ABSTRACT

Taxes are the largest source of income in Indonesia. In carrying out tax revenue, it turns out that there are companies that practice tax avoidance. The practice of tax avoidance is an effort to minimize the income tax burden by exploiting loopholes in tax regulations to maximize income. Tax avoidance practices carried out by companies will have an impact on reducing state income. This research aims to analyze the influence of factors that influence tax avoidance practices, namely transfer pricing, thin capitalization, and foreign share ownership. This research is descriptive research that is quantitative in nature. The population used is industrial companies in the consumer goods sector, food and beverage sub-sector with sample criteria that meet the requirements of 85, determined using a purposive sampling technique for 5 years, namely 2018-2022. The analytical methods used in this research are descriptive statistics, classical assumption tests, and panel data regression analysis.

The results of this study state that the influence of factors that influence tax avoidance practices, namely transfer pricing, thin capitalization, and foreign share ownership simultaneously have a significant effect on tax avoidance practices. Apart from that, transfer pricing and foreign share ownership have a positive influence on tax avoidance practices, while thin capitalization has no effect on tax avoidance. The research results can be used as a reference and developed on other variables that are still related to tax avoidance practices. For the Directorate General of Taxes (DJP), it is hoped that it can continue to update or make adjustments to tax regulations so that it can minimize tax avoidance practices carried out by companies. Then, investors are expected to be more selective when they want to invest in food subsector companies listed on the Indonesia Stock Exchange, especially companies that have third parties or affiliates located abroad with lower tax rates and companies that have a significant proportion of foreign share ownership. because it has indications of carrying out tax avoidance practices. Furthermore, food and beverage subsector companies are expected not to carry out tax planning that is detrimental to the state.

Keywords : *Tax Avoidance Practices, Foreign Ownership, Transfer Pricing, Thin Capitaization*