

ABSTRACT

This study aims to analyze the effect of solvency and profitability ratios on tax avoidance behavior in energy and property & real estate sector companies listed on the Indonesia Stock Exchange for the period 2021-2023.

The population in this study are all companies listed on the Indonesia Stock Exchange (IDX) in 2021-2022 engaged in the energy and property & real estate sectors. The research sample of 258 companies was obtained through purposive sampling technique with certain criteria. The data used in this study are secondary data obtained from the company's annual financial statements. Data analysis was carried out using multiple regression models to test the relationship between solvency ratios, profitability, and the level of tax avoidance.

The analysis was carried out using multiple linear regression methods. The results showed that the solvency ratio proxied by the debt to asset ratio has a significant positive effect on tax avoidance, while the solvency ratio proxied by the debt to asset ratio and the profitability ratio have no effect on tax avoidance. These findings contribute to the literature on factors affecting tax avoidance in the energy and property sectors.

Keywords: tax avoidance, debt to asset ratio, profitability, return on assets