ABSTRACT

Tax is one of the main sources of state revenue. However, the realization of tax revenue does not always reach the expected target. There are several factors that become obstacles in tax revenue, one of which is Tax Avoidance. Tax Avoidance is a strategy and technique carried out legally and safely for taxpayers because it does not conflict with tax provisions. The methods and techniques used exploit the weaknesses (grey areas) contained in the tax laws and regulations themselves.

This study aims to determine the effect of transfer pricing, capital intensity, and foreign activity on tax avoidance in energy sector companies in the oil, gas & coal sub-sector which are listed on the Indonesia Stock Exchange for the period 2017 – 2021.

The method in this research is quantitative. The population in this study are energy sector companies in the oil, gas & coal sub-sector listed on the Indonesia Stock Exchange for 2017 – 2021. The sampling technique used in this study was purposive sampling, so 55 samples were obtained consisting of 11 companies with an observation period of 5 years. This study was analysed using panel data regression using Eviews 12 software.

The results of the study found that simultaneously transfer pricing, capital intensity, and foreign activity variables affect tax avoidance. The results also found that the capital intensity variable partially has a negative effect on tax avoidance, while the transfer pricing and foreign activity variables partially have no effect on tax avoidance. It is hoped that this research can be an input and consideration in implementing policy regulations related to taxation, especially tax avoidance.

Keywords: *capital intensity, foreign activity, tax avoidance, transfer pricing.*