

ABSTRACT

Decentralization is the transfer of responsibilities and revenue from national government to subnational offices. A key objective of the decentralization is to achieve efficient public goods allocation by bringing decision makings close to people. Intergovernmental fiscal relations should be established to guarantee a reasonable balance between expenditure responsibilities and revenue instruments available to regions.

This study aims to analyze the influence PDRB, Inflation and expenditure of developepment to PAD in Cities Central Java. The data used in this research is secondary data. This study using quantitative analysis method of ordinary least squares analysis / OLS.

The results obtained with the program Eviews 7 That the value of R^2 0.669109 PAD showed variable can be explained by the variable GDP, inflation, government expenditure at 66.9 percent. Regional perekonomi activity in Central Java develop well, so it can increase revenue through taxation.

Keyword : (PAD), PDRB, Inflation, Goverentment Ekspenditure