

Analysis of the Influence of the Number of Domestic Tourists and Hotel Occupancy Rate on the Original Regional Income of Bali Province

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ABSTRACT

Since Bali is a major tourist destination in Indonesia, the Bali Provincial Government must secure enough Regional Original Income to manage both tourism and community welfare. However, the Covid-19 pandemic's impacts have reduced tourism, which has also reduced Bali Province's regional original income. The purpose of this study is to examine how the number of domestic visitors and hotel occupancy rates affect Bali Province's regional original income from 2010 to 2024. The province of Bali was the site of this investigation. Data on the number of domestic visitors, hotel occupancy rates, and regional original income from the Central Statistics Agency website, with a data input span of 2010 to 2024, make up the research sample. The Central Statistics Agency website is used to gather information on the number of domestic visitors, hotel occupancy rates, and regional original income.

Using the Statistical Package for the Social Sciences (SPSS) version 26 software, the data analysis method employs multiple linear regression analysis. The study's findings demonstrate that, between 2010 and 2024, the number of domestic tourists significantly increased Bali Province's regional original income. In the meantime, from 2010 to 2024, hotel occupancy rates significantly and adversely affected Bali Province's Regional Original Income (ROI). Thus, it can be said that the number of domestic visitors has a greater impact on Bali Province's ROI than hotel occupancy rates.

INTRODUCTION

Regional Original Revenue (PAD) is one measure of a region's independence. A region's degree of reliance on the federal government decreases with increasing Regional Original Revenue (PAD). However, because Regional Original Revenue (PAD) is a source of regional revenue that originates inside the region itself, the smaller a region's PAD, the more dependent the local government is on the federal government.

The number of visitors and hotel occupancy rates are two factors that need to be increased in order to maximize Regional Original Revenue (PAD). Regional Original Revenue (PAD) is defined in Law 33 of 2004 as the revenue collected by the regions in compliance with rules and regulations. Realizing a region's economic potential is crucial to its capacity to generate revenue. According to Yovita in Fajrina & Suzan (2015), areas with sufficient infrastructure and facilities will influence the community's productivity level and draw in investors. A type of public service that the local government offers to the community by building infrastructure and facilities, the acquisition of which is funded by the capital expenditure budget.

To maximize the potential already there in the region, each region needs to have authority. by offering a tourist policy that uses the tourism industry as a source of local income. From an economic perspective, the number of hotels in the province of Bali, the number of restaurants, the number of travel agencies, and the existence of the tourism industry will all contribute to the growth of interconnected businesses that support their operations in order to raise people's income (Hutasoit & Wau, 2017). Additionally, tourism activities can have an impact on regional income, which comes from taxes, parking fees, and entrance tickets. Hotels and other types of accommodation that are one of the components Important from the tourism industry, that should always be maintained and developed. Based on data Central Statistics Agency (BPS) (2016), Room Occupancy Rate ([TPK](#)) [star hotels](#) di [Bali](#) in October 2021 it was recorded at 17.73%. Star-rated hotels on the Island of the Gods dominate three or more stars. In detail, there are 153 three-star hotels (35.25% of the total number of star hotels in Bali) with 10,242 rooms, 139 (32%) four-star hotels with 17,547 rooms, and 83 five-star hotels (19.12%) with 16,164 rooms.

Findings from studies on the quantity of domestic visitors and hotel occupancy rates against Numerous researchers, notably Alwi et al. (2019), have demonstrated that hotel occupancy rates and visitor numbers have an impact on the region's initial revenue. According to Arisandi's (2022) research, while hotel occupancy and visitor numbers are not statistically significant, they do have a favorable impact on the region's initial revenue. However, Asmynendar et al. (2021) demonstrate that the initial revenue of the area is not much impacted by the hotel occupancy rate or the number of visitors. The number of visitors has a positive and negligible impact on the initial revenue of the tourism industry, however the variable number of hotels has a positive and large impact, according to Dewi & Adi (2021) and Arisandi (2022). Additionally, research by Mirza et al. (2017) demonstrates that hotel occupancy rates and visitor numbers have a favorable and substantial impact on local tourism industry profitability.

METHOD

Research Approach

There is a causal association between two or more variables in this study. The affecting variables are endogenous, or constrained, and exogenous, or free. Sugiyono (2019) defines quantitative research as a method based on positivism that is used to study a particular population or sample, collect data using research instruments, and analyze quantitative and statistical data in order to test a predetermined hypothesis.

Place and Time of Research

The Central Statistics Agency's website for the number of domestic tourists and hotel occupancy rate, as well as other official websites that support this research with data input for 2010–2024, were used to perform this study in the Province of Bali.

