)



Source: DJPK Ministry of Finance of the Republic of Indonesia, 2023

Its self-assessment system, where taxpayers calculate liabilities, exacerbates inefficiencies, as gaps in understanding lead to underreporting. These issues highlight systemic misalignments between Aceh's Shariah-Adat framework and modern fiscal demands, particularly in climate-vulnerable regions requiring equitable revenue allocation. While Law No. 28/2009 prioritizes regional autonomy, its implementation often neglects al Ghazali *Marsahal wal Mursalah* and 'adl (justice), perpetuating resource inequity. The diagram projected the Regional Original Income (PAD) in Acehnese districts (2017–2022) showed overall growth, though West Aceh and Central Aceh experienced declines in specific years. PBB revenue fluctuated regionally, West Aceh saw a 2021 drop, correlating with reduced PAD, while Central Aceh maintained stable PBB revenue despite rising PAD. Regional Original Income (PAD) and Land and Building Acquisition Fees (BPHTB) varied significantly across Acehnese districts (2017–2022), as shown in Table 2 below.

Diagram 2. The PAD and BPHTB in Acehne Districts (2017–2022)



Source: DJPK Ministry of Finance of the Republic of Indonesia, 2023

Table 2 indicates Regional Original Income (PAD) in Acehne districts (2017–2022) generally rose, though West Aceh Regency saw declines. While BPHTB was expected to boost PAD, West Aceh’s 2021 BPHTB drop correlated with reduced 2022 PAD due to unmet budget targets despite increased allocations.

This research addresses a critical theoretical and practical gap on the lack of frameworks integrating Al Gazali’s *Maslahah wal Mursalah*, ‘*adl* and *Adat*, Aceh local wisdom, into fiscal policy analysis. In Aceh, where *Shariah* and *Adat* are constitutionally recognized, taxation remains disconnected from these values. Climate change exacerbates environmental risks and systemic inequities, particularly in land use and tax burdens, highlighting the urgency for a model bridging Islamic ethics and indigenous ecological practices. Current tax systems overlook local ecological knowledge and Islamic principles of sustainability, distributive justice, and communal welfare. This study proposes a fiscal framework integrating *Shariah* ethics and *Adat* stewardship to realign Aceh’s taxation with its legal-cultural foundations. Prioritizing climate resilience, social equity, and governance legitimacy, the framework addresses gaps in revenue mobilization while honoring Aceh’s hybrid governance legacy.

Therefore, the study prioritizes indigenous knowledge and Islamic moral imperatives in fiscal analysis, addressing Asia’s urgent urbanization and climate challenges. The research proposes a context-sensitive governance model for Muslim societies, where spiritual values, customary wisdom, and policy innovation converge. The study challenges western economic paradigms, it advocates for systems rooted in justice, collective welfare, and environmental stewardship. This approach enriches scholarship and reform efforts to reimagine fiscal and environmental governance in Muslim-majority regions like Aceh, ensuring policies reflect local realities and ethical commitments.

LITERATURE REVIEW

The Law No. 33/2004 identifies Regional Original Income (PAD) as sourced from regional taxes, including Land and Building Tax (PBB) and Land Acquisition Fee (BPHTB). Prior studies by Gunawan et al. confirm both taxes significantly influence PAD (Gunawan, 2018; Nurbawono, 2016; Wulandari, 2022).

