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The Effect of Inflation Rate, Interest Rate and Rupiah Exchange Rate on Value Added Tax (VAT) Revenue at KPP Pratama Cirebon 1 Period 2021-2024

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Abstract: This study analyzes the impact of inflation, interest rates, and the rupiah exchange rate on value-added tax (VAT) revenue. VAT is a tax levied on the consumption of goods and services within customs territories. The research population encompasses monthly data from 2021 to 2024, comprising inflation rates in West Java, Bank Indonesia's benchmark interest rates, the exchange rate of the rupiah against the US dollar (USD), and VAT revenue at the KPP Pratama Cirebon I. The data analysis techniques employed in this study encompass descriptive statistical analysis, classical assumption tests, and the coefficient of determination. The results indicate that there is a significant negative relationship between inflation and VAT revenue. In contrast, the benchmark interest rate and the exchange rate of the rupiah do not exert a substantial influence on VAT revenue.

Keywords: Inflation Rate, Interest Rate, Rupiah Exchange Rate, Value Added Tax

INTRODUCTION

The government's decision to raise the Value Added Tax (VAT) rate has generated substantial discourse within Indonesian society. The recent rise in the VAT rate is a component of the implementation of Law No. 7 of 2021 on Tax Regulation Harmonization (HPP), which stipulates a gradual escalation in the VAT rate, from 10% to 11%, effective as of April 1, 2022, and will be further increased to 12% on January 1, 2025. Furthermore, Article 7(3) stipulates that the VAT rate may be adjusted within a range of 15% and 5%.

Value Added Tax (VAT) plays a pivotal role in the pursuit of public welfare. The welfare of a nation is enhanced when state revenue is substantial, as greater state revenue enables the government to allocate more funds toward financing infrastructure development, public services, and social programs have been demonstrated to exert a direct and positive impact on people's lives.

The collection of VAT that meets the target is crucial for ensuring the welfare of a country. According to data from the KPP Pratama Cirebon I regarding VAT revenue in the city of Cirebon, there has been a positive trend during the 2021-2023 period, with achievements of 101% in 2021, 187% in 2022, and 110% in 2023. However, this positive trend came to a halt in 2024, with VAT revenue reaching only 70%, far below the set target.

During a press conference on the State Budget, Deputy Minister of Finance Anggito Abimanyu stated that state revenue in 2024 is expected to reach Rp. 2,842.5 trillion, representing 101.4% of the 2024 State Budget target (Kemenkeu.go.id, 2025).

The subsequent table illustrates the targets and the actual VAT revenue, along with their achievements, for the 2021-2024 period.

Table 1. Target and Realization of VAT Revenue for 2021-2023

Year	Targets	Realization	Percentage (%)
2021	Rp 158,373,628,000	Rp 160,524,758,368	101%
2022	Rp 82,414,502,000	Rp 154,089,020,960	187%
2023	Rp 180,575,716,000	Rp 199,071,137,525	110%
2024	Rp 313,330,158,000	Rp 217,875,994,064	70%

Source: KPP Pratama Cirebon I

Table 1 presents data on Value Added Tax (VAT) revenue from 2021 to 2024. In 2021, the VAT revenue target of Rp. 158,373,628,000 was achieved 101%. Then, 2022 shows a target of Rp. 82,414,502,000 with a very high achievement of 187%. In 2023, the target again increased to Rp. 180,575,716,000 with a realization of 110%. However, in 2024 the VAT target of Rp. 313,330,158,000 was only 70% realized, indicating a failure to achieve the target. In light of this condition, the present study aims to investigate the factors that contribute to the failure to achieve VAT revenue. The factors taken into consideration include the inflation rate, interest rates, and rupiah exchange rate.

The initial factor influencing Value Added Tax (VAT) revenue is the inflation rate. Inflation is defined as a persistent increase in the general price level of goods and services. According to the principles of consumer behavior theory, periods of high inflation can lead to a reduction in the purchasing power of consumers, which, in turn, can result in a direct decline in the consumption of goods and services that are subject to value-added tax (VAT). Conversely, low inflation can stimulate consumption growth and increase VAT revenue. This finding is consistent with the conclusions of Silfiani (2022) and Ananda & Putri (2022), who demonstrated that inflation has a positive impact on VAT revenue. Concurrently, Sinambela & Rahmawati (2019) and Wulandari & Andyarini (2020) demonstrated that inflation exerts minimal influence on VAT revenue.

