Abstract

Transfer pricing is a special value or selling price that is used in inter-divisional exchanges to record seller’s division income and buyer division costs. This study aims to determine the influence of profitability, deferred tax and leverage on transfer pricing. The sample used in this study is a manufacturing sector of various automotive sub-sector industries listed on the Bursa Efek Indonesia 2013-2017.

Sampling was done by purposive sampling method. Testing the hypothesis in this study using descriptive analysis and verification analysis. The population of this study were all manufacturing companies in various automotive sub-sector industries listed on the Bursa Efek Indonesia with a total of 41 populations. By using purposive sampling technique so that 7 companies can be obtained. The source of data in this study is secondary data.

The results of this study indicate that both simultaneously and partially there is a significant influence between profitability, deferred tax and leverage on transfer pricing in manufacturing companies of various automotive sub-sector industries listing on the Bursa Efek Indonesia, with a large percentage of 45.5%.

Keywords: Profitability, Deferred tax, Leverage, Transfer pricing