

PMK IMPLEMENTATION STRATEGY NUMBER 28 OF 2024 ON OPTIMIZING TAXATION AND CUSTOMS FACILITIES TO SUPPORT THE DEVELOPMENT OF THE ARCHIPELAGO'S CAPITAL CITY**STRATEGI IMPLEMENTASI PMK NOMOR 28 TAHUN 2024 ATAS OPTIMALISASI FASILITAS PERPAJAKAN DAN KEPABEANAN UNTUK Mendukung PEMBANGUNAN IBU KOTA NUSANTARA**

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ABSTRACT

This study discusses the implementation strategy of the Minister of Finance Regulation (PMK) Number 28 of 2024 in optimizing tax and customs facilities to support the development of the Nusantara Capital City (IKN). This policy aims to create a conducive investment climate by providing various fiscal incentives, such as income tax reductions, VAT exemptions and Luxury Sales Tax, as well as import duties. The research method used is qualitative descriptive with a phenomenological approach, which relies on primary data from interviews with tax consultants and construction commissioners as well as secondary data from literature studies. The results of the study show that although this policy has great potential in attracting investment and accelerating the development of IKN, there are a number of challenges and obstacles in its implementation. Some of the main obstacles include lack of socialization, administrative complexity, and regulatory barriers. The digitalization of the tax and customs administration system is identified as a strategic step in overcoming these barriers. Therefore, stricter supervision is needed in the field of fiscal administration and operations. The evaluation focused on the effectiveness of the realization of fiscal incentives in increasing investment and the compliance of facility recipients with applicable regulations. The Government of Indonesia is advised to strengthen bilateral relations with investor countries through investment protection agreements, harmonization of international tax standards, and more intensive technical and diplomatic cooperation to build trust and increase foreign capital flows that support the development of the IKN.

Keywords : PMK, Taxation, Customs, IKN, Investment

ABSTRAK

Penelitian ini membahas strategi implementasi Peraturan Menteri Keuangan (PMK) Nomor 28 Tahun 2024 dalam mengoptimalkan fasilitas pajak dan kepabeanan untuk mendukung pembangunan Ibu Kota Nusantara (IKN). Kebijakan ini bertujuan untuk menciptakan iklim investasi yang kondusif dengan memberikan berbagai insentif fiskal, seperti pengurangan PPH, pembebasan PPN dan Pajak Penjualan Mewah, serta bea masuk. Metode penelitian yang digunakan adalah deskriptif kualitatif dengan pendekatan fenomenologis, yang mengandalkan data primer dari wawancara dengan konsultan pajak dan komisaris konstruksi serta data sekunder dari studi literatur. Hasil penelitian menunjukkan bahwa meskipun kebijakan ini memiliki potensi besar dalam menarik investasi dan mempercepat pengembangan IKN, namun ada sejumlah tantangan dan kendala dalam implementasinya. Beberapa kendala utama antara lain kurangnya sosialisasi, kompleksitas administrasi, dan hambatan regulasi. Digitalisasi sistem administrasi pajak dan kepabeanan diidentifikasi sebagai langkah strategis dalam mengatasi hambatan tersebut. Oleh karena itu, diperlukan pengawasan yang lebih ketat di bidang administrasi dan operasional fiskal. Evaluasi difokuskan pada efektivitas realisasi insentif fiskal dalam meningkatkan investasi dan kepatuhan penerima fasilitas terhadap peraturan yang berlaku. Pemerintah Indonesia disarankan untuk memperkuat hubungan bilateral dengan negara-negara investor melalui perjanjian perlindungan investasi, harmonisasi standar pajak internasional, dan kerja sama teknis dan diplomatik yang lebih intensif untuk membangun kepercayaan dan meningkatkan arus modal asing yang mendukung pengembangan IKN.

Kata kunci: *PMK, Perpajakan, Bea Cukai, IKN, Investasi*

1. INTRODUCTION

Taxation and customs are two fundamental aspects that play an important role in supporting the economic development and investment of a country, including Indonesia (Asmini et al, 2024). In an era of globalization characterized by rapid and complex economic dynamics, the existence of an efficient and transparent tax system is key to achieving sustainable economic growth (Hafizd et al., 2024). A good tax system not only serves as a source of revenue for the state, but also as a tool to encourage investment and create a healthy business climate (Likha and Furqon, 2024). In order to support the development of the Nusantara Capital City (IKN) as a new center of government and economy, PMK Number 28 of 2024 is present as a strategic policy that provides tax and customs facilities. This policy is designed to create a more conducive investment climate and support the acceleration of infrastructure development.

