ABSTRACT

Title	*: The Effect of Profitability, Leverage, and Capital Intensity on Tax Avoidance in Manufacturing Companies in the Consumer Goods Industry Sector Listed on the Indonesia Stock Exchange for the 2015-2019 Period*
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This study aims to analyze the Effect of Profitability, Leverage and Capital Intensity on Tax Avoidance in the Manufacturing Sector of the Consumer Goods Industry listed on the Indonesia Stock Exchange (IDX) 2015-2019. Profitability by proxy Return On Assets (ROA) is measured by EBIT (Earning Before Interest and Tax) divided by total assets, Leverage by proxy Debt to Equity Ratio (DER) is measured by total debt divided by total capital, and Capital Intensity by proxy Capital Intensity Ratio is measured by total fixed assets divided by total assets. Meanwhile, Tax Avoidance is measured by the Effective Tax Rate (ETR) minus the Cash Effective Tax Rate (CETR).

The method used is purposive sampling. The number of samples used in this study were 8 consumer goods companies listed on the Indonesia Stock Exchange (IDX) for the 2015-2019 period. The type of data is secondary data sourced from financial reports and annual reports. The data analysis method used is logistic regression analysis.

The results of hypothesis testing show that simultaneously profitability, leverage, and capital intensity have a significant effect on tax avoidance. Partially, profitability has a positive and significant effect on tax avoidance and partially leverage has a negative and significant effect on tax avoidance. While Capital Intensity does not have a significant effect on tax avoidance.

Keywords: Profitability, Leverage, Capital Intensity, and Tax Avoidance.