ABSTRACK

Tax avoidance is an attempt to avoid taxes in a legal and safe way by taxpayers because they do not violate tax provisions. Taxes are the largest source of funding for the state. As the main source of state revenue, the government always strives to increase tax revenue, but companies often make efforts to reduce the tax burden by taking advantage of loopholes in tax regulations or tax avoidance.

This study aims to analyze transfer pricing, profitability, good corporate governance, management compensation, and tax avoidance. In addition, it analyzes the effect of transfer pricing, profitability, good corporate governance, and management compensation on tax avoidance in mining sector companies listed on the Indonesia Stock Exchange (IDX) in 2016-2020.

The population in this study are mining sector companies listed on the Indonesia Stock Exchange (IDX) for the 2016-2020 period. The sample selection technique used is purposive sampling and the results obtained are 55 samples from 11 companies with a period of 5 years. The data analysis technique uses panel data regression analysis by carrying out several stages of testing using Eviews 10 software.

The results of the study show that transfer pricing, profitability, good corporate governance, and management compensation have a simultaneous effect on tax avoidance. Profitability partially has a positive effect on tax avoidance. Meanwhile, partially transfer pricing, institutional ownership, audit committee, and management compensation have no effect on tax avoidance.

For further research, it is recommended to conduct research using other variables that are considered to have an influence on tax avoidance. It is recommended for companies to evaluate the company's compliance with regulations related to taxation. For investors, it can be used as information in making investment decisions.

Keywords: tax avoidance, profitability, good corporate governance, management compensation