The tax facilities regulated in this policy include several main incentives. First, the reduction of Income Tax (PPh) through a super deduction tax mechanism designed to encourage research and development activities and increase the capacity of human resources (Ramadhan and Setyawan, 2021). Second, the Value Added Tax (VAT) incentive borne by the government for certain goods and services to ease the fiscal burden of business actors. Third, exemption or reduction of Sales Tax on Luxury Goods (PPnBM) on strategic products. This policy aims to create a competitive investment climate, accelerate the realization of strategic projects, and ensure the sustainability of development (Wahidiyah and Hermawan, 2023). In addition, this policy also includes incentives for Micro, Small, and Medium Enterprises (MSMEs) to encourage local economic inclusivity.

Customs facilities in this policy are also important to support the smooth logistics and distribution of goods. One of its main facilities is the exemption of import duties for raw materials and capital goods used in development projects (DJBC, 2019). This step aims to reduce production costs and encourage operational efficiency for business actors. In addition, according to the Directorate General of Customs (2019), the elimination or reduction of certain excise duties is also designed to facilitate the process of importing goods relevant to the needs of large-scale development.

The development of the IKN in East Kalimantan is one of the national strategic projects that requires large investment support. Until October 2024, total investment in the IKN was recorded at IDR 56.2 trillion from the target of IDR 100 trillion (Cabinet Secretariat of the Republic of Indonesia, 2024). However, the realization of foreign investment has not yet been seen. The groundbreaking investment that has been realized is dominated by domestic investors, showing that efforts to attract foreign investors have not been optimal. In the Business-Ready report published by World Bank (2024), Indonesia has a score of 53.5, still below the global median of 55.65. In addition, data from UN Trade and Development (2024) shows that foreign investment in Indonesia fell by 16.59% in 2023. This is a signal that Indonesia is still losing competition and is not optimal in attracting investors. This indicates the need for a more in-depth evaluation of the effectiveness of fiscal policies and customs facilities that have been implemented.

The main focus of PMK Number 28 of 2024 is to create a more conducive investment climate, especially in the new Nusantara Capital City (IKN). The development of the IKN is not only a relocation of the center of government, but also an effort to create a new center of economic growth. With this regulation, it is hoped that it can attract more investors to invest in IKN, thereby contributing to infrastructure development and improving community welfare (Azzahra et al., 2024). This is particularly relevant in the context of ongoing development, where Indonesia is seeking to strengthen its position as an attractive investment destination in Southeast Asia (Ramadan, 2023). In the long run, this will create a strong business ecosystem

and encourage sustainable economic growth, making the region more competitive at both the national and international levels (Umamah et al, 2024). Optimizing tax and customs facilities is the main focus of PMK Number 28 of 2024. This facility is expected to provide convenience for business actors and investors in carrying out their economic activities. In the context of IKN development, this optimization is very important to attract the necessary investments for infrastructure development and public services.

Challenges and obstacles in the implementation of PMK Number 28 of 2024 also need to be considered. Based on the experience of other countries that have built new capital cities such as Brasilia in Brazil, Putrajaya in Malaysia, and Nur-Sultan in Kazakhstan, a careful planning strategy, strict supervision, and an inclusive approach are needed to ensure the successful implementation of this PMK (Firmansyah, 2019: Sinaga, 2019: Tempo, 2024). Massive socialization and education about this regulation is needed to ensure that all parties understand and can take advantage of the existing facilities. Good socialization can reduce the resistance of business actors to regulatory changes (Yulianto, 2021). An inclusive approach in socialization is the key to success. The success of the implementation of PMK is also highly dependent on the supervision and evaluation carried out by the government. Good monitoring will ensure that the tax and customs facilities provided are used optimally. Without close supervision, the risk of misuse of these facilities will increase. Effective supervision in the tax sector can reduce the rate of state revenue leakage (Pareres and Yusuf, 2024).

