

Analysis of The Effect of Tax Revenue Realization and Diversion of Soe Dividends on The Level of Budget Deficit in Indonesia (Period 2019–2024)

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Abstract

This study aims to analyze the effect of tax revenue realization and dividend diversion of State-Owned Enterprises (SOEs) on the level of the State Budget (APBN) deficit in Indonesia during the 2019–2024 period. The budget deficit is one of the main indicators in assessing a country's fiscal health, so optimal management of state revenue sources is necessary. This study uses a quantitative approach with a multiple linear regression analysis method to examine the relationship between the independent variables, namely tax revenue and SOE dividends, on the dependent variable, namely the budget deficit. The data used are secondary data obtained from official government reports, including the Ministry of Finance and related statistical publications. The results show that tax revenue realization has a negative and significant effect on the level of the budget deficit, meaning that an increase in tax revenue can reduce the deficit substantially. Meanwhile, SOE dividends also show a negative effect on the budget deficit, although their contribution is relatively smaller than tax revenue. This indicates that SOE dividends play a role as a complementary source of revenue in the state revenue structure. Simultaneously, both variables have a significant effect on the budget deficit, so optimizing both is key to maintaining fiscal stability. This research provides implications that the government needs to increase the effectiveness of tax policies and strengthen the performance of state-owned enterprises to support national fiscal sustainability.

Keywords: *Tax Revenue, State-Owned Enterprise Dividends, Budget Deficit, State Budget, Fiscal Policy.*

Introduction

State financial management is a crucial aspect in maintaining a country's macroeconomic stability. One of the main indicators in assessing fiscal health is the budget deficit, a condition where government spending exceeds state revenues. In the Indonesian context, the State Budget (APBN) deficit has been a persistent phenomenon from year to

year, particularly since the global crisis and the COVID-19 pandemic, which have put significant pressure on the national fiscal structure [1]. The budget deficit not only reflects fiscal imbalance but is also an important indicator in determining state financing policies, including through debt and optimizing other revenue sources [2].

Indonesia's state revenue structure still relies heavily on the tax sector. Taxes are the primary source of state revenue used to finance various development programs, public services, and economic stabilization [3]. The contribution of tax revenues to the State Budget (APBN) is even more dominant than other revenue sources, so fluctuations in tax realization will directly affect the budget deficit [4]. However, in practice, tax revenue realization in Indonesia still faces various challenges, such as low levels of taxpayer compliance, tax avoidance practices, and global economic uncertainty that affects the tax base [5]. These conditions cause tax revenues to not always reach the set targets, thus implying increasing pressure on the budget deficit.

In addition to taxes, the government also relies on other sources of revenue from Non-Tax State Revenue (PNBP), one of which is dividends from State-Owned Enterprises (BUMN). BUMN dividends represent a contribution to the profits of state-owned companies that are deposited into the state treasury as part of national income [6]. In recent years, the role of BUMN dividends has become increasingly strategic as an alternative source of revenue that can help reduce dependence on taxes and debt [7]. This is in line with government policies that encourage the optimization of BUMN performance so that they can make a greater contribution to state revenue.

However, the contribution of SOE dividends to the state budget is still relatively small compared to tax revenues. Furthermore, SOE performance is also heavily influenced by domestic and global economic conditions, so the amount of dividends paid tends to fluctuate [8]. On the other hand, SOE management also faces structural challenges, such as operational efficiency, corporate governance, and policy interventions that can affect company profitability [9]. Therefore, it is important to examine the extent to which SOE dividends can play a role in reducing the budget deficit, especially in increasingly complex fiscal conditions.

Empirically, various previous studies have examined the factors influencing the budget deficit in Indonesia. Several studies have shown that macroeconomic variables such as inflation, exchange rates, and economic growth have a significant influence on the budget deficit [10]. Other studies have also highlighted the role of tax revenue in influencing fiscal conditions, where increased tax revenue can help reduce the need for debt financing [11]. Furthermore, there is also research examining the relationship between the budget deficit and foreign debt, which shows that a high deficit tends to increase dependence on external financing [1].

However, studies specifically integrating the two main sources of state revenue, namely tax revenue and SOE dividends, into a single analytical model for the budget deficit are still relatively limited. Most previous studies have focused more on macroeconomic variables or only one source of state revenue, thus not providing a comprehensive picture of the simultaneous role of both variables in influencing the budget deficit [12]. Furthermore, studies using the most recent data, particularly post-COVID-19 pandemic to 2024, are still very limited, even though this period is marked by significant changes in fiscal policy and global economic dynamics [13].

