THE DETERMINANTS OF PAYERS' RESPONSIBILITY FOR QUIT RENT PAYMENT IN THE STATE OF PERAK DARUL RIDZUAN: A DEMOGRAPHIC STUDY

by

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Pejabat Daerah dan Tanah

Kuala Kangsar

Kuala Kangsar

Introduction

- End of December 2011, the Government of Perak managed to collect total revenue at RM793.18 million.

- The collection of various land revenue recorded by the PTG & PDTs amounted to RM486.77 million, which was 61.36% from the state's total revenue (Perak Public Account Statement, 2011).

The Problem Statements

- The quit rent arrears in Perak is at worrying figure. From year 2001 until 2010.

- From 2001 until 2010, the total quit rent revenue arrears increased by **68.16% from RM107.48 million (2001) to RM180.74 million (2010)** (Perak Public Account Statement, 2010).

The Problem Statements (cont.)

By the end of year 2011, the quit rent arrears is at **RM132.43 million,** which was reduced by **RM48.31 million or 26.72%** from 2010 (Perak Public Account Statement, 2011) as shown in table below.

PERAK REVENUE ARREARS STATEMENT BY 31st DECEMBER, (RM million)

BIL	LAND OFFICE	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1	Tapah	3.83	3.49	4.08	9.27	10.86	10.92	9.39	6.88	6.91	7.32	4.10
2	Slim River	4.30	3.48	1.80	7.54	6.16	7.31	10.83	11.44	12.28	10.08	4.35
3	Manjung	12.60	13.65	11.12	12.16	12.44	22.64	27.88	46.71	18.92	17.14	17.43
4	Hilir Perak	6.97	7.91	7.32	8.90	11.96	14.76	8.77	16.02	12.55	13.19	7.68
5	Gerik	1.69	1.68	1.40	0.87	1.60	1.45	1.57	1.54	1.63	1.59	1.05
6	Pengkalan Hulu	0.26	0.30	0.30	0.31	0.42	0.56	1.10	0.63	0.46	0.42	0.92
7	Lenggong	1.44	1.90	0.97	1.76	0.83	0.80	0.81	1.04	2.06	1.80	1.09
8	Batu Gajah	11.20	12.34	13.22	21.69	24.19	31.83	30.52	24.55	26.52	27.82	12.41
9	Kampar	0.00	0.00	0.00	0.00	0.00	6.27	8.35	9.43	7.00	11.43	8.64
10	Ipoh	47.43	45.25	52.70	56.41	43.35	33.95	41.89	46.61	38.19	50.61	45.96
11	Parit Buntar	1.64	1.87	1.82	2.21	2.08	5.49	2.00	7.23	10.05	9.81	7.29
12	Kuala Kangsar	2.48	2.31	2.30	2.30	2.40	2.70	2.95	3.09	3.28	3.25	3.32
13	Sungai Siput	1.15	2.09	2.60	2.09	2.71	2.73	2.52	3.88	11.26	3.02	1.67
14	Larut, Matang	8.25	9.92	10.36	9.17	10.11	11.86	13.13	9.35	13.71	16.84	12.51
15	Selama	0.73	0.81	0.82	0.93	1.14	1.26	1.04	1.11	2.12	1.71	1.51
16	Seri Iskandar	2.34	3.52	4.72	4.07	4.85	4.84	4.09	4.45	4.60	2.79	1.83
17	Kampong Gajah	1.17	1.18	1.58	1.38	1.73	1.88	2.50	2.16	1.49	1.92	0.67
	TOTAL	107.48	111.70	117.11	141.05	136.82	161.25	169.34	196.12	173.03	180.74	132.43

Souce: Perak Public Account Statement, 2001 - 2011

Research Question

- This research attempted to answer the question of “What are the determinants of payers’ responsibility for quit rent payment in Perak Darul Ridzuan?’

Objective of The Study

- The objective of this study is to determine whether the demographic characteristics have relationship on the payer’s responsibility for quit rent payment in Perak Darul Ridzuan.

