

TABLE OF CONTENTS

COVER	I
DECLARATION OF AUTHENTICITY OF FINAL PAPER AND UPLOAD AGREEMENT	III
APPROVAL PAGE BY FINAL PAPER ADVISOR.....	V
APPROVAL PAGE BY FINAL PAPER DEFENSE COMMITTEE.....	II
ABSTRACT	VII
ABSTRAK.....	VIII
PREFACE	IX
TABLE OF CONTENTS.....	XI
LIST OF FIGURES	XV
LIST OF TABLES	XVI
LIST OF APPENDICES.....	XVII
CHAPTER I.....	1
1.1 Background of Study	1
1.2 Problem Limitation.....	9
1.3 Problem Formulation.....	9
1.4 Objective of The Research.....	10
1.5 Benefits of The Research.....	11
1.5.1 Theoretical Benefit.....	11
1.5.2 Practical Benefit	12
CHAPTER II	13
2.1 Theoretical Background	13
2.1.1 Agency Theory.....	13
2.1.2 Definition of Return on Asset	14
2.1.3 Indicator of Return on Asset.....	14

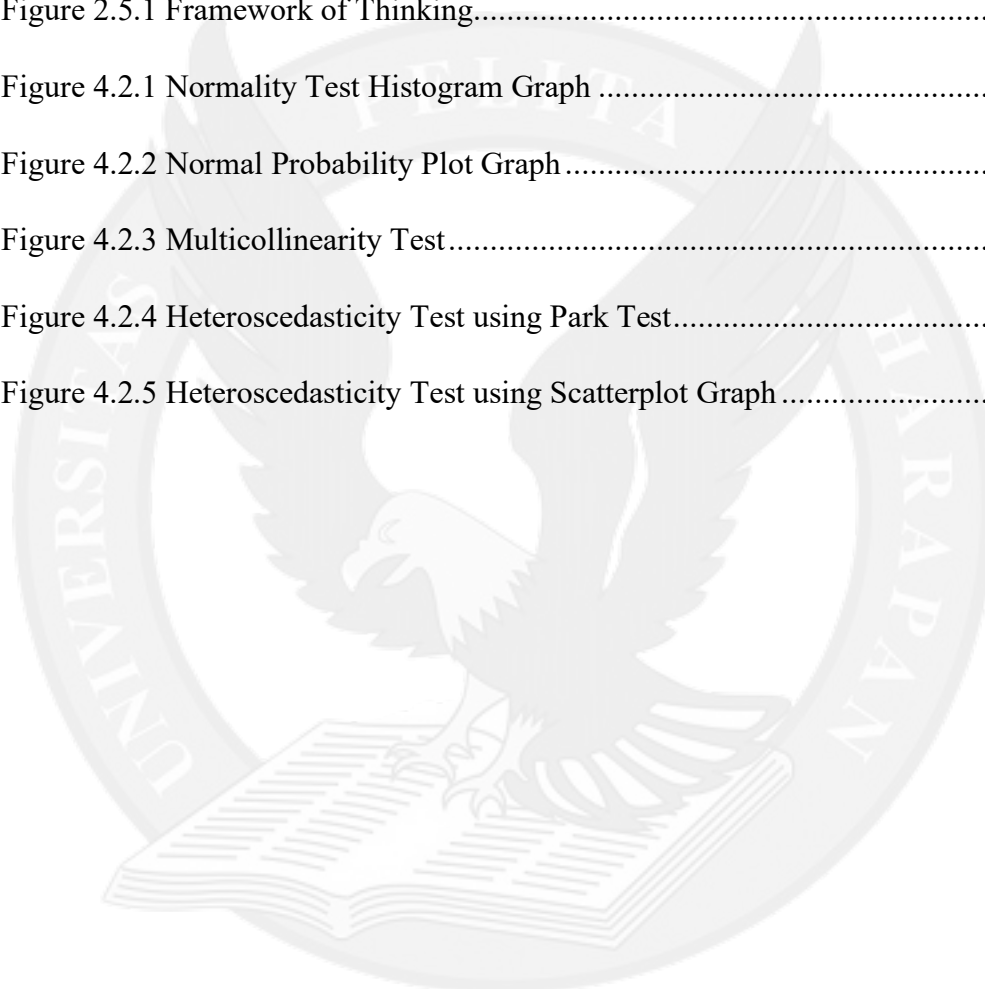
2.1.4	Definition of Leverage.....	15
2.1.5	Indicator of Leverage.....	15
2.1.6	Definition of Company Size	16
2.1.7	Indicator of Company Size	16
2.1.8	Definition of Institutional Ownership	17
2.1.9	Indicator of Institutional Ownership	17
2.1.10	Definition of Political Connections.....	18
2.1.11	Indicator of Political Connections.....	18
2.1.12	Definition of Tax Avoidance	18
2.1.13	Indicator of Tax Avoidance	19
2.2	Previous Research	19
2.3	Hypothesis Development.....	22
2.3.1	The Impact of Return on Asset on Tax Avoidance.....	22
2.3.2	The Impact of Leverage on Tax Avoidance	22
2.3.3	The Impact of Company Size on Tax Avoidance	23
2.3.4	The Impact of Institutional Ownership on Tax Avoidance	23
2.3.5	The Impact of Political Connections on Tax Avoidance.....	24
2.3.6	The Impact of Return on Asset, Leverage, Company Size, Institutional Ownership and Political Connections on Tax Avoidance.....	24
2.4	Research Model.....	26
2.5	Framework of Thinking.....	27
CHAPTER III.....		29
3.1	Research Design	29
3.2	Population and Sample	29
3.2.1	Population	29
3.2.2	Sample	30
3.3	Data Collection Method	31
3.4	Operational Variable Definition and Variable Measurement	32
3.4.1	Dependent Variable (Y).....	32

