

The Effect Of Thin Capitalization, Capital Intensity And Institutional Ownership On Tax Avoidance

Neli Mulyani¹ dan Yuliandi^{2*}

Institut Bisnis dan Informatika Kesatuan^{1 2}, Bogor, Indonesia

*Corresponding author email: yuliandi@ibik.ac.id

Abstract

This study aims to examine the effect of thin capitalization, capital intensity and institutional ownership on tax avoidance. The dependent variable used is tax avoidance, and the independent variables used are thin capitalization, capital intensity and institutional ownership. The subjects of this research are manufacturing companies in the consumer goods industry listed on the 2017-2019 Indonesia Stock Exchange (IDX). This sample was selected using a purposive sampling method. The total sample used is 21 sample data. This research method uses multiple linear regression analysis. The results of this study partially show that thin capitalization and institutional ownership have a positive and significant effect, while capital intensity has a negative and significant effect on tax avoidance. Meanwhile, it simultaneously shows that thin capitalization, capital intensity and institutional ownership have an effect on tax avoidance. Based on the results of the determination test which shows the value of the coefficient of determination is 24,2%. These results indicate the ability of the independent variable to explain the dependent variable by 24,2%, while the remaining 75,8% is explained by other variables.

Keywords: Thin Capitalization, Capital Intensity, Institutional Ownership, Tax Avoidance

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