Operational Definition and Measurement of Research Variables

The variables used in this study are:

1. Number of Travelers (X_1)

The number of tourists is the number of people who do activities or tourist visits. The number of tourists in this study is seen from data from the tourism office with units of thousands of people. The tourists in question are local tourists from Bali Province for the period 2010-2024.

2. Hotel occupancy rate (X_2)

Hotel occupancy rate is the number of star and jasmine hotel rooms in Bali Province that are sold or occupied. The hotel occupancy rate in this study is seen from the data on the hotel occupancy rate with a percentage in the Province of Bali for the 2010-2024 period.

3. Regional Original Revenue (Y)

Regional revenue is all recognized regional rights as an addition to the value of net wealth in the period of the relevant fiscal year. The original regional income in this study is seen from PAD data using unit data of thousands of rupiah in the Province of Bali for the period 2010-2024.

Analysis Method

numerous linear regression analysis is the analysis technique employed to ascertain the impact of numerous independent variables on a single dependent variable. The link and the degree to which each independent variable influences the dependent variable are explained using multiple linear regression analysis models (Ghozali, 2018). This study employed quantitative data analysis and statistical analysis with support from SPSS (Statistical Product and Service). This program is simple to use when doing the operation process since it has a good enough statistical analysis capability to test theories. This has to do with the original regional revenue of Bali Province as dependent factors and the number of domestic tourists and hotel occupancy level as independent variables.

RESULTS

Overview of the Province of Bali

One of the Indonesian provinces that plays a significant part in the country's tourism industry is Bali Province. Bali Province, which has an area of roughly 5,780 km², is situated geographically between Java Island and Lombok Island. Badung, Gianyar, Tabanan, Bangli, Buleleng, Karangasem, Jembrana, Klungkung, and Denpasar City, the provincial capital, make up Bali's eight districts and one city.

Because of its natural tourism, culture, customs, art, and hospitality, the province of Bali is a popular travel destination worldwide. PAD, labor absorption, and the expansion of other auxiliary industries like commerce, transportation, dining, and lodging are all greatly impacted by tourism.

In addition to having exceptional tourism potential, Bali Province boasts a highly established tourism infrastructure. The construction of hotels, villas, restaurants, entertainment venues, and other auxiliary facilities is encouraged by the annual increase in both domestic and foreign tourists. Because of this, the hotel occupancy rate is a crucial metric for gauging the growth of Bali Province's tourism sector. But Bali's tourism industry is also highly susceptible to both domestic and international shifts. In 2020, the COVID-19 epidemic had a significant impact on Bali's tourism industry. The hotel occupancy rate fell sharply as a result of the tourist slump, which affected the collection of regional original revenue.

Regional Original Revenue served as the dependent variable in this study, while the number of domestic visitors and hotel occupancy rate served as independent factors. The purpose of the study was to determine how Bali Province's regional original income is impacted by the growth of the tourism industry.

Following an explanation of the study object's overview, the research findings from the data processing of each research variable between 2010 and 2024 were presented.

Development of the Number of Domestic Tourists in Bali Province

The number of domestic visitors is one indicator of the growth of the local tourism industry. The tourism industry's economic activity increases with the number of visitors, which might boost regional revenue, particularly regional original revenue.

The growth of domestic visitors to Bali Province between 2010 and 2024 is seen below.

Table 4. 1 Development of the Number of Domestic Tourists in Bali Province

Year	Number of Domestic Tourists (People)	Development (%)
2010	4.646.343	-
2011	5.675.121	+22,14%
2012	6.063.558	+6,84%

Year	Number of Domestic Tourists (People)	Development (%)
2013	6.976.536	+15,06%
2014	6.394.307	-8,35%
2015	7.147.100	+11,77%
2016	8.643.680	+20,94%
2017	8.735.633	+1,06%
2018	9.757.991	+11,70%
2019	10.545.039	+8,07%
2020	4.596.157	-56,42%
2021	4.301.592	-6,41%
2022	8.052.974	+87,21%
2023	9.877.911	+22,66%
2024	10.120.786	+2,46%

Source: Data processed.