The second factor influencing VAT revenue is the interest rate. Interest rates are defined as the cost charged on loans. In Keynesian economic theory, interest rates are conceptualized as the cost of capital. Consequently, a decline in interest rates will result in a reduction of borrowing costs, thereby prompting companies to augment their production of goods or services that are subsequently subject to VAT for sale. This will result in an increase in government revenue from the VAT sector. As demonstrated in the research conducted by Sumidartini (2018) and Ali Murad et al. (2022), there is a demonstrable correlation between interest rates and tax revenue. However, research conducted by Junianto et al. (2020) found that interest rates do not have a significant impact on VAT revenue.

The third factor influencing Value Added Tax (VAT) revenue is the rupiah exchange rate. The exchange rate, otherwise referred to as the foreign exchange rate, is defined as the amount of domestic currency necessary to procure one unit of foreign currency. In the context of exchange rate and import price theory, a weakening exchange rate is associated with a rise

in the prices of goods, particularly those goods that are imported and goods that incorporate imported components. This price increase has the potential to reduce purchasing power, thereby lowering consumption levels and negatively impacting VAT revenue. Research by Sapridawati et al. (2021) and Pane & Avelina (2022) indicates that the exchange rate exerts a substantial influence on VAT revenue. However, research conducted by Sinambela & Rahmawati (2019) did not find a relationship between the exchange rate and VAT revenue.

A review of the existing literature clearly shows significant inconsistencies and contradictory findings regarding the impact of inflation rate, interest rate, and rupiah exchange rate on Value Added Tax (VAT) revenue. There are some studies that show a significant relationship, on the other hand there are studies that do not find a significant effect. This discrepancy in findings creates a clear research gap, indicating the need for further investigation to clarify this relationship, and given the sharp decline in VAT revenue achievement in Cirebon City in 2024.

Therefore, the purpose of this study is to re-examine these findings by investigating "The Effect of Inflation Rate, Interest Rate, and Rupiah Exchange Rate on Value Added Tax (VAT) Revenue at KPP Pratama Cirebon I Period 2021-2024". This study aims to provide a more definitive understanding of the factors contributing to fluctuations in VAT revenue in a specific regional context, especially after the recent shortfall.

METHOD

Research Methodology

Scope of Research

The objective of this research is to examine Value Added Tax (VAT) revenue received by the state during the period 2021-2024. The purpose of this study is to analyze the influence of several independent variables on the dependent variable. The independent variables used in this study include inflation rate, interest rate, and rupiah exchange rate, while the dependent variable is VAT revenue.

Population and Sample

The population under study employs West Java inflation data from the Central Statistics Agency (BPS), the benchmark interest rate established by Bank Indonesia (BI), and the exchange rate of the rupiah against the US dollar (USD) based on the selling rate published on the Bank Indonesia (BI) website. The research sample consists of monthly data covering inflation rates, interest rates, and the exchange rate of the rupiah per USD during the period January 2021 to December 2024, with a sample size of 48 months.

Data Collection Technique

The present study employed a quantitative documentation method to collect data. The data collected were secondary numerical data sourced from official publications of the Central Statistics Agency (BPS), Bank Indonesia (BI), and KPP Pratama Cirebon I. The data collection period spanned from 2021 to 2024, with a primary emphasis on the verification, relevance, and comprehensiveness of the collected data.

Technical Analisis

Descriptive Statistical Analysis

Descriptive statistics are a set of methods used to describe data. These statistics offer a comprehensive overview of the data, with values based on the mean, standard deviation, variance, maximum value, minimum value, count, range, kurtosis, and skewness of the distribution (Ghozali, 2011). The statistical analysis employed in this study utilizes previously collected data concerning inflation rates, interest rates, and the exchange rate of the rupiah

against VAT revenue. The present analysis method has been executed with the utilization of SPSS software.

Classical Assumption Test

The efficacy of the regression model can be ascertained through the implementation of this test. The following tests were utilized in this study: the multicollinearity test, the autocorrelation test, the heteroskedasticity test, and the normality test.

Hypothesis Test

The analysis techniques employed included the multiple linear regression test, the t-test, the f-test, and the coefficient of determination (R^2).

