

## **ABSTRACT**

*Capital expenditure is the expenditure of a budget to obtain tangible fixed assets that provide a benefit for more than one accounting period. Capital expenditures consist of capital expenditures for the acquisition of equipment and machinery, land, networks, buildings and structures, and in other physical forms. Regional Expenditures are broken down by regional government affairs, organizations, programs, activities, groups, types, objects, and details of spending objects.*

*This research aims to find out the influence of Regional Original Income, General Allocation Fund on Capital Expenditure in Regency and City Governments throughout Indonesia in 2020. The method used is quantitative with the data taken is secondary. The population in this study is the Regency and City Government, the sampling technique in this study uses perposive sampling techniques with a sample number of 258 district and city governments throughout Indonesia in 2020. The analysis method used is multiple regression analysis using IBM SPSS 25 as a statistical and hypothesis test tool.*

*The results showed that the original income of the region, general allocation funds, and the rest of the budget financing simultaneously affected capital expenditure. while partially the original income of the region positively affect capital expenditure. The variable general allocation fund has no effect on capital expenditure.*

**Keywords:** *Original Local Goverment Revenue, General Allocation Funds, Capital Expenditure*