From 2010 to 2019, the number of domestic tourists in Bali Province increased by 22.14 percent in 2011, 6.84 percent in 2012, 15.06 percent in 2013, and then declined by 8.35 percent in 2014 before continuing to rise by 11.77 percent in 2015, 20.94 percent in 2016, 1.06 percent in 2017, and 11.70 percent in 2019.

hitting the peak of 10,545,039 visitors, demonstrating that Bali continues to be the top travel destination for domestic travelers because to its rich cultural heritage, tourism attractions, and sufficient infrastructure. But when the Covid-19 pandemic struck, things drastically changed. Due to travel restrictions and decreased mobility, the number of visitors fell precipitously by 56.42 percent in 2020 to 4,596,157 people, and it continued to decline slightly by 6.41 percent in 2021 to 4,301,592 people because the tourism industry had not fully recovered. As the post-restriction period begins, the recovery is happening relatively quickly, with an increase of 87.21 percent in 2022 to 8,052,974 individuals. followed by an increase of 22.66 percent in 2023, as well as growth that slows to 2.46 percent in 2024 with a total of 10,120,786 people, which is almost equivalent to pre-pandemic conditions. Overall, this data proves that the domestic tourism sector in Bali has good resilience, is able to recover quickly after experiencing pressure, and remains one of the main drivers of regional economic activity.

Development of Hotel occupancy rate in Bali Province

Hotel occupancy rate is an indicator used to see the level of use of hotel rooms by tourists in a certain period. The high occupancy rate of hotels indicates an increase in tourism activities and tourist visits. The following is the development of the hotel occupancy rate in Bali Province in 2010–2024.

Table 4. 2 Development of Hotel occupancy rate in Bali Province

Year	Hotel occupancy rate (%)	Development (%)
2010	60,16	-
2011	63.23	+5,10%
2012	63,21	-0,03%
2013	63,44	+0,36%
2014	60,31	-4,93%
2015	60,48	+0,28%
2016	61,75	+2,10
2017	64,24	+4,03
2018	64,82	+0,90
2019	59,56	-8,12
2020	28,71	-51,80
2021	12,53	-56,36
2022	36,09	+188,03
2023	52,88	+46,52
2024	62,36	+17,93

Source: Data processed.

Based on data on the development of hotel occupancy rates in Bali Province during the period from 2010 to 2024, it can be seen that the movement pattern is very volatile and in line with the conditions of tourist visits in the pre-pandemic period, namely from 2010 to 2019, the number of visits continued to increase gradually with an increase of 5.10 percent in 2011, then decreased by 0.03 percent in 2012. and increased again by 0.36 percent in 2013, but decreased by 4.93 percent in 2014, but after that it continued to increase by 0.28 percent in 2015, 2.10 percent in 2016, 4.03 percent in 2017, and 0.90 percent in 2018 which indicates good performance of the hospitality sector as tourist arrivals increase, Although it had fallen by 8.12 percent in 2019 due to increasingly fierce business

competition and changes in travel patterns. Entering 2020 and 2021, the occupancy rate experienced a very sharp decline of 51.80 percent and 56.36 percent, respectively, touching the lowest figure of only 12.53 percent in 2021 as a direct impact of the Covid-19 pandemic which restricted travel and forced many accommodations to temporarily stop operating. As conditions improved, there was a very significant recovery starting in 2022 with a surge of 188.03 percent, followed by an increase of 46.52 percent in 2023 and 17.93 percent in 2024 to reach 62.36 percent. Overall, this data shows that the performance of the hospitality sector is highly dependent on the dynamics of tourist visits, has high elasticity to changes in external conditions, and is able to recover quickly even though it was under quite severe pressure during the crisis.

Development of Regional Original Income in Bali Province

Money obtained by the regions from regional revenue sources in compliance with the law is known as Regional Original Revenue (PAD). PAD has grown to be a crucial metric for evaluating a region's capacity to fund development. The evolution of Bali Province's Regional Original Revenue from 2010 to 2024 is shown here.

Table 4. 3 Development of Regional Original Income in Bali Province

Year	Regional Original Revenue (Rp)	Development (%)
2010	1.393.730.257	-
2011	1.723.807.096	+23,68%
2012	2.042.091.096	+18,46%
2013	2.529.976.147	+23,89%
2014	2.920.416.697	+15,43%
2015	3.041.266.607	+4,13%
2016	3.041.195.258	-0,002
2017	3.398.472.278	+11,75
2018	3.718.499.635	+9,42
2019	4.023.156.316	+8,19
2020	3.069.474.128	-23,71
2021	3.117.070.009	+1,55
2022	3.863.191.407	+23,94

Year	Regional Original Revenue (Rp)	Development (%)
2023	4.627.741.217	+19,79
2024	5.539.947.824	+19,71

Source: Data processed.

