

The Influence of Thin Capitalization, Political Connection, and Transfer Pricing On The Tax Avoidance with Institutional Ownership as a Moderating Variable

By Salsabila Putri Afifah

Abstract

The purpose of this research is to empirically examine the effect of thin capitalization, political connection, and transfer pricing on tax avoidance with institutional ownership as moderating variable, company size and profitability as control variables. Tax avoidance in this study was measured using the Effective Tax Rate (ETR). This research is a quantitative research and uses manufacturing sector companies listed on the Indonesia Stock Exchange (IDX) for the 2019 – 2022 period as research objects. The sample selection technique used purposive sampling with a total of 240 samples obtained from 60 manufacturing sector companies. Hypothesis testing in this study was carried out using STATA software version 17. Based on the results of the hypothesis testing that had been carried out, it can be concluded that 1) thin capitalization a positive effect on tax avoidance; 2) political connection has no effect on tax avoidance; 3) transfer pricing has no effect on tax avoidance; 4) Institutional ownership is unable to moderate the effect of thin capitalization on tax avoidance; 5) Institutional ownership is unable to moderate the effect of political connection on tax avoidance; 6) Institutional ownership is unable to moderate the effect of transfer pricing on tax avoidance.

Keywords : *Tax Avoidance, Thin Capitalization, Political Connection, Transfer Pricing, Institutional Ownership*

Pengaruh Thin Capitalization, Political Connection, dan Transfer Pricing terhadap Tax Avoidance dengan Kepemilikan Institusional sebagai Variabel Moderasi

Oleh Salsabila Putri Afifah

Abstrak

Penelitian ini dilakukan untuk menguji secara empiris pengaruh dari thin capitalization, political connection, dan transfer pricing terhadap tax avoidance dengan kepemilikan institusional sebagai variabel moderasi, serta company size dan profitability sebagai variabel kontrol. Tax avoidance pada penelitian ini diukur menggunakan Effective Tax Rate (ETR). Penelitian ini merupakan penelitian kuantitatif dan menggunakan perusahaan sektor manufaktur yang terdaftar di Bursa Efek Indonesia (BEI) periode 2019 – 2022 sebagai objek penelitian. Teknik pemilihan sampel menggunakan purposive sampling dengan total sebanyak 240 sampel yang diperoleh dari 60 perusahaan sektor manufaktur. Uji hipotesis pada penelitian ini dilakukan menggunakan software STATA versi 17. Berdasarkan hasil uji hipotesis yang dilakukan, dapat disimpulkan bahwa 1) thin capitalization berpengaruh positif terhadap tax avoidance; 2) political connection tidak berpengaruh terhadap tax avoidance; 3) transfer pricing tidak berpengaruh terhadap tax avoidance; 4) kepemilikan institusional tidak mampu memoderasi pengaruh thin capitalization terhadap tax avoidance; 5) kepemilikan institusional tidak mampu memoderasi pengaruh political connection terhadap tax avoidance; 6) kepemilikan institusional tidak mampu memoderasi pengaruh transfer pricing terhadap tax avoidance.

Kata Kunci : Tax Avoidance, Thin Capitalization, Political Connection, Transfer Pricing, Kepemilikan Institusional