

## **ABSTRACT**

*This study aims to analyze the effect of tax planning and profitability on earnings management in various industrial sector companies listed on the Indonesia Stock Exchange (IDX) for the 2016-2020 period. With the influence of Tax Planning and Profitability as independent variables. Earnings Management as the dependent variable.*

*The method used in this research is descriptive and associative method. This study used secondary data obtained from the website [www.idx.co.id](http://www.idx.co.id). The sampling technique used in this study was purposive sampling, which resulted in 11 samples of companies. The analytical techniques used in this research are descriptive analysis, associative analysis, classical assumption test, normality test, heteroscedasticity test, autocorrelation test, hypothesis test (t test), simple linear regression analysis, correlation analysis and coefficient of determination with the help of the program. SPSS Version 25.*

*The results of this study indicate that there is a significant effect of tax planning on earnings management by 39.1%. significant effect of profitability on earnings management by 36.2%.*

***Keywords: Tax Planning, Profitability, Earnings Management***