

ABSTRACT

The Indonesian government officially announced the Job Creation Law on October 5 2020, dividend taxation is one of the regulations that was amended. This study aims to analyze the effect of dividend taxation law implementation and Insider Ownership proportion on Dividend Payout Ratio using firms listed on IDXHIDIV20 during 2019-2022 period with Dividend Payout Ratio as dependent variable, Dividend Tax and Insider Ownership as independent variable, and Size and Tobin's Q as control variable.

This study used 28 firms listed on HIDIV20 Index from 2019 to 2022 period as study population. This study sample was taken using purposive sampling technique, a total of 12 firms were used as sample in this study. Multiple linear regressions analysis was used in this study to measure the strength of the effect between each variable.

Consistent with several previous studies, the result of this study shows that Dividend Tax has a positive and significant effect on Dividend Payout Ratio on 10% significance level, while Insider Ownership has a negative and significant effect on Dividend Payout Ratio on 5% significance level. This result was obtained after regression model controlled using Size and Tobin's Q which can be shown by the 25,5% increase in Adjusted R² value from 2,4%.

Keyword: Dividend Taxation, Insider Ownership, Dividend Policy, Dividend Payout Ratio, Size, Tobin's Q