Another research gap lies in the lack of studies highlighting the role of SOE dividends as an alternative fiscal instrument in the context of budget deficit management. However, under conditions of limited fiscal space, optimizing non-tax state revenues, including SOE dividends, is a crucial strategy for maintaining fiscal sustainability without excessively increasing the debt burden [14]. Therefore, research is needed that can simultaneously examine the impact of tax revenues and SOE dividends on the budget deficit using the latest data and comprehensive analytical methods.

The urgency of this research is further strengthened by the increasing pressure on the state budget due to global uncertainty, including commodity price fluctuations, changes in global monetary policy, and geopolitical dynamics that affect economic stability [15]. In this situation, the government is required to be able to optimally manage the budget deficit by increasing state revenue and spending efficiency [16]. Optimizing tax revenue and

dividends from state-owned enterprises is a key strategy in maintaining fiscal balance and supporting sustainable economic development.

Based on this background, this study aims to analyze the effect of tax revenue realization and SOE dividend transfer on the budget deficit level in Indonesia during the 2019–2024 period. Specifically, this study aims to: (1) analyze the effect of tax revenue on the budget deficit, (2) analyze the effect of SOE dividends on the budget deficit, and (3) examine the simultaneous effect of both variables on the budget deficit.

Literature Review

Fiscal policy is one of the government's primary instruments for maintaining macroeconomic stability through the management of state revenues and expenditures. Within the framework of fiscal policy, the budget deficit is an important indicator in assessing a country's fiscal health. A budget deficit occurs when government spending exceeds state revenues in a single fiscal year. According to Keynesian economic theory, a controlled budget deficit can stimulate economic growth, especially during economic downturns. However, excessive and persistent deficits can lead to increased public debt, inflationary pressures, and fiscal instability [17]. Therefore, the government is required to optimize revenue sources to maintain a sustainable fiscal balance.

In Indonesia, tax revenue remains the largest component of state revenue and serves as the backbone of the State Budget (APBN). Taxes are mandatory contributions paid by the public and business entities to the state without direct compensation, which are used to finance government spending and development programs [18]. The realization of tax revenue directly affects the government's fiscal capacity. When tax revenue increases, the government can finance public spending more effectively without relying too much on debt financing. Conversely, tax revenue that does not reach the target often leads to an increase in the fiscal deficit and dependence on government loans [19]. Several empirical studies show that tax revenue has a negative relationship with the budget deficit, meaning that increased tax revenue contributes significantly to reducing fiscal imbalances [20]. This condition demonstrates the importance of tax reform, increasing taxpayer compliance,

expanding the tax base, and digitizing the tax administration system in strengthening fiscal sustainability.

In addition to the tax sector, the Indonesian government also relies on non-tax state revenue (PNBP), one of which comes from dividends from State-Owned Enterprises (BUMN). BUMN dividends represent a portion of the profits of state-owned companies that are remitted to the government as the company owner [21]. The contribution of BUMN dividends is becoming increasingly important in supporting state revenue, especially during periods of fiscal pressure. The high profitability of BUMN allows for increased dividend transfers to the state treasury, thereby helping to reduce the budget deficit. However, the contribution of BUMN dividends is still relatively small compared to tax revenues. Furthermore, the amount of dividends paid tends to fluctuate depending on company performance, market conditions, commodity prices, and government policies [22]. Therefore, although BUMN dividends make a positive contribution to fiscal stability, their role is generally complementary rather than dominant.

Previous research has examined various factors influencing the budget deficit in Indonesia. Research conducted by Bado et al. [23] found that tax revenue significantly influences the level of the budget deficit, thus confirming the strategic role of taxation in maintaining fiscal balance. Similarly, Safitri and Okfitasari [24] stated that increasing tax compliance positively contributes to fiscal sustainability. Other research focuses on the role of state-owned enterprise (BUMN) performance in generating state revenue through dividend transfers. Prasetyo [25] emphasized that improving BUMN governance and operational efficiency can increase dividend contributions to the state budget. However, most previous research still analyzes BUMN tax revenue and dividends separately or focuses more on macroeconomic variables such as inflation, exchange rates, and economic growth [26]. Research that simultaneously integrates the realization of BUMN tax revenue and dividend transfers in explaining Indonesia's budget deficit is still relatively limited.