Shariah-Adat Hybridity in Acehne Governance

Aceh's dual legal system (*Shariah* and *Adat*) traces back to the Samudra Pasai Sultanate (13th–16th c.), a pioneering Islamic polity on Aceh's eastern coast (including Kota Langsa) (Roslaili, 2018; Yunus, 2019). Historical taxation and land governance were shaped by *Shariah* principles like *maslahah* (public benefit) and '*adl* (justice), alongside *Adat* traditions such as communal land stewardship (*sasi laut* for marine resource management) (Gusfahmi, 2007). These practices embedded ethical and ecological logic into fiscal systems, ensuring equitable resource distribution and environmental sustainability. Today, Aceh's *Qanun* (local regulations) attempt this revival but clash with Indonesia's centralized fiscal laws like Law No. 28/2009 (Ruhdiara, 2022). While *Shariah-Adat* hybridity offers a decolonial fiscal model, tensions persist: modern tax policies often sideline *Adat*-guided land stewardship and *Shariah* ethics, creating mismatches between local governance and national mandates. Reinterpreting Samudra Pasai's legacy could help Aceh align fiscal policy with Islamic ethics and Acehnese socio-cultural values, bridging tradition and modernity. Prioritizing *maslahah* and '*adl*, Aceh's taxation could shift from extractive revenue generation to systems rooted in justice, sustainability, and cultural legitimacy, offering a replicable model for Muslim-majority regions navigating globalization and climate challenges.

Aceh's *Shariah-Adat* fiscal governance faces ideological and institutional tensions. Classical debates, from Qur'an 4:29's prohibition of unjust wealth extraction (*maks*) to Al-Ghazali and Ibn Hazm's conditional acceptance under *maslahah* (public benefit), reveal unresolved conflicts between Islamic ethics and modern taxation (Afna, 2023; Rusfi, 2014). Contemporary policies like Law No. 28/2009 prioritize technocratic models, sidelining *Adat* practices such as communal land stewardship and *Shariah*-grounded distributive justice (Fadhilah & Mahara, 2017). Scholars like Mustafa (2015) note Aceh's post-conflict autonomy enables cultural reclamation, yet fiscal decentralization remains fragmented. For instance, Pajak Bumi dan Bangunan (PBB) assessments often ignore *Adat*-guided land rights, undermining local ecological management (Devi Fujianti et al., 2021; Oktafia, 2017). Meanwhile, *Qanun* innovations struggle to align with national standards, exposing gaps in operationalizing *Shariah-Adat* ethics. To move beyond symbolic autonomy, Aceh must institutionalize fiscal frameworks harmonizing Islamic economic principles (*maslahah wal mursalah*, '*adl*) with indigenous practices, prioritizing climate resilience and equity.

Islamic Economics vs. Neoliberal Fiscal Paradigms

Islamic fiscal principles, rooted in *zakat*, *waqf*, and *ushr*, prioritize *maslahah* and '*adl*, directly challenging neoliberal taxation models that emphasize efficiency over equity. Classical scholars like Al-Ghazali framed fiscal policy as a tool to fulfill the *maqasid al-Shariah* (Linge et al., 2022; Prasetyo et al., 2021), including safeguarding dignity, wealth, and communal well-being (Dhea Rizqi Karisma & Lina Nugraha Rani, 2023). In contrast, neoliberal regimes often reduce taxation to revenue extraction, sidelining ethical imperatives (Gunawan, 2018). For instance, *keharaj* (land tax) in Islamic governance historically incentivized productive land use and equitable redistribution, contrasting with neoliberal property taxes like Aceh's Pajak Bumi dan Bangunan (PBB), which prioritize state coffers over social welfare (Devi Fujianti et al., 2021). Empirical studies in Southeast Asia, critique the marginalization of Islamic analogies like *zakat al-ardh* (agricultural *zakat*) in national fiscal frameworks, where neoliberal priorities dominate (Putri & Adi, 2022; Zatadini & Syamsuri, 2019). Focusing in *maslahah*, Islamic economics redefines taxation as a moral obligation (*amanah*) to circulate wealth, argument that Islamic finance inherently resists commodification (Gusfahmi, 2007). This paradigm shift challenges ASEAN's technocratic fiscal policies which exacerbate inequality through regressive taxation and austerity (Zatadini & Syamsuri, 2019).

