The Influence of Regional Taxes, Regional Levies and Special Allocation Funds on Capital Expenditures on Regional Areas as Moderating Variables in Banten Province

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*Abstract-*This study aims to analyze local taxes, levies, and special allocation funds for capital expenditures and whether the regional area can moderate taxes, levies and DAK on capital expenditures. In running the government system, capital expenditures have an important role in improving public welfare and good governance. This research is a quantitative research, the population in this study is all districts and cities in Banten Province in 2014-2018 there are 8 districts and cities. The data analysis technique used is in the form of multiple linear regression analysis and the absolute difference value test for moderating variable analysis. The results of this research indicate that 1) Regional Taxes on Capital Expenditures have a positive effect in Banten Province, 2) Regional charges on capital ec=xpenditure have a positive effect, 3) Special Allocation Funds on Capital Expenditure have no effect, 4) Regional Area can moderate Taxes while Regional Areas Region is not a moderating variabel in the Charges and Special Allocation Funds for Capital Expenditure.

I. Introduction
1.1 Background of the Problem

Law No. 23 of 2014 describes Autonomous Region, which is the right, authority and obligation of the autonomous region to regulate and manage government affairs and the interests of the local community independently. Regions are required to be able to manage all their resources to finance all regional expenditures based on the principles of compliance, needs, and regional capacities as stated in the regional budget.

The purpose of regional autonomy is to accelerate the improvement of the welfare of the people of the autonomous region, increase the number and quality of public services and the existence of sufficient regional competitiveness. Every regional government transaction, either in the form of money or goods or services in the relevant fiscal year, must be budgeted for in the APBD. With the existence of regional autonomy it is expected to improve services in various sectors, especially the public sector, so as to attract investors in the regions. According to Jaya and Dwirandra (2014: 80), in implementing regional authorization, it is hoped that it will be able to build the region optimally and spur economic growth and improve the welfare of the community.

The budget allocation is the amount of the allocation funds for each program. With limited local government resources that are productive so that budget waste does not occur, local governments must be able to allocate the capital expenditure budget properly because capital expenditure is one of the steps for local governments to provide services to the public to be able to increase the allocation of capital expenditures which can be obtained. Know the variables that affect capital expenditure, namely local taxes, regional levies, special allocation funds and area size.

Maccording to Law No. 28 of 2009, namely the source of finance excavated from the region concerned, consisting of local taxes, proceeds from the management of separated regional assets and other legal regional income. According to Muhtarom, Abid (2016) said that local revenue is one of the sources of regional revenue that supports regional financial capabilities. The higher the local revenue, the higher the allocation of capital expenditures for a region.

Special Allocation Fund (DAK) funds given to certain regions whose finances are assisted so that they are budgeted from the State Revenue and Expenditure Budget (APBN) so that they can operate in specific matters. Based on Laksono (2014), the Special Allocation Fund can be concluded as funds originating from the APBN which are deliberately allocated specifically to regions to assist regional funds in financing special needs. In Law No. 33 of 2004, there are variables that reflect the need for the provision of facilities and infrastructure, namely the area of land, so that it can affect local taxes, regional leviesand a special allocation fund, which is the largest regional income to be allocated towards capital expenditure.

1.2 Problem Formulation

The main problems in this study are as follows:

1. Is there any effect of local taxes on [capital expenditure in Banten province?
2. Is there an effect of local retribution on capital expenditure in Banten province?
3. Is there an effect of the special allocation funds on capital expenditure in Banten province?
4. Is the area of the region able to moderate local taxes, regional levies, and special allocation funds for capital expenditures in Banten province?

II. BASIS OF THEORY AND HYPOTHESIS DEVELOPMENT
2.1. Theoretical basis
Tax

The definition of tax according to SI Djajadinigrat in the Official Siti (2017: 1) is tax as an obligation to submit conditions, events and actions that give a certain position, but not as a punishment, according to regulations set by the government and can be enforced, but there is no mutual service return from the State directly to maintain general welfare.

The characteristics of taxes according to Siti Resmi (2017: 2) the characteristics of taxes are as follows:

a) Taxes are collected based on or with the strength of the law and the implementing regulations.

b) In the payment of taxes, it cannot be shown that there are individual contradictions by the government.

c) Taxes are collected by the State, both central and local governments.

d) Taxes are allocated for government expenditures, if from the income there is still a surplus to finance public investment.

