

***The Impact of Regional Original Revenue on Capital Expenditure in the  
Regional Government of East Java in 2017-2021***

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**ABSTRACT**

*The economy of a region has a major influence on regional progress because of the autonomy of each region to freely formulate strategic policies and plan its finances. The implementation of good regional autonomy can be seen from the success of the level of independence of a region in self-funding its activities that are purely generated from regional revenues. Local original income is a benchmark and also a reflection of the level of independence of a region in exploring the potential to increase sources of income. Based on data obtained from the DGT of the Ministry of Finance in 2023 with data taken from 2017 to 2021, regional original income and capital expenditure in East Java Province from 2017 to 2021 fluctuated every year. In this study, several tests have been carried out to determine the effect of the independent variable, namely regional original income (X) on the dependent variable, namely regional capital expenditure (Y). The results showed that local original income had a significant effect on capital expenditure, so that  $H_1$  was received. Thus, local original income affects capital expenditure in each region in East Java Province.*

**Keywords:** *Regional Original Revenue, Capital Expenditure*