

ABSTRACT

The emergence of COVID-19 pandemic has led to significant changes in various sectors, especially for the Indonesian government. The rapid development of the spread of COVID-19 has resulted in a decrease in state income. This has caused the government to reallocate and refocus the APBN and APBD expenditure budgets for fiscal year 2020. This budget refocusing has an impact, namely the budget that has been made previously cannot be carried out properly so that it affects capital expenditure, where capital expenditure is not realized properly it will affect infrastructure development not going well.

This study aims to determine the effect of Regional Original Revenue, General Allocation Fund, and Special Allocation Fund on Capital Expenditure in Indonesia, a case study of provincial government in Indonesia in 2020 semester 1, either simultaneously or partially. all provinces in Indonesia either simultaneously or partially.

This research method uses quantitative methods. The population in this study is a registered province in Indonesia. The sample selection technique used was purposive sampling and obtained 31 provinces with a research period of 2020 semester 1. Data collection techniques were carried out by documentation and literature study. The data processed is secondary data sourced from the official website of the DJPK Ministry of Finance of the Republic of Indonesia. The analytical method used is multiple linear regression using SPSS software version 25.

The result shows that the variables of regional original revenue, general allocation fund, and special allocation funds simultaneously had an effect on capital expenditure. While partially, it shows that regional original revenue and general allocation funds affect capital expenditure, special allocation fund have no effect on capital expenditure.

This research is expected to add insight and knowledge about the factors that affect Capital Expenditure, besides that this research can be used as an insight to predict Capital Expenditure that are influenced by Regional Original Revenue, General Allocation Fund, and Special Allocation Fund.

Keywords: *Regional Original Revenue, General Allocation Fund, Special Allocation Fund, Capital Expenditure*