Tax Function
Based on Official Siti 92017: 3) there are two tax functions, namely:
a) State Financial Resources (Budgetair)
Taxes are a source of government revenue to finance expenditures, both routine and development, as a source of State finance, the government seeks to put as much money as possible to the state treasury.
b) Regulator (regularend)
Taxes as a tool to regulate or implement government policies in the social and economic fields and achieve certain goals outside the financial sector.

Type of Tax
Types of tax are grouped into three (Siti Resmi, 2017: 7), namely:
  I.   Based on Group
a) Direct taxes, taxes that must be borne or borne by the taxpayer and cannot be delegated or imposed on other people or other parties, the tax must be borne by the taxpayer concerned.
b) Indirect taxes, taxes can ultimately be imposed or delegated to other people.

  II.   Based on nature
a) Subjective tax, the tax imposition takes into account the personal situation of the taxpayer or the imposition of taxes that takes into account the condition of the subject.
b) Objective tax, tax subject to regard to the object, whether in the form of objects, circumstances, actions or events that result in the obligation to pay taxes, regardless of the personal situation of the tax subject (taxpayer) and residence.

III. Based on the collection agency
   a) State taxes, taxes collected by the central government and used to finance State households in general.
   b) Local taxes are taxes collected by local governments, both level I (provincial taxes) and level II (district / city taxes) and are used to finance each regional household.

Local tax

According to Law No.28 of 2009 concerning regional taxes and local levies, local taxes are mandatory contributions to regions that are owed by private persons or entities that are compelling under the law, and do not get direct compensation and are used for regional needs for the greatest prosperity of the people. Local taxes include:

- **Regency / City Tax**
- **Provincial Tax**

The distribution of Provincial Tax to Regency / City is regulated in Article 95 with a percentage stipulated by Provincial Regulation and the allocation is set forth in a Regional Head Decree. In this law there is a weakness, namely the absence of sanctions given by the Central Government to the Provincial Government regarding delays in distribution to the Regency / City. This is necessary so that the Regency / City Government has the capacity to predict cash inflows and can be used for the APBD. If there is no sanction, of course the Provincial Government will make the distribution not in accordance with the provisions so as to harm the region in a sustainable manner. These regulatory changes are necessary so that the government has certainty in the budgeting and implementation process.

Regional Retribution

Regional levies, namely regional levies as payment for services or the granting of certain permits specifically provided and given by the Regional Government for the benefit of individuals or agencies and regional levies and regional levies are one of the valuable sources of regional income to finance the implementation of local governments. Retribution is managed by the Regional Revenue Service (Dispenda). The objects for regional retribution are all people who use government services and public services (health, terminals, markets, etc.). Banten Regional Regulation No. 1 of 2018 concerning regional levies and Governor of Banten Regulation No.52 of 2018 concerning the implementation of regional levies.

There are categories and types of local levies as follows:

- **Public Service Retribution**

- **Retribution for Business Services**

- **Certain licensing levies.**

Special Allocation Fund (DAK).

According to Law No.33 of 2004, DAK is a fund sourced from APBN revenues allocated to certain regions with the aim of helping finance special activities that are regional affairs and in accordance with national priorities. The use of DAK is more directed at investing in the construction, procurement, improvement and repair of physical facilities and infrastructure with a long economic life, including the procurement of physical facilities with a long economic life, including the provision of supporting physical facilities and excluding capital participation. The allocation of DAK is expected to affect capital expenditures, because DAK tends to add fixed assets owned by the government in order to improve public services.

The mechanism for allocating DAK is as follows:

- The criteria for allocating DAK are as follows:
a) General Criteria, are formulated based on regional financial capacity as reflected in the general APBD recipient minus the expenditure for regional civil servants.
b) Specific criteria are formulated based on laws and regulations governing the implementation of special autonomy and regional characteristics.
c) Technical criteria, compiled based on indicators of specific activities to be funded from DAK.

Capital Expenditures

Based on PP No.71 of 2010, capital expenditure is a budget expenditure for the acquisition of fixed assets and other assets that provide benefits for more than one accounting period. Capital expenditure as a component of direct spending is used to finance investment needs.

Based on the Ministry of Finance of the Republic of Indonesia Directorate General of Budget, capital expenditure is a budget expenditure that is used in order to acquire or add to fixed assets and other assets that provide benefits for more than one accounting period and exceeds the minimum capacity limit for fixed assets or other assets set by the government. To increase fixed assets, local governments allocate funds in the form of a capital expenditure budget in the APBD. The existence of good infrastructure can encourage efficiency and effectiveness in various sectors, the productivity of the community is expected to increase the government needs to facilitate various economic activities, such as opportunities to invest. There is infrastructure development and the provision of various facilities to increase investment attractiveness. The existence of a good public service facility makes the community more enthusiastic in working, increasing the productivity of the community and investors in the area.