Based on data on the development of Bali Province's Regional Original Revenue (PAD) during the period from 2010 to 2024, it can be seen that developments fluctuate and are greatly influenced by the conditions of economic activity, especially the tourism sector; In the period before the pandemic, PAD showed a steady upward trend starting from 23.68 percent in 2011, up 18.46 percent in 2012, 23.89 percent in 2013, 15.43 percent in 2014, 4.13 percent in 2015, then there was a slight decrease in 2016 by 0.002 percent, then it increased quite significantly by 11.75 percent each in 2017, 9.42 percent in 2018, and 8.19 percent in 2019, reflecting the growing business activities, the increasing number of tourist visits, and the increase in revenue from regional taxes and levies. Conditions turned sharply in 2020 where PAD fell by 23.71 percent due to the Covid-19 pandemic which paralyzed most economic activities, especially those directly related to tourism, although it began to show a slight improvement in 2021 with an increase of 1.55 percent. Entering the recovery period, PAD jumped rapidly by 23.94 percent in 2022, 19.79 percent in 2023, and reached a high point in 2024 of 5,539,947,824 rupiah with a growth of 19.71 percent. Overall, this development proves that the financial ability of the Bali Province is highly dependent on the performance of the tourism sector, where the condition of tourist visits and the performance of its supporting sectors directly affect the amount of regional revenue which will later be used to finance various development programs.

The next step is to perform a descriptive statistical analysis to determine an overview of the research data, including the minimum, maximum, average, and standard deviation values of each variable employed, following the description of the evolution of each research variable.

Descriptive Statistical Analysis Results

Each of the research variables – the number of domestic visitors and the hotel occupancy rate as independent variables and the regional original revenue as a dependent variable – is summarized by descriptive statistics. Each variable under study had its lowest value (minimum), maximum value (maximum), mean value (mean), and data dissemination rate (standard deviation) displayed in the data derived from the outcomes of descriptive statistical analysis.

Table 4. 4 Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Red	Std. Deviation
Number of Domestic Tourists (X1)	15	4301592.00	10545039.00	7435648.533	2134618.692
Hotel occupancy rate (X2)	15	12.53	64.82	54.2513	15.68006

Regional Original Revenue (Y)	15	1393730257	5535429680	3203034522	1079090829
Valid N (listwise)	15				

Source: Appendix 2, descriptive statistics (2026)

The explanation of the variables according to the results of the descriptive statistical test is:

1) Number of Domestic Tourists

It is known from the data table of the results of the aforementioned descriptive statistical test that the number of domestic tourists, with a number of (n) of 15, has an average value of 7435648,533 thousand units and a standard deviation value of 2134618,692 thousand units because it falls within the year range (2010-2024). It can be concluded that the data utilized in the variable Number of Domestic Tourists has a limited data distribution by examining the magnitude of the standard deviation value that is less than the average value. The test's lowest value occurs in 2021, when there were 4,301,592 domestic visitors. This indicates that because of the Covid-19 outbreak, there were much fewer domestic travelers in 2021 than in prior years. In the meantime, the highest number of domestic tourists was 10,545,039 in 2019. This indicates that the number of domestic tourist visits to Bali peaked during the year, indicating the high level of appeal of Bali's tourist destinations in the domestic market, which is bolstered by comparatively stable economic conditions, convenient transportation, and successful tourism promotion.

2) Hotel occupancy rate

Based on the data table from the descriptive statistical test above, it is known that the hotel occupancy rate with the number (n) of 15 because it is in the year range (2010-2024) has an average value of 54.2513 units and has a standard deviation value of 15.68006 units. By looking at the magnitude of the standard deviation value that is smaller than the average value, it can be said that the data used in the hotel occupancy rate variable has a small data distribution. In this test, the minimum value was in 2021 with a hotel occupancy rate of 12.53. This means that the hotel occupancy rate in 2021 was very small compared to previous years due to the Covid-19 pandemic. Meanwhile, the maximum value is in 2018 with a hotel occupancy rate of 64.82. This shows that in that year the hotel sector in Bali experienced the most optimal level of capacity utilization compared to other years, which reflects the high demand for accommodation from both domestic and foreign tourists.

3) Regional Original Revenue

Based on the data table of the results of the descriptive statistical test above, it is known that Regional Original Revenue with an amount of (n) of 15 because it is in the year range (2010-2024) has an average value of 3203034522 units and has a standard deviation value of 1079090829 units. By looking at the magnitude of the standard deviation value that is greater than the average value, it can be said that the data used in the Regional Original Revenue variable has a large data distribution. In this test, the minimum value was in 2010 with Regional Original Revenue of 1,393,730,257. This means that Regional Original Revenue in 2010 was very small compared to the following years due to the non-optimal performance

of PAD contributing sectors such as tourism, regional taxes, and regional levies. Meanwhile, the maximum value is in 2024 with Regional Original Revenue of 5,535,429,680. This shows that the region's financial performance is in the most optimal condition compared to other years, which is marked by an increase in revenue from various sources of PAD.

