

## **ABSTRACT**

*Tax is an important instrument for state to fund the development and were a great source of state than non-tax revenues and grants with a total contribution up to 80%. However, it never changed for 2017-2020 even the tax revenues are more like decreased. The decreased of tax revenues indicated by tax avoidance that entities conducting and at last result in losses as much as 67,7 trillion rupiah. The purpose of this paper was to investigate the influence of profitabilty, leverage, and institutional ownership on tax avoidance practices by manufacturing companies during 2017-2020. Manufacture companies be the object of this research because of their functional as backbone, give multiplier effect, and has large proportionated companies listed in Indonesia Stock Exchange. The study conducted samples were selecting using purposive sampling. Study samples that met acceptance criteria consisted of 39 firms. The unit of analysis in this study was 156, which was based on the 39 firms that met acceptance criteria multiplied by the the observation period of four years. The investigated technique by applying panel data regression analysis. The results of this research were determined in random effect model. The result from this study demonstrated that profitability, leverage, and instituional ownership on tax avoidance have a significant simultaneous effect. Partial testing shows there is a negative impact of profitability on tax avoidance whereas leverage and institutional ownership had no significant effect on the manufacturing companies.*

**Keywords:** *Backbone, Proftability, Leverage, Institutional Ownership, Tax Avoidance*