The use of information technology in the implementation of this strategy also cannot be ignored in supporting the implementation of PMK Number 28 of 2024. Digitalization in the tax and customs administration process will facilitate access to information and services for the satisfaction of business actors (Yohana, 2023). With optimal tax and customs facilities, Indonesia can become more attractive to investors. A good image will increase investor confidence to invest in the capital city and other regions. A country's positive image can increase foreign investment flows (Soleha and Isnalita, 2022). With the right support, IKN can encourage sustainable economic growth. Optimization of taxation and customs facilities is very relevant in the context of IKN development (Setiawan et al., 2023).

The research gap identified is the lack of studies that specifically explore the strategy for the implementation of tax and customs facilities in the context of IKN development. This research aims to fill this gap by providing a holistic analysis of the effectiveness of fiscal policy under PMK Number 28 of 2024, especially in attracting domestic and foreign investment. The novelty of this study is that the researcher will provide an in-depth analysis of the optimization of the implementation strategy of PMK Number 28 of 2024, which has not been widely discussed in the previous literature. With a focus on the optimization of special taxation and customs facilities to support the development of the IKN, it provides a new perspective in understanding how fiscal policy can support major development projects in Indonesia.

This research is limited based on the description discussed by the researcher. The analysis in this study is focused on the implementation of PMK Number 28 of 2024 in the Nusantara Capital City (IKN) area without discussing more deeply its impact on other areas that support the development of the IKN. The urgency of this research lies in the urgent need to increase the attractiveness of domestic and foreign investment, which is a key factor in the success of IKN development. The results of this research are expected to make a significant contribution in supporting the development of fiscal policy and strategic development in Indonesia for the government and stakeholders such as investors in optimizing fiscal policies to support sustainable economic growth.

This study aims to explore the strategy and effectiveness of the implementation of PMK Number 28 of 2024 in supporting the development of IKN, by reviewing the challenges

and obstacles that can reduce investor attraction. This research is also expected to make a significant contribution to policy development in Indonesia. In addition, the results of this research can be a reference for interested parties in supporting the development of the IKN.

2. LITERATURE REVIEW

2.1 Empirical Review

Research by Setyawan and Ramadhan (2021) compared the effectiveness of the implementation of super deduction tax in Indonesia, Malaysia, and Thailand. Their findings concluded that these incentives are effective in encouraging investment when supported by simple and investor-friendly tax governance. Unfortunately, the implementation in Indonesia is still not optimal, especially in the aspect of socialization and readiness of the tax administration system. Although it has a focus that is in line with this study in terms of the use of fiscal incentives, the study has not reviewed fiscal policy in the context of the development of the Nusantara Capital City (IKN) specifically.

Another study by Azzahra et al. (2024) reviewed fiscal policy more directly in PMK Number 28 of 2024, especially related to Income Tax (PPh) facilities. The study underscores the potential for increased investment through tax facilities, but also warns of short-term risks such as legal uncertainty and potential decline in state tax revenues. This supports the initial premise in this study that the implementation of fiscal incentives faces structural and regulatory challenges that can hinder its effectiveness. However, Azzahra et al.'s study is still limited to the income tax aspect and has not included an analysis of customs facilities, which is an important part of integrative efforts to support the development of IKN.

From these two studies, the author identifies a significant research gap, namely the lack of research that comprehensively examines the implementation strategy of fiscal and customs incentives in the context of the development of the capital city of the archipelago. Therefore, this study aims to make a new contribution through a holistic analysis of the effectiveness of the implementation of PMK Number 28 of 2024, as well as evaluating challenges and obstacles in the field based on relevant primary and secondary data.

2.2. Theory and Concept Review

2.2.1. Public Policy Theory

Public Policy Theory is a conceptual foundation for analyzing the process of drafting, implementing, and evaluating policies designed to achieve specific goals in society (Suaib et al., 2022). According to Widodo (2021) public policy is a decision made by the government to identify, define, and organize issues that arise, then determine how these issues become priorities in the policy agenda. In this context, public policy theory helps to understand the dynamics of interaction between government and society, as well as how policies are designed and implemented in the midst of social, political, and economic complexity. Public policy theory also explains the role of the external environment, such as global and local economic dynamics, in influencing policy success (Deni, 2023). In this case, the existence of PMK Number 28 of 2024 as a fiscal policy instrument emerged in response to the urgent need for IKN development, by taking advantage of existing opportunities.

