

## **ABSTRACT**

This research intends to examine the influence of managerial ownership towards dividend policy and the decrease of dividend income tax tariff for individual taxpayers as the moderating variable. The independent variable that is used in this research is managerial ownership which is measured by dummy variable. Meanwhile, moderating variable in this research is the decrease of dividend income tax tariff for individual taxpayers. Size and cash are used as the control variables in this research.

This research replicates previous research done by Zulaikah (2012). Data used in this research is secondary data and the population consist manufacturing companies listed on Indonesia Stock Exchange (IDX) during 2006-2013. Samples are selected using purposive sampling method resulting 36 companies per year, so the total sample in this research contains 252 companies. Logistic regression analysis method is used for the analysis test.

Findings in this research show that managerial ownership has a significant positive influence to dividend policy and the decrease of dividend income tax tariff weakens the influence. This research indicates that companies with managerial ownership will likely to share their dividends. However, after the decrease of dividend tax tariff for individual taxpayers, it reduces that tendency.

**Keywords:** dividend policy, managerial ownership, decrease of dividend income tax tariff for individual taxpayers