An area

Territory is an area that becomes a territorial of a sovereignty. The size of the government territory is the total size of the area of a government, in the form of district, city and provincial governments. The area of the area is related to the geography of an area According to law no. 33 of 2004 Area is a variable that reflects the need for the provision of facilities and infrastructure per regional unit. The wider the area of a government area, the more facilities and infrastructure that must be provided by the local government in order to provide good public services. The New Autonomous Region (DOB) seeks to develop its regions with various public service facilities that are more feasible, especially in areas that have not yet enjoyed the construction of public services such as hospitals, health centers, school buildings, construction of telecommunications towers, development of trading places, opening of transportation routes in the form of docks or city roads that make it easier for the public, especially those not reached by the previous government. The wider the area that needs to be built, the greater the capital expenditure that must be budgeted.

2.3   Relationship Between Research Variables.
2.3.1 Relationship between Local Taxes and Capital Expenditures

In this study, the authors specify from the original regional income, one of which is regional tax because local taxes have the largest contribution in providing income for the region. The greater the tax obtained by the local government, the greater the local revenue, thus the greater the funds allocated for capital expenditures that can be used to supplement regional assets based on writing (Rachmi, 2018) in research (Hasbullah, 2017). One of the sources of regional revenue whose potential can be extracted is through extensification or intensification, this can be done by collecting and administering and setting tariffs. Local governments must facilitate various activities

to improve the economy in the area, one of which is to provide investment opportunities. Infrastructure development and the provision of various facilities are made easy to increase investment attractiveness. The results of this explanation can be said that if the recipient of Local Taxes increases, it will have a positive effect on capital expenditure. The research conducted by M. Zahari (2018) shows that local taxes partially have a significant effect on capital expenditure.

H1: Local taxes have a positive effect on capital spending

2.3.2 Relationship between Regional Levies on Capital Expenditures

One of the ways to achieve regional autonomy is by increasing local revenue from levies. Regional levies are local levies as payment or services or the provision of certain permits that are given or provided by local governments for individuals or entities, parties paying regional levies receive direct services or rewards and their implementation is based on applicable regulations. According to Momonto and Tolosang (2014), if the Regional Retribution increases, the Original Regional Revenue will also increase so that it can be used to increase the allocation of Capital Expenditures to improve facilities and infrastructure services to the community. This effort needs to be done to reduce the dependence of the regional government on the central government. In research conducted by Ramlan,

H2: Regional Levies have an effect on Capital Expenditure

2.3.3 The relationship between the Special Allocation Fund (DAK) and capital expenditures

One of the Transfer Funds is the Special Allocation Fund, which comes from the Indonesian State Budget (APBN) which is allocated to regions and national priorities. The purpose of the Special Allocation Fund is to reduce the burden of costs for special activities that must be borne by local governments. Utilization of the DAK for development investment activities, improvement of physical facilities and infrastructure for public services with long economic life, procurement and improvement. With this utilization, it can be expected to improve public services that are realized in capital spending. In research conducted by Riska and Achmad (2018) it shows that the Special Allocation Funds partially affect capital expenditures.

H3: Special Allocation Funds Affect Capital Expenditures

2.3.4 Relationship between Regional Extensions and the Relationship between Local Taxes, Retribution, DAK and Capital Spending

Regions that have a fairly large area will require more facilities and infrastructure so that the Regional Area is able to moderate regional income from taxes, levies and special allocation funds for capital expenditures. The size of the area becomes the benchmark for building facilities and infrastructure in the form of infrastructure development such as roads and networks that will facilitate travel from one area to another and facilitate the flow of goods to an area. In infrastructure development, it can attract investors to invest so that the economy in an area can increase. Research conducted by Sholikhah and Wahyudin (2014) stated that Regional Area has a significant effect on Capital Expenditure,

H4: Regional area can be moderated by regional income from local taxes, blood fees and DAK on capital expenditures.

2.5   Research conceptual framework.

With the framework of thought, it can be seen from the relationship between the research variables. First, the relationship with the local revenue sector in the form of local taxes and levies with capital expenditures, the reason for choosing these 2 variables is because local taxes and levies are variables that have a big influence on the revenue obtained in an area, but from the balance funds the influential variables are Special Allocation Fund. Area area is one of the considerations in allocating capital expenditure so that it is used as a moderating variable.