2.2.2. Capital City of the Archipelago

The Capital City of the Archipelago (IKN) is a strategic project of the Indonesian government that aims to move the country's capital from Jakarta to East Kalimantan. This step was taken to address various problems in Jakarta, such as population density, congestion, and environmental damage, while encouraging equitable distribution of economic development outside Java (Saraswati and Adi, 2022). This move is also expected to create a more efficient

and modern government center. Based on Law Number 3 of 2022 concerning the National Capital, the IKN has the status of a special area with unique authority managed by the Nusantara Capital City Authority. This authority is responsible for planning, development, spatial management, and public services in the IKN, which is carried out with a different approach compared to other regions in Indonesia (Government of Indonesia, 2022). This management system is designed to accelerate development and improve the quality of services.

The development of the IKN is also committed to the principle of sustainable development with an environmentally friendly approach. The IKN is designed as a Smart Forest City that integrates modern technology with environmental conservation (Sutardi, 2024). This approach aims to maintain the balance of the ecosystem, minimize the impact of environmental damage, and create a quality living environment for its residents. In addition, the strategic location of the IKN in the middle of Indonesian territory is designed to strengthen the central government's control over all regions. This is expected to improve connectivity between regions, accelerate infrastructure development in the eastern part of Indonesia, and strengthen Indonesia's position from a geopolitical and national defense point of view.

2.2.3. Fiscal Facilities in accordance with PMK Number 28 of 2024

PMK Number 28 of 2024 provides various fiscal facilities to support the acceleration of the development of the Nusantara Capital City (IKN). This facility is designed to create a competitive and sustainable investment climate that reduces investment costs, accelerates project realization, and supports the creation of a conducive business ecosystem in IKN. The forms of fiscal facilities regulated in PMK Number 28 of 2024 include:

2.2.3.1. Corporate Income Tax (PPh) Reduction

Taxpayers who invest in priority sectors in the IKN can get a reduction in Corporate Income Tax of up to 100% for a certain period of time, depending on the type and location of the business.

2.2.3.2. Exemption and Refund of Value Added Tax (VAT) and PPnBM

Strategic goods and services, including capital goods and raw materials used for development in the IKN, are given VAT and PPnBM exemption or refund facilities.

2.2.3.3. Import Duty and Excise Exemption

This facility is given for the import of capital goods and raw materials used in the context of IKN development activities.

2.2.3.4. Incentives for MSMEs

This PMK also provides special tax treatment for MSME actors who participate in development activities in the IKN area and partner areas.

2.2.3.5. Reduction in Gross Income

For vocational training, research, and development activities related to the development of the IKN, gross income reduction facilities are provided.

3. METHODS

This study uses a descriptive qualitative method with a phenomenological approach to understand in depth the implementation of PMK Number 28 of 2024 in supporting the development of the Nusantara Capital City (IKN). This approach was chosen because it is able

to explore the perceptions, experiences, and subjective meanings of informants who are directly involved in the implementation of policies, such as IKN contractor commissioners (Informant 1) and tax consultants (Informant 2).

Primary data is collected through digitally structured semi-structured interviews using the Zoom platform and voice notes via WhatsApp, which provides flexibility in accessing geographically dispersed informants. Secondary data was obtained through literature studies, including regulations, scientific journals, and government reports related to PMK Number 28 of 2024.

The data analysis process follows the Miles and Huberman model, which includes data collection, data reduction, data presentation, and conclusion drawn. The validity of the data is tested through triangulation of sources and direct confirmation from informants to ensure the accuracy and credibility of the findings.

4. RESULTS AND DISCUSSIONS

4.1. Strategy for Optimizing the Implementation of PMK Number 28 of 2024 on Tax and Customs Facilities to Support the Development of the Capital City of the archipelago

The development of the Nusantara Capital City (IKN) as a national strategic project requires large investment support. To encourage investor interest and accelerate development, the government issued PMK Number 28 of 2024 which regulates taxation and customs facilities. An optimal implementation strategy is the key so that this policy can provide maximum results.