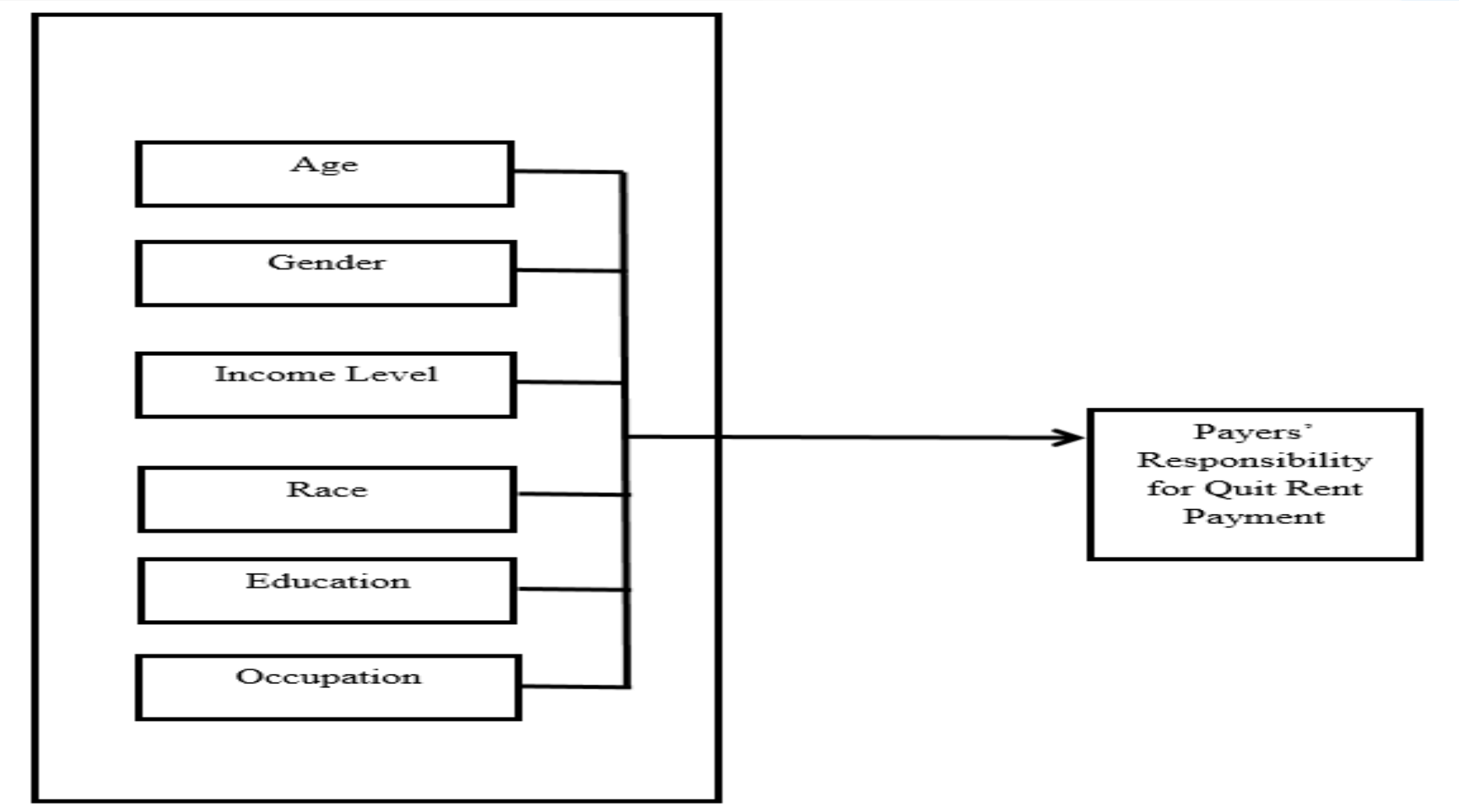
Source of Data

- The sources of data are mainly obtained from the Perak Annual Public Financial Statement, and Perak Annual Budget Book.
- Besides that, the data on quit rent collections for each Land Office Administration in Perak was obtained from the Director of Lands and Mines Office (PTG).
- Furthermore, this study also obtained data from questionnaires that was distributed to seventeen (17) of Land Offices in Perak Darul Ridzuan.

