ABSTRACT

As fiscal instrument, tax have two fundamental function that is, budget function and regulation function. As function of budget, tax is backbone in acceptance of state. As function of budget, tax is important factor in acceptance of state. In Regency of North Tapanuli according by data of Badan Pusat Statistika since year 1977 until 2006 land and building tax have given contribution to earnings of area equal to 125.8, its meaning that land and building tax have given contribution equal to 6.10 % to earnings of area.

Result of analysis test t indicate that t-hitung for land and building tax equal to 14.23301 and t-tabel 5 gratuity equal to 2.048. Assess t-hitung is bigger than t-tabel, its meaning is land and building tax variable having significant influence to earnings of area, so this dependent variable have positive influence to the variable earnings of area. Coefficient Determinasi (R²) equal to 0.88 or 88 %; its meaning that equal to 88 % Land Tax and Building able to be explain by variable earnings of area in Regency of North Tapanuli and the rest equal to 12% explained by other; dissimilar variable outside model.

Keywords : earnings of area, land tax and building.