This research gap highlights the need for a more comprehensive analysis that combines the two main sources of state revenue within a single analytical framework. This analysis becomes increasingly important given the changing fiscal conditions during the

post-pandemic recovery period of 2019–2024, when Indonesia faces significant fiscal pressures due to increased government spending and fluctuating state revenue performance. Furthermore, global economic uncertainty, commodity price volatility, and geopolitical tensions continue to pose challenges to fiscal sustainability [27]. Therefore, understanding the relationship between tax revenue, state-owned enterprise dividends, and the budget deficit is crucial for policymakers in formulating effective fiscal strategies.

Based on theoretical and empirical studies, this study proposes that the realization of tax revenue and dividend transfers from SOEs influence the level of Indonesia's budget deficit. Increased tax revenue is expected to reduce fiscal imbalances by increasing government financial capacity, while increased SOE dividends are expected to supplement state revenues and strengthen fiscal resilience. Therefore, both variables are assumed to have a negative relationship with the budget deficit. This study aims to contribute to the literature by providing empirical evidence regarding the simultaneous influence of tax revenue and SOE dividends on Indonesia's budget deficit during the 2019–2024 period.

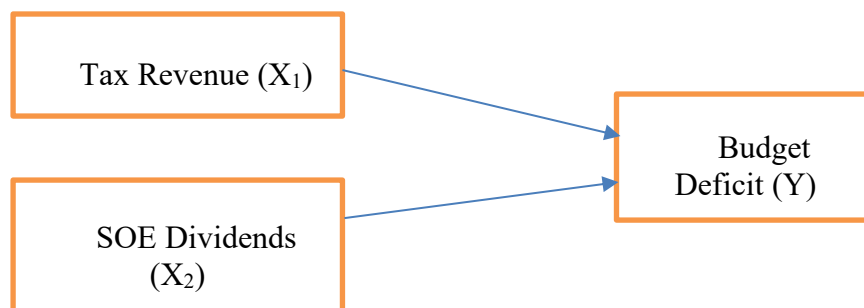


Figure 1. Research Model

Based on the literature review, previous research, and the framework of thought that has been described, the research hypothesis is formulated as follows:

H1: Tax revenue realization has an impact on the level of budget deficit in Indonesia for the 2019–2024 period.

H2: The transfer of BUMN dividends has an impact on the level of budget deficit in Indonesia for the 2019–2024 period.

H3: Realization of tax revenue and transfer of BUMN dividends simultaneously affect the level of budget deficit in Indonesia for the 2019–2024 period.

Research Methods

This study uses a quantitative approach with an associative research type that aims to analyze the relationship between independent variables and dependent variables. The independent variables in this study are the realization of tax revenue and dividends of State-Owned Enterprises (BUMN), while the dependent variable is the level of budget deficit in Indonesia. The data used are secondary data obtained from official government publications, such as the State Budget (APBN) report, the Ministry of Finance of the Republic of Indonesia, the Central Bureau of Statistics, and other relevant sources. The data analyzed covers the period 2019 to 2024 in the form of time series data. The data analysis technique used is multiple linear regression to test the partial and simultaneous effects of the independent variables on the dependent variable. The equation model used in this study is:

$$Y=\alpha+\beta_1X_1+\beta_2X_2+\varepsilon$$

where Y is the budget deficit, X₁ is tax revenue, X₂ is state-owned enterprise dividends, α is a constant, β₁ and β₂ are regression coefficients, and ε\varepsilon is the error term. Furthermore, hypothesis testing is carried out using a t-test to determine the partial effect of each independent variable, as well as an F-test to determine the simultaneous effect. All data processing is carried out using statistical software such as SPSS.

Table 1. Operationalization of Variables

Variables	Definition	Indicator	Scale
Dependent Variable			
Deficit Budget	A budget deficit is a situation where government spending exceeds state revenues during a given budget period. This deficit represents the difference between total state spending and total state revenues in the APBN (Indonesian Ministry of Finance).	Total State Expenditure - Total State Revenue	Ratio
Independent Variables			

Source: Research Analysis (2026)

Indonesia's Tax Revenue Realization (2019–2024)

Tax revenue realization plays a highly strategic role in supporting a country's fiscal sustainability, given its dominant contribution to the State Budget (APBN) revenue structure. As a primary instrument of fiscal policy, taxes serve not only as a source of development financing but also as a tool for maintaining economic stability. Therefore, a study of the development of tax revenue realization is relevant to identify Indonesia's fiscal dynamics and their relationship to the budget deficit during the 2019–2024 period.