Image 2. 1 Framework
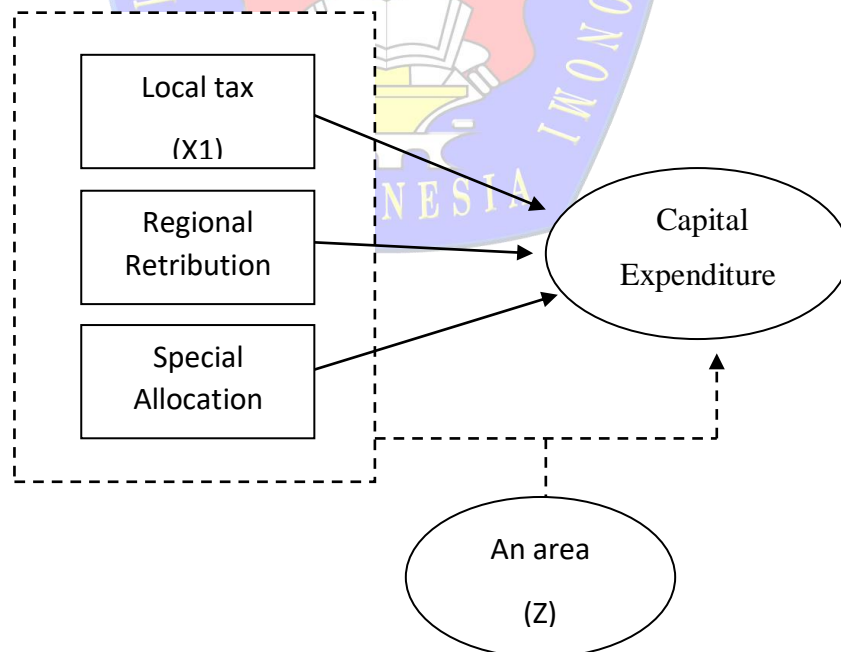
III. RESEARCH METHODS

3.1   Research Strategy

This research strategy uses a quantitative approach. Quantitative approaches can be referred to as traditional, positivist, experimental and empirical approaches, namely research that emphasizes testing theories and / or hypotheses through research variables in numbers (quantitative) and conducting data analysis with statistical procedures and / or mathematical modeling.

Quantitative research can be used to help solve problems with tools aids related to statistics and mathematics so that the resulting decisions can be justified. Analysis of quantitative data by collecting existing data then managing and presenting in the form of tables, graphs, and making analyzes so that conclusions can be drawn as a basis for decision making.

3.2 Population and Sample

Population is the collection of all possible people, objects and other measures that becomethe object of attention or a collection of all objects of concern. The population in this study is the entire Banten Province in 2014-2018.

3.2.2   Research Samples

The sample is part of the number and characteristics possessed by the population sampleused in this study throughout Banten Province, namely the entire District / City APBD Realization Report in Banten Province 2014-2018 The sampling technique used was saturated sampling. Saturated sampling is a sampling technique when all members of the population are used as samples (Sigiyoni, 2017), this is done if the population is relatively small. In another sense, saturated sample is a census, where all members of the population are sampled.

3.3   Data and Data Collection Methods

The data used are secondary data in the form of the Banten Province APBD Relation Report. Based on the writing (Effendi, 2018) in research (Grahita, 2017) said that secondary data is data that comes from third parties or institutions that have used or published it. If there are errors or inaccuracies, it is not the responsibility of the researcher.

Techniques that will be used to collect data in this research are documentation techniques, namely by collecting, recording, and reviewing secondary data in the form of data on Regional Taxes, Regional Levies, Special Allocation Funds and Capital Expenditures from APBD in the Regency. Cities in Banten Province through the official website of the Ministry of Finance, the Director General of Financial Balance of the Dearah Government**http://www.djpk.kemenkeu.go.id,** and the area is sourced from the Central Bureau of Statistics **www.banten.bps.go.id**.

3.4 Variable Operationalization

3.4.1 Independent Variables

This variable is an independent variable that affects the dependent variable and has a positive or negative relationship for the dependent variable. The variation in the dependent variable is the result of the independent variable. In this study, the independent variables are Regional Taxes (X1), Regional Retributions (X2), and Special Allocation Funds (X3).

