

ABSTRACT

The purpose of this study is to empirically determine the effect of Tax Avoidance, Tunneling Incentive and Bonus Mechanisms on Transfer Pricing Decisions in food and beverage companies listed on the Indonesia Stock Exchange (IDX) for the 2017-2022 period. The factors tested in this study are Tax Avoidance, Tunneling Incentives and Bonus Mechanisms.

The method used in this research is descriptive and associative method. This study uses secondary data in the form of financial statements obtained from the official website of each company and the web site www.idx.co.id. The sampling technique used in this study is a purposive sampling technique which produces 20 samples of companies. The analytical techniques used in this research are descriptive analysis, associative analysis, classical assumption test, normality test, multicollinearity test, heteroscedasticity test, autocorrelation test, hypothesis testing, multiple linear regression analysis test, correlation analysis, and coefficient of determination.

Based on the research results on food and beverage companies listed in Indonesia Stock Exchange (IDX) for the 2017-2022 period. Tax Avoidance has no effect on Transfer Pricing Decisions with a contribution of 3,6%. Tunneling Incentive has an effect on Transfer Pricing Decisions with a contribution of 62,2%. Bonus Mechanism has no effect on Transfer Pricing Decisions with a contribution of 4,4%. Meanwhile, simultaneously, Tax Avoidance, Tunneling Incentive and Bonus Mechanisms has an effect on Transfer Pricing Decisions with a contribution of 67,3%.

Keywords: Tax Avoidance, Tunneling Incentive, Bonus Mechanism and Transfer Pricing Decisions