ABSTRACT

This study aims to analyze the factors influencing tax avoidance among mining companies listed on the Indonesia Stock Exchange (IDX) during the 2020–2023 period. The factors examined include profitability (Return on Assets/ROA), leverage (Debt to Equity Ratio/DER), and firm size. Tax avoidance is measured using the Effective Tax Rate (ETR), where a lower ETR indicates a higher level of tax avoidance.

The research methodology utilizes secondary data in the form of published financial statements from mining companies listed on the Indonesia Stock Exchange (IDX). Data analysis was conducted using multiple linear regression and classical assumption testing to ensure the validity of the results. The findings indicate that profitability (ROA) and leverage (DER) do not have a significant effect on tax avoidance. This suggests that companies with high profits and specific leverage levels tend to employ safer, legal tax strategies, without these variables directly influencing tax avoidance. Conversely, firm size has a positive and significant effect on tax avoidance, indicating that large companies—possessing superior resources and tax planning capabilities—tend to be more active in engaging in legal tax avoidance.

This study suggests that future research incorporate additional variables and involve various industrial sectors to obtain a more comprehensive picture of tax avoidance.

Keywords: Tax avoidance, firm size, profitability, leverage.

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