3.4.2 Dependent Variable

The dependent or dependent variable is a variable that is influenced by the independent variable. The variable that is the main concern in an observation, the observation will predict or explain the variable in the independent variable and the changes that will occur. In this study, the Dependent is in the form of capital expenditure.

3.4.3 Modetating Variables

This variable is to influence the direct relationship between the independent variables and the dependent variable. This pengerih can strengthen and / or weaken the relationship between the independent variables and the dependent variable. In this study, moderating is in the form of area.

IV. RESEARCH RESULT

4.1 Overview of Research Objects

The geographical location of Banten Province is close to West Java and Sumatra Island. A population of 12,927,316 million people in 2019. Banten Province is located on the western tip of the island of Java, bordering DKI Jakarta, West Java, Java Sea, Indian Ocean and South Sunda. Its astronomical location is 5 ° 7'50 "-7 ° 1'11" South Latitude and 105 ° 1'11 "-106 ° 7'12" East Longitude. Based on Law No. 23 of 2000, the area of Banten Province is 9,160.70 km2 but has been updated based on BPS of 9,662.92 km2.

Table 4.1 Division of Banten Province

No.	County town	Capital city	Area (km2)	the number of regions	
				districts	Subdistrict / Village
	districts				
1	pandeglang	Pandeglang	2 746.89	35	339
2	attack	Ciruas	1 734.28	29	326
3	lazy	Rangkasbitung	3 426.56	28	345
4	Tangerang	Tigaraksa	1 011.86	29	274
	City				
1	attack	attack	266.71	6	66
2	South Tangerang	Pamulang	147.19	7	54
3	Tangerang	Tangerang	153.93	13	104
4	Cilegon	Purwakarta	175.5	8	43
	Banten Province	City of Serang	9,662.92	155	1551

Source: www.biropemerintah.bantenprov.go.id

4.2 Analysis of Research Results
**4.2.1 Descriptive Analysis**

Table 4.10 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
tax	40	17269.00	1473171.00	498771,5500	474470.15249
retribution	40	9003.00	195587.00	56755,5500	43589,34931
Special Allocation Fund	40	, 00	688397.00	231572,0500	182418,43201
capital	40	29078.00	1651060.00	708879.0750	451791,47256
an area	40	147.00	3426.00	1024,3750	1247,11996
Valid N (listwise)	40				

In thousands of rupiah and km2 (2014-2018)

4.2.2 Normality Test

To find out whether data is distributed normally or not. In this test, you can find out whether the data is normal or not, there are 2 ways, namely graphic analysis and statistical testing. Graph analysis to determine the normal distribution can be determined by using the histogram graph and the normal Probability-Plot graph. Statistical tests can be done with the Kolmogorov-Smirnov (KS) non-parametric test.

Figure 4.1 Histogram
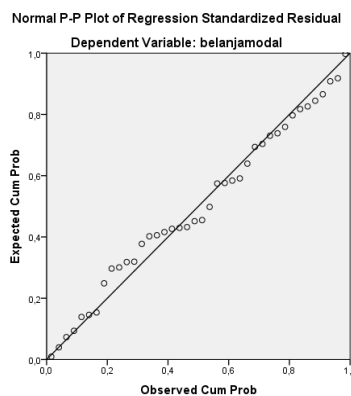
Based on Figure 4.1 it can be seen that the increase / decrease in the observation data approaches a curved line and does not deviate from the left or right, which describes the normal distribution.

Figure 4.2 Normal P-Plot
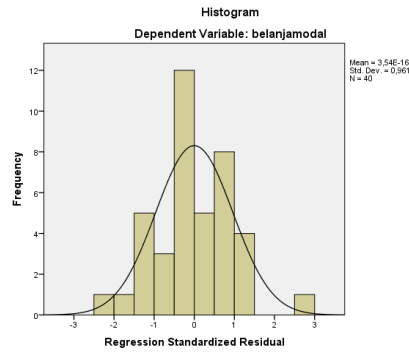
The results of the normality test using the normal Probability plot in Figure 4.2 show that the points spread around the diagonal line and the distribution follows the diagonal line, so it can be concluded that the data in the regression model is normally distributed.

Table 4:11 One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		40
Normal Parametersa, b	Mean	0E-7
	Std. Deviation	190497,94523139
Most Extreme Differences	Absolute	, 089
	Positive	, 072
	Negative	-, 089
Kolmogorov-Smirnov Z		, 565
Asymp. Sig. (2-tailed)		, 907

a. Test distribution is Normal.

b. Calculated from data.