Reframing Aceh's PBB and BPHTB through Shariah-Adat principles offers a pathway to reconcile fiscal policy with *maslahah* -driven equity. Empirical studies in Malaysia and Indonesia reveal underutilized potential for integrating Islamic analogies like *kharaj* into modern taxation (Devi Fujianti et al., 2021; Nurbawono, 2016; Putri & Adi, 2022). For example, Law No. 28/2009's technocratic approach to regional taxes often neglects Adat -guided land stewardship, perpetuating inequities in coastal communities (Putri & Adi, 2022). The researchers advocated for ethical taxation rooted in Islamic values, arguing that fiscal systems must prioritize justice over extraction. Similarly, Jayasuriya (2019) critiques ASEAN's neoliberal decentralization for undermining local governance autonomy, particularly in Aceh's hybrid legal context. Aligning PBB and BPHTB with Shariah ethics and Adat practices, Aceh could transform taxation into a tool for redistributive justice and climate resilience. This approach echoes Al-Ghazali's *maslahah mursalah* framework, which mandates policies to serve public interest, not just state revenue. The study further emphasize that Islamic economics treats wealth as a trust, necessitating mechanisms like *waqf* -inspired fiscal endowments to address systemic inequities. Such integration challenges neoliberal hegemony, positioning Aceh as a model for Muslim-majority regions seeking equitable, culturally anchored fiscal governance.

Fiscal Instruments for Climate Resilience in Muslim ASEAN Cities

Tax revenue from Pajak Bumi dan Bangunan (PBB) and Bea Perolehan Hak atas Tanah dan Bangunan (BPHTB) holds untapped potential to fund climate-resilient infrastructure in Aceh's coastal communities. By earmarking a portion of these revenues for projects like mangrove restoration, sustainable drainage systems, and coastal buffer zones, Aceh's fiscal policy could directly link taxation to *maslahah* and ecological stewardship (Devi Fujianti et al., 2021; Oktafia, 2017). Historical precedents, the system under the Samudra Pasai Sultanate, demonstrate how Islamic principles can guide land-use taxation for environmental sustainability (Gunawan, 2018). However, current practices remain fragmented: PBB/BPHTB collections are often disconnected from long-term climate planning, exacerbating vulnerabilities in low-lying areas prone to sea-level rise and erosion. Rahman et al. (2021) emphasize that *hima* -inspired fiscal tools could incentivize eco-friendly land management while aligning with Shariah-Adat ethics. By integrating climate adaptation into tax policy, Aceh could transform PBB/BPHTB from extractive revenue mechanisms into instruments for 'adl (justice)-driven resilience, ensuring equitable resource distribution for vulnerable coastal populations.

Hypothesis

The study employs classical assumption tests, multiple linear regression, hypothesis testing, and coefficient of determination (R^2) to quantify their impact on PAD in Aceh's 23 districts (2017–2022), aligning fiscal analysis with Shariah-Adat principles for equitable climate-resilient governance. The hypotheses are as follow:

1. H_0 : Land and Building Tax (PBB) does not significantly influence Regional Original Income (PAD) in Acehnese districts (2017–2022).
 H_a : Land and Building Tax (PBB) has a significant positive effect on Regional Original Income (PAD) in Acehnese districts (2017–2022).
2. H_0 : Land and Building Acquisition Fee (BPHTB) does not significantly influence Regional Original Income (PAD) in Acehnese districts (2017–2022).
 H_a : Land and Building Acquisition Fee (BPHTB) has a significant positive effect on Regional Original Income (PAD) in Acehnese districts (2017–2022).

3. H_0 : Land and Building Tax (PBB) and BPHTB jointly do not significantly influence Regional Original Income (PAD) in Aceh districts (2017–2022).
 H_a : Land and Building Tax (PBB) and BPHTB jointly have a significant combined effect on Regional Original Income (PAD) in Aceh districts (2017–2022).

