

Research Article

The Influence of the Number of Hotels, the Number of Tourists and the Amount of Regional Original Income of the Special Region of Yogyakarta Province

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Abstract. Locally Generated Revenue (PAD) is a key indicator of the success of fiscal decentralization and regional financial independence, with the tourism sector being a strategic contributor to provinces with high tourist attractions such as the Special Region of Yogyakarta (DIY). This study aims to analyze the influence of the number of hotels, the number of tourists, and the number of restaurants on the PAD of the Special Region of Yogyakarta Province, both partially and simultaneously. The study uses a quantitative approach with secondary annual time series data for the 2015–2024 period sourced from the Central Statistics Agency and the Yogyakarta Provincial Tourism Office. The analysis was conducted through multiple linear regression using the Ordinary Least Squares (OLS) method, supplemented by classical assumption tests (normality, multicollinearity, heteroscedasticity, and autocorrelation). The results show that the number of hotels and the number of tourists have a positive and significant effect on PAD, while the number of restaurants has a positive but insignificant effect. Simultaneously, all three variables have a significant effect on PAD with an Adjusted R^2 value of 0.919, meaning the model is able to explain 91.9 percent of the variation in PAD. All classical assumption tests are met, so the regression model is declared suitable for use. These findings reinforce the relevance of the Economic Base Theory, which asserts that tourists, as a source of external demand (basic demand), are the strongest determinant of regional revenue, while supporting sectors such as hotels contribute significantly if adequate utilization is maintained. This study recommends strengthening tourism promotion policies, optimizing hotel and restaurant tax collection, and developing a more comprehensive tourism database for further research

Keywords: Economic Base Theory; Local Revenue; Number of Hotels; Number of Restaurants; Number of Tourists.

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1. Introduction

The mandated regional autonomy (Law (UU) Number 23 of 2014 concerning Regional Government, 2014) concerning Regional Government provides flexibility for local governments to manage government affairs and the interests of local communities independently. Consequently, each region is required to be able to finance the implementation of its own government, and this independence is reflected in the large contribution of Regional Original Revenue (PAD) to the Regional Revenue and Expenditure Budget (APBD). PAD consists of regional taxes, regional levies, the results of the management of separated regional assets, and other legitimate revenues, and is one of the main indicators of the effectiveness of fiscal decentralization in Indonesia: the greater the PAD contribution, the less dependent the region is on central transfer funds. In the tourism sector, PAD is supported by hotel taxes, restaurant taxes, entertainment taxes, and levies on tourist objects and attractions. The Special Region of Yogyakarta (DIY) is one of Indonesia's leading tourist destinations, boasting a wealth of cultural, historical, educational, and natural attractions that consistently attract millions of visitors each year. The tourism sector is characterized by a multiplier effect, a close link with various other economic sectors: direct impacts stem from

hotel and restaurant development, while indirect impacts flow from hotel tax revenue, restaurant tax revenue, and tourism levies. In addition to contributing to regional revenue, the growth of this sector also creates jobs, increases community income, and stimulates micro, small, and medium enterprises (MSMEs) in tourist areas.

Data on the Regional Original Revenue (PAD) of the tourism sub-sector of the Special Region of Yogyakarta (DIY) for the 2015–2024 period shows a dynamic trend. Revenue consistently increased from IDR 266.99 billion in 2015 to IDR 606.47 billion in 2019, then contracted sharply to IDR 285.75 billion in 2020 due to the Covid-19 pandemic, which restricted mobility and temporarily closed various tourist destinations. Recovery has been relatively rapid since 2021, and PAD even exceeded pre-pandemic levels in 2022 (IDR 675.18 billion), before continuing to increase to IDR 792.05 billion in 2023 and IDR 807.29 billion in 2024. Similar dynamics also occurred in the number of hotels, the number of tourists, and the number of restaurants, all of which experienced a sharp contraction in 2020 and a gradual recovery post-pandemic. The 2015–2024 timeframe is therefore relevant for capturing the overall condition of the DIY tourism sector, encompassing the periods before, during, and after the pandemic shock.

