

ABSTRACT

Capital structure describes the ratio between capital obtained from outside the company and capital owned by the company itself. Decisions related to capital structure are influenced by the company's operational funding strategy, which includes the use of both debt and equity. This study aims to determine the effect of profitability, company size, company growth, liquidity, asset tangibility, and non-debt tax shield on capital structure in property and real estate companies listed on the Indonesia Stock Exchange for the 2015-2022 period.

The research method used is quantitative method. The regression model used is dynamic panel data regression with the Generalized Method of Moment (GMM) estimator using Eviews 12 software. The sample technique used was purposive sampling with 42 company samples obtained in an 8-year period, so that 336 total research samples were obtained.

The results of hypothesis testing show that simultaneously profitability, company size, company growth, liquidity, asset tangibility, and non-debt tax shield affect the capital structure. The variables of firm size, firm growth, liquidity, and asset tangibility partially have significant positive and negative influence on capital structure. Meanwhile, profitability and non-debt tax shields are found to have no significant effect on capital structure.

For further research, it is recommended to use different research objects such as the energy sector, industry, raw materials, and other sectors listed on the Indonesia Stock Exchange in order to expand the scope of research and it is recommended to develop other variables.

Keywords: *Capital Structure, Profitability, Firm Size, Growth, Liquidity, Asset Tangibility, Non-Debt Tax Shield.*