Classical Assumption Test Analysis

Here are some classic assumption tests carried out, including:

a. Normality Test

A normality test is used to determine whether the independent and dependent variables in the regression model have a normal distribution. The distribution of a good regression model is almost normal or similar to normal. The normality of the data in this study was assessed using the One Sample Kolmogorov Smirnov statistical test, which assumes that a significant result above 0.05 (5%) shows normally distributed data and a significant value below 0.05 (5%) indicates non-normally distributed data. The outcomes of the Kolmogorov-Smirnov One-Sample normalcy test are as follows:

Table 4. 5 Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		15
Normal Parameters ^{a,b}	Red	.0000000
	Std. Deviation	.14465877
Most Extreme Differences	Absolute	.198
	Positive	.198
	Negative	-.166
Test Statistic		.198
Asymp. Sig. (2-tailed)		.118 ^{c,d}

Source: Appendix 3, Classical Assumption Test (2026)

According to table 4.5 above, the One Sample Kolmogorov-Smirnov test revealed a significance level of 0.118 greater than 0.05, indicating that the data was well and regularly distributed.

b. Multicollinearity Test

The multicollinearity test was used to determine whether the independent variables in the regression model were correlated. Independent variables in a decent regression model shouldn't be correlated. Calculating the tolerance value and the Variance Inflation Factor (VIF) value reveals multicollinearity. If the tolerance value was more than 0.01 and the VIF value was less than 10, the regression model was considered to have no potential to exhibit multicollinearity symptoms.

Table 4. 6 Multicollinearity Test Results

Models		Collinearity Statistics	
		Tolerance	VIVID
1	(Constant)		
	Number of Domestic Tourists (X1)	.786	1.272

	Hotel Occupancy Rate (X2)	.786	1.272
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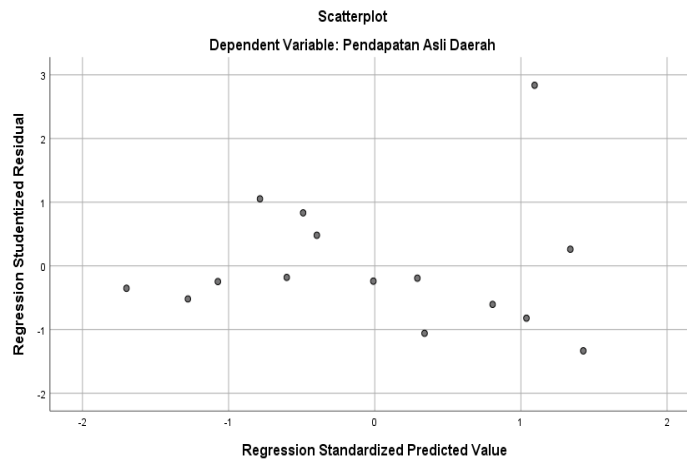
Source: Appendix 3, Classical Assumption Test (2026)

The tolerance value of the variable Number of Domestic Tourists and Hotel Occupancy Level is 0.786, which is greater than 0.01, and the VIF value is 1.272, which is less than 10, indicating that multicollinearity does not occur, according to the multicollinearity test results table above. Thus, it can be said that the data in this study was deemed good because there was no multicollinearity between the two variables, the number of domestic tourists and the hotel occupancy rate.

c. Heteroscedasticity Test

According to Ghozali (2013:126), the Heteroscedasticity test use the Scatterplot test to identify the presence or lack of heteroscedasticity issues with visual media; if the graph exhibits a unique pattern, the model is heteroscedastic. The findings of the heteroscedasticity test are as follows:

Figure 4. 1 Heteroscedasticity Test Results



Source: Appendix 3, Classical Assumption Test (2026)

It is clear from the preceding image that there is no heteroscedasticity issue because the existing dots do not form a certain irregular pattern (wavy, enlarged, and then narrower).

d. Autocorrelation Test

The impact of past results on future results is assessed using the autocorrelation test. The Durbin-Waston value (DW test) can be used to determine whether or not autocorrelation exists using the following criteria: 1) There is no positive autocorrelation with the rejected choice if $0 < d < dL$. 2) There is no negative autocorrelation with the rejected choice if $4 - dL < d < 4$. 3) There is no positive autocorrelation with the no decision decision if $dL < d \leq dU$. 4) If $4 - dU \leq d \leq 4 - dL$, indicates that there is no inverse relationship between the lack of a decision and 5) The judgment is not rejected if the value $du < d < 4 - du$ indicates that there is neither positive nor negative autocorrelation. The autocorrelation test yielded the following findings, specifically:

Table 4. 7 Autocorrelation Test Results

Model Summary^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.907 ^a	.822	.793	491483723.3	1.634
a. Predictors: (Constant), Hotel Occupancy Rate (X2), Number of Domestic Tourists (X1)					
b. Dependent Variable: Regional Original Income (Y)					

Source: Appendix 3, Classical Assumption Test (2026)

The Durbin Watson value was determined to be 1.262 based on the autocorrelation test findings mentioned above. The table indicates that $du < d < 4-du$ ($1.5432 < 1.634 < 4-0.9455$) when $(n) = 15$ and k (independent variable) = 2. The top limit value (du) is 1.5432 and the lower limit value (dl) is 0.9455. Thus, it can be said that the regression model does not contain autocorrelation.