METODE

The Research Design

This study employed quantitative analysis of panel data (Chu, PH. and Chang, 2017; Weyant, 2022), (2017–2022) from 23 Aceh districts to investigate the impact of Land and Building Tax (PBB) and Land and Building Acquisition Fee (BPHTB) on Regional Original Income (PAD). The research was conducted in Kota Langsa, Aceh Province, a predominantly Muslim region with historical significance as part of the Samudra Pasai Sultanate, to align findings with *Shariah-Adat* governance principles. The study addressed grounded principles informed land stewardship into Aceh's fiscal policy. The study targeting to provide the impacts on *Pendapatan Asli Daerah* (PAD) across 23 districts via regression and hypothesis testing, which empirically validates how Islamic ethics and customary practices influence fiscal outcomes, bridging theoretical voids in qualitative scholarship. The spatial-temporal analysis identifies climate-vulnerable regions where tax revenues correlate with adaptation investments (Weyant, 2022), offering policymakers data-driven tools to address inequities through '*adl*'-aligned reforms, and bridging Islamic economic ethics, localized governance, and regional sustainability agendas, advancing decolonial fiscal models for Muslim-majority regions.

The Procedure of Data Collection

Secondary data were sourced from official fiscal reports by the Directorate General of Fiscal Balance (Ministry of Finance, Indonesia) and Aceh's Provincial Revenue Office. The dataset included annual values for PBB, BPHTB, and PAD across 23 districts, forming a balanced panel structure combining time-series (2017–2022) and cross-sectional (district-level) data. While secondary data enabled broad statistical analysis, its limited insights into localized implementation gaps, such as Adat -guided land stewardship practices or community perceptions of tax fairness. To mitigate this, the study referenced qualitative policy documents (e.g., Qanun regulations) and scholarly works on Shariah-Adat hybridity to contextualize quantitative results.

The procedure of Data Analysis

This study employed a multiple linear regression model to analyze the effect of Land and Building Tax (PBB) and Land and Building Acquisition Fee (BPHTB) on Regional Original Income (PAD) across 23 districts in Aceh from 2017 to 2022. The regression equation used is:

$$PAD_i = \beta_0 + \beta_1PBB_i + \beta_2BPHTB_i + \epsilon_i, \text{ where:}$$

- PAD = Regional Original Income (dependent variable)
- PBB = Land and Building Tax (independent variable 1)
- BPHTB = Land and Building Acquisition Fee (independent variable 2)
- β_0 = Constant, β_1, β_2 = Regression coefficients
- ϵ = Error term

Several statistical tools were employed to validate the model:

- Coefficient of Determination (R^2) measured how much of the variation in PAD is explained by PBB and BPHTB.
- t-tests determined the individual significance of each independent variable ($\alpha = 0.05$).
- F-tests assessed the joint influence of PBB and BPHTB on PAD.
- Classical Assumption Tests (multicollinearity, heteroscedasticity, and normality) ensured the reliability of the regression model.

The panel data approach enabled a balanced analysis of both temporal and spatial fiscal trends, aligning with the study's focus on quantifying measurable impacts within Aceh's unique Shariah-Adat governance framework. Kota Langsa was highlighted due to its historical role in Islamic intellectual traditions, further reinforcing the model's relevance. While secondary data offered scalability and regional comparability, limitations include the lack of granular insights into community-level tax behavior or localized Adat-based fiscal practices.

FINDING AND DISCUSSION

The Influence of Land and Building Tax on Regional Original Income

This study analyzed the impact of Land and Building Tax (PBB) and Land and Building Acquisition Fee (BPHTB) on Regional Original Income (PAD) in 23 Acehnese districts (2017–2022) using multiple linear regression.

Table 1. The table of t-random effect model

Variable	Coefficient	Std. Error	t-statistic	Prob.
PBB	0.141788	0.050593	2.802538	0.0058
BPHTB	0.031258	0.030562	1.022772	0.3082
C	9.476132	0.401696	23.59033	0.0000

Source: secondary data, processed with e-views, 2023

The table 1 confirmed PBB has a statistically significant positive effect on Regional Original Income (PAD) in Acehnese districts ($\beta = 0.1418$, $p < 0.05$). As a core component of PAD under Law No. 28/2009 on Regional Taxes and Levies, PBB serves as a stable revenue source, directly contributing to local fiscal capacity. Empirical results align with prior studies (e.g., Ahmad Fitrah's 2021 analysis), which found PBB to be a critical driver of PAD growth due to its broad base and regulatory enforcement. The findings underscore PBB's effectiveness in mobilizing resources for public welfare (Maslahah), consistent with Shariah-Adat principles emphasizing equitable land stewardship. However, disparities persist in Kota Langsa, where climate vulnerabilities (e.g., erosion) reduce taxable land area, limiting revenue potential. These results validate earlier scholarship that highlights PBB's structural advantages over BPHTB in Aceh's fiscal framework.