The results of the normality test by means of the Kolmogorov-Smirnov test in table 4.11 show a value of 0.565 with a sig level of 0.907. The KS results were significantly above 0.05 (0.05 <0.907), so the residual data were normally distributed. The test results will strengthen the results of the normality test with a distribution chart, both of which show that the data is normally distributed.

4.2.3 Multicollinearity Test

Table 4.12 Multicollinearity Test

Coefficientsa

Model		Collinearity Statistics	
		Tolerance	VIF
1	tax	, 716	1,396
	retribution	, 718	1,392
	Special Allocation Fund	, 988	1,012

a. Dependent Variable: expenditure capital

The multicollinearity test results in Table 4.12, that the tax tolerance value is 0.716, retribution is 0.718, and DAK is 0.988 from the value of the independent variable. This study produces a tolerance value> 0.1, which means that there is no correlation between independent variables. and the result is VIF <10. The results of this study in the multicollinearity test show that the regression model is free from multicollinearity between variables.

4.2.4 Heteroscedasticity Test

Figure 4.3 Scatterplot
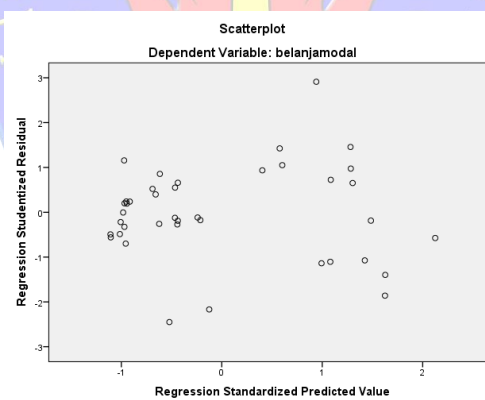
Based on the results of Figure 4.3 Scatterplot, it shows that the points spread irregularly, randomly above or below the number 0 on the Y axis. Then the test results do not occur heteroscedasticity in the regression model, so the regression model is feasible to use.

4.2.5 Autocorrelation Test

Table 4:13 DURBIN WATSON- TWO STEPMETHODE

Autocorrelation Testing	Durbin Watson	If dw> du and dw <(4-du)	the result
DW method d	1,984	1,984> 1,6589; 1.984 <2.3411	There is no autocorrelation
Theilnagar method	1,984	1,984> 1,6589; 1.984 <2.3411	There is no autocorrelation
Cochrane-orcut method 1	1,967	1,967> 1,6589; 1,967 <2,3411	There is no autocorrelation
Cochrane-orcute method 2	1,965	1,965> 1,6589; 1,965 <2,3411	There is no autocorrelation

Based on the results of Autocorrelation Table 4.13, it can be seen that the durbine watson value of the 4 methods has been compared with the DWtable with a significant level of 0.05 (5%), it can be concluded that there is no autocorrelation.

4.3 MULTIPLE LINIER REGRESSION TEST
In this method to test taxes, levies, DAK on capital expenditures by knowing the relationship between capital expenditures with, taxes, levies, and DAK.

Table 4.14 MULTIPLE LINIER REGRESSION TEST

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	**183382,823**	70030,312		2,619	, 013
	Tax	, 740	, 079	, 777	9,363	, 000
	Retribution	2,244	, 859	, 217	2,611	, 013
	Special Allocation Fund	, 125	, 175	, 050	, 714	, 480

a. Dependent Variable: expenditure capital

4.4 HYPOTHESIS TEST
4.4.1 T TEST (Persial)
The test is to determine the effect of the independent variable on the dependent variable and to determine the effect one by one or partially. It can be seen from table 4:16 as follows:

Table 4.15 TEST

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	183382,823	70030,312		2,619	, 013
	tax	, 740	, 079	, 777	9,363	, 000
	retribution	2,244	, 859	, 217	2,611	, 013
	Special Allocation Fund	, 125	, 175	, 050	, 714	, 480

a. Dependent Variable: expenditure capital

4.5 COEFFICIENT DETERMINATION R2 (Rsquare)
Table 4.16 DETERMINATION COEFFICIENTS

Model Summary b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	, 907a	, 822	, 807	198276,54778

a. Predictors: (Constant), Special Allocation Funds, levies, taxes
b. Dependent Variable: capital expenditure

From the results of Table 4.16 above, the R value is 0.907, that the correlation or strength of association (relationship) is linear variables, namely a strong correlation between Regional Taxes, Regional Levies and DAK on the Allocation of Capital Expenditures and can be seen the coefficient (Rsquare) 0.822 (82.2%) The capital expenditure variable can be interpreted by the 3rd independent variable, namely taxes, levies and DAK, (100% -82.2% = 17.8%) as residual explained by other causes outside of capital

