

ABSTRACT

Economic Development is represented by the effort for the agenda of supporting execution the priority which written in Priority National Development, that is quickening cure of economics and strengthen the basis of continous and fair economics development and with pursuant to nationality system. Stipulating of the priority base on challenge and problem faced and also policy instructing in short them development of economics as well as middle term (Propenas 2002-2004).

This research aims are to analyze local fiscal ability from Kota Salatiga that in order to support the autonomy policy in 2004-2008 period in a bind with a fiscal aspect including structure and legally for calculate financial ratio including : local income (PAD), total of local income (TPD), general allocation fund (DAU), special allocation fund (DAK), tax share, routine local expenditure, economic assistance and general revenue and expenditure budget (APBD). This research use secondary data (time series) from 2004-2008.

According to calculation known that average of local income (PAD) growth is 17,68% or it can say low. And so average of TPD (41,0%) and DOF (12,46%) is still low. Whereas growth of IKR (96,16%) including high so it will say that Kota Salatiga can defraying expenditure it well. For dependence ratio Kota Salatiga has high enough growth that is 60,69%.

Keywords : Autonomy, Local Financial Ratio.