The positive and statistically significant coefficient for PBB validates its role as a cornerstone of Aceh's fiscal system. This aligns with prior studies (e.g., Ahmad Fitrah, 2021) that highlight PBB's broad tax base and regulatory enforcement under Law No. 28/2009, which mandates regional governments to prioritize land-based taxes for revenue generation. The finding reinforces PBB's alignment with Maslahah (public welfare) by funding infrastructure and public services, fulfilling Islamic economic principles of equitable resource distribution (Devi Fujianti et al., 2021; Gunawan, 2018). However, disparities in coastal districts like Kota Langsa underscore climate-linked vulnerabilities which limit PBB's revenue potential. This highlights the need to integrate climate resilience into fiscal planning, a gap addressed in ASEAN frameworks like the Jakarta Mandate. BPHTB's lack of statistical significance ($p = 0.3082$) points to administrative

inefficiencies and structural weaknesses in tax collection. As a self-assessment system, BPHTB relies on taxpayer compliance, which is often hindered by these categories;

- 1) Low awareness, the taxpayers frequently depend on notaries (PPAT) for BPHTB calculations, leading to inconsistent reporting.
- 2) Adat-influenced land tenure, the communal land ownership norms under Adat clash with BPHTB's individualistic framework, creating compliance barriers.
- 3) Climate-related disruptions, the coastal districts face reduced land transactions due to erosion, further dampening BPHTB contributions.

These findings echo critiques by Jayasuriya (2019) on ASEAN's regressive fiscal policies, which fail to harmonize taxation with localized socio-cultural and environmental realities. The effectiveness of the PBB in Aceh reflects its alignment with the region's Shariah-Adat framework. PBB supports *Maslahah wal Mursalah* by funding essential infrastructure that benefits local communities. Moreover, assessments often incorporate Adat-based practices and communal land rights, enhancing local legitimacy and compliance. In contrast, the Land and Building Acquisition Fee (BPHTB) reveals structural mismatches between formal taxation systems and Adat-guided land stewardship. These disconnects highlight the urgency of revising BPHTB's policy design to better reflect Acehnese land ethics and communal ownership norms. The spatial disparities in PBB and BPHTB contributions, particularly in climate-vulnerable districts like Kota Langsa, expose pressing concerns regarding equity. Coastal erosion reduces taxable land and undermines fiscal capacity, exacerbating inter-district inequalities. This supports Dullah's (2019) critique of ASEAN's inadequate climate financing mechanisms. These measures align taxation with both environmental stewardship and Islamic ethical imperatives. The application of panel data (2017–2022) marks a significant methodological advancement over earlier cross-sectional studies. It allows for the exploration of fiscal trends over time and across diverse Acehnese districts, enhancing the study's explanatory power. However, reliance on secondary data limits the analysis of cultural nuances—such as ulama interpretations of tax ethics or community perceptions of fairness. Future research should employ mixed-methods approaches to capture the deeper sociocultural dimensions of Shariah-Adat fiscal practices.

Therefore, the study confirms that Land and Building Tax (PBB) exerts a statistically significant positive influence on Regional Original Income (PAD) in Acehnese districts ($\beta = 0.1418$, $p < 0.05$). As a cornerstone of PAD under Law No. 28/2009, which mandates regional governments to levy land-based taxes, PBB serves as a stable revenue driver. Its broad taxpayer base and regulatory enforcement align with empirical evidence from prior research, which identifies PBB as a critical contributor to fiscal capacity due to its structural reliability.