Multiple Linear Regression Test Analysis

A statistical method for modeling the link between one dependent variable (bound) and two or more independent (independent) variables in order to ascertain the influence, direction, and value prediction of the relationship is the multiple linear regression test. In this study, the impact of hotel occupancy rate and the number of domestic tourists on regional original income was examined using multiple linear regression tests. The results of multiple linear regression analysis using SPSS version 23 are as follows:

Table 4. 8 Multiple Linear Regression Test Results

Coefficient								
Models		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1461660289	548182762.3		2.666	.021		
	Number of Domestic Tourists (X1)	514.546	69.401	1.018	7.414	.000	.786	1.272
	Hotel Occupancy Rate (X2)	-38425021.2	9447951.937	-.558	-4.067	.002	.786	1.272
a. Dependent Variable: Regional Original Revenue (Y)								

Source: Appendix 4, Multiple Linear Regression Test (2026)

The following multiple linear regression equation is obtained as follows:

$$Y = 1526658354,328 + 472,552 X_1 - 31748095,775 X_2 + e.$$

Based on the multiple linear regression equation above, an analysis can be taken that:

1. A constant of 1461660289 means that if all dependent variables are constant or equal to zero, then the Regional Original Revenue has a value of 1461660289.
2. The regression coefficient of the council variable Number of Domestic Tourists (X1) is positive (+) 514,546 which indicates that the higher the Number of Domestic Tourists will increase the Original Regional Income.
3. The regression coefficient of the variable council Hotel occupancy rate (X2) is negative (-) 38425021.2 which indicates that the higher the number of hotel occupancy rates, the lower the Regional Original Income.

Correlation and Coefficient Determination Analysis

The presentation of the fluctuation of bound variables described by all of their independent variables is measured using determination coefficient analysis. The determination coefficient's value falls between 0 and 1 ($0 < R^2$), where a regression's better outcome is indicated by a greater R^2 value or one that is closer to 1. The following are the test's findings:

Table 4. 9 Determination Coefficient Test Results

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.907 ^a	.822	.793	491483723.3	1.334
a. Predictors: (Constant), Hotel Occupancy Rate (X2), Number of Domestic Tourists (X1)					
b. Dependent Variable: Regional Original Income (Y)					

Source: Appendix 4, Multiple Linear Regression Test (2026)

It is evident from the preceding table of determination coefficient test results that the Adjusted R Square value is 0.793, or 79.3%. However, R^2 is 0.822, or 82.2%. This indicates that the variables Number of Domestic Tourists and Hotel Occupancy Level contribute 79.3% to Regional Original Income, with other variables outside of this study influencing 82.2%.

Hypothesis Analysis

To determine if an independent variable significantly affects the dependent variable, the variable significance test is utilized. In a t-test or partial hypothesis test, H_0 is rejected and H_1 is accepted if the probability value is less than 0.05, while H_0 is accepted and H_1 is rejected if the probability value is more than 0.05. The following are the test's findings:

Table 4. 10 Partial Hypothesis Test Results (t)

Independent Variables	t	Sig	Remarks
Number of Domestic Tourists (X1)	7,414	0,000	Significant
Hotel occupancy rate (X2)	-4,067	0,002	Significant

Source: Appendix 4, Multiple Linear Regression Test (2026)

The impact of each independent variable on the dependent variable can be described as follows using the t-test findings shown in the table above:

1. H_1 : The impact of each independent variable on the dependent variable can be described as follows using the t-test findings shown in the table above

2. H2: Based on the analysis of the impact of hotel occupancy rate on Regional Original Income, a significance value of $0.002 < 0.05$ and a t value of $-4.067 < -2.16037$ indicate that the hotel occupancy rate has a significant impact on Regional Original Income, indicating that H2 is accepted.

This study used the F test for simultaneous testing in addition to the t test for partial testing.

The purpose of this test is to determine whether the variables of hotel occupancy rate and the number of domestic visitors have an impact on Bali Province's Original Regional Income. The following explanation applies to the simultaneous test (F test) findings.