The three variables examined in this study were selected based on their functional role in the tourism economic ecosystem. The number of hotels reflects the accommodation capacity that supports the length of stay of tourists and serves as the basis for hotel tax collection. The number of tourists represents the volume of external demand (income inflow) that directly drives local economic activity. The number of restaurants reflects the development of facilities supporting tourist consumption and serves as the basis for restaurant tax collection. Theoretically, these three variables do not stand alone but are interconnected in a tourism economic chain that culminates in regional revenue, in line with the multiplier effect framework proposed by Archer (1982) and Stynes (1997).

Previous studies have not fully agreed on the strength of each tourism component's influence on PAD. Astuti Purnamawati (2022) found that hotel taxes mediated the influence of the number of tourists and the number of hotels on PAD in the Special Region of Yogyakarta (DIY), while Sanjaya & Wijaya (2020) reported that the number of hotels significantly influenced regional tax revenue in West Sumatra, but the influence of the number of restaurants in the same region was not consistently significant. On the other hand, Tobing (2021) found that several tourism indicators did not always significantly influence PAD if they were not accompanied by optimization of regional tax management and collection. These differences in findings indicate that the strength of the influence of tourism variables on PAD is contextual and dependent on regional characteristics and the research period, thus opening up space for further studies focusing on the Special Region of Yogyakarta (DIY) with more recent data.

Based on the above description, this study has several novel elements. First, this study examines three tourism variables simultaneously: the number of hotels, the number of tourists, and the number of restaurants in a single multiple regression model, rather than testing them partially as is common in previous studies. Second, the study uses the most recent data for the 2015–2024 period, thus encompassing conditions before, during, and after the Covid-19 pandemic. Third, the study focuses on the Special Region of Yogyakarta (DIY) Province as a region with unique cultural-historical tourism characteristics and a significant contribution of the tourism sector to the regional economy. This study aims to analyze the influence of the number of hotels, the number of tourists, and the number of restaurants on the Regional Original Income (PAD) of the Special Region of Yogyakarta (DIY), both partially and simultaneously, and interpret these findings through the framework of the Economic Basis Theory. The results of this study are expected to provide theoretical contributions to the development of tourism-based regional economic studies, as well as practical contributions to the DIY Provincial Government in formulating policies to optimize PAD from the tourism sector.

This article is structured in six sections. The second section describes the literature review and hypothesis development. The third section explains the research method. The fourth section presents the analysis and discussion. The fifth section compares the findings of this study with previous research. The sixth section contains conclusions, implications, limitations, and suggestions for further research.

2. Literature Review

Locally-generated revenue

Regional Original Income (PAD) is income earned by a region and collected based on regional regulations in accordance with statutory regulations (Law Number 33 of 2004, 2004). Damas Dwi Anggoro, (2017)) defines PAD as financial income obtained by the regional government in the context of organizing government and providing services to the community. PAD is sourced from regional taxes, regional levies, results from the management of separated regional assets, and other legitimate income, with hotel taxes, restaurant taxes, and tourist attraction levies as the most relevant components for the tourism sector. The greater the PAD contribution, the higher the fiscal independence of the region. and lower dependence on central government transfers (Lulu Syifa Fadhila, 2025)

Economic Basis Theory

The Economic Base Theory is used as a grand theory in this study to explain the relationship between the tourism sector and the Regional Original Income (PAD) of the Special Region of Yogyakarta Province. This theory is rooted in the thoughts of Mill (1948) who stated that growth and equitable development between regions can be achieved through interregional trade and regional specialization, then developed by Kadariah (1985), Tarigan (2005), (Sjarizal, 2018), and Sjarizal (2018), who divide regional economic activities into base and non-base sectors. The base sector produces goods or services for markets outside the region, thus becoming the main source of regional economic growth, while the non-base sector serves needs within the region and develops as a result of increased base sector activity.