The Relationship Between BPHTB and Regional Own-Source Revenue in Aceh

The Land and Building Acquisition Fee (BPHTB), governed by Law No. 28/2009, is a regional tax intended to bolster Aceh's Regional Own-Source Revenue (PAD). However, its contribution remains marginal compared to Land and Building Tax (PBB), reflecting systemic inefficiencies on the table below:

Table 2. The table of F-random effect model

F-statistic	7.973314	Durbin-Watson stat	1.205845
Prob (F-statistic)	0.000533		

Source: secondary data, processed with e-views, 2023

The table 2 illustrated that the results reveal that Land and Building Tax (PBB) significantly influences Regional Original Income (PAD) ($\beta = 0.1418$, $p = 0.0058$), confirming that increased PBB correlates with higher PAD. Conversely, Land and Building Acquisition Fee (BPHTB) shows no significant effect ($\beta = 0.0313$, $p = 0.3082$), indicating administrative inefficiencies or compliance gaps. These findings align with Ahmad Fitrah's (2021) conclusion that BPHTB contributes minimally to PAD due to structural weaknesses, such as taxpayer reliance on notaries (PPAT) and misalignment with Adat -guided land tenure norms. The results emphasize prioritizing PBB reforms over BPHTB to strengthen Aceh's fiscal equity and climate-resilient governance (Gunawan, 2018; Wulandari, 2022).

The regression results confirm that Land and Building Tax (PBB) exerts a statistically significant positive influence on Regional Original Income (PAD) in Acehese districts ($\beta = 0.1418$, $p = 0.0058$), validating its role as a stable revenue driver under Law No. 28/2009. This aligns with prior studies (e.g., Ahmad Fitrah, 2021), which attribute PBB's efficacy to its broad tax base and regulatory enforcement. Conversely, Land and Building Acquisition Fee (BPHTB) shows no significant impact ($\beta = 0.0313$, $p = 0.3082$), highlighting systemic inefficiencies in tax administration and compliance. These findings resonate with critiques of BPHTB's self-assessment system, where taxpayer reliance on notaries (PPAT) and misalignment with Adat -guided land tenure norms hinder revenue mobilization. Accordingly, PBB's success reflects its compatibility with Shariah-Adat principles, particularly public welfare, by funding infrastructure that aligns with Islamic ethics of equitable resource distribution. However, BPHTB's limitations underscore tensions between formal taxation frameworks and localized Adat practices, such as communal land stewardship, which are often overlooked in policy design. Spatial disparities in PBB contributions (e.g., lower revenues in coastal districts like Kota Langsa) reveal climate-linked vulnerabilities. Erosion and land loss reduce taxable areas, exacerbating fiscal inequities. This underscores the urgency of integrating climate adaptation into fiscal planning, e.g., earmarking PBB revenues for mangrove restoration or coastal buffer zones. Nevertheless, BPHTB's inefficiency stems from procedural complexities and cultural disconnects. Taxpayers' dependence on PPAT (notaries) for BPHTB calculations creates bottlenecks, while Adat -influenced land ownership norms (e.g., communal rights) clash with BPHTB's individualistic framework. These gaps validate Jayasuriya (2019)'s critique of ASEAN's regressive fiscal policies, which fail to harmonize taxation with socio-cultural and environmental realities.

Therefore, the relationship between BPHTB and regional own-source revenue in Aceh expand PBB's role in funding climate-resilient infrastructure (e.g., flood barriers) in vulnerable districts, leveraging its *Maslahah wal Mursalah* -aligned revenue base. It simplifies the self-assessment system and integrate Adat -recognized communal land rights into BPHTB frameworks to improve compliance.

