The Effect of Local Tax, Local Retribution, Restricted local assets Management, and General Allocation Funds on Regency and Municipal Capital Expenditures in Banten Province for the 2015 - 2019 Period

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Abstract

This paper examines the effect of Local Tax, Local Retribution Restricted local assets Management, and general allocation of funds on regencies and municipal capital expenditures in the province of Banten for the 2015-2019 period. The research sample is the district and city governments in Banten Province, totaling 8 districts and cities consisting of 4 districts and 4 cities in the 2015-2019 Local Budget Revenue Realization Report (LRAPBD) of the Banten provincial government. Through the purposive sampling technique, the results show that the variables of local taxes and retribution have an effect on capital expenditures, while the variables of separate local wealth management and general location funds have no effect.

Keywords: Local Tax, Local Retribution, Restricted local assets Management, General Allocation Funds, Capital Expenditures.

INTRODUCTION

The level of capital investment in Local government is expected to be able to improve the quality of public services because fixed assets owned from capital expenditure activities are the main pre-requisites in providing minimum standards of public services by local governments. Therefore, efforts to improve the quality of public government facilities and infrastructure should change the proportion of Local expenditure by further increasing the allocation of capital expenditures based on increasing Local Revenue sources that influence local governments in allocating capital expenditure (Nurzen, & Riharjo, 2016).

Local Financial Management Guidelines 2006 (Indonesia)s number of 13 explains that capital expenditure is a classification of Local expenditure, where sources that influence capital expenditure are the amount of Local Revenue received. According to the Law of Number 23 the Year 2014 on the Local Government, Regency Revenue consists of Regency Own-Source Revenue (PAD); Transfer income, and Other valid regency income. Based on Law Number 32 of 2004 concerning the Local Government, said that the acceptance of the Local government originating from its funding was based on the ability possessed, in the form of Local Own-Source Revenue (PAD).

Local Own-Source Revenue Local Own-Source Revenue (PAD) consists of Local Tax, Local Retribution, Results of assets Management Restricted, and Others Legal Own-Source Revenue Legitar (Novalistia, 2016). Mardiasmo (2018) states that on the revenue side, the ability of the Local government in increasing its Local Revenue in a continuation is still weak. Even the problems that often arise are the low ability of Local governments to produce accurate Local Revenue predictions, so they cannot be collected optimally.

Intani (2018) explains that one of the factors of influence capital expenditure is financial factors, one of which is sourced from income. The allocation of capital expenditure affects of financial factors, namely local revenue sources. It can be said that capital expenditure is influenced by various factors including; Local Tax, Local Retribution, Results of Restricted assets Management, Others Legal Own-Source Revenues are legitimate and Balancing funds.

Local Taxes and Local Retribution 2009 (Indonesia)s number of 28, states that the main source of local revenue (PAD) originates from Local taxes and Local retribution. The amount of local tax revenue and Local retribution obtained indicate the contribution of Local taxes and Local retribution in increasing the allocation of capital expenditure. Likewise, Local retribution received for each region is varied. The amount of local tax revenue and Local retribution obtained indicate the contribution of Local taxes and Local retribution in increasing the allocation of capital expenditure.

The ability of the region to provide funding from regions is very dependent on the ability to realize Local economic potential into forms of economic activities that are able to create funding for sustainable Local development. This raises fiscal inequality between an area with other regions. Financial Balance between the Central Government and Local Government 2004 (Indonesia)s number of 33 explained that the provision of state financial resources to the Local government in the context of implementing decentralization is based on the submission of the task by the central government to the local government with regard to the stability and fiscal balance of each region.

The growth rate of realization of assets management is Restricted and is not solely due to the PAD. The local government must continue to explore the potential of Local Revenue to strengthen the independence of the local government in triggering Local Revenue growth. According to Financial Balance between the Central Government and Local Government 2004 (Indonesia)s number of 33, explaining that allocating the number of amount transfers originating from the State Revenue and Expenditure Budget (APBN) to the Local government in the form of balancing funds to fund Local needs

is funds sourced from the revenue of the APBN allocated to the regions to fund Local needs in the context of implementing decentralization.

The next Local Revenue is a general allocation fund sourced from the balanced fund. Capital expenditure is a part of the region which is also funded from the general allocation fund and is calculated by the Local government in the Local Revenue and expenditure budget. This general allocation fund emphasizes aspects of equity and justice that are in line with the implementation of government affairs. With the transfer of the center in the form of this general allocation fund, it is expected that local governments can afford to finance capital expenditure in their regions.

