

## ABSTRACT

Since decentralization, each region may arrange income allocation for regional expenditure appropriate with regulation. For put government affair into effect that become their authority, region must have source of income so that region being able to give services and prosperity to their society. However, there are so many region that not able increase their regional original income appropriate their needs so that region depends with transfer fund that Central Government gave for regional expenditure. Thus, the authors conducted a study entitled “Analysis Factors that Influence the Regional Expenditure of Districts and Cities in West Java year 2010-2014”.

The purpose of this study was to know factors that influence the regional income. There are some instrument of income that author use such as regional original income, general allocation fund, income sharing fund and special allocation fund. This research is a descriptive study. Analysis method this study is Panel Data Analysis Regression.

Based on the result of data processing, regional original income and general allocation fund prove had influence to regional expenditure significantly but income sharing fund and special allocation fund were not. That means, each change of regional original income and general allocation fund will influence the regional expenditure. Based on the result of this study, coefficient of general allocation fund bigger than regional original income. This is show dependence of District and Cities Government in West Java for regional expenditure used general allocation fund which is transfer fund was too high. Because of that, increase the regional original income is important to all region so that appropriate with region autonomy principle for create the regional government that be autonomous.

**Keyword** : regional original income, general allocation fund, income sharing fund and special allocation fund