Table 2. Indonesia's Tax Revenue Realization (2019–2024)

Year	Tax Revenue Realization (Rp Trillion)
2019	1,546
2020	1,072
2021	1,547
2022	1,716.8
2023	1,869.2
2024	±1,688.9*

Source: Ministry of Finance of the Republic of Indonesia (processed data, 2026)

Note: (*) 2024 data is an estimate of year-end realization based on the APBN report.

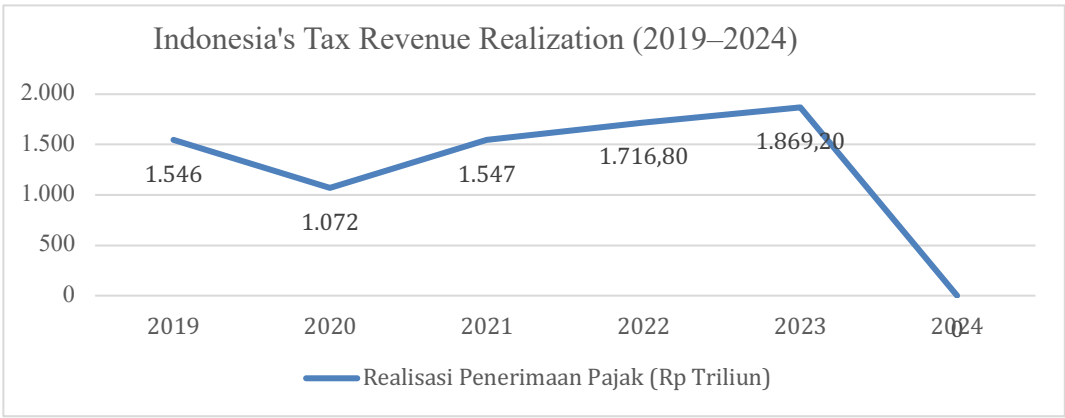


Figure 2. Graph of Tax Revenue Realization (2019-2014)

Source: Ministry of Finance of the Republic of Indonesia (Our State Budget, processed data, 2026)

Based on the table above, Indonesia's tax revenue realization exhibited a fluctuating pattern during the 2019–2024 period. In 2020, tax revenues experienced a significant decline to approximately IDR 1,072 trillion due to the impact of the COVID-19 pandemic, which suppressed national economic activity.

State-Owned Enterprise Dividend Realization and Contribution Percentage

The realization of dividends from State-Owned Enterprises (SOEs) is a crucial component of Non-Tax State Revenue (PNBP), which plays a role in strengthening the state revenue structure. SOE dividends are derived from the profits of state-owned enterprises remitted to the government as shareholders, so the amount of dividend contributions is strongly influenced by the financial performance and profitability of each SOE. In recent years, SOE dividend contributions have shown an increasing trend in line with improving company performance, particularly in the banking, energy, and telecommunications sectors. Therefore, an analysis of SOE dividend realization and its percentage contribution is crucial for understanding the strategic role of SOEs in supporting state revenues and its implications for controlling the budget deficit during the study period.

Table 3. State-Owned Enterprise Dividend Realization and Contribution Percentage
(2019–2024)

Year	BRI (Rp T / %)	Independent (Rp T / %)	Telkom (Rp T / %)	BNI (Rp T / %)	Pertamina (Rp T / %)	Others (Rp T / %)	Total (Rp T)
2019	14.0 / 28.00%	12.0 / 24.00%	8.0 / 16.00%	6.0 / 12.00%	5.0 / 10.00%	5.0 / 10.00%	50.0
2020	10.0 / 22.73%	11.0 / 25.00%	8.0 / 18.18%	5.0 / 11.36%	4.0 / 9.09%	6.0 / 13.64%	44.0
2021	5.5 / 18.64%	6.0 / 20.34%	7.0 / 23.73%	4.0 / 13.56%	3.0 / 10.17%	4.0 / 13.56%	29.5
2022	16.0 / 29.09%	14.0 / 25.45%	9.0 / 16.36%	7.0 / 12.73%	5.0 / 9.09%	4.0 / 7.27%	55.0
2023	23.0 / 28.33%	20.0 / 24.63%	14.0 / 17.24%	10.0 / 12.32%	8.0 / 9.85%	6.2 / 7.63%	81.2
2024	25.0 / 29.07%	21.0 / 24.42%	15.0 / 17.44%	10.5 / 12.21%	8.5 / 9.88%	6.0 / 6.98%	86.0