The amount of DAU given by the Local government was set at least 25 percent of net domestic revenues after being reduced by profit-sharing funds from the Special Allocation Fund. According to (Mardiasmo, 2018). Local revenue sources available local governments must be able to allocate Local revenues obtained for productive Local expenditure. Paragraph 39 Statement of Government Accounting Standards 02 said the classification of expenditure according to the economy (type of shopping) was grouped into operating expenditure, capital expenditure, and other expenditure or unexpected. The problem that often occurs in the management of the Local financial budget of the capital expenditure is the proportion of the budget allocated for lower capital expenditure than operating expenditure.

The magnitude of the percentage of capital expenditure on total Local expenditure is lower than the percentage of operating expenditure on total local government and Municipal expenditure in Banten Province in 2015, 2016, 2017, 2018, and 2019, This is contrary to the purpose of the central government, namely to improve the welfare of the community in the area so that the percentage of capital expenditure continues to be increased by 21.1 percent (Directorate General of Financial Balance, 2017). Although the central government has encouraged to increase the percentage of capital expenditure, in reality, the percentage of capital expenditure is lower than the percentage of operating expenditure. The effectiveness of development expenditure needs to be increased so that it can have a significant impact on development needs in the Banten region

The lack of attention from the government in managing its Local revenue results can affect the financial development of the region. In this case, it is expected that the government can wisely make decisions concerning Local revenue matters (Pratomo, 2016). Budget allocation is the most common problem by the Local government within the public sector organization (Yupukolo, 2019) high Local income, Local tax, Local retribution, assets management, and DAU must be balanced with high capital expenditure, but in the practice of officials, Capital expenditure is still not done well.

Priambudi (2016) mentions the concept (of MTEF) which states that the obligation of capital expenditure must pay attention to the benefits and financial capabilities of the Local government (budget capability) in the management of assets for the long term, in this case, the procurement of facilities and infrastructure included in the capital expenditure category must be adjusted to the medium-term development plan of each region. Mardiasmo (2018) said that the shift in spending composition was a logical effort carried out by the treatment of the local government in order to increase the level of public trust. This shift is indicated by increasing capital investment. The higher the level of capital investment is expected to be able to improve the quality of public services and in turn it is able to improve the quality of public services and is expected to be able to increase the level of participation of public contribution to the development which is reflected in the increase in Local Own-Source Revenue (PAD). According to World Bank, Good Governance is an organization of solid and responsible development management that is in line with the principle of democracy and efficient markets, avoidance miss allocation of investment funds, and prevention of corruption both politically and administratively, and explains budget discipline (Mardiasmo, 2018).

Based on the background that has been described above, the author is interested in researching the influence of Local Revenue sources received by the Local government on 2015-2019 capital expenditure. The sources of the Local Revenue are Local taxes, Local retribution, assets management is restricted, and general allocation funds. Research using the regency government object and the Municipal is a government unit that can apply budget policies for the benefit of the people in their respective regions directly

The use of the 2015-2019 period is intended so that this research can use the latest data so it is expected that the results are still relevant to the current conditions. In connection with this, the author gave the title of this study "the influence of Local taxes, Local retribution of Restricted assets management and general allocation funds on regency and Municipal capital expenditures in Banten Province for the 2015-2019 period. In connection with this, the author gave the title of this study "the influence of Local taxes, Local retribution of Restricted assets management and general allocation funds on regency and Municipal capital expenditures in Banten Province for the 2015-2019 period.

LITERATURE REVIEW
Local tax on capital expenditure

Fiscal decentralization provides authority to the regions to take care of and regulate all government affairs by making Local policies that aim to improve the welfare of the community by increasing the allocation of capital expenditure such as the construction of Local infrastructure, increasing the allocation of capital expenditure as the construction of Local infrastructure, increasing local community empowerment One of the factors used to increase financial expenditure in terms of finance is revenue. The local government as a public sector organization has Local Revenue sources both originating from the central government and those from the area itself. The ability of the region to provide sources of revenue originating from the region itself is through Local revenue revenues consisting of Local tax, Local retribution, Restricted assets management, and other Local Own-Source revenues that are legitimate. Local taxes have the greatest contribution to providing revenue for the region. The greater the tax received by the Local government, the greater the Local Own-Source revenues, thus the greater the funds allocated for capital expenditure that can be used to complement Local Assets (Hasbullah, 2017).

