THE INFLUENCES OF LOCAL GOVERNMENT INCOME (LGI) TO THE LOCAL GOVERNMENT CAPITAL EXPENDITURE IN BANDAR LAMPUNG

Abstract

By

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This research purposes to find out influences of local government income to the capital expenditure of developing funding in Bandar Lampung city.

The realization of capital expenditure in Bandar Lampung in 1989 – 2007 reached 83.43%. The highest realization was achieved in 2007 as much as 103.3%. In 2000 – 2003, the average of realization was 95%.

The LGI components consist of local tax, local retribution, local business profit and other LGI’s. The LGI’s in 1989 – 2007 increased relatively. The proportion of LGI’s components is that 51.85% of local tax to LGI and 42.64% local retribution to LGI. The problem statement in this research is how far influences of local tax, local retribution, and local business profit to the total of capital expenditure in Bandar Lampung.

The results are: (1) hypothesis stating that local tax, local retribution, and local business profit and other source of incomes influence significantly to the total of capital expenditure in Bandar Lampung is statistically acceptable. This is based on the F test result that the influence of the four variables is 62% with significant value of 0.000 (less than 0.05). (2) Hypothesis stating that local tax is a biggest factor influencing total capital expenditure is statistically acceptable. This is based on number of regression value as much as 23.293 with significant value of 0.000. (3) Another variable that influences to the total of capital expenditure in Bandar Lampung is local business profit as much as 15.346, while other source incomes variable influences 12.537 and the local retribution is as much as 11.503. All variables are influencing significantly because of their significant value is less than 0.05.