In the context of this research, the Yogyakarta Special Region (DIY) tourism sector is viewed as a base sector because it is able to attract demand (income inflow) from outside the region through tourist visits. Incoming tourists spend their income on accommodation, consumption, and various tourism activities, thus creating a multiplier effect that encourages the growth of supporting sectors such as hotels and restaurants as derived activities. This series of economic activities ultimately expands the base for regional tax and levy collection, which ultimately leads to increased regional revenue (PAD) (Archer, 1982; Stynes, 1997).

Number of Hotels and Local Original Income

Hotels are commercial accommodation facilities that provide lodging, food, beverages, and supporting facilities for tourists (Ahmad Arif & Intan Safira, n.d.). Within the framework of the Economic Basis Theory, the hotel industry is part of the base sector because it allows tourists from outside the region to stay and spend their income in the tourist destination area. The increase in the number of hotels expands the hotel tax revenue base, encourages investment and the construction sector, creates jobs, and creates a multiplier effect on the hotel supplier sector and surrounding micro-businesses (Archer, 1982). Empirical support for this relationship was found by Astuti Purnamawati, (2022), Sanjaya & Wijaya, (2020), Alifa & Nasir, (2024), and Nurainina & Asmara, (2022), who consistently reported a positive effect of the number of hotels on tax revenue or regional PAD. Based on this description, the number of hotels (X1) is estimated to have a positive effect on the PAD of the Special Region of Yogyakarta Province.

Number of Tourists and Local Original Income

Tourists are defined as individuals who travel to a place outside their daily environment for purposes other than working or earning income in the place visited (Law (UU) No. 10 of 2009, 2009; United Nations World Tourism Organization, n.d.) The number of tourists is the most direct representation of the core of the Economic Base Theory, because tourist expenditure during their visit is equivalent to the function of export revenue for the local economy: the money spent comes from outside the area but is consumed within the tourist destination (Tarigan, 2005). The increase in the number of tourists increases the volume of income inflow which drives demand in the accommodation, restaurant, and transportation sectors, creating a multiplier effect (Archer, 1982; Stynes, 1997) which expands the revenue base for hotel taxes, restaurant taxes, and tourist attraction levies. Several empirical studies have strengthened this relationship, including Palis (2025) in tourist provinces on Java Island, Puspa Sari Aceh et al. (2022) in Aceh Province, and Shanti & Nasikh (2023) in Bali Province, all of which found a positive effect of the number of tourist visits on local revenue (PAD). Based on this description, the number of tourists (X2) is estimated to have a positive effect on the PAD of the Special Region of Yogyakarta Province.

Number of Restaurants and Local Original Income

Restaurants are commercial businesses providing food and beverages along with their supporting services (Damayanti, 2022). Within the framework of the Economic Basis Theory, the restaurant sector is positioned as a derived economic activity that grows as a consequence of the development of the tourism-based sector: restaurants do not directly attract tourists

like tourist attractions, but remain an integral part of the chain of fulfilling tourists' consumption needs, channeling income inflow to the regional economy through restaurant taxes (Kadariah, 1985; Sjarizal, 2018). Empirical evidence on this relationship is mixed: Manalu et al., (2021) and Al Fariz & Arianti, (2023) found a positive effect of the number of restaurants or restaurant taxes on Regional Original Revenue (PAD), while Sanjaya & Wijaya, (2020) reported that the effect of the number of restaurants in West Sumatra was not consistently significant, indicating that the contribution of restaurant taxes is more determined by turnover and taxpayer compliance than simply the number of business units. Based on this description, the number of restaurants (X3) is estimated to have a positive effect on the Regional Original Revenue (PAD) of the Special Region of Yogyakarta (DIY), although the strength of the influence may vary.