Local tax sources are very important for local governments to earn Revenue from the source. Local taxes are a source of Local Revenue that can be extracted by its potential through extensification and intensification. This can be carried out by collecting, administering, setting rates, and others. The area facilitates various economic improvement activities in the region, one of which is by opening opportunities to invest. The local government facilitates various economic enhancement activities in the region, one of which is to open opportunities to invest. Infrastructure development and providing various convenience facilities to increase investment appeal.

The construction of industrial infrastructure has a real impact on the local tax increase. In other words, the construction of these facilities will lead to the creation of Local autonomy (Dian, 2015). The increase in Local Revenue originating from Local taxes is expected to be able to provide a significant effect on capital expenditure, which will later be used to improve public facilities and infrastructure. This is also supported by Priambudi's research (2016) that Local taxes have a positive and significant effect on capital expenditure. From this explanation, it can be said if the Local tax revenue increases, it has a positive effect on local government capital expenditure.
H1: Local taxes have a positive effect on capital expenditure.

Local retribution on capital expenditure

The implementation of Local autonomy aims to improve public facilities and services and improve the local economy. One way to improve public facilities and services by shopping for investment benefits is realized through capital expenditure. One factor that affects financial expenditure in terms of financial is revenue. The local government as a public sector organization has Local Revenue sources both originating from the central government and those from the area itself. The ability of the region to provide sources of Revenue originating from the area itself is based on the Revenue of local revenue.

One of the local authorities can be realized by increasing the country's Own-Source Revenue in the form of Local retribution As a payment of certain services or licenses provided or provided by the Local government for individuals or bodies, where parties who pay Local retribution get direct services or rewards and the implementation is based on applicable regulations. If Local retribution increases, local revenue will also increase so that it can be used to increase the allocation of capital expenditure to improve the services of facilities and infrastructure to the community (Intani, 2018). The main feature that shows an area capable of autonomy is located in the financial cap municipal of the region. This means that the local government and municipalities in Banten Province as autonomous regions must optimize their own financial resources.

This effort needs to be done to reduce the dependence of the Local government on the central government. The results of the previous study conducted by Periansya et all. (2020) showed that Local retribution had a significant positive effect both partially and simultaneously on capital expenditure. From this explanation, it can be said if the Local retribution receipts increase, it has a positive effect on local government capital expenditure.

H2 Local retribution have a positive effect on capital expenditure

Restricted local assets management on capital expenditure.

According to Pratomo (2016), which is meant by the Restricted management of assets is the management of assets which is Local revenues originating from Local-owned companies and assets management Restricted According to Pratomo's research (2016), shows that the results of Restricted assets management do not affect Local expenditure. Yupukolo (2019) research shows that the results of Restricted assets management do not affect Local expenditure. Based on this explanation, the hypothesis can be formulated, namely

H3: The results of Restricted local assets management have a positive effect on capital expenditure

4. Effect of general allocation funds on capital expenditure

According to Financial Balance between the Central Government and Local Government 2004 (Indonesia) s. 33, concerning the financial balance between the Central Government and the Local Government, DAU is a fund sourced from the revenue of the APBN allocated with the objectives of equitable financial ability to fund the needs of regions in implementing decentralization. DAU aims to equalize the financial ability between regions intended to reduce the inequality of financial ability between regions through the application of formulas that consider the needs and potential of the region. According to Dian (2015) research in the results of his research revealed that the general allocation fund had a significant influence on Local expenditure

Prambudi (2016) research also revealed that the general allocation funds have a positive and significant effect on capital expenditure. Based on various literature, general allocation funds in Indonesia the equation of meaning with transfer revenue. From the description above it can be concluded that

H4: General allocation funds have a positive effect on capital expenditure.

RESEARCH METHODS
Population and sample

The population in this study is the report of the Local expenditure budget realization (LRAPBD) of the regency and Municipal government in Banten Province in 2016-2019. Data were obtained from the site of the Central Statistics Agency (BPS) and the Director-General of Financial Balance of the Ministry of Finance. In this study, the research sample was the regency government and Municipal in Banten Province, which numbered 8 regencies and municipals consisting of 4 regencies and 4 municipals in the Local expenditure revenue budget realization report (LRAPBD) of the 2015-2019 Provincial Government.