RESULTS AND DISCUSSION

Results

Purchasing Power Parity Theory

In 1918, Swedish economist Gustav Cassel proposed the theory of Purchasing Power Parity (PPP). According to Cassel, over time, the price index of a given country will fluctuate significantly in relation to another currency. According to this theory, when the prices of goods and services in one country exceed those in another, it is imperative to devalue the domestic currency to restore balance.

The concept of purchasing power parity theory is highly relevant to this study because inflation and the exchange rate of the rupiah directly affect the prices of goods or services, which ultimately impact VAT revenue. While this theory does not explicitly address interest rates, it is a critical factor that influences inflation and exchange rates. An increase in interest rates has the potential to reduce inflation and strengthen the exchange rate, which, in turn, can indirectly impact VAT revenue.

Absolute Tax Liability Theory (Devotion Theory)

In the theory of absolute tax obligation, also known as the duty theory, it is posited that every citizen acknowledges the imperative nature of tax payments as a means of demonstrating their allegiance to the state. Consequently, the state reserves the right to collect taxes, while citizens bear the obligation to fulfill their tax obligations.

The relationship between the theory of absolute tax liability and value-added tax (VAT) revenue is that VAT payment is an absolute obligation of every taxable entrepreneur (PKP). Given the growing public cognizance of the significance of tax contributions to the state, there is an expectation that value-added tax revenue will concomitantly rise.

Tax

According to Law No. 28 of 2007 on General Provisions and Procedures for Taxation, taxation is defined as a mandatory contribution to the state owed by individuals or entities that is enforceable by law, without receiving direct compensation, and used for state purposes for the greatest prosperity of the people. According to Djajadiningrat, another definition is an obligation to relinquish a portion of one's wealth to the state treasury due to certain circumstances, events, or actions that bestow a specific status, but not as a form of retribution, in accordance with regulations established by the government and enforceable, though without direct reciprocal services from the state, for the general maintenance of the state (Resmi, 2014).

Value Added Tax (VAT)

In accordance with Law No. 42 of 2009 concerning Value Added Tax and Sales Tax on Luxury Goods, Value Added Tax (VAT) is defined as a consumption tax on goods and

services within the customs area, levied at each stage of production and distribution. Another definition of VAT is a tax imposed in stages at each stage of production, distribution, and consumption of goods and services within the customs area. The value-added tax (VAT) is collected from the party consuming the goods and/or services that are subject to tax (Pohan, 2016).

Inflation Rate (H_1)

According to Bank Indonesia (BI), inflation is defined as a general and continuous increase in the prices of goods and services over a certain period of time. As posited by Boediono (1985), inflation may be conceptualized as a general tendency for prices to increase or a situation in which the value of money continues to decline.

High inflation has been demonstrated to directly reduce individuals' purchasing power, thereby exerting a downward pressure on the consumption of goods and services that are subject to value-added tax (VAT). Conversely, low inflation can encourage consumption growth and increase VAT revenue.

Interest Rate (H_2)

The interest rate is the percentage value calculated based on the principal amount of a loan. The debtor is obliged to repay this amount to the creditor within a certain period, either as profit or service charge (Soon et al., 2017).

A decline in interest rates will result in a reduction of borrowing costs, thereby prompting companies to increase production of goods or services subject to Value Added Tax (VAT) for sale. This will have a positive effect on state revenue from the VAT sector.

Rupiah Exchange Rate (H_3)

According to Bank Indonesia (BI), the exchange rate, also known as the foreign exchange rate, indicates the amount of rupiah required to obtain one unit of foreign currency. As posited by Sapridawati et al. (2021), the exchange rate is defined as the price at which one country's currency is exchanged for another country's currency.

Theoretical Framework

This study analyzes the effect of inflation, interest rates, and the rupiah exchange rate on Value Added Tax (VAT) revenue. High inflation has been shown to reduce purchasing power and consumption of goods and services that are subject to value-added tax (VAT), which has a negative impact on VAT revenue. A decline in inflation may positively impact both consumption and VAT revenue. A decline in interest rates has been shown to encourage increased borrowing, which, in turn, has been demonstrated to stimulate production and sales, thereby increasing VAT revenue. A weakening exchange rate has been demonstrated to result in an increase in import prices, which can lead to a reduction in purchasing power, a decline in consumption, and a negative impact on VAT revenue. The theoretical framework of this study can be described as follows:

