

ABSTRACT

Tax Avoidance is an effort by taxpayers to avoid tax in a legal and safe way as it does not contradict with tax provisions and laws. Taxes are state levies which are mandatory and coercive in nature that will be used by a state for, indirectly, the prosperity of the people. Taxes are also the main source of a state budget, the government has always strived to increase tax revenue, but companies often make efforts to reduce the tax burden by means of tax avoidance.

This study was conducted to analyze the effect of political connections, executive character, leverage, and fixed asset intensity on tax avoidance in pharmaceutical sub-sector companies on the Indonesia Stock Exchange in 2014-2020 simultaneously and partially.

The population in this study are pharmaceutical sub-sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2014-2020. The sampling technique used is purposive sampling and the final results obtained are 44 samples with unbalance used in this study consisting of 8 companies with a period of 7 years. The data analysis method used is panel data regression analysis using evIEWS 12 software by carrying out several stages of testing.

The results of this study indicate that political connections, executive character, leverage, and fixed asset intensity have a simultaneous effect on tax avoidance. While partially, executive character, leverage, still have an effect on tax avoidance, but political connections and asset intensity have no effect on tax avoidance.

For further researchers, they can conduct research with samples of companies other than the pharmaceutical sub-sector companies listed on the Indonesia Stock Exchange, for example companies listed on the Kompas100 Index, LQ45 Index, Jakarta Islamic Index (JII) in order to find out how tax avoidance occurs in companies other than the pharmaceutical sub-sector listed on the IDX for the period 2014-2020.

Keywords : Tax Avoidance, Political Connection, Executive Character, Leverage, Fixed Asset Intensity.