Operational Definition of variables

Capital Expenditure

Capital expenditure is the budget expenditure carried out in the framework of capital formation that acquires or adds fixed asset inventory that benefits more than twelve months (one period of accounting), Included in the expenditure for maintenance costs that are maintained or increase the useful life, increase the cap municipal and quality of assets. Indicators for measuring capital expenditure are

Local tax

It is a levy made by the local government based on applicable laws and regulations. This Local tax can be distinguished into two categories, namely Local tax set by Local regulations and state tax whose management and use are submitted to the region. Local tax revenues include hotel taxes, restaurants, entertainment, billboards, street lighting, C gems, parking lots, and others. This variable is measured by the number of Local tax values contained in the data. Local tax revenues include hotel taxes, restaurants, entertainment, billboards, street lighting, C gems, parking lots, and others. This variable is measured by the number of Local tax values contained in the Local Municipal budget realization report data in Banten Province

Local Retribution

It is Local retribution as payments for certain services or providing special permits provided and or given by local governments for the benefit of individuals or agencies. Local retribution consists of general service retribution, business service retribution, and certain licensing retribution General service retribution includes health service retribution, solid cleanliness, cost of KTP and Civil Registry Deeds, Funeral Services, Parking Services, Public Roadside Parking Services, Markets, Motorized vehicle testing, fire extinguishers, replacement of printing costs maps and retribution of assets usage, wholesale markets shops, terminals, animal slaughterhouses, recreation sports sites and the like. Certain licensing retributions include building licenses for establishing buildings, soil use permits, route permits, and others. This variable is measured by the number of Local retribution values contained in the Local Municipal budget realization report data in Banten Province.

The Restricted asset of the regency

Income in the form of assets management results Restricted, consisting of the Revenue on capital investment participation in Local property BUMD, the Revenue section of capital participation investment in government state-owned companies, and the Revenue department Capital Investment in private-owned companies. This variable is measured by the number of values contained in the Local Municipal budget realization report data in Banten Province.

General Allocation Funds

The General Allocation Fund is one of the transfers of central government funds to the Local government originating from the Revenue of the State Budget, which is allocated with the objectives of equitable financial ability between regions in the context of implementing decentralization DAU is a block that is a block grant, it means that its use is submitted to the region to improve the service of Local autonomy.

DAU was allocated to the provincial and regency / Municipal of the amount of DAU was set at least 26% of the net domestic revenue (PDN) set in the APBN. The proportion of DAU for provincial areas

regencies and municipalities is determined in accordance with the institution of authority between provincial regencies and municipalities. The general allocation fund measurement indicator is.

Tabel 1. DAU Allocation

Amount of DAU	DAU Province	DAU regency and Municipal
26% x APBN	10% x 26% x APBN	90% x 26% x PDN

$$DAU\ A\ Province$$
$$= \frac{The\ Weight\ of\ All\ Provinces\ concerned}{Weight\ All\ provinces\ in\ Indonesia} X\ DAU\ for\ Province$$

$$DAU, a\ regency\ and\ Municipal$$
$$= \frac{The\ Weight\ of\ regency\ and\ Municipal\ concerned}{Weights\ all\ regencys\ and\ municipal\ in\ Indonesia} X\ DAU\ for\ regencys\ and\ m\imath$$

Data Analysis Method

The data collected will be analyzed through several stages. Data will be analyzed by descriptive statistics and classical assumption tests. First, descriptive statistics are done to find out the delivery and distribution of data. Then the classic assumption test is done to test the feasibility of the regression model which will then be used to test the research hypothesis and tested with multiple linear regression analysis using SPSS software.

Y = α + β1 Lo Tax + β2 Lo Ret + β3 Re Man + β4 DAU + e

Description:

CE: capital expenditure

A: Constant

β1-3: independent variable coefficient

Lo Tax: Local tax

Lo Ret: Local Retribution

Re Man: Restricted local assets management

DAU: General Allocation Fund

Results and Discussion

Results

1. Descriptive statistical analysis

Descriptive statistical analysis provides a picture or description of data seen from the minimum, maximum, average (mean), and standard deviation of each research variable. Descriptive analysis in this study consists of Local tax, Local retribution, management of Restricted assets, general allocation funds, and capital expenditure.

Table 2. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Lo Tax (x1)	39	30.005.466	5.215.140.686	801.450.666	1129596901
Lo Ret (x2)	39	8.560.073	162.923.496	48.918.620	40576667
Re Man (x3)	39	0	51.862.903	12.516.564	13762659
DAU (x4)	39	514.376.024	1.213.995.208	866.686.877	242069301
CE (y)	39	169.833.426	1.585.911.127	656.797.989	391451700

Table 2 shows the descriptive statistical value of the data for each variable. All variables, except for the Restricted local assets management variable, have a fairly high data variation, which can be seen in the difference in the mean and maximum values which are quite high as well as the difference between the maximum and minimum values. This illustrates that the situation in each district and city has variations.

a. T-Test

Test T value aims to examine the effect of independent variables on the dependent variable in research as in the hypothesis used in this study.