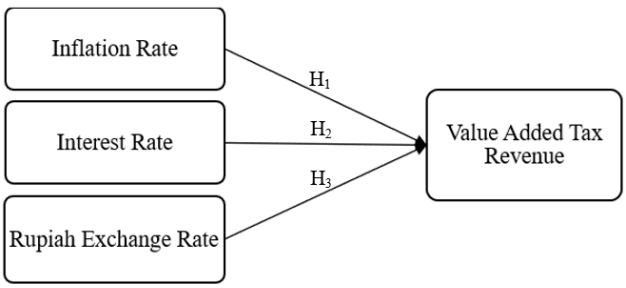

Figure 1. Theoretical Framework

Descriptive Statistical Analysis

The results of descriptive statistical tests are shown in Table 2.

Table 2. Descriptive Statistical Results

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Inflation Rate	48	,0101	,0764	,034958	,0179465
Interest Rate	48	,0350	,0625	,048594	,0118939
Rupiah Exchange Rate	48	14042,10	16329,39	15062,5823	655,71130
VAT Revenue	48	3468729939	3,24E+10	1,5241E+10	6076663533
Valid N (listwise)	48				

Source: SPSS Data, Processed 2025

Table 2 presents the results of a descriptive statistical analysis of four research variables: the inflation rate, the interest rate, the rupiah exchange rate, and the value-added tax (VAT) revenue from 48 data observations. The analysis results indicate that the four research variables exhibit distinct levels of data dispersion.

Preliminary descriptive statistical analysis indicates that the inflation rate variable has a mean value greater than its standard deviation. This finding suggests that the data distribution for the inflation rate is relatively narrow and tends to be homogeneous. The interest rate variable has a mean value greater than its standard deviation, indicating that the interest rate has a narrow distribution and tends to be homogeneous. The rupiah exchange rate variable has a mean value < standard deviation, indicating that the rupiah exchange rate has a wide distribution and tends to be heterogeneous. The VAT revenue variable has a mean value greater than its standard deviation, indicating that VAT revenue has a narrow distribution and tends to be homogeneous.

Classical Assumption Test

Normality Test

The results of the normality test are presented in Table 3.

Table 3. Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		48
Normal Parameters[a,b]	Mean	-,0000008
	Std. Deviation	4823791138
Most Extreme Differences	Absolute	,114
	Positive	,114
	Negative	-,062
Test Statistic		,114
Asymp. Sig. (2-tailed)		,150[c]

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Source: Secondary Data, Processed 2025

As illustrated in Table 3, the results of the normality test, which was conducted using the Kolmogorov-Smirnov test method, are presented. The obtained value of the significance test (Asymp. Sig. 2-tailed) was 1.150. This value is greater than 0.05 (1.150 > 0.05), indicating that the residual data is normally distributed.

Multicollinearity Test

The outcomes of the multicollinearity assessment are presented in Table 4.

Table 4. Multicollinearity Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	-2,668E+10	3,045E+10		-,876	,386		
	Interest Rate	2,009E+10	1,329E+11	,039	,151	,881	,212	4,727
	Rupiah Exchange Rate	2378845,558	2388305,704	,257	,996	,325	,216	4,637
	Inflation Rate	1,462E+11	4,433E+10	,432	3,298	,002	,836	1,197

a. Dependent Variable: VAT Revenue

Source: Data Processed 2025

As illustrated in Table 4, the findings of the multicollinearity test reveal a significant relationship between the independent variables of inflation rate, interest rate, and rupiah exchange rate, and the dependent variable of VAT revenue. The objective of this study was to ascertain the existence of a substantial linear relationship between the independent variables, which has the potential to compromise the stability of the regression model.

The evaluation method utilizes two distinct indicators to assess the effectiveness of the intervention. The Tolerance and Variance Inflation Factor (VIF) is a measure of the relationship between two variables. The findings indicate that all variables possess tolerance values greater than 0.10 and VIF values less than 10, suggesting the absence of multicollinearity among the three independent variables within the regression model.

Heteroscedasticity Test

The outcomes of the heteroscedasticity test are presented in Table 5.

