

ABSTRACT

This study aims to empirically determine the effect of Financial Distress, Tunneling Incentive, and Fiscal Loss Compensation on Tax Avoidance in Energy Sector Companies listed on the Indonesia Stock Exchange (IDX) for the 2019-2023 period.

The population of this study is energy sector companies listed on the Indonesia Stock Exchange for the 2019-2023 period totaling 87 companies. The sampling technique used in this study is the purposive sampling technique which resulted in 17 samples of companies that met 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 the company's annual financial report, which is accessed on the official IDX website, namely www.idx.co.id and the official website of each company. The associative analysis used in this study consists of classical assumption tests, hypothesis tests (t-tests), logistic regression analysis, correlation coefficient analysis, and determination coefficient analysis.

Based on the results of research on energy sector companies listed on the Indonesia Stock Exchange (IDX) for the 2019-2023 period. Financial Distress has a significant negative effect on tax avoidance with a capacity of 44.4%. Tunneling incentive has a significant negative effect on tax avoidance with a capacity of 35.7%. Fiscal loss compensation has a significant negative effect on tax avoidance with a capacity of 47.4%.

Keywords: Financial Distress, Tunneling Incentive, Fiscal Loss Compensation, and Tax Avoidance