

ABSTRACT

This study aims to provide an overview of tunneling incentive and profitability on transfer pricing in coal sub-sector mining companies listed on the Indonesia Stock Exchange for the 2017-2021 period. And knowing the effect of tunneling incentive and profitability on transfer pricing.

The research method used is a quantitative method with a descriptive analysis approach and verification. The population of this study amounted 21 companies using non-probability sampling with purposive sampling technique with a sample of 9 companies that meet the criteria. The research was conducted using library research. The analytical technique used in this study is the classical assumption test, partial t test, simple linear regression, correlation, coefficient of determination.

The result show that tunneling incentive and profitability on transfer pricing. With the contribution of 18% tunneling incentive, 16% profitability.

Keywords: Tunneling incentive, profitability, transfer pricing