

## CHAPTER V

### CONCLUSION AND SUGGESTION

#### 5.1 Conclusion

From the results of testing hypothesis research and multiple regression testing, there are several conclusions. The first conclusion is partially, Regional Taxes have a positive significant effect to the Capital Expenditure, while Regional Retributions have a negative and insignificant effect on Capital Expenditure. Therefore, only Regional Taxes have a significant effect on Capital Expenditures. The second is simultaneously Regional Taxes and Regional Retributions have a significant positive effect Capital Expenditures. Last conclusion is the R square value or the coefficient of determination is 0.254. It means that 25.40% of variations or changes in capital expenditure can be explained by the variation of regional tax and regional retribution, while the remaining 74.60% is explained by other reasons that are not included in this research.

#### 5.2 Suggestion for Future Research

For the next research, it is recommended that the researchers take a longer period of time, (because this research only takes three years period from 2014 to 2016), so the result of the research can be generalized. Then, because this research only takes two independent variables, then it is expected for the next research to take more independent variables that may also have effect on capital expenditure. And the last for the next research, it is recommended to compare two provinces or more, so the samples will show more accurate result, and the result can be generalized. For regional governments, it is

expected to increase their own regency and city regional own revenue that can increase the capital expenditure of regency and city in this province.