4.6 Absolute Difference Value

Table 4.17 Absolute Difference Value

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1139342,193	111964,839		10,176	, 000
	Zscore (tax)	530680,556	68818,917	1,175	7,711	, 000
	Zscore (retribution)	99740,825	47758,849	, 221	2,088	, 045
	Zscore: Special Allocation Fund	-5352,974	32861,906	-, 012	-, 163	, 872

Zscore: Area	325406,675	86679,184	, 720	3,754	, 001
x1	-250654,274	63748,454	-, 568	-3,932	, 000
x2	5409,114	63894,024	, 010	, 085	, 933
x3	-105466,198	57998,717	-, 159	-1,818	, 078

a. Dependent Variable: Capital Expenditure
Source: Results of SPSS Data Processing

The results of table 4.17 Value of the absolute difference of the moderating variable as the area of moderating regional taxes, levies and allocation funds, are as follows:
Y = a + B₁X1-3 + B₂Z + B3 [XZ] + e.

$$Y = a + B_1X1\text{-}3 + B_2Z + B3\ [XZ] + e.$$

4.7 Discussion

1. **The Effect of Local Taxes on Capital Expenditures in Banten Province**

The results of the research obtained, can be seen from the t test in table 4:16 that local taxes have a significant positive effect on capital expenditure, with a significant level of 0.05, which is obtained significantly in table 4.16 of 0.000 smaller than 0.005, it means that local taxes are significant on capital expenditures and the regression coefficient (B) 0.740 is positive, so that the hypothesis of the effect of taxes on the allocation of capital expenditures is accepted, which means that if local taxes increase, it will increase the allocation of capital expenditures.

In law NO. 28 of 2009 that taxes are used for the purposes of the State for the greatest prosperity of the people. Based on the writing of A. Sudirman (2016) in Hasbiullah's (2015: 139) research, taxes are used for state financing and national development, one of which is to allocate taxes to capital expenditures which are used directly by the community. In this study, Local Taxes which affect capital expenditure means that they have achieved the objectives of the taxes that have been submitted by the law.

Local Tax which describes the independence of a region and has the largest contribution in providing revenue for the region. The results of this study with research conducted by M. Zahari (2018) that local taxes have a significant effect on capital expenditure. Putri's research (2015) is inversely proportional to the results of this study, namely that local taxes have no effect on capital spending.

2. **The Influence of Regional Levies on Capital Expenditures in Banten Province.**

The results of this research are that regional levies have a positive significant effect on capital expenditure, which can be seen in Table 4.16, a significant t test of 0.013 <0.05, a significant level, and a regression coefficient (B) of 2.244 so that the hypothesis of the effect of regional levies on capital expenditure allocation is accepted, If the Regional Retribution increases, it will increase the allocation of Capital Expenditures.

In Law No. 28 of 2009 that Regional Retribution is an important source of regional income to finance the implementation of local government, namely Capital Expenditures. If the Retribution has increased, the PADwill increase so that it can increase the allocation of capital expenditures to improve services to the community.

In this study, Banten Regional Levies for 2014-2018 are in line with the results of research conducted by Ramlan et al. That local levies have an impact on capital spending, if there is an increase in regional levies it will increase the allocation of capital expenditures. and there is a difference from the results of research conducted by M. Zahari (2018) that charges do not have a significant effect on capital spending, which means that an increase in local retribution revenues has not been able to increase the allocation of capital expenditures.

3. **The Effect of DAK on Capital Expenditures in Banten Province.**

In this study, DAK has no significant effect on capital expenditure, it can be seen in table 4.16, significant 0.480> 0.05 and in the regression coefficient is positive 0.125, the DAK hypothesis on capital expenditure is accepted. If the DAK increases thenwill increase Capital Expenditures.

According to Law No. 33 of 2004 DAK isfunds originating from APBN revenues allocated to certain regions with the aim of helping to finance special activities such as development investment activities, procurement of improvements and improvements to physical facilities and infrastructure with a long economic life.

This research on DAK in Banten Province is in line with the results of research conducted by Putranto (2017) that DAK does not have a significant effect on capital spending, which means that DAK is not able to increase capital spending because the Banten Government is able to meet its capital expenditure needs by using taxes and levies in developing facilities. and infrastructure. There is a difference with the research results of Ramlan, et al. (2016) and Hasnur's (2016) research that DAK has an effect on capital spending.