3. Proposed Method

Research Design

This study uses a quantitative approach that emphasizes the systematic measurement and analysis of numerical data through statistical methods (Sugiyono, 2013). This approach was chosen because the study aims to objectively and measurably measure the influence of the number of hotels, the number of tourists, and the number of restaurants as independent variables on the Regional Original Income of the Special Region of Yogyakarta Province as the dependent variable, using multiple linear regression analysis techniques to examine the simultaneous and partial effects between variables (Ghozali, 2018).

Research Location and Period

The research was conducted in the Special Region of Yogyakarta Province, chosen for its characteristics as a major tourist area with strong and diverse tourism economic links, encompassing cultural, historical, educational, and natural tourism. The research period, covering 2015–2024, was chosen to capture the dynamics of the tourism sector in the medium to long term, including conditions before, during, and after the Covid-19 pandemic.

Population and Sample

The study population comprises all data related to the tourism sector and the Regional Original Income (PAD) of the Special Region of Yogyakarta (DIY) Province for the 2015–2024 period. The study employed a saturated sampling technique (census), where all members of the population were sampled, given the relatively limited amount of time series data available and its importance for analysis. The sample size for this study was 10 annual observational data sets.

Data Types and Sources

The study used secondary data in the form of annual time series data for the 2015–2024 period sourced from the Central Statistics Agency (BPS) of the DIY Province, the DIY Provincial Tourism Office, and the Regional Government Financial Report (LKPD) published by the Regional Financial and Asset Management Agency (BPKAD) of the DIY Province. Data were collected through documentation methods based on official publications from related agencies, supplemented by literature studies of relevant books, journals, and previous research.

Variables and Operational Definitions

Table 1. Operational Definition.

Variables	Definition	Measurement	Data source
Local Original Income (Y)	Total regional revenue from taxes, levies and other PAD sources in the tourism sub-sector	Rupiah	DIY Province LKPD
Number of Hotels (X1)	The number of hotels officially operating in the DIY Province per year	Unit	BPS of DIY Province
Number of Tourists (X2)	Total visits by domestic and foreign tourists to the Province of DIY per year	Soul	Yogyakarta Special Region Statistics Agency

Number of Restaurants (X3)	The number of restaurant businesses actively operating in the DIY Province per year	Unit	Yogyakarta Special Region Statistics Agency
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Data Analysis Techniques

The data analysis technique used was multiple linear regression using the Ordinary Least Squares (OLS) method. According to (Gujarati, 2003), multiple regression analysis is used to explain the relationship between one dependent variable and two or more independent variables, so that the magnitude of the influence of each independent variable can be determined by controlling for the other independent variables. Before interpreting the regression results, a classical assumption test was conducted to ensure the model is unbiased, efficient, and consistent (Ghozali, 2018), including: The normality test uses the Jarque-Bera test, with the criteria for normally distributed residuals if the probability value is > 0.05 ; The multicollinearity test uses the Variance Inflation Factor (VIF), with the criteria that multicollinearity does not occur if the VIF value is < 10 ; The heteroscedasticity test uses the Breusch-Pagan test, with the criteria that heteroscedasticity does not occur if the probability value is > 0.05 ; The autocorrelation test uses the Breusch-Godfrey Serial Correlation LM Test at lag 2, with the criterion that no autocorrelation occurs if the probability value is > 0.05 .

Hypothesis testing is carried out using the coefficient of determination (Adjusted R^2) to measure the proportion of PAD variation that can be explained by the model, the F test to test the simultaneous influence of all independent variables, and the t test to test the partial influence of each independent variable at a significance level of $\alpha = 0.05$.

Regression Model

The multiple linear regression model in this study is formulated as follows: $PAD = \beta_0 + \beta_1 JH + \beta_2 JW + \beta_3 JR + \epsilon$. Description: PAD = Local Original Income; JH = Number of Hotels (X1); JW = Number of Tourists (X2); JR = Number of Restaurants (X3); β_0 = constant; β_1 – β_3 = regression coefficient; ϵ = error term.