Analysis of Data

- For this research, all data was analyzed by using Predictive Analytics Software or (PASW) (formerly known as Statistical Package for the Social Science (SPSS).

Research Framework



Sampling

- For this research, 10 set of questionnaires was distributed to 10 sample at the seventeen (17) Land Offices in Perak Darul Ridzuan, which made to 170 questionnaires was distributed.
- The samples are randomly chosen from the land tax payers. The questionnaires were left at the particular land offices and were distributed by the officers.
- After 30 December 2012, we managed to collect 126 responded questionnaires from 170 questionnaires that were early distributed.

Hypotheses Development

Gender

- H_0:Gender of land taxpayers' has no relationship on the quit rent payment responsibility in the State of Perak Darul Ridzuan

- H_1:Gender of land taxpayers' has relationship on the quit rent payment responsibility in the State of Perak Darul Ridzuan

Age

- H_0:Age of land taxpayers' has no relationship on the quit rent payment responsibility in the State of Perak Darul Ridzuan

- H_1:Age of land taxpayers' has relationship on the quit rent payment responsibility in the State of Perak Darul Ridzuan

Income Level

- H_0:Income level of land taxpayers' has no relationship on the quit rent payment responsibility in the State of Perak Darul Ridzuan

- H_1:Income level of land taxpayers' has relationship on the quit rent payment responsibility in the State of Perak Darul Ridzuan

Race

- H_0:Race of land taxpayers' has no relationship on the quit rent payment responsibility in the State of Perak Darul Ridzuan

- H_1:Race of land taxpayers' has relationship on the quit rent payment responsibility in the State of Perak Darul Ridzuan

Education

- H_0:Education of land taxpayers' has no relationship on the quit rent payment responsibility in the State of Perak Darul Ridzuan

- H_1:Education of land taxpayers' has relationship on the quit rent payment responsibility in the State of Perak Darul Ridzuan

Occupation

- H_0:Occupation of land taxpayers' has no relationship on the quit rent payment responsibility in the State of Perak Darul Ridzuan

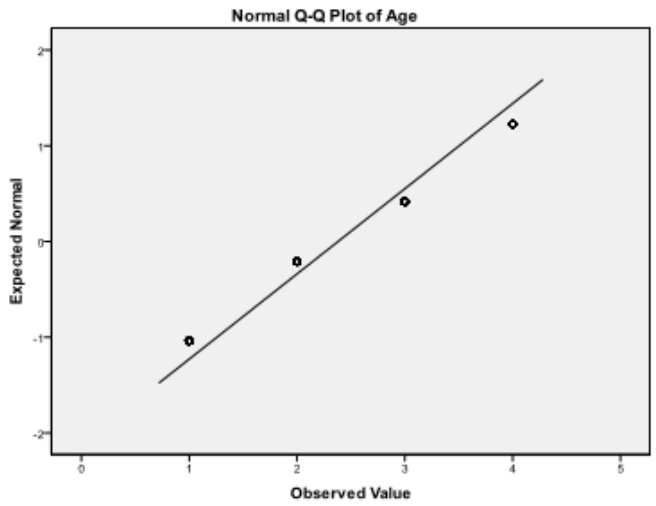
- H_1:Occupation of land taxpayers' has relationship on the quit rent payment responsibility in the State of Perak Darul Ridzuan