Table 5. Heteroscedasticity Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	6589521341	1,757E+10		,375	,710
	Interest Rate	8,038E+10	7,673E+10	,327	1,048	,301
	Rupiah Exchange Rate	-494724,839	1378442,777	-,111	-,359	,721
	Inflation Rate	2,146E+10	2,558E+10	,132	,839	,406

a. Dependent Variable: ABS_RES

Source: Secondary Data, Processed 2025

As illustrated in Table 5, the outcomes of the heteroscedasticity test demonstrate that the significance values of the variables of inflation rate, interest rate, and rupiah exchange rate against the absolute residuals exceed 0.05. This finding suggests the absence of heteroscedasticity in the regression model.

Autocorrelation Test

The outcomes of the autocorrelation assessment are presented in Table 6.

Table 6. Autocorrelation Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,608[a]	,370	,327	4985527154	1,165

a. Predictors: (Constant), Inflation Rate, Interest Rate, Rupiah Exchange Rate

b. Dependent Variable: VAT Revenue

Source: Data Processed 2025

The method employed in the autocorrelation test is the Durbin-Watson (DW) test, with the decision rule that if the DW value is between 1 and 3 ($1 < DW < 3$), it can be concluded that there is no autocorrelation. As illustrated in Table 5, the empirical findings reveal that the DW value is 1.165. Given that this value falls within the specified range, the regression model in this study is free from autocorrelation.

Coefficient of Determination (Adjusted R^2)

The outcomes of the coefficient of determination test are presented in Table 7.

Table 7. Coefficient of Determination Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,608[a]	,370	,327	4985527154

a. Predictors: (Constant), Inflation Rate, Interest Rate, Rupiah Exchange Rate

b. Dependent Variable: VAT Revenue

Source: Data Processed 2025

The coefficient of determination is employed to ascertain the extent to which the variability in the independent variable can be attributed to the dependent variable. As indicated by the findings presented in Table 6, the adjusted R-squared value is 0.327. This indicates that 32.7% of the variation in the dependent variable, VAT Revenue, can be attributed to the independent variables employed in this model, namely the inflation rate, interest rate, and the exchange rate of the rupiah.

Hypothesis Test

Multiple Linear Regression Test

The results of the multiple linear regression test are presented in Table 8.

Table 8. Multiple Linear Regression Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-2,668E+10	3,045E+10		-,876	,386
	Inflation Rate	1,462E+11	4,433E+10	,432	3,298	,002
	Interest Rate	2,009E+10	1,329E+11	,039	,151	,881
	Rupiah Exchange Rate	2378845,558	2388305,704	,257	,996	,325

a. Dependent Variable: VAT Revenue

Source: Data Processed 2025

Based on the results of multiple regression analysis in Table 8, the regression model used is:

Y=-2,668E+10+1,462E+11X1+2,009E+10X2+2378845,558X3+e

Description:
Y = Dependent variable VAT Revenue
X_1 = Independent variable Inflation Rate
X_2 = Independent variable Interest Rate
X_3 = Independent variable Rupiah Exchange Rate
e = Error

F Test

The outcomes of the F test are presented in Table 8.

Table 9. F-Test

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6,419E+20	3	2,140E+20	8,608	,000[b]
	Residual	1,094E+21	44	2,486E+19		
	Total	1,736E+21	47			

a. Dependent Variable: VAT Revenue

b. Predictors: (Constant), Inflation Rate, Interest Rate, Rupiah Exchange Rate

Source: Data Processed 2025

As demonstrated in Table 9, the F-test results indicate a Sig. value of 0.000, indicating that the significance value is less than 0.05 (0.000 < 0.05). This finding suggests that Ho is rejected and Ha is accepted. This indicates that the independent variables employed in the regression model namely, the Inflation Rate, Interest Rate, and Exchange Rate of the Rupiah exert a substantial influence on the dependent variable, Value-Added Tax (VAT) Revenue.

T Test

The results of the t-test are presented in Table 9.