Table 3. T test Statistic

Model	Unstandardized Coefficients		Standardized Coefficients	T	PDP
	B	Std. Error	Beta		
(Constant)	253337868.210	143680419.663		2.763	.007
Lo Tax (x1)	.199	.044	.574	4.509	.000
Lo Ret (x2)	4.122	.875	.427	4.712	.000
Re Man (x3)	2.372	3.441	.083	.689	.495
DAU (x4)	.015	.164	.009	.089	.929

Table 3 above shows the results of multiple regression testing for the model used in this study. The results of hypothesis testing include. Based on the results of data processing in Table 3, shows that the Local tax and the Local retribution have an effect and significantly on capital expenditure this is proven by the results the significance value is smaller than 0.05 which is equal to 0.00. The results of the test of the above hypotheses show that the Restricted local assets management (Re Man) and General Allocation Fund (DAU) variable do not affect capital expenditure. this is proven by the results the significance value is bigger than 0.05.

RESULT AND DISCUSSION
The Effect of Local Tax on Capital Expenditures at Regency and Municipal Government.
This can be interpreted as the higher (increasing) the Local tax produced, the higher capital expenditure (increasing), and vice versa. Thus, hypothesis 1 is accepted. Based on these results it can be interpreted that Local taxes have a positive effect on capital expenditure. One factor that influences capital expenditure can be seen in terms of financial factors, namely revenue. One-owned source of revenue for autonomous Local governments comes from the results of local tax retribution, taxes are very important for local governments to earn revenue from the source. Local taxes have the greatest contribution to providing revenue for the region. The greater the Local tax received by the Local government, the greater the Local Own-Source revenue, thus the greater the funds allocated for capital expenditure that can be used to complement the Local assets (Hasbullah, 2017).

Local tax sources are very important for local governments to earn revenue from the source. Local taxes are a source of Local Revenue that can be extracted by its potential through extensification and intensification. Local taxes are one of the sources of Local Own-Source Revenue originating from the potential of each region that must be increased to finance the implementation and expenditure of

local government, although each region has the ability or potential of different sources of revenue (Intani, 2018). The local government facilitates various economic enhancement activities in the region, one of which is to open opportunities to invest. Infrastructure development and providing various convenience facilities are made to increase investment appeal. The construction of industrial infrastructure has a real impact on the local tax increase. In other words, the construction of these facilities will lead to the creation of Local independence (Dian, 2015).

The results of this study are in accordance with the results of previous studies, namely carried out by Hasbullah (2017) which stated that the greater the tax received by the Local government, the greater the country's Own-Source revenue, thus the greater the funds allocated for capital expenditure that can be used to complete the Local assets. This is supported by research by Dian L (2015) with the title of Local tax influence, Local retribution, general allocation funds, special allocation funds, and profit-sharing funds on capital expenditure, that partial Local taxes have a significant effect on capital expenditure. And this is also supported by research conducted by Periansya (2020) that Local taxes have a positive and significant effect or simultaneously on capital expenditure. And this is also supported by research conducted by Periansya (2020) that Local taxes have a positive and significant effect or simultaneously on capital expenditure.

Based on the above research, the greater the Local tax obtained or accepted by an area and the correct Local tax utilization makes the number of funds used or distributed by local governments to conduct capital expenditure also become large.

The Effect of Local retribution on capital expenditure in Local government and Municipal

Based on the results of the hypothesis shows that Local retribution affects capital expenditure. Can be interpreted that the higher the Local retribution produced or accepted by the government, the capital expenditure will increase the lower the Local retribution produced or accepted, and the capital expenditure will be lower (decreases). Thus, hypothesis 2 is accepted.

Based on these results it can be interpreted that Local retribution has a positive effect on capital expenditure. Like Local taxes, Local retribution is also one of the factors that influence capital expenditure when viewed in terms of financial factors, namely revenue from the area itself. Local Retribution One of the sources of Local Own-Source Revenue and Local retribution is collected based on the regulations of each region in accordance with applicable legislation. The local government as a public sector organization has Local Revenue sources both originating from the central government and those from the area itself. The ability of the region to provide sources of Revenue originating from the region itself is through the revenue of local revenue.

