

ABSTRACT

Based on the general provisions in Law Number 32 of 2004 concerning local government, regional autonomy is expected to be able to manage natural resources owned effectively and efficiently, develop regional potentials whose aim is to increase regional income, while also being able to allocate regional expenditures according to community needs in order to improve the welfare of the community. One of the regional expenditures used by the Regional Government is Capital Expenditures. Capital Expenditures are all state expenditure carried out in the context of capital formation in the form of land, equipment and machinery, buildings and buildings, networks, and other physical forms.

This study aims to determine the effect of Local Revenue (PAD), the General Allocation Fund (DAU), the Remaining Budget Financing (SiLPA) on Capital Expenditures in Regencies/Cities in East Kalimantan Province 2014-2017 fiscal year. The data used in this study was obtained from the Realization Report of the Regency/City Budget of East Kalimantan Province, namely from the official website of the Directorate General of Fiscal Balance.

The population in this study is the Regency/City in East Kalimantan Province. The sample selection technique used is purposive sampling and obtained 9 districts/cities with the 2014-2017 research period. Data analysis method in this research is panel data regression analysis using Eviews version 9 software.

Based on the test results show, simultaneously independent variables consisting of PAD, DAU, SiLPA have a significant effect on capital expenditure. While partially, the results show that PAD has no effect on capital expenditure, DAU has a negative effect on capital expenditure and SiLPA has a positive effect on capital expenditure.

Based on the results of the study, it is hoped that regional governments pay more attention to revenues, especially Regional Original Revenues, in order to increase Capital Expenditures and not to rely on the General Allocation Fund or the remaining excess Budget Financing to help regional expenditures.

Keyword: Local Revenue, General Allocation Fund, Remaining Budget Financing, Capital Expenditure