3.4.2	Independent Variable (X)	33
3.4.2.1	Return on Asset	33
3.4.2.2	Leverage	33
3.4.2.3	Company Size.....	34
3.4.2.4	Institutional Ownership.....	34
3.4.2.5	Political Connections	34
3.5	Data Analysis Method	36
3.5.1	Descriptive Statistics	37
3.5.2	Classical Assumption Test.....	37
3.5.2.1	Normality Test.....	38
3.5.2.2	Multicollinearity Test.....	39
3.5.2.3	Heteroscedasticity Test	39
3.5.2.4	Autocorrelation Test	41
3.5.3	Multiple Linear Regression Analysis	42
3.5.4	Hypothesis Testing	43
3.5.4.1	Partial Hypothesis Testing (T-Test).....	43
3.5.4.2	Simultaneous Hypothesis Testing (F-Test).....	43
3.5.4.3	Coefficient of Determination (Adjusted R Square).....	44
CHAPTER IV	45
4.1	General View of Mining Industries in Indonesia Stock Exchange	45
4.2	Research Result	48
4.2.1	Descriptive Statistics	48
4.2.2	Result of Data Quality Testing.....	51
4.2.2.1	Normality Test.....	51
4.2.2.2	Multicollinearity Test.....	54
4.2.2.3	Heteroscedasticity Test	57
4.2.2.4	Autocorrelation Test	59
4.2.3	Result of Hypothesis Testing	61
4.2.3.1	Multiple Linear Regression Analysis	61
4.2.3.2	Partial Hypothesis Testing (T-Test Analysis)	63

4.2.3.3	Simultaneous Hypothesis Testing (F-Test Analysis)	65
4.2.3.4	Coefficient of Determination (R Square)	66
4.3	Discussion	67
4.3.1	The Impact of Return on Asset Towards Tax Avoidance	67
4.3.2	The Impact of Leverage Towards Tax Avoidance.....	69
4.3.3	The Impact of Company Size Towards Tax Avoidance.....	70
4.3.4	The Impact of Institutional Ownership Towards Tax Avoidance.....	71
4.3.5	The Impact of Political Connections Towards Tax Avoidance	72
4.3.6	The Impact of Return on Asset, Leverage, Company Size, Institutional Ownership and Political Connections Towards Tax Avoidance	72
CHAPTER V	74
5.1	Conclusion	74
5.2	Recommendation.....	76
REFERENCES	78

LIST OF FIGURES

Figure 1.1.1 Effectiveness of Tax Collection.....	3
Figure 2.4.1 Research Model	27
Figure 2.5.1 Framework of Thinking.....	29
Figure 4.2.1 Normality Test Histogram Graph	55
Figure 4.2.2 Normal Probability Plot Graph.....	56
Figure 4.2.3 Multicollinearity Test.....	57
Figure 4.2.4 Heteroscedasticity Test using Park Test.....	59
Figure 4.2.5 Heteroscedasticity Test using Scatterplot Graph.....	60



LIST OF TABLES

Table 1.1.1 State Revenue (APBN) Data.....	2
Table 1.1.2 The Largest Tax Contributor Sector in Indonesia.....	5
Table 3.2.1 Determination of Samples	32
Table 3.2.2 List of Company Samples.....	32
Table 3.4.1 Definition of Operational Variable and Variable Measurement.....	36
Table 3.5.1 Durbin Watson Decision Table.....	43
Table 4.2.1 Descriptive Statistics	51
Table 4.2.2 Normality Test through One-Sample Kolmogorov Smirnov Test.....	53
Table 4.2.3 Autocorrelation Test using Durbin-Watson Test	61
Table 4.2.4 Autocorrelation Test using Cochrane-Orcutt.....	62
Table 4.2.5 7 Summary of Classical Assumption Test.....	62
Table 4.2.6 Multiple Linear Regression Analysis	63
Table 4.2.7 Partial Hypothesis Testing (T-Test)	66
Table 4.2.8 Simultaneous Hypothesis Testing (F-Test).....	68
Table 4.2.9 Coefficient of Determination (Adjusted R Square)	69

LIST OF APPENDICES

APPENDIX A: LIST OF POPULATION AND SAMPLE OF MINING COMPANIES LISTED IN INDONESIA STOCK EXCHANGE PERIOD 2016-2020.....	A-1
APPENDIX B: CALCULATION OF RETURN ON ASSET (ROA)	B-1
APPENDIX C: CALCULATION OF LEVERAGE (DER).....	C-1
APPENDIX D: CALCULATION OF COMPANY SIZE	D-1
APPENDIX E: CALCULATION OF INSTITUTIONAL OWNERSHIP	E-1
APPENDIX F: CALCULATION OF POLITICAL CONNECTIONS.....	F-1
APPENDIX G: CALCULATION OF TAX AVOIDANCE	G-1
APPENDIX H: SPSS OUTPUT RESULTS	H-1
APPENDIX I: DURBIN WATSON SIGNIFICANT TABLE	I-1
APPENDIX J: T-DISTRIBUTION TABLE	J-1
APPENDIX K: F-DISTRIBUTION TABLE	K-1