

ABSTRACT

This study aims to examine empirically about the influence of tax expense, Bonus Mechanisms on Transfer Pricing Decisions in various Sub-Industry Automotive and Component Sector companies listed on the Indonesia Stock Exchange 2013-2017.

Sampling technique used in this research is non probability sampling by using purposive sampling approach to know the influence of tax expense and lbonus mechanisms on transfer pricing. The research was done by quantitative and descriptive method, by using 7 companies in various sub-sectors of automotive industry and components listed on the Indonesia Stock Exchange in 2013-2017. Technique data analysis used in this research is hypothesis test (t test), bilinier regresion test, correlation test, simultan test (f test) and coeffiecient of determination.

The result showed that Tax Expense and Bonus Mechanism simultaneously have a significant effect on Transfer Pricing Decisions in Various Automotive Sub-Sector and Component Industry Companies Listed on the Indonesia Stock Exchange in 2013-2017 with a contribution of 78.8%.

Keywords : *Tax Expense, Bonus Mechanisms and Transfer Pricing.*