

ABSTRACT

Title : The Effect of Taxes, Tunneling Incentives and Audit Quality on Transfer Pricing Practices in Mining Sector Companies Listed on the Indonesia Stock Exchange Period 2014 - 2018.

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The objective of this research is to analyze the effect of Tax, Tunneling Incentive, and Audit Quality to Transfer Pricing Practices in mining sector companies listed on the Indonesia Stock Exchange from 2014 to 2018. The factors tested in this research are Tax, Tunneling Incentive, and Audit Quality as the independent variable and Transfer Pricing as the dependent variable. The population of this research was 43 mining sector companies. The sample were selected using a purposive sampling method and result for 17 companies. Analysis of research data using binary logistic regression with a significance level of 0.05 (5%) with the help of the Statistical Package for Social Science (SPSS). The results of the analysis show that variables Tax, Tunneling Incentive, and Audit Quality have a simultaneously effect on Transfer Pricing variable. Partially Tunneling Incentive variable has a positive and significant effect on Transfer Pricing variable, while Tax and Audit Quality Variables have no effect on Transfer Pricing variable.

Keywords : Tax, Tunneling Incentive, Audit Quality, and Transfer Pricing.