To ascertain if independent factors, such as the quantity of domestic visitors and hotel occupancy rates combined, had an impact on the Province of Bali's Original Regional Revenue, the simultaneous test (F test) was employed. In this test, H_0 is rejected and H_1 is accepted if the significance value is less than 0.05, whereas H_0 is accepted and H_1 is rejected if the significance value is greater than 0.05.

The following table displays the simultaneous test (F test) results:

Table 4. 11 Simultaneous Test Results (F Test)

NEW ERA					
Models		Sum of Squares	df	Mean Square	F
1	Regression	134034432413.66010000.000	2	6701721629683004900.000	27.744
	Residual	2898675003072209400.000	12	241556250256017440.000	
	Total	16302118244438219000.000	14		
a. Dependent Variable: Regional Original Revenue (Y)					
b. Predictors: (Constant), Hotel Occupancy Rate (X2), Number of Domestic Tourists (X1)					

Source: SPSS output results, processed by researchers (2026)

The F_{cal} value of 27,744 with a significance value of 0.000 was determined using the table above. H_1 is accepted and H_0 is rejected because the significant value exceeds the significance level of 0.05 ($0.000 < 0.05$).

This demonstrates that the original regional income of Bali Province is significantly impacted concurrently by the variables of domestic tourists and hotel occupancy rates. As a result, during the research period, the Province of Bali's Original Regional Income may rise considerably due to an increase in domestic tourism and hotel occupancy rates. The association between independent and dependent variables is indicated by the value of F_{cal} , although it does not reach the predetermined threshold of statistical significance. The small number of study samples or the presence of additional variables outside the research model that also have an impact on Bali Province's Original Regional Income may have an impact on this condition.

The Effect of the Number of Domestic Tourists on Regional Original Income

The research hypothesis that "The Number of Domestic Tourists has a significant effect on the Regional Original Income of Bali Province" is tested since the study's findings indicate that the variable of the number of domestic tourists has a positive and significant effect on the regional original income. This implies that the company's original regional revenue for the Province of Bali will rise in proportion to the amount of domestic tourists. This demonstrates that the tourism industry, particularly that of domestic travelers, plays a crucial role in promoting an increase in regional revenue through a variety of components, including hotel taxes, restaurant taxes, entertainment taxes, and tourism service levies.

The total number of visitors, both domestic and foreign, to a location over the course of a year is known as the number of tourist visits. The region's tourism earnings will rise as a result of everything consumed by both domestic and foreign visitors throughout their stay (Sabrina & Mudzhalifah, 2018). Regional development theory, which emphasizes that a region's ability to maximize local potential and its superior sectors has a significant impact on its economic growth, can explain the relationship between the number of domestic tourists and Regional Original Income (PAD). Since Bali's tourism industry is a base sector with comparative and competitive advantages, an increase in domestic visitors will directly boost economic activity in a number of supporting industries, including trade, hospitality, dining, transportation, and micro, small, and medium-sized businesses (MSMEs). Increased economic activity will broaden the regional tax and levy base, which will ultimately increase PAD as the primary source of development financing, according to regional development theory, particularly the idea of endogenous growth.

According to the variable description results, domestic tourism in Bali Province increased annually between 2010 and 2024 –by 22.14% in 2011, 6.84% in 2012, and 15.06% in 2013. This rise demonstrates that Bali continues to be a popular tourist destination for domestic travelers due to its natural features, culture, cuisine, and sufficient tourism facilities, which promote local economic activity and raise Regional Original Income (PAD). However, the number of domestic tourists fell by -8.35% in 2014 before increasing annually from 11.77% in 2015, 20.94% in 2016, 1.06% in 2017, 11.70% in 2018, and 8.07% in 2019. The Covid-19 pandemic caused a notable decline of -56.41% in 2020, and the tourism industry has yet to fully recovered. Bali Province's PAD revenue has decreased as a result of the drop in tourism-related economic activity, particularly in the hotel, restaurant, transportation, trade, and MSME sectors.

According to the study's findings, the number of domestic visitors significantly boosts regional original revenue. This is consistent with research by Arisandi (2022), which found a favorable and significant relationship between the number of tourists and the region's initial revenue in Sumbawa Regency. According to Mirzadiani et al. (2019), the number of visitors has an impact on the provincial income from the tourism sector. As a result, domestic tourism directly contributes to the growth of regional income, particularly through hotel, restaurant, entertainment, transportation, and other tourism service levies. The amount of money spent in the area increases with the number of visitors, increasing the revenue stream for the local government.