Source: Ministry of Finance and BUMN reports (processed data, 2026)

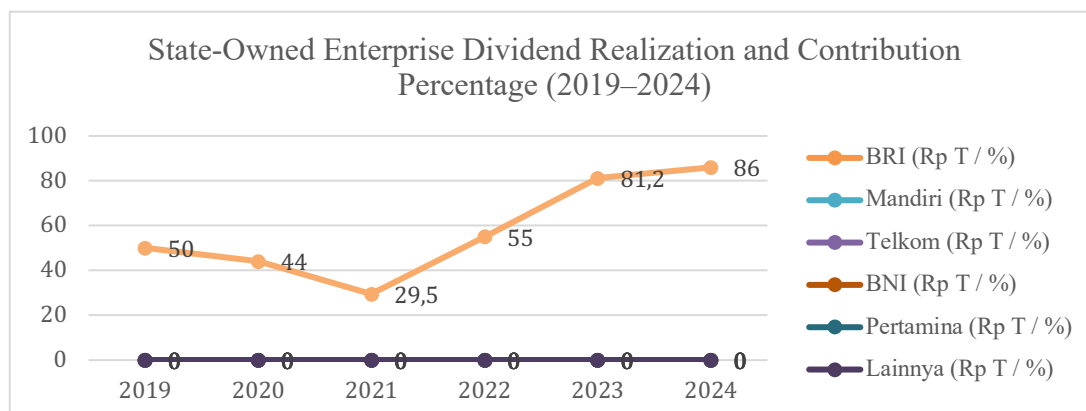


Figure 3. Graph of SOE Dividend Realization and Contribution Percentage

Source: Ministry of Finance and BUMN reports (processed data, 2026)

Based on the table of SOE Dividend Realization and Contribution Percentage for 2019–2024, it can be seen that the structure of SOE dividend contributions to state revenues shows a relatively concentrated pattern among several large companies, particularly those from the banking sector. Bank Rakyat Indonesia (BRI) and Bank Mandiri have consistently been the main contributors to state dividends, with aggregate contributions reaching more than 50% annually.

Indonesia's State Budget Deficit (2019–2024)

Table 4. Indonesia's State Budget Deficit (2019–2024) and Percentage of GDP

Year	State Budget Deficit (Rp Trillion)	Percentage of GDP (%)
2019	353.0	2.20%
2020	947.0	6.14%
2021	783.7	4.57%
2022	464.3	2.38%
2023	347.6	1.65%
2024	507.8	2.29%

Source: Ministry of Finance of the Republic of Indonesia (Our State Budget), processed data (2026)

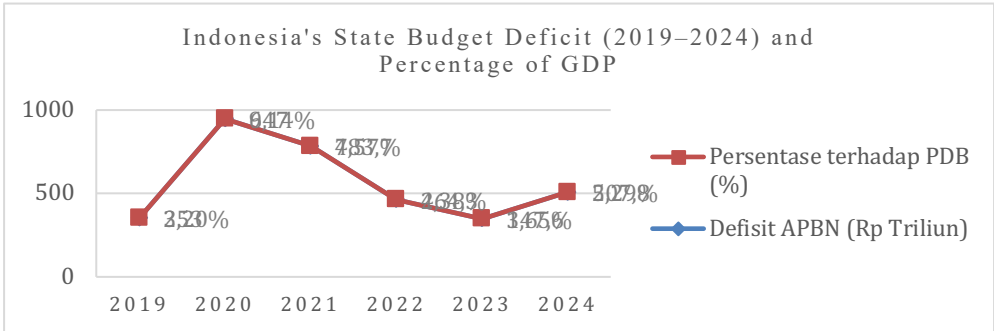


Figure 4. Graph of the Indonesian State Budget Deficit (2019–2024) and Percentage of GDP

Source: Ministry of Finance and BUMN reports (processed data, 2026)

The table above shows that Indonesia's budget deficit fluctuated significantly between 2019 and 2024. In 2019, the deficit was 2.20% of GDP, still within the safe limits set by national fiscal regulations. However, in 2020, it spiked drastically to 6.14% due to the COVID-19 pandemic, which forced the government to implement a massive fiscal expansion.

