ABSTRACT

This study examines the relationship between company size, profitability, leverage, fixed asset intensity and inventory intensity with the effective tax rate in manufacturing companies. This study uses effective tax rate as the dependent variable and company size, profitability, leverage, fixed asset intensity and inventory intensity as independent variables. The population in this study are manufacturing companies listed on the Shanghai Stock Exchange and Indonesia Stock Exchange period 2018-2022. Using purposive sampling, 1500 samples were obtained for 5 consecutive years. This study uses multiple linear regression analysis to test the hypothesis. The finding from this study proves that the Chinese data result is the company size has an insignificant positive impact on effective tax rate, profitability has a significant negative impact on effective tax rate, leverage has a significant positive impact on effective tax rate, fixed asset intensity has an insignificant positive impact on effective tax rate and inventory intensity has an insignificant positive impact on effective tax rate. While the Indonesian data result is company size has a significant negative impact on effective tax rate, profitability has a significant negative impact on effective tax rate, leverage has an insignificant positive negative on effective tax rate, fixed asset intensity has an insignificant negative impact on effective tax rate and inventory intensity has no impact on effective tax rate.

Keywords: Effective Tax Rate, Company Size, Profitability, Leverage, Fixed Asset Intensity, Inventory Intensity