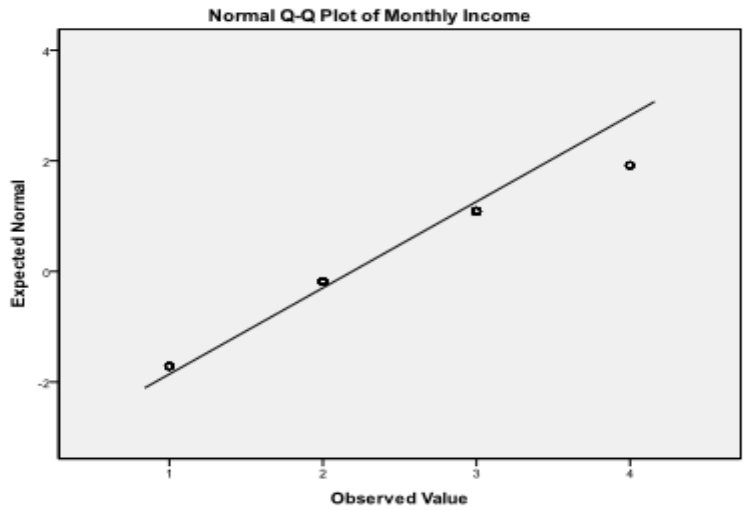
FINDINGS AND ANALYSIS OF FINDINGS

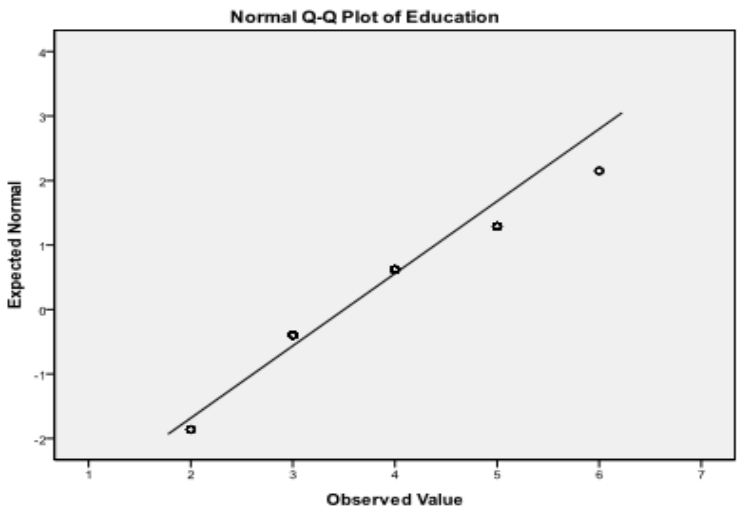
- The analysis of data that was used in this research such as normality test, descriptive analysis, crosstabulation analysis and chi-square test.
- In order to maintain the quality standard of this research, we used the normality test using the Q-Q plot.

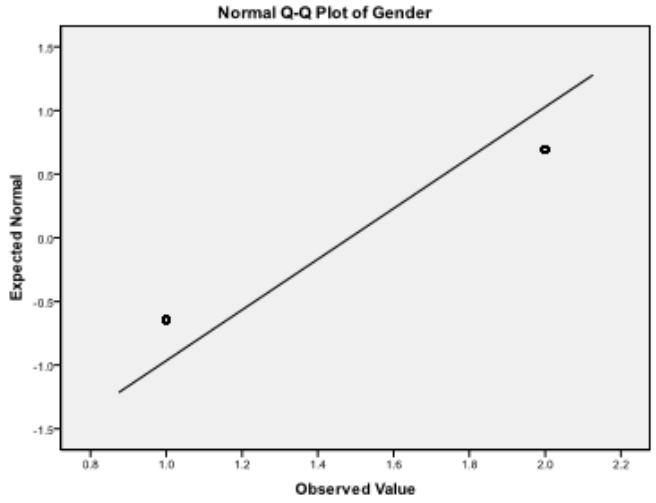
Table 4.3.1: Descriptive Analysis of Variable of Landowners