4.1.1. Strategy in the Early Stages of Implementation

The strategy to optimize the implementation of PMK Number 28 of 2024 on taxation and customs facilities to support the development of the Nusantara Capital City (IKN) in the early stages of implementation includes several main steps that aim to ensure the effective use of incentives, increase investment attractiveness, and accelerate the realization of development projects. The informant says:

"In the early stages of implementation, the strategy is focused on providing massive tax and customs facilities, including a reduction in corporate income tax of up to 100% for investment in the infrastructure and public services sector, VAT and PPnBM exemption on strategic goods, and exemption from import duties on capital goods and raw materials. This strategy aims to create an initial attraction for investors to be interested in investing in IKN and partner areas." (Informant 1)

The initial strategy for the implementation of PMK Number 28 of 2024 aims to build an attractive investment foundation through substantial fiscal incentives. The government has set a reduction in Corporate Income Tax of up to 100% for investments in strategic fields such as infrastructure, health, education, and energy in IKN. In addition, exemptions from VAT, PPnBM, and import duties on strategic goods are also given as an initial stimulus so that business actors are encouraged to immediately realize their projects. This strategy is designed to create rapid investment momentum and ensure that the development of the IKN runs as originally planned.

4.1.2. Strategy at the Running Stage

At this stage of running and sustainability, the strategy for optimizing the implementation of PMK Number 28 of 2024 on tax and customs facilities such as the reduction of Income Tax (PPH), Value Added Tax (VAT), Sales Tax on Luxury Goods (PPnBM), and import

duty exemption is to assess the extent of these strategies in supporting the development of the Nusantara Capital City. The informant says:

"At the ongoing and sustainability stage, the strategy is focused on strengthening the supervision and control system, including verification of facility utilization, document audits, and periodic monitoring. In addition, the government encourages the digitization of tax and customs services to speed up the process and increase transparency in the implementation of fiscal incentives." (Informant 2)

After the incentive phase is launched, the policy focus shifts towards improving the quality of implementation through supervision and evaluation. The government implements a monitoring system for taxpayers who receive incentives, audits of facility usage reports, and strengthens administrative controls to ensure that abuse does not occur. In addition, the integration of digital technology is an important pillar in accelerating services, reducing bureaucratic costs, and increasing transparency. This strategy not only strengthens investor confidence, but also ensures long-term fiscal sustainability in the development of the capital city

4.2. Challenges Faced in the Implementation Process of PMK Number 28 of 2024 on Tax and Customs Facilities to Support the Development of the Capital City of the archipelago

The implementation of Minister of Finance Regulation (PMK) Number 28 of 2024 which regulates taxation and customs facilities has a strategic role in supporting the development of the Nusantara Capital City (IKN). The facilities offered are designed to attract investment and accelerate the development of IKN. However, in its implementation, this policy faces various challenges that can hinder the achievement of these goals.

4.2.1. Challenges in the Early Stages of Implementation

4.2.1.1. Communication Circulation

One of the initial challenges in the implementation of PMK Number 28 of 2024 is that the circulation of communication between stakeholders has not been optimal. Because this policy has only been implemented in new locations, related parties such as investors and licensing agencies are still in the adjustment stage. Lack of a structured communication channel can lead to miscommunication and delays in the implementation process. The informant says:

"The challenge to the implementation of PMK Number 28 of 2024, if I think it is possible because this is new, the place is new, the new rules at the beginning there must be a circulation of communication, just like from the new investor side from the permit management side, there must be challenges for communication." (Informant 1)

This statement shows that communication barriers are one of the causes of initial coordination barriers. When communication does not flow effectively, information regarding procedures, technical requirements, or implementation schedules becomes fragmented. As a result, the investment process can be delayed and investor confidence in policy stability also decreases.

4.2.1.2. Inconsistency of Understanding

In addition to communication, uniformity of understanding between parties is also a significant challenge. PMK Number 28 of 2024 covers various fiscal and customs facilities that are technical in nature and require uniform interpretation so that they can be applied consistently. The informant says:

"Because it is not necessarily a uniformity of understanding among all related parties, it may be like that. But we see that hopefully this implementation can be carried out well. That's our hope. At the beginning, because this is a new thing, it will definitely be as smooth as 100%, there will be challenges and obstacles." (Informant 1)

The quote emphasizes that although the implementation intentions are good, differences in understanding between agencies or between investors and the government have the potential to cause confusion in the field. This can lead to procedural inconsistencies, administrative errors, and even legal obstacles if the interpretation of the rules is not uniform.

To answer this challenge, intensive and structured socialization and technical training are needed for all parties involved. With good communication and uniform understanding, the implementation of PMK Number 28 of 2024 can run more effectively and support the achievement of the development goals of the Capital City of the archipelago.

