

## **ABSTRACT**

This study aims to find empirical evidence about the factors that influence the Capital Expenditure Budget in Central Java Province in 2009-2013. Factors that were tested in this study is Economic Growth, Local revenue, and the General Allocation Fund.

Data collecting in this study using census in Central Java province in 2009-2013. The sample used in this study were 175 samples. These factors tested using multiple linear regression analysis at significance level of 5%.

Results of the study indicated that the local original income and the General Allocation Fund has a significant positive effect on Capital Expenditure Budget, whereas Economic Growth has no effect on the Capital Expenditure Budget in Central Java Province.

**Keywords: Capital Expenditure Budget, Economic Growth, Local original income, and the General Allocation Fund**