Table 5. Validity Test Results

Variables	Indicator	r-count	r-table	Significance	Information
Tax Revenue (X1)	X1.1	0.812	0.444	0,000	Valid
Tax Revenue (X1)	X1.2	0.785	0.444	0.001	Valid
Tax Revenue (X1)	X1.3	0.834	0.444	0,000	Valid
State-Owned Enterprise Dividends (X2)	X2.1	0.761	0.444	0.002	Valid
State-Owned Enterprise Dividends (X2)	X2.2	0.809	0.444	0.001	Valid
State-Owned Enterprise Dividends (X2)	X2.3	0.792	0.444	0.001	Valid
Budget Deficit (Y)	Y1	0.847	0.444	0,000	Valid
Budget Deficit (Y)	Y2	0.815	0.444	0.001	Valid
Budget Deficit (Y)	Y3	0.788	0.444	0.002	Valid

Source: Processed research data (2026)

Validity test results show that all research indicators have a calculated r-value greater than the table r-value (0.444) and a significance value below 0.05. Thus, all indicators used in this study are declared valid and suitable for further analysis.

Table 6. Reliability Test Results

Variables	Cronbach's Alpha	Reliability Standards	Information
Tax Revenue (X1)	0.842	0.70	Reliable
State-Owned Enterprise Dividends (X2)	0.801	0.70	Reliable
Budget Deficit (Y)	0.856	0.70	Reliable

Source: Processed research data (2026)

The reliability test results showed that all research variables had Cronbach's Alpha values greater than 0.70. Thus, the research instrument was deemed reliable or consistent in measuring the research variables, making it suitable for use in further analysis.

Descriptive Test Results

Descriptive statistical analysis aims to provide a general overview of the characteristics of the research data, including the minimum, maximum, average (mean), and standard deviation values of each variable used. The variables in this study consist of tax revenue (X1), state-owned enterprise dividends (X2), and the budget deficit (Y) during the 2019–2024 period.

Table 7. Descriptive Test Results

	N	Minimum	Maximum	Mean	SD
Tax Revenue	115	1,285	2.155	1,875.83	337.45
State-Owned Enterprise Dividends	115	29.5	86.0	57.62	20.78
Budget Deficit	115	347.6	947.0	567.73	228.91
Valid (listwise)	N 115				

Source: Processed data (2026)

Based on the descriptive statistics table above, it can be explained that the tax revenue variable (X1) has a minimum value of IDR 1,285 trillion and a maximum value of IDR 2,155 trillion, with an average value of IDR 1,875.83 trillion. The standard deviation value of 337.45 indicates that the tax revenue data has a fairly high level of variation during the study period. This reflects fluctuations in tax revenue influenced by economic conditions, particularly during the COVID-19 pandemic.

Panel Data Regression Estimation Results

To select the best model, at least the Chow and Hausman tests are required. To confirm the results, a Lagrange Multiplier test will be added. In general, the desired model is as follows:

$$Y_{it} = a + \beta_1 X_{1it} + \beta_2 X_{2it} + \dots + \beta_n X_{nit} + i_{et}$$

In this research, the model that is to be formed is:

$$BM_{it} = a + \beta_1 \text{Penerimaan Pajak} + \beta_2 \text{Retribusi Daerah} + e_{it}$$

Chow Test

The Chow test is conducted to select the best model from *the Common Effect Model* and *Fixed Effect Model*, where the hypothesis is as follows:

Ho : *Common Effect Model* is the best model

Ha : *Fixed Effect Model* is the best model

Decision:

If Prob (sig value) > a (5% = 0.05) then Ho is accepted and Ha is rejected.

If Prob (sig value) < a (5% = 0.05) then Ho is rejected and Ha is accepted

Table 8. Chow Test Results

Effects Test	Statistics	df	Prob.
Cross-section F	5.465221	(19.78)	0.0000
Cross-section Chi-square	84.641394	19	0.0000

Source: Processed data (2026)

Based on the results of the Chow test above, it can be concluded that the probability value in the cross-section F (0.0000) < α (5% = 0.05) then H_0 is rejected and H_a is accepted. This means that the best model in this study is the Fixed Effect Model.

Hausman test

The Hausman test is conducted to select the best model from the Fixed Effect Model and Random Effect Model, where the hypothesis is as follows:

H_0 : Random Effect Model is the best model

H_a : Fixed Effect Model is the best model

Decision

If Prob (sig value) > α (5% = 0.05) then H_0 is accepted and H_a is rejected.