4.3. Challenges at the Running Stage

4.3.1. taxpayer Supervision

The main challenge at the current stage is the supervision of taxpayers. The fiscal facilities offered in PMK Number 28 of 2024 have great potential, but without strict supervision, the risk of abuse increases. The informant says:

"There are several challenges that must be faced, such as whether taxpayers get strict supervision in the process of obtaining the FMD facility number 28 of 2024." (Informant 2)

The statement points to the importance of a robust monitoring system to ensure that incentives are actually used as intended. Taxpayers must submit audited financial statements and undergo periodic verification and monitoring. This supervision is also important to maintain transparency, increase investor confidence, and prevent misuse of facilities by unauthorized parties.

4.3.2. Overlapping Policies or Regulations

Another crucial challenge is the overlap of policies between institutions, which leads to confusion and legal uncertainty for investors. The informant says:

"To overlap policies or regulations is also such a challenge. So clearer arrangements or integration between policies as well as good coordination between different institutions and related sectors is essential to avoid confusion for investors." (Informant 2)

Discrepancies between regulations hinder the smooth investment process. The lack of integration between fiscal policy and other sectoral regulations creates procedural ambiguities. This reduces the attractiveness of the IKN as an investment location. The informant also confirmed:

"This rule has great potential to attract interest and build investor confidence, especially by offering fiscal facilities that can reduce project costs. However, the success of this policy is highly dependent on regulatory clarity, access, and legal certainty." (Informant 2)

Clarity and regulatory stability are the main requirements for investors in making decisions. Therefore, the government needs to develop a harmonious legal framework, avoid sudden policy changes, and strengthen legal protection so that the PMK Number 28 of 2024 facility really supports the development of the IKN optimally.

4.4. Obstacles Faced in the Implementation Process of PMK Number 28 of 2024 on Tax and Customs Facilities to Support the Development of the Capital City of the archipelago

The implementation of PMK Number 28 of 2024 is a strategic step to accelerate the development of the Nusantara Capital City (IKN) through taxation and customs facilities. However, various obstacles in its implementation have the potential to reduce the effectiveness of the policy. If not addressed, the goal of attracting investment and strengthening the economic foundation of the capital city will be difficult to achieve, so the analysis of these obstacles is crucial.

4.4.1. Obstacles in the Early Stages of Implementation

4.4.1.1. Convoluted and Prolonged Administration Procedures

Complicated and prolonged administrative procedures are the main obstacles in the implementation of PMK Number 28 of 2024. The process of applying for a tax facility requires lengthy stages, from submission to verification and approval, which takes time and complex paperwork. The informant says:

"There are a lot of administrations, we want to be free for up to 30 years, yes, of course there is such a process. The process is long from submission, verification, to approval, all of which require a lot of time and paperwork."
(Informant 1)

The quote confirms that convoluted bureaucracy can slow down investors' access to incentives, thereby reducing policy effectiveness. Without simplification of procedures and digitization of services, these obstacles will continue to be an obstacle in attracting investment to the IKN.

4.5. Obstacles at the Walking Stage

4.5.1. Administrative Complexity

Administrative complexity is a serious obstacle in accessing tax and customs facilities in the implementation of PMK Number 28 of 2024. Complicated and technical procedures make it difficult for taxpayers and investors to understand and utilize incentives optimally. The informant says:

"With good planning and coordination between the government and related sectors, the challenges of administrative complexity can also be overcome and these fiscal facilities can support the development of the IKN effectively. So indeed, in addition to administrative complexity, there is also an adequate understanding from taxpayers because indeed this rule is very complex like that" (Informant 2)

The quote emphasizes the importance of coordination and understanding of taxpayers in overcoming administrative barriers. Complicated document requirements and non-uniform policy interpretations make investors hesitant to participate. The informant also added:

"Clearer arrangements or integration between policies as well as good coordination between different agencies and related sectors are essential to avoid confusion for investors." (Informant 2)

The lack of integration between the Directorate General of Taxes and the Directorate General of Customs leads to overlapping regulations and complicates the investment process. For this reason, it is necessary to simplify procedures, harmonize policies, and digital-based one-stop services so that policy implementation runs effectively and supports the development of IKN.