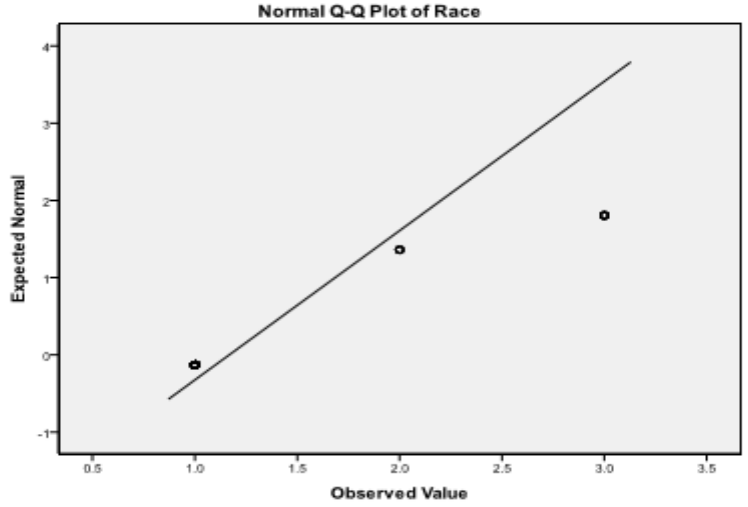
Variables		(N=126) Frequency	Percentage
1. Gender			
	Male	65	51.6
	Female	62	48.4
2. Age (years)			
	18-30	37	29.4
	31-40	31	24.6
	41-50	31	24.6
	> 51	27	21.4
3. Race			
	Malay	113	89.7
	Chinese	5	4
	Indian	8	6.3
4. Education			
	Primary school	7	5.6
	Secondary school	73	57.9
	Diploma	25	19.8
	Degree	18	14.3
	> Master Degree	3	2.4
5. Occupation			
	Private sector	21	16.7
	Government sector	91	72.2
	Self employed	11	8.7
	Pensioner	3	2.4
6. Monthly income			
	Below RM1,000	10	7.9
	RM1,000 - RM3,000	88	69.8
	RM3,001 - RM5,000	22	17.5
	RM5,001 - RM10,000	6	4.8

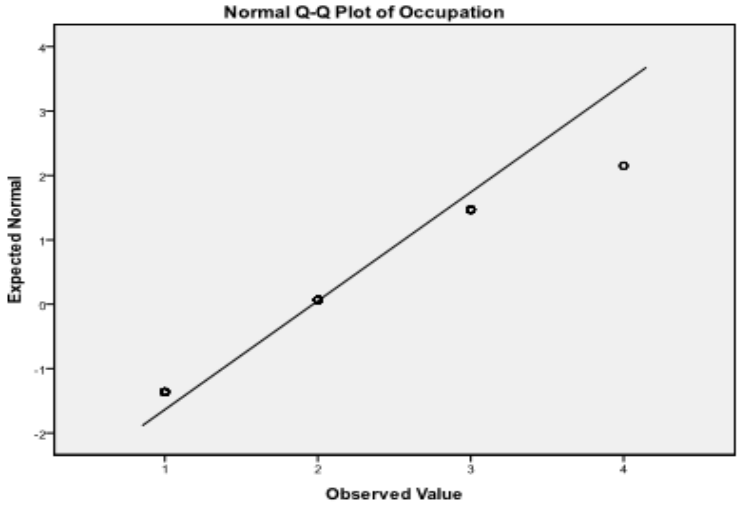

Normal Q-Q Plot of Age
Expected Normal
Observed Value


Normal Q-Q Plot of Monthly Income
Expected Normal
Observed Value


Normal Q-Q Plot of Education
Expected Normal
Observed Value


Normal Q-Q Plot of Gender
Expected Normal
Observed Value


Normal Q-Q Plot of Race
Expected Normal
Observed Value


Normal Q-Q Plot of Occupation
Expected Normal
Observed Value

The relationship between Gender and Responsibility

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.006[a]	1	.936		
Continuity Correction[b]	.000	1	1.000		
Likelihood Ratio	.006	1	.936		
Fisher's Exact Test				1.000	.629
Linear-by-Linear Association	.006	1	.937		
N of Valid Cases	126				

a. 2 cells (50.0%) have expected count less than 5. The minimum expected count is 2.90.

