

## **ABSTRACT**

*Tax avoidance is a form of tax resistance that is actively practiced by taxpayers to ease the tax burden legally without violating laws carried out by using accounting methods and techniques that take advantage of weaknesses (gray areas) contained in tax laws and regulations. Tax avoidance can occur due to the weakness of the tax collection system which is carried out by self-assessment.*

*This study aims to analyze and test the effect of Leverage, Bonus Mechanism, Profitability, and Political Connection on Tax Avoidance in consumer goods sector companies listed on the Indonesia Stock Exchange (IDX) for the 2017-2021 period.*

*The population in this study is consumer goods sector companies listed on the Indonesia Stock Exchange (IDX) for the 2017-2021 period. The sampling technique used was Purposive Sampling and obtained by 23 consumer goods sector companies with an observation period of five years so that 115 sample units were obtained in this study. The data analysis method in this study is panel data analysis with Eviews 12.*

*The results of this study show that leverage, bonus mechanisms, profitability, and political connection simultaneously affect tax avoidance. Leverage, bonus mechanisms, profitability, and political connection partially affect tax avoidance.*

*Keywords: Leverage, Bonus Mechanism, Political Connection, Profitability, Tax Avoidance*