4.5.2. Lack of Taxpayer Trust in Government Supervision

Taxpayers' trust in the government's ability to supervise the implementation of PMK Number 28 of 2024 is a key factor in the success of this policy. When supervision is considered non-transparent or too complex, the utilization of fiscal facilities tends to be suboptimal. The informant says:

"The main obstacle in managing tax reduction or exemption based on PMK is how the government can convince taxpayers in terms of supervision of the implementation of PMK 28 of 2024 because there are indeed some really complex requirements so that the government must be able to supervise the implementation of PMK 28 of 2024" (Informant 2)

The quote underscores that low trust in the supervisory system raises doubts among taxpayers and investors alike. When supervision procedures are unclear and complicated, the process of applying for facilities becomes risky and creates legal uncertainty. Therefore, the government needs to build a transparent, accountable supervisory mechanism and strengthen technical socialization so that public trust in the implementation of this policy increases.

4.5.3. Inadequate Infrastructure Support

Basic infrastructure that is not fully ready is a non-fiscal obstacle that affects investment interest in the Nusantara Capital City (IKN). Without adequate infrastructure, investors will hesitate to carry out their business activities optimally. The informant says:

"Adequate infrastructure support is also key. If all these aspects can be taken care of properly, then investors will feel more confident to invest." (Informant 2)

This emphasizes the importance of infrastructure readiness such as transportation, energy, and telecommunication networks to create a conducive investment climate. The government needs to accelerate the development of strategic infrastructure and ensure the suitability of facilities with industrial needs so that the capital city is truly attractive to investors.

4.5.4. The Utilization of Technology in Tax Administration That Is Not Optimal

The digitalization of the tax administration system plays an important role in speeding up the licensing process and facilitating access to fiscal facilities. However, the lack of optimal use of technology causes the administrative process to remain slow and prone to errors. The informant says:

"Strengthening fiscal policy transparency and the use of technology in tax administration can help create such more conducive and efficient investments." (Informant 2)

The statement emphasized the importance of digital system integration in supporting the effective implementation of fiscal policies. The unpreparedness of the technology infrastructure can hinder investors in accessing available incentives. Therefore, the government needs to develop an online service platform that is integrated, easily accessible, and responsive to user needs. This step will increase transparency, speed up the process, and strengthen investor confidence in the fiscal policies offered for the development of the IKN.

4.6. The effectiveness of the implementation of PMK Number 28 of 2024 in supporting the development of the Nusantara Capital City (IKN) is reviewed from the challenges and obstacles faced in its implementation

The implementation of PMK Number 28 of 2024 has not been fully effective. Despite offering fiscal incentives such as income tax reductions, VAT exemptions, PPnBM, and import duties, a number of obstacles still prevent their optimal utilization. Lack of trust in government supervision, overlapping regulations between agencies, and complex administrative procedures are the main obstacles. In addition, inadequate infrastructure readiness and suboptimal use of technology also hamper the investment process. For this policy to be effective, it is necessary to strengthen supervision, harmonize regulations, accelerate infrastructure, and digitize administrative services. Without this improvement, the goal of attracting investment and accelerating the development of the IKN is difficult to achieve.

5. CONCLUSION

This study concludes that the implementation strategy of PMK Number 28 of 2024 is carried out through the optimization of various fiscal incentives, such as reducing Income Tax (PPh), exemption from Value Added Tax (VAT), PPnBM, and import duties. This policy is designed to increase the competitiveness of the capital city as a center for new economic growth and attract investment. But in practice, the implementation of this policy faces a number of major challenges. There is overlap of regulations between institutions that trigger legal uncertainty, weak coordination between stakeholders, and low basic infrastructure in IKN. Complex bureaucratic procedures, slow licensing processes, and administrative digitalization that has not been maximized are also obstacles in the realization of fiscal incentives. The effectiveness of PMK Number 28 of 2024 in encouraging investment in the IKN is considered not optimal, so reforms are needed in technical, coordinated, and regulatory aspects to accelerate the achievement of policy goals.

As a follow-up to the findings of the study, it is recommended that the government accelerate the harmonization of regulations between institutions to avoid policy overlap and increase legal certainty for investors. Strengthening the digitalization of the tax and customs administration system also needs to be accelerated to accelerate the licensing process and service transparency. The government must increase through socialization and technical guidance to business actors so that fiscal facilities can be used optimally.

On the other hand, investors are expected to be proactive in understanding applicable regulations and working with professional consultants so that the use of incentives is carried out legally and efficiently. Further research is suggested to expand the focus of the study to the buffer areas of the IKN and evaluate the long-term impact of fiscal policy on regional economic growth more comprehensively.

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