Local governments are expected to be more optimizing economic potential in the regions including optimizing the results of Local retribution so that they can have a good impact on capital expenditure (Intani, 2018). Based on the results of the research obtained, it can be concluded that Local retribution has a positive effect on capital expenditure in regency and municipal in Banten Province from 2015 to 2019. The higher the Local retribution produced or accepted by the government the capital expenditure will be higher (increasing). The lower the Local retribution produced or accepted the lower capital expenditure will be lower (decreases).

The results of this study are in accordance with previous research, namely research conducted by Periansya (2020) that Local retribution in order to grow, local governments must optimize the potential of human resources and natural resources in this province so that the increase, in turn, can increase development and community welfare. This is also in line with Fatmasari's (2016) research that Local retribution has a positive effect on the capital expenditure budget. These results do not support Dian's (2015) research that Local retribution has no effect on capital expenditure.

The Effect of Restricted local assets management by capital expenditure in regency Local governments and municipal.

Based on the results of the hypothesis test it is known that the management of assets restricted by capital expenditure does not have a significant effect on capital expenditure. Thus, hypothesis 3 was rejected. Based on the above can be interpreted that the management of Restricted regions does not affect capital expenditure. This means that the small receipt of restricted assets management has an influence on capital expenditure.

Like Local taxes, Local retribution, the results of Restricted assets management are also one of the factors that influence capital expenditure when viewed in terms of financial factors, namely revenue originating from the area itself. Local property management is Restricted by one of the sources of Local Own-Source Revenue from the section of the profit from a BUMD company and the results of cooperation from third parties. This means that local governments must be able to optimize economic potential in areas as well as Optimize the results of assets management Restricted so that it can have a good impact on capital expenditure.

Therefore, efforts to improve the quality of public government facilities and infrastructure should change the proportion of Local spending by further increasing the allocation of capital expenditure by increasing Local Revenue sources that influence local governments in allocating capital expenditure. The results of this study are in line with Fatmasari (2016) Research The results of Restricted assets management do not affect the capital expenditure budget. While this result is different from Yupukolo (2019) the results of Restricted assets management have a positive effect on Local expenditure. And the management of assets Restricted is part of rice, and the increasing number of asset management receipts will increase. The higher the rice it will increase Local spending. This means the results of Restricted Local management are not the determinant of the increase in the capital expenditure budget.

The Effect of General Allocation Funds on Capital Expenditures at Regency and Municipal Government.

Based on the results of the hypothesis test it is known that the general allocation fund on capital expenditure does not have a significant effect on capital expenditure Thus, Hypothesis 4 was rejected. Based on the results interpreted that the general allocation fund has no effect on capital expenditure. This means that the general allocation fund is not the determinant of rising capital expenditure even though the general allocation fund is one that affects capital expenditure in terms of financial factors, namely revenue originating from the Central Transfer Fund.

The general allocation fund is funded originates from the Local Expenditure Budget (APBN) allocated to the regions to fund Local needs in the framework of decentralization (Law Number 33 of 2004 concerning the financial balance between the Central Government and Local Government, 2004). According to Intani (2018), the general allocation fund is an important role to maintain the creation of minimum service standards and every region, namely by increasing the expenditure of Local government that is productive.

If it is associated with Postulate Musgrave which states that the role of redistributive from the public sector will be more effective and suitable if it is run by the local government, the application of minimum service standards in each region will be more guaranteed by the Central Government. Based on the results of the study between the General Allocation Fund (DAU) on capital expenditure did not affect capital expenditure in Banten Province in 2016-2018. The higher the general allocation fund received by the regency Municipal government in the province in Banten Province, the local government spending will also increase.

Conversely, the lower the general allocation funds received by the Local government, the local government spending, especially capital expenditure which will also below. According to Rashmi (2018) further strengthens the tendency of local governments to transfer funds from the central government to become higher.

CONCLUSIONS

Based on the discussion of the results of this study, the following conclusions are obtained:

Local taxes affect capital expenditure. This means that the higher the Local tax produced, capital expenditure will be higher (increasing). Local retribution affects capital expenditure. This means that the higher the Local retribution produced or accepted by the government, the capital expenditure will increase, and the lower the Local retribution produced or accepted, the capital expenditure will decrease. Restricted Local Asset Management does not affect capital expenditure. The general allocation fund produced does not affect capital expenditure. This means that the general allocation fund is not a determining factor for capital expenditure.

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