This research is conducted to analyze whether there is any significant effects of political connection, institutional ownership, government ownership, board and firm characteristics to capital structure. The independent variables in this research consists of political connection, board size, board independence, institutional ownership, government ownership, firm size, firm age, and profitability.

Populations which were applied for this research are extracted from the annual reports of companies listed in Indonesia Stock Exchange for the period 2012 to 2016. 423 firms which equals to 2538 data is regressed in this research. Panel regression method is used for this research analysis to identify whether there are any effects of independent variables on dependent variable which are mostly measured by ratio. The data are analyzed with eviews 8th version.

The result shown that political connection, firm size, firm age, and profitability have significant effect on capital structure in company listed Indonesia Stock Exchange. Nevertheless, this research also discovered that board size, board independence, institutional ownership, government ownership are insignificant to capital structure in Indonesia Stock Exchange. The result indicated that firms with political connection leads to higher liabilities proportion in capital structure, because of wide access linkage and loan memo from politicians. Firm characteristics are firms’ basic conditions, it shows the ability level of firm to cover the loans, so firms must have assets in great amount, high profitability, and more experience to support the capital structure.

**Keywords:** capital structure, political connection, corporate governance, firm characteristics, ownership