

ABSTRACT

Governance in Indonesia embraces the principle of decentralization by providing flexibility to regions to implement regional autonomy. Thus, the Regional Government has the right to self-regulate the affairs of its government to realize the welfare of the community. The realization of community welfare will be optimal if followed by the provision of adequate revenue sources to the region, where the source of revenue is obtained from regional income and regional financing. One of the largest sources of regional revenue owned and managed by the Regional Government is the Local Own Revenue (LOR) where the LOR itself is sourced from Regional Tax, Regional Retribution, the result of separated regional wealth management, and other legitimate PAD. Gross Regional Domestic Product (GRDP) is also an indicator that can increase the PAD of an area because the GDRP can show the welfare of the people of the area.

The purpose of this study is to examine the influence of local tax revenue, levies, and gross regional domestic product either simultaneously or partially on local revenue.

This study uses Bandung City as an object with APBD realization report of Bandung City and GDRP report on the basis of constant prices for the period 2012-2015 as a population. The sample selection technique using convenience sampling. The analytical method that used in this study is multiple linear regression.

The result of multiple linear regression shows that local tax revenue, levies, and gross regional domestic product simultaneously have significant effect on local own revenue. Partially, local tax revenue and gross regional domestic product have significant effect with positive direction on local own revenue. While levies has significant effect with negative direction on local own revenue.

Overall, the average of local tax revenue, levies, and local own revenue have the highest realization in December, while gross regional domestic product has the highest realization in large and retail trade sector. The result of multiple linear regression shows that local tax revenue and gross regional domestic product have significant effect with positive direction on local own revenue. While levies has significant effect with negative direction on local own revenue.

Keywords: *Local Own Revenue, Local Tax Revenue, Levies, Gross Regional Domestic Product*