Table 9. T-Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-2,668E+10	3,045E+10		-,876	,386
	Interest Rate	2,009E+10	1,329E+11	,039	,151	,881
	Rupiah Exchange Rate	2378845,558	2388305,704	,257	,996	,325
	Inflation Rate	1,462E+11	4,433E+10	,432	3,298	,002

a. Dependent Variable: VAT Revenue

Source: Data Processed 2025

Based on Table 10, the t-test results for each independent variable can be analyzed as follows: 1) Inflation rate has a value of t = 3.298 with Sig. = 0,002. Since Sig. < 0.05, then Ho is rejected and Ha is accepted for this variable. This means that the Inflation Rate has a significant effect on VAT Revenue; 2) Interest Rate has a value of t = 0.151 with Sig. = 0,881. Because Sig. > 0.05, then Ho is accepted and Ha is rejected for this variable. Thus, the Interest Rate also has no significant effect on VAT Revenue; 3) The Rupiah Exchange Rate has a t value = 0.996 with Sig. = 0,325. Since Sig. > 0.05, then Ho is accepted and Ha is rejected for this variable. Therefore, the Rupiah Exchange Rate has no significant effect on VAT Revenue.

Discussion

Effect of Inflation Rate on VAT Revenue

The results of the t-test in Table 9 demonstrate that the inflation rate variable has a t-value of 3.298 with a significance level of 0.002. Given that 0.002 is less than 0.05, the null hypothesis (Ho) is rejected, and the alternative hypothesis (Ha) is accepted for this variable. It has been demonstrated that the inflation rate in West Java exerts a substantial influence on the revenue collected by the KPP Pratama Cirebon I in the context of Value Added Tax (VAT) during the period spanning from January 2021 to December 2024. Theoretically, the basis for imposing VAT is the acquisition price of Taxable Goods (BKP) or Taxable Services (JKP).

Consequently, in the event of sustained inflation, prices are also expected to rise, thereby potentially augmenting VAT revenue. This finding aligns with the research conducted by Kadarisman Hidayat et al. (2016) and Pahala & Muslih (2020), which also demonstrated that inflation has a positive effect on VAT revenue.

Effect of Interest Rate on VAT Revenue

The results of the t-test in the above table demonstrate that the interest rate variable has a t-value of 0.151 with a significance level of 0.881. Given that 0.881 > 0.05, the null hypothesis (Ho) is accepted and the alternative hypothesis (Ha) is rejected for this variable. This indicates that the interest rate does not exert a substantial influence on VAT revenue at the KPP Pratama Cirebon I during the period from January 2021 to December 2024.

This finding indicates that fluctuations or changes in the interest rate, whether increasing or decreasing, do not statistically result in significant changes in VAT revenue. The findings of this study are consistent with the research conducted by Junianto et al. (2020), which indicates that the interest rate does not have a significant effect on VAT revenue.

Effect of Rupiah Exchange Rate on VAT Revenue

As illustrated in Table 9, the results of the exchange rate variable test demonstrate a t-value of 0.996 with a significance level of 0.325. Given that 0.325 > 0.05, the null hypothesis (Ho) is accepted and the alternative hypothesis (Ha) is rejected for this variable. This indicates that the rupiah exchange rate does not exert a substantial influence on VAT revenue at the KPP Pratama Cirebon I during the period from January 2021 to December 2024.

This finding indicates that, from a statistical perspective, fluctuations in the rupiah exchange rate against the USD do not exert a substantial influence on VAT revenue. These results are consistent with the research conducted by Wulandari & Andyarini (2020) and Sinambela & Rahmawati (2019), which also concluded that there is no relationship between the exchange rate and VAT revenue.

CONCLUSION

The findings of the study suggest that the inflation rate in West Java exerts a substantial and negative influence on Value Added Tax (VAT) revenue at the KPP Pratama Cirebon I the period spanning from January 2021 to December 2024. This suggests that fluctuations in inflation, whether increases or decreases, will directly affect the amount of VAT collected.

In contrast, the exchange rate of the rupiah and interest rates did not have a significant impact on VAT revenue at the KPP Pratama Cirebon I during the same period. This finding suggests that fluctuations in VAT revenue are not significantly influenced by changes in these two variables from a statistical perspective.

Concurrently, the variables of inflation rate, interest rate, and rupiah exchange rate have a significant impact on VAT revenue, contributing 32.7% of the total variation observed at the KPP Pratama Cirebon I from January 2021 to December 2024. The remaining 67.3% of the observed variation cannot be attributed to factors included in the scope of this study.

To further explore this phenomenon, researchers can expand their understanding of the factors influencing VAT revenue by incorporating relevant variables. It is important to acknowledge that 67.3% of the observed variation in VAT revenue remains unaccounted for in this study. Moreover, extending the research period, for example beyond four years, would provide a more comprehensive picture of long-term trends and the potential impact of the variables studied.

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