The Effect of Hotel Occupancy Rate on Regional Original Income

The research hypothesis that claims "Hotel occupancy rate has a significant effect on the Regional Original Income of Bali Province" is not tested because the study's findings indicate that the variable of hotel occupancy rate has a partial negative and insignificant effect on Regional Original Income. This implies that the Original Regional Revenue of Bali Province will actually decline when the hotel's occupancy rate increases. This demonstrates that an increase in regional revenue does not always follow an increase in occupancy. Numerous reasons, including the practice of low room rates (large discounts) so that even when the occupancy is high, There is a chance that tourists with comparatively low spending habits would predominate, the tax value collected is not optimal, and tax leakage or reporting is not optimal.

The circumstance where the quantity of rooms sold is compared to the total number of rooms available and able to be sold is known as the hotel occupancy rate. The perspective of regional development theory, which highlights the significance of optimizing leading sectors in promoting economic growth and fiscal independence, can be used to examine the relationship between hotel occupancy rates and Regional Original Revenue (PAD). The level of capacity utilization of the lodging sector as a component of the tourism industry, which is Bali's main business, is reflected in the hotel occupancy rate.

Theoretically, higher hotel occupancy rates should boost tourism-related economic activity, which in turn affects the growth of regional tax collections, including hotel and restaurant taxes and other levies.

According to the findings of variable descriptions, Bali Province's hotel occupancy rate rose in 2017 and 2018 along with the number of visitors, which led to growth in the hotel industry. However, due to the Covid-19 pandemic, which resulted in fewer tourist visits, the hotel occupancy rate started to drop in 2019 and had a sharp dip in 2020–2021. The fall in hotel operations, workforce absorption, business actor income, and regional revenue from the hotel tax sector and other tourism-supporting sectors are all impacted by this scenario.

According to the study's findings, hotel occupancy rates significantly reduce regional original income. This is consistent with study by Alwi et al. (2019), which demonstrates that the income of the tourism industry in Kebumen Regency is significantly impacted by the changing hotel occupancy rate. Low room rates, tax revenue leakage, the predominance of transactions in the informal sector, or inadequate fiscal governance and supervision are some of the reasons why the negative impact of the hotel industry's increased activity has not fully produced maximum added value for the region.

CONCLUSION

The purpose of this study is to determine how the number of domestic visitors and hotel occupancy rate affect Bali Province's regional original income from 2010 to 2024. The following conclusions can be drawn from the analysis and hypothesis testing that have been done:

1. Regional original income is significantly positively impacted by the variable of domestic tourist numbers. Therefore, it may be concluded that more domestic visitors to Bali Province will in fact promote a rise in regional original income. Local governments impose taxes and levies on the numerous expenses that domestic tourists incur, such as lodging, dining out, transportation, and other tourism-related activities, which boost regional original income.
2. The Original Regional Income of Bali Province is negatively but negligibly impacted by the changing hotel occupancy rate. Therefore, it can be concluded that a decline in Regional Original Income follows each increase in the hotel occupancy rate. These results show that high hotel occupancy does not always translate into a significant contribution to regional revenue. This could be because of things like low room rates, inefficient hotel tax collection, possible tax leakage, or tourist spending patterns that favor industries that are not fully recorded as PAD.
3. The variables of the number of domestic tourists and the hotel occupancy level jointly have a substantial impact on the original regional income of Bali Province, according to the results of the simultaneous test (F test). A significance value of 0.000, which is less than 0.05, indicates this. As a result, both factors have a substantial impact, and at the same time, these effects might account for notable variations in Regional Original Income.

SUGGESTIONS

The suggestions that the author can give in this study based on the results of research and discussion are as follows:

1. The Bali Provincial Government is advised to increase the number of domestic tourists by implementing premium tour packages through collaboration with travel agents to offer cultural tour packages, wellness (*spa* and *yoga retreat*), or eco-tourism at higher prices.
2. The Bali Provincial Government is advised to pay attention to hotel occupancy rates by encouraging the implementation of minimum rates or price war control so that hotels do not sell rooms too cheaply which has an impact on the low taxes received. In addition, for future researchers, it

is recommended to expand the scope of research related to hotel occupancy rates by not only focusing on star hotels in general, but also classifying hotels based on their classification, such as 1-star, 2-star, 3-star, 4-star, and 5-star hotels. The grouping is anticipated to give a more thorough picture of the variations in each hotel category's contribution to Regional Original Revenue (PAD), making the research findings more thorough and capable of offering more suitable suggestions for the growth of the tourism industry.

3. It is recommended that additional studies look at factors like investment that have an impact on regional original income. In order to properly capture the phenomenon, they can also use extended observation periods to extend the study's duration.

It is hoped that by implementing the aforementioned recommendations, it will be possible to better understand how the variables of hotel occupancy rate and number of domestic tourists affect regional original income and to develop more suitable policies to sustain regional economic growth and stability.

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