4. **Area that moderates Regional Taxes, Regional Levies and Special Allocation Funds for Capital Expenditures in Banten Province.**

Based on table 4.17, in testing the absolute difference value, it can be seen the relationship between area area and local taxes, regional levies and special allocation funds for capital expenditures. The results of the test in table 4.17 show that x1, namely H4, can moderate local taxes, based on a significant value of 0.000 <0.05, a significant level and a negative regression coefficient of -250654.274.

However, the area of the region cannot moderate the regional rertibusi and the special allocation funds are different from the previous results, it can be seen that x2 is the result of moderation between the area of the area and the local levies, which states that the significant results are 0.933> 0.05, a significant level and the regression coefficient is positive at 5409,114 , which means that there is no moderating area for regional levies on capital expenditures. Likewise with the special allocation funds (x3), it can be seen in table 4.17 that there is a significant value of 0.078> 0.05, a significant level and a negative coefficient of 105466.198, which means that the area of the area does not moderate the special allocation funds for capital spending. means that in this case the province of Banten cannot

Based on Law No.23 of 2004, the variable that reflects the need for the provision of facilities and infrastructure is the area. Which means that the Government in terms of development must consider the priority scale where the need for infrastructure development does not depend on the size of an area but the urgent need of an area so that the construction of facilities and infrastructure is carried out because it involves the needs of many people according to Ivan Lamido (2018).

V. CONCLUSIONS AND SUGGESTIONS

A. Conclusion

Based on the results of research and discussion, conclusions can be drawn in this study as follows:

1. Local taxes have a significant positive effect on the allocation of capital expenditures. The results of the t-count 9.363> 1.684 t-table and a significant value of 0.000 <0.05 tarf sign, which means that if local taxes increase, it will increase the allocation of capital expenditures.

2. Regional levies have a significant positive effect on capital expenditure. The result of the t-table test is 2,611> 1,684 t-table and the significant value is 0.013 <0.05, the significant level. If Retribution increases, capital expenditure will increase.

3. The Special Allocation Fund has no significant effect on capital expenditure. The result of the t-count is 0.714> 1.684 t-table and the significant value is 0.480> 0.05 with a significant level. Then the Special Allocation Fund decreases, which means that the lower the DAK, the lower the Capital Expenditure.

4. Test the difference in the value of the area variable as a moderating variable in the relationship between regional taxes and capital expenditures. Area area is not a moderating variable in the Regional Levies and Capital Expenditures. And area is not a moderating variable in the Special Allocation Fund and Capital Expenditure.

B. Suggestion

The results of the discussion that have been explained, this study provides the following suggestions:

1. Based on the results of research on Regional Taxes, Regional Levies on Capital Expenditures have a significant effect, so it must be increased from these 2 variables which are Regional Original Income, which means the original income from the Banten Province area which describes the independence of an area.

2. Different from taxes and levies, the results of the special Allocation Funds are insignificant for capital expenditure. So the Government must pay attention to the proportion of DAK that will be allocated to the Capital Expenditure budget.

3. It is expected that further research will use more varied variables, using other variables such as size or(Official, 2017) kind of like using a moderating variable with population numbers.

4. For future researchers, if using panel data, it is expected that the data management method uses eviews.
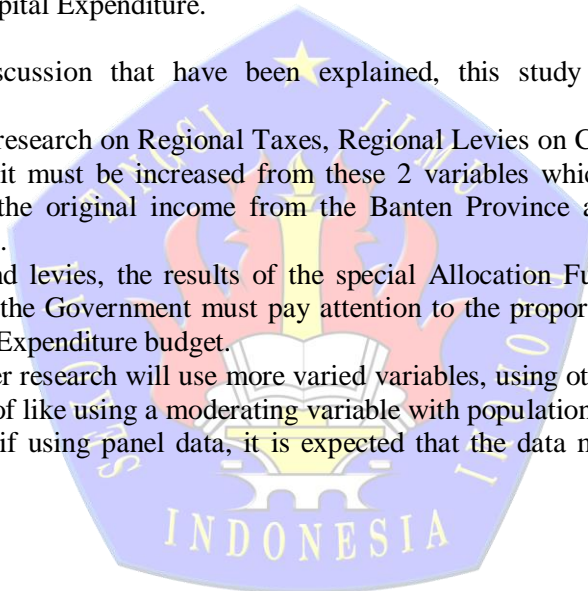
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