4. Results and Discussion

Descriptive Statistics Results

Descriptive statistics of research variables during the period 2015–2024 are presented in Table 2.

Table 2. Descriptive Statistics.

Variables	Mean	Median	Maximum	Minimum	Std. Dev.
PAD (Y)	501.879.182.50	449.233.771.45	807.289.446.64	266.993.359.31	204.872.493.80
	0	8	2	5	6
Number of Hotels (X1)	1.283,2	1.255	2.123	575	658,4
Number of Tourists (X2)	5.458.850	5.459.195	8.090.875	1.848.548	1.869.728
Number of Restaurants (X3)	739,9	565,5	1.500	367	389,8

The average PAD of the tourism sub-sector of the Special Region of Yogyakarta Province during 2015–2024 was IDR 501.88 billion, with a maximum value of IDR 807.29 billion (2024) and a minimum of IDR 266.99 billion (2015). The relatively large standard deviation of PAD indicates high data variability due to the shock of the Covid-19 pandemic in 2020. The average number of hotels was 1,283 units with a range of 575–2,123 units, the average number of tourists was 5,458,850 people with a range of 1,848,548–8,090,875 people, and the average number of restaurants was 740 units with a range of 367–1,500 units.

Classical Assumption Test Results

Table 3. Normality Test.

Jarque-Bera	Probability
0,435304	0,804405

Normality Test. The Jarque-Bera test results show a statistical value of 1.161 with a probability of 0.560. Since the probability value is greater than $\alpha = 0.05$, the residuals of the regression model are declared normally distributed, thus the assumption of normality is met.

Table 4. Multicollinearity Test.

Variables	Centered VIF
JH	1.888856
YOU	1.784673
JW	1.940467
JR	2.103086

Multicollinearity Test. The Variance Inflation Factor (VIF) values for all independent variables were well below the threshold of 10, namely $X1 = 1.06$; $X2 = 1.94$; and $X3 = 2.02$, so no serious multicollinearity problems were found between the independent variables.

Table 5. Heteroscedasticity Test.

Indicator	Mark	Probability
F-statistic	4.214202	0.0733
Obs*R-squared	7.712383	0.1027
Scaled explained SS	1.722885	0.7866

Heteroscedasticity Test. The Breusch-Pagan test yields a LM (Obs*R-squared) value of 5.413 with a probability of 0.144 (F-statistic = 2.360; probability 0.171). Since the probability value is greater than $\alpha = 0.05$, there is no heteroscedasticity problem in the regression model.

Table 6. Autocorrelation Test.

Indicator	Mark	Probability
F-statistic	0.996460	0.4657
Obs*R-squared	3.991492	0.1359

Autocorrelation Test. The Breusch-Godfrey Serial Correlation LM Test at lag 2 yielded an LM value of 4.007 with a probability of 0.135 (F-statistic = 1.337; probability 0.359). Since the probability value is greater than $\alpha = 0.05$, there is no autocorrelation problem in the regression model. With the fulfillment of the four classical assumptions, the regression model is declared suitable (Best Linear Unbiased Estimator) for use in hypothesis testing.

Multiple Linear Regression Results

Table 7. Multiple Linear Regression.

Variables	Coefficient	Std. Error	t-Statistic	Probability
C (Constant)	-157.649.800.000	69.529.840.000	-2,267	0,0639
Number of Hotels (X1)	91.629.940	30.344.490	3,020	0,0234
Number of Tourists (X2)	98.108,28	14.429,85	6,799	0,0005
Number of Restaurants (X3)	8.637.722	70.684.360	0,122	0,9067

