

ABSTRACT

This study aims to find out empirically about the Effect of Foreign Ownership and Tunneling Incentive on Tax Avoidance with Profitability as a Moderation Variable in Manufacturing Companies Various Industrial Sectors Listed on the Indonesia Stock Exchange (IDX) in 2019-2023.

*The population of this study is Manufacturing Companies Various Industrial Sectors listed on the Indonesia Stock Exchange (IDX) in 2019-2023 totaling 58 companies. The research method uses non-probability sampling with a purposive sampling technique by producing a sample of 29 companies that meet the criteria. The research method used is a quantitative method with a descriptive and associative approach. This study uses secondary data in the form of financial statements obtained from the official website of each company and the website of www.idx.co.id. The associative analysis used in this study consists of classical assumption analysis, hypothesis test (*t*-test), logistic regression analysis, correlation coefficient analysis, R² determination coefficient analysis, moderate regression analysis (MRA).*

Based on the results of research on Manufacturing Companies Various Industrial Sectors listed on the Indonesia Stock Exchange (IDX) in 2019-2023. Foreign Ownership had a positive effect on Tax Avoidance by 28,66%. Tunneling Incentive had a positive effect on Tax Avoidance by 29,91%. Profitability (moderates) by strengthening the influence of Foreign Ownership on Tax Avoidance, Profitability (moderates) by weakening the influence of Tunneling Incentive on Tax Avoidance.

Keywords: Foreign Ownership, Tunneling Incentive, Tax Avoidance, Profitability.