b. Computed only for a 2x2 table

Level of significant = 0.05

Degree of Freedom =1

Chi-Square Value from Table = 3.841

Chi-Square Value from Calculation = 0.006

From the table of Chi-Square test above, we found that the calculated chi-square value (0.006) is lower than the value from chi-square distribution table (3.841). Therefore, we **accepted null hypothesis (H0)** and concluded that there is no significant relationship between Gender and Responsibility.

The relationship between Age and Responsibility

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	2.187[a]	1	.139		
Continuity Correction[b]	1.122	1	.290		
Likelihood Ratio	2.417	1	.120		
Fisher's Exact Test				.216	.145
Linear-by-Linear Association	2.169	1	.141		
N of Valid Cases	126				

a. 2 cells (50.0%) have expected count less than 5. The minimum expected count is 2.76.

b. Computed only for a 2x2 table

Level of significant = 0.05
Degree of Freedom =1
Chi-Square Value from Table = 3.841
Chi-Square Value from Calculation = 2.187

From the table of Chi-Square test above, we found that the calculated chi-square value (2.187) is lower than the value from chi-square distribution table (3.841).

Therefore, we **accepted null hypothesis (H0)** and concluded that there is no significant relationship between Age and Responsibility.

The relationship between Income and Responsibility

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.315[a]	1	.575		
Continuity Correction[b]	.000	1	1.000		
Likelihood Ratio	.600	1	.438		
Fisher's Exact Test				1.000	.742
Linear-by-Linear Association	.312	1	.576		
N of Valid Cases	126				

a. 1 cells (25.0%) have expected count less than 5. The minimum expected count is .29.

b. Computed only for a 2x2 table

Degree of Freedom =1

Chi-Square Value from Table = 3.841

Chi-Square Value from Calculation = 0.315

From the table of Chi-Square test above, we found that the calculated chi-square value (0.315) is lower than the value from chi-square distribution table (3.841).

Therefore, **we accepted null hypothesis (H0)** and concluded that there is no significant relationship between Income and Responsibility.

The relationship between Race and Responsibility

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.274[a]	1	.600		
Continuity Correction[b]	.000	1	1.000		
Likelihood Ratio	.238	1	.626		
Fisher's Exact Test				.487	.487
Linear-by-Linear Association	.272	1	.602		
N of Valid Cases	126				

a. 1 cells (25.0%) have expected count less than 5. The minimum expected count is .62.

b. Computed only for a 2x2 table

Level of significant = 0.05
Degree of Freedom =1
Chi-Square Value from Table = 3.841
Chi-Square Value from Calculation = 0.274

From thetable of Chi-Square test above, we found that the calculated chi-square value (0.274) is lower than the value from chi-square distribution table (3.841)

Therefore, we **accepted null hypothesis (H0)** and concluded that there is no significant relationship between Race and Responsibility.

The relationship between Education and Responsibility

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	5.959[a]	1	.015		
Continuity Correction[b]	4.027	1	.045		
Likelihood Ratio	5.865	1	.015		
Fisher's Exact Test				.024	.024
Linear-by-Linear Association	5.912	1	.015		
N of Valid Cases	126				

a. 2 cells (50.0%) have expected count less than 5. The minimum expected count is 2.19.
b. Computed only for a 2x2 table

Level of significant = 0.05
Degree of Freedom =1
Chi-Square Value from Table = 3.841
Chi-Square Value from Calculation = 5.959 (Refer to Appendix ?)

From the table) of Chi-Square test above, we found that the calculated chi-square value (5.959) is higher than the value from chi-square distribution table (3.841).

