

## **ABSTRACT**

*This study aims to determine the effect of tax regulation on financial performance moderated by strategic innovation in the performance of manufacturing production sector companies listed on the Indonesia Stock Exchange in 2015-2019. The data used in this study are secondary data. The method in selecting the sample is purposive sampling. The number of samples in this study were 471 companies. Hypothesis testing in this study was carried out using the *t* statistical test. The data analysis technique used in this study is multiple linear regression analysis and moderated regression analysis using the Statistical Product and Service Solution (SPSS) version 25 for windows data processing software program. The results of this study indicate that tax regulation have a positive and significant effect on financial performance with a correlation value of 0.453 with a significance level of 0.001. Based on the results of the moderated regression analysis (MRA) test, the strategic innovation variable has a positive and significant effect on financial performance and the strategic innovation variable is able to moderate the relationship between tax regulation and financial performance.*

*Keywords: tax regulation, financial performance, strategic innovation.*