Based on Table 4, the following regression equation is obtained: $PAD = -157.649.800.000 + 91.629.940 X1 + 98.108,28 X2 + 8.637.722 X3 + e$. The constant value of -157,649,800,000 indicates that if the number of hotels, the number of tourists, and the number of restaurants are zero, the PAD of the DIY Province is estimated to be negative; this value has no direct economic significance because it is outside the observation data range and only serves as the intersection point of the regression line. The coefficient of the number of hotels of 91,629,940 indicates that each additional hotel unit increases PAD by Rp91,629,940, assuming other variables are constant. The coefficient of the number of tourists of 98,108.28 indicates that each additional tourist increases PAD by Rp98,108.28, assuming other variables are constant. The coefficient of the number of restaurants of 8,637,722 indicates that each additional restaurant unit increases PAD by Rp8,637,722, assuming other variables are constant.

Hypothesis Testing Results

Coefficient of Determination (Adjusted R^2). The test results show an R-squared value of 0.946 and an Adjusted R-squared value of 0.919. These values indicate that the number of hotels, the number of tourists, and the number of restaurants together are able to explain the variation in the DIY Province's PAD by 91.9 percent, while the remaining 8.1 percent is explained by other variables outside the model, such as the number of tourist attractions,

hotel occupancy rates, or regional macroeconomic conditions. Simultaneous Test (F Test). The test results show an F-statistic value of 35.213 with a probability (Prob(F-statistic)) of 0.000333. Since the probability value is much smaller than $\alpha = 0.05$, H_0 is rejected and H_4 is accepted, so it can be concluded that the number of hotels, the number of tourists, and the number of restaurants simultaneously have a significant effect on the PAD of the Special Region of Yogyakarta Province. Partial Test (t-Test). The results of the partial test for each variable are presented in Table .

Table 8. Hypothesis Testing.

Hypothesis	Statement	Say.	Results
H1	The number of hotels affects PAD	0,0234	Accepted
H2	The number of tourists affects PAD	0,0005	Accepted
H3	The number of restaurants affects PAD	0,9067	Rejected
H4	The number of hotels, tourists and restaurants has a simultaneous effect on PAD	0,0003	Accepted

Based on Table 5, of the three partial effect hypotheses proposed, two were accepted (H1 and H2) and one hypothesis was rejected (H3). Partially, the number of hotels and the number of tourists were shown to have a significant effect on PAD, while the number of restaurants was not shown to have a significant effect. The simultaneous effect hypothesis (H4) was accepted.

The Influence of the Number of Hotels on Regional Original Income

The analysis results show that the number of hotels has a positive and significant effect on the Regional Original Income (PAD) of the Special Region of Yogyakarta (DIY), with a coefficient of 91,629,940 and a probability of 0.0234 (<0.05). This finding is in line with the initial hypothesis and strengthens the position of the hotel sector as part of the basic sector within the Economic Basis Theory framework: hotels provide accommodation services that enable out-of-town tourists to stay and spend their income in the Special Region of Yogyakarta (DIY), thereby expanding the hotel tax collection base. Empirically, the number of hotels in DIY grew from 625 units in 2015 to 2,000 units in 2024, in line with the development of accommodation areas in Malioboro, Sleman, Bantul, and Gunungkidul. The significant influence of this variable in the three-variable model differs from the results of the four-variable model in the reference thesis, which shows a probability that the number of hotels approaches but does not yet exceed the 0.05 threshold (0.0601). This difference is likely caused by changes in the model structure after the number of tourist attractions variable was removed, which reduces overlapping (redundancy) of information between independent variables, thus making the estimation of the influence of the number of hotels more precise. This finding is consistent with Astuti Purnamawati, (2022) and Sanjaya & Wijaya, (2020) who also found a significant positive effect of the number of hotels on regional tax revenue.