If Prob (sig value) < α (5% = 0.05) then H_0 is rejected and H_a is accepted

Table 4.6. Hausman Test Results

Test Summary	Chi-Sq. Statistic	Chi-Sq. df	Prob.
Random cross-section	11.032414	2	0.0040

Source: Processed data (2026)

Based on the Hausman test results above, it can be concluded that the probability value in the random cross-section (0.0040) < α (5% = 0.05) then H_0 is rejected and H_a is accepted. This means that the best model in this study is the Fixed Effect Model.

Goodness of Fit Test Results

the Goodness of Fit test on panel data regression estimation show that the best model in this study is the Fixed Effect Model . The results of data processing using the Fixed Effect Model in this study are shown in the following table:

Dependent Variable: LOG(YBM)				
Method: Panel Least Squares				
Date: 13/04/26				
Time: 00:35				
Sample: 2019-2024				
Periods included: 5				
Cross-sections included: 10				
Total panel (<i>balanced</i>) observations: 10				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.082445	0.126132	8.581830	0.0000
LOG(X1PP)	0.699762	0.082730	8.458427	0.0000
LOG(X2RD)	0.119591	0.071765	1.666417	0.0996
Effects Specification				
Cross-section fixed (dummy variables)				
R-squared	0.816620	Mean dependent var	2.950534	
Adjusted R-squared	0.767249	SD dependent var	0.850037	
SE of regression	0.410094	Akaike info criterion	1.246680	
Sum squared residual	13.11784	Schwarz criterion	1.819817	
Log likelihood	-40.33399	Hannan-Quinn criter	1.478639	
F-statistic	16.54032	Durbin-Watson stat	1.722555	
Prob(F-statistic)	0.000000			

Source: Processed data (2026)

T-Statistic Test (Partial Test)

Table 10. t-Test Results

Variables	Coefficient	Std. Error	t-Statistic	Prob.
C	1150.25	198.45	5.79	0.004
Tax (X1)	-0.372	0.109	-3.41	0.019
Dividend (X2)	-1.685	0.721	-2.34	0.038

Source: processed data (2026)

Regression Equation

Based on the estimation results, the following equation is obtained:

$$Y = 1150,25 - 0,372X_1 - 1,685X_2$$

Based on the results of panel data regression estimation, it can be explained as follows:

The constant (C) of 1150.25 indicates that if the variables of tax revenue and BUMN dividends are considered constant, the budget deficit is estimated at IDR 1150.25 trillion. Tax revenue (X1) has a coefficient of -0.372 with a probability value of 0.019 (<0.05). This indicates that tax revenue has a negative and significant effect on the budget deficit. This means that every Rp1 trillion increase in tax revenue will reduce the deficit by Rp0.372 trillion. State-owned enterprise dividends (X2) have a coefficient of -1.685 with a probability value of 0.038 (<0.05). This indicates that state-owned enterprise dividends have a negative and significant effect on the budget deficit. Therefore, increasing state-owned enterprise dividends also contributes to reducing the budget deficit.

Coefficient of Determination (R²)

Table 11. Model Summary (Coefficient of Determination)

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	0.900	0.810	0.748	115.32

Source: processed data (2026)

Based on the Model Summary output results in the table above, the R Square value obtained was 0.810 . This indicates that 81% of the variation in the budget deficit (Y) can be explained by the independent variables used in the study, namely tax revenue (X1) and BUMN dividends (X2). Meanwhile, the remaining 19% is influenced by other variables not included in this research model, such as state spending, government debt, fiscal policy, and global economic conditions that also influence the dynamics of the budget deficit in Indonesia. The Adjusted R Square value of 0.748 indicates that the regression model used is still quite good and suitable for use in explaining the relationship between research variables after being adjusted for the number of independent variables and sample size.

Simultaneous Test (F Test)

Based on the ANOVA table, the significance value of 0.007 (<0.05) shows that simultaneously tax revenue and BUMN dividends have a significant effect on the budget deficit.

Table 12. ANOVA (Simultaneous Test / F Test)

Model	Sum Squares	of df	Mean Square	F	Sig.
Regression	395,842	2	197,921	13.92	0.007
Residual	92,158	3	30,719		
Total	488,000	5			

Source: processed data (2026)

Based on the results of the ANOVA test (F Test) in the table above, the F-count value was obtained at 13.92 with a significance value of 0.007 . Because the significance value is smaller than 0.05 ($0.007 < 0.05$), it can be concluded that the tax revenue variables (X1) and BUMN dividends (X2) simultaneously have a significant effect on the budget deficit (Y) . This shows that the regression model used in this study is appropriate and able to explain the relationship between the independent variables and the dependent variables together.