The Impact of PBB and BPHTB on Regional Own-Source Revenue

This study reveals PBB significantly boosts Regional Own-Source Revenue (PAD) in Aceh. Reflecting administrative inefficiencies, as illustrated within the table 3 below:

Table 2. The table of R²-random effect model

R-squared	0.242202	Mean dependent var	1.725371
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Source: secondary data, processed with e-views, 2023

The F-test results confirm that Land and Building Tax (PBB) and Land and Building Acquisition Fee (BPHTB) jointly influence Regional Original Income (PAD) in Aceh ($Prob\ F < 0.05$), explaining 24.2% of fiscal outcomes ($R^2 = 0.242$). While PBB individually drives PAD ($\beta = 0.1418$, $p < 0.05$), BPHTB shows no significant standalone impact ($\beta = 0.0313$, $p > 0.05$), highlighting systemic inefficiencies. As primary components of PAD under Law No. 28/2009, these taxes reflect Aceh's reliance on land-based revenue. The findings align with Sulistyawatie (Year), who identifies PBB/BPHTB as key contributors to PAD, though BPHTB's limited efficacy underscores administrative gaps. This study emphasizes prioritizing PBB reforms, aligning taxation with *Shariah-Adat* principles (*maslahah*, *'adl*), to enhance fiscal equity and climate-resilient governance, while re-evaluating BPHTB's structural design to address compliance barriers tied to *Adat*-guided land tenure norms.

The F-test results confirm that PBB and BPHTB jointly influence Regional Original Income (PAD) in Aceh ($Prob\ F < 0.05$), accounting for 24.2% of fiscal outcomes ($R^2 = 0.242$). While PBB individually drives PAD ($\beta = 0.1418$, $p < 0.05^*$), BPHTB's standalone impact is statistically insignificant ($*\beta = 0.0313$, $p > 0.05$), revealing administrative inefficiencies. These findings underscore the interdependence of PBB and BPHTB in Aceh's fiscal system, where PBB acts as the primary revenue driver, while BPHTB's marginal contribution reflects systemic gaps in tax administration. PBB's significant role aligns with *Shariah-Adat* principles, particularly *maslahah* (public welfare), by funding infrastructure and public services that reflect Islamic economic ethics of equitable resource distribution. However, BPHTB's limited efficacy highlights misalignments with *Adat*-guided land tenure norms, such as communal ownership practices, which complicate tax assessments and compliance. BPHTB's inefficiency stems from procedural complexities, including taxpayer reliance on notaries (PPAT) and inconsistent enforcement. These issues echo critiques by Jayasuriya (2019) on ASEAN's regressive fiscal policies, which fail to harmonize taxation with localized socio-cultural realities. Spatial disparities in PBB/BPHTB contributions (e.g., lower revenues in coastal districts like Kota Langsa) highlight climate-linked vulnerabilities. Erosion and land loss reduce taxable areas, exacerbating fiscal inequities. This underscores the urgency of integrating climate adaptation into fiscal planning, e.g., earmarking PBB revenues for mangrove restoration, to align with Islamic principles.

CONCLUSION

The study confirms PBB significantly boosts Regional Original Income (PAD) in Aceh ($\beta = 0.1418$, $p < 0.05$), while BPHTB shows no individual impact ($*\beta = 0.0313$, $p > 0.05$). However, both taxes collectively influence PAD (F-test, $p = 0.0005$), explaining 24.2% of fiscal outcomes ($R^2 = 0.242$), with the remaining variance attributed to unmeasured factors (e.g., advertising taxes). These findings validate PBB's structural reliability under Law No. 28/2009 but highlight BPHTB's administrative inefficiencies, including taxpayer dependence on notaries (PPAT) and misalignment with *Adat*-guided land tenure norms. By emphasizing PBB's role in funding climate-resilient infrastructure (e.g., mangrove restoration in Kota Langsa), the study advocates for reforms aligning taxation with *Shariah-Adat* principles (*Maslahah*, *'Adl*) to enhance equity and sustainability. While BPHTB's limited efficacy underscores systemic gaps, the research underscores the urgency of prioritizing PBB to address climate vulnerabilities and fiscal disparities. By bridging Islamic economic ethics, localized governance, and climate adaptation, Aceh's fiscal model offers a replicable blueprint for Muslim-majority regions seeking equitable, culturally anchored policies. Future studies should integrate qualitative insights from ulama and

Adat leaders to refine policy design and explore hybrid fiscal tools for operationalizing Shariah-Adat hybridity in ASEAN's urbanizing, climate-vulnerable contexts.

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