The Influence of the Number of Tourists on Regional Original Income

The analysis results show that the number of tourists has a positive and significant effect on the Regional Original Income (PAD) of the Special Region of Yogyakarta (DIY), with a coefficient of 98,108.28 and a probability of 0.0005 (<0.05), making it the variable with the strongest level of significance in the model. This finding is highly relevant to the core of the Economic Base Theory: tourists are a source of external demand (basic demand) that brings income inflow to the regional economy through spending on accommodation, consumption, transportation, and other tourism activities. Empirically, the number of tourists in DIY increased from 4,122,205 in 2015 to 8,090,875 in 2024, despite a sharp drop in 2020 due to the Covid-19 pandemic. The pattern of PAD movement, which is in line with the trend in tourist numbers throughout the observation period, both of which decreased simultaneously in 2020 and recovered simultaneously since 2021, strengthens the indication that the volume of tourist visits is the most direct determinant of regional revenue compared to other tourism variables. These results are consistent with the findings of Palis, (2025), Puspa Sari Aceh et al., (2022) and Shanti & Nasikh, (2023).

The Influence of the Number of Restaurants on Regional Original Income

The analysis results show that the number of restaurants does not significantly influence the Regional Original Revenue (PAD) of the Special Region of Yogyakarta (DIY), with a coefficient of 8,637,722 and a probability of 0.9067 (>0.05). Although the direction of the influence is positive and in line with the initial hypothesis, statistically the influence is very weak. It is important to distinguish between "insignificant" and "no economic impact at all": this result does not mean that restaurants do not contribute to the tourism economy, but rather that the number of restaurant units alone is not a strong enough indicator to predict regional revenue. Empirically, the number of restaurants in the Special Region of Yogyakarta fluctuated sharply from 2015–2024 (367–1,500 units), influenced by the entry and exit of small and medium-sized businesses and the impact of the Covid-19 pandemic. Within the framework of the Economic Basis Theory, restaurants are positioned as a derived activity whose contribution to Regional Original Revenue (PAD) is determined more by the size of transaction turnover and the level of taxpayer compliance than the number of operating business units. Small-scale restaurants with a large number can contribute relatively low taxes, while large-scale restaurants with high transaction volumes can generate greater revenue despite having a small number of units. This finding is in line with Sanjaya & Wijaya, (2020) who also found that the number of restaurants had an inconsistent and significant influence on regional tax revenue in West Sumatra, and with Damayanti, (2022) who emphasized that restaurant tax contributions were more influenced by business activities and transaction turnover than the number of business units.

5. Conclusions

This study analyzes the influence of the number of hotels, the number of tourists, and the number of restaurants on the Regional Original Income (PAD) of the Special Region of Yogyakarta Province for the period 2015–2024 using multiple linear regression with the Ordinary Least Square (OLS) method. The results show that the number of hotels has a positive and significant effect on PAD, the number of tourists has a positive and significant effect on PAD with the strongest level of significance among all variables, while the number of restaurants has a positive but insignificant effect on PAD. Simultaneously, these three variables have a significant effect on PAD with an Adjusted R^2 value of 0.919. These findings strengthen the relevance of the Economic Base Theory in explaining the mechanism of income inflow and multiplier effects in tourism-based regional economies, and indicate that the strength of the influence of each component of the base sector can vary depending on the extent to which the component is directly connected to external demand sources, especially tourists. Practically, the Provincial Government of the Special Region of Yogyakarta is advised to prioritize tourism promotion strategies to increase the number of tourist visits, encourage targeted and sustainable hotel investment, and strengthen the administration and supervision system for restaurant taxes based on transaction turnover so that the contribution of the culinary sector to PAD can be more optimal. This study is limited by the relatively small number of observations, namely 10 observations due to the limited availability of annual time series data, so the estimation results need to be interpreted cautiously. Furthermore, the research model does not include the number of tourist attractions or other macroeconomic variables that could potentially influence PAD. Therefore, further research is recommended to add relevant variables such as the number of tourist attractions, hotel occupancy rates, tourist length of stay, or GRDP, use a longer research period or district/city-level panel data, and consider alternative analysis methods such as Autoregressive Distributed Lag (ARDL) or Vector Error Correction Model (VECM) to capture the long-term dynamic relationships between variables.

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