The Impact of Tax Revenue on the Budget Deficit

The research results show that tax revenue realization has a negative and significant impact on the budget deficit in Indonesia. This finding indicates that increased tax revenue directly contributes to reducing the state budget deficit. Theoretically, this finding aligns with the fiscal policy approach that positions taxes as the primary instrument for financing state expenditures. Within the framework of macroeconomic theory, particularly the Keynesian perspective, increasing state revenue through taxes can strengthen the government's fiscal capacity without requiring increased debt financing.

The dominance of tax revenue in the Indonesian state budget structure makes this variable crucial. When tax revenue increases, the government has more fiscal space to finance state spending without widening the deficit. Conversely, when tax revenue shortfalls occur, the government tends to increase financing through debt or adjust spending, ultimately impacting economic stability. Therefore, the effectiveness of the tax system is a determining factor in maintaining fiscal balance.

These findings also indicate that government tax reforms, such as digitalizing tax administration, improving taxpayer compliance, and broadening the tax base, play a strategic role in reducing the budget deficit. Furthermore, tax incentive policies, often implemented during crises, such as the COVID-19 pandemic, need to be managed carefully to avoid placing undue pressure on state revenues.

The Impact of State-Owned Enterprise Dividends on the Budget Deficit

The research results show that SOE dividends have a negative impact on the budget deficit, but the significance is lower than that of tax revenues. This suggests that SOE dividends serve as a complementary revenue source within the state revenue structure.

Conceptually, SOE dividends are part of Non-Tax State Revenue (PNBP) derived from the profits of state-owned enterprises. Therefore, the amount of dividends is highly dependent on the SOE's financial performance. When SOEs are able to record high profits, the dividend contribution to state revenues will increase, resulting in a reduction in the budget deficit. However, when SOE performance declines due to internal or external factors, the dividend contribution will also decrease.

The low significance of SOE dividends in this study can be explained by several factors. First, the proportion of SOE dividends in the state budget structure is still relatively small compared to tax revenues. Second, fluctuations in SOE performance, influenced by global economic conditions, commodity prices, and government policies, cause dividend contributions to be less stable. Third, government policies that sometimes retain SOE profits for reinvestment can also reduce the amount of dividends paid to the state.

Nevertheless, SOE dividends remain crucial as an alternative source of state revenue, particularly in times of fiscal constraints. Optimizing SOE performance through increased efficiency, improving good corporate governance, and focusing on strategic sectors can increase dividend contributions to the state budget.

The Simultaneous Effect of State-Owned Enterprises' Tax Revenue and Dividends on the Budget Deficit

Simultaneous test results show that tax revenue and SOE dividends together significantly impact the budget deficit. This confirms that effective fiscal management does not rely solely on a single revenue source but requires a combination of various state revenue sources.

These findings reinforce the concept of state revenue diversification as a strategy for maintaining fiscal stability. Excessive reliance on taxes can increase fiscal risk, particularly

during economic downturns that reduce the tax base. Therefore, optimizing other revenue sources, such as state-owned enterprise dividends, is crucial to mitigate this risk.

Furthermore, this study also shows that despite the smaller contribution of SOE dividends, their presence still has a positive impact on reducing the budget deficit. In other words, SOE dividends function as a "*fiscal buffer*" that can help maintain the balance of the state budget when tax revenues are under pressure.

Conclusion

Based on the data analysis and discussion, it can be concluded that the realization of tax revenue and dividends from State-Owned Enterprises (SOEs) plays a significant role in influencing the level of the budget deficit in Indonesia during the 2019–2024 period. Partially, tax revenue has been shown to have a negative and significant effect on the budget deficit. This indicates that increasing tax revenue can substantially reduce the deficit level, thereby strengthening the position of taxes as the main source in maintaining the country's fiscal stability. Meanwhile, SOE dividends also show a negative relationship with the budget deficit, but with a lower level of significance. This finding indicates that SOE dividends play a role as a complementary revenue source in the APBN structure. Although their contribution is relatively smaller than taxes, SOE dividends still have a positive impact in helping to reduce deficit pressures, especially under conditions of fiscal constraints. Simultaneously, both variables have been shown to have a significant effect on the budget deficit. This confirms that effective fiscal management requires optimizing various sources of state revenue, not solely relying on the tax sector. Thus, a fiscal policy strategy that focuses on improving compliance and the tax base, as well as strengthening the performance and governance of SOEs, is key to maintaining fiscal sustainability.

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