Therefore, we **rejected null hypothesis (H0)** and concluded that there is a significant relationship between Education and Responsibility.

The relationship between Occupation and Responsibility

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.154[a]	1	.695		
Continuity Correction[b]	.000	1	1.000		
Likelihood Ratio	.296	1	.586		
Fisher's Exact Test				1.000	.863
Linear-by-Linear Association	.152	1	.696		
N of Valid Cases	126				

a. 2 cells (50.0%) have expected count less than 5. The minimum expected count is .14.

b. Computed only for a 2x2 table

Level of significant = 0.05

Degree of Freedom =1

Chi-Square Value from Table = 3.841

Chi-Square Value from Calculation = 0.154

From the table of Chi-Square test above, we found that the calculated chi-square value (0.154) is lower than the value from chi-square distribution table (3.841).

Therefore, we **accepted null hypothesis (H0)** and concluded that there is no significant relationship between Occupation and Responsibility.

CONCLUSIONS AND RECOMMENDATIONS

From the findings, we concluded that there is **no relationship** between age, gender, race, income level and occupation with quit rent payers' responsibility to pay their quit rent.

However, we also concluded that there is a relationship between educational level and quit rent payers' responsibility.

We concluded that low educational level, whose is having "SPM and below", is more responsible to pay quit rent as compared to high educational level that is for those respondents having "STPM and above".

Recommendations of the research are;

1. Since the findings of this study mentioned that there is a relationship between educational level and quit rent payers' responsibility, more effort shall be made targeting on them by the the state authority & land office to ensure higher collection of quit rent plus to increase in collection of quit rent arrears.
2. Some campaigns by using electronic devices, internet facilities, mass media, contest of quit rent payment, lucky draw programmes can be implemented.
3. Along with that, the land office shall provide enough and multiple choice of method for the land taxpayer to pay their land taxes, for instance by credit card facilities and online payment.

To conclude;

The findings and analysis of this paper have revealed several interesting facts about Perak quit rent payers' level of responsibilities for quit rent payment based on the demographic of the quit rent payers.

The most important things, by understanding the relationship between responsibility of quit rent payers with their demographic characteristics can produced more effective and innovative efforts to collect more quit rent, hence will significantly decreased the quit rent arrears.

The End.
Thank You.

Chi Square Distribution Table

Table 5-2
Critical Values of the χ^2 Distribution

df \ p	0.995	0.975	0.9	0.5	0.1	0.05	0.025	0.01	0.005	df
1	.000	.000	0.016	0.455	2.706	3.841	5.024	6.635	7.879	1
2	0.010	0.051	0.211	1.386	4.605	5.991	7.378	9.210	10.597	2
3	0.072	0.216	0.584	2.366	6.251	7.815	9.348	11.345	12.838	3
4	0.207	0.484	1.064	3.357	7.779	9.488	11.143	13.277	14.860	4
5	0.412	0.831	1.610	4.351	9.236	11.070	12.832	15.086	16.750	5
6	0.676	1.237	2.204	5.348	10.645	12.592	14.449	16.812	18.548	6
7	0.989	1.690	2.833	6.346	12.017	14.067	16.013	18.475	20.278	7
8	1.344	2.180	3.490	7.344	13.362	15.507	17.535	20.090	21.955	8
9	1.735	2.700	4.168	8.343	14.684	16.919	19.023	21.666	23.589	9
10	2.156	3.247	4.865	9.342	15.987	18.307	20.483	23.209	25.188	10
11	2.603	3.816	5.578	10.341	17.275	19.675	21.920	24.725	26.757	11
12	3.074	4.404	6.304	11.340	18.549	21.026	23.337	26.217	28.300	12
13	3.565	5.009	7.042	12.340	19.812	22.362	24.736	27.688	29.819	13
14	4.075	5.629	7.790	13.339	21.064	23.685	26.119	29.141	31.319	14
15	4.601	6.262	8.547	14.339	22.307	24.996	27.488	30.578	32.801	15