TABLE OF CONTENT

FINAL ASSIGNMENT STATEMENT AND UPLOAD AGREEMENT i

APPROVAL PAGE BY FINAL PAPER ADVISOR..... ii

APPROVAL PAGE BY FINAL PAPER DEFENSE COMMITTEE..... iii

ABSTRACT..... iv

***ABSTRAK*.....v**

PREFACE..... vi

TABLE OF CONTENT..... viii

LIST OF FIGURES xii

LIST OF TABLES xiii

LIST OF APPENDICES xiv

CHAPTER I.....1

1.1 Background of the Study..... 1

1.2 Problem Limitation 6

1.3 Problem Formulation 6

1.4 Objective of the Research 6

1.5 Benefit of the Research 7

1.5.1 Theoretical Benefit.....7

1.5.2 Practical Benefit.....7

CHAPTER II.....8

2.1 Theoretical Background..... 8

2.1.1 Agency Theory.....8

2.1.2 Tax Avoidance.....9

2.1.3 Profitability 11
2.1.4 Leverage.....12
2.1.5 Liquidity.....13
2.2 Previous Research 14
2.3 Hypothesis Development 16
2.3.1 The Impact of Profitability on Tax Avoidance 16
2.3.2 The Impact of Leverage on Tax Avoidance 17
2.3.3 The Impact of Liquidity on Tax Avoidance 18
2.3.4 The Impact of Profitability, Leverage and Liquidity on Tax Avoidance 18
2.4 Research Model..... 19
2.5 Framework of Thinking 20

CHAPTER III 21
3.1 Research Design..... 21
3.2 Population and Sample..... 21
3.3 Data Collection Method 22
3.4 Operational Variable and Variable Measurement..... 23
3.4.1 Tax Avoidance.....23
3.4.2 Profitability 23
3.4.3 Leverage.....24
3.4.4 Liquidity.....24
3.5 Data Analysis Method..... 25
3.5.1 Descriptive Statistics..... 25
3.5.2 Classic Assumption Test..... 26

3.5.3 Multiple Regression Test 29
3.5.4 Hypothesis Testing 29
3.5.4.1 Coefficient of Determination (R^2) 29
3.5.4.2 Partial Hypothesis Test (T-Test) 30
3.5.4.3 Simultaneous Hypothesis Test (F-Test) 30

CHAPTER IV 31
4.1 General View of Company 31
4.2 Research Result 32
4.2.1 Descriptive Analysis Result 32
4.2.2 Result of Data Quality Testing 33
4.2.2.1 Normality Test 33
4.2.2.2 Multicollinearity Test 36
4.2.2.3 Heteroscedasticity Test 37
4.2.2.4 Autocorrelation Test 39
4.2.2.5 Summary of Classical Assumption Test Result 40
4.2.3 Multiple Linear Regression Test 41
4.2.4 Result of Hypothesis Testing 42
4.2.4.1 Coefficient of Determination (R^2) 42
4.2.4.2 Partial Hypothesis Test (T-Test) 43
4.2.4.3 Simultaneous Hypothesis Test (F-Test) 45
4.3 Discussion 46
4.3.1 The Impact of Profitability on Tax Avoidance 46
4.3.2 The Impact of Leverage on Tax Avoidance 48
4.3.3 The Impact of Liquidity on Tax Avoidance 49

4.3.4 The Impact of Profitability, Leverage and Liquidity on Tax Avoidance 50

CHAPTER V 52

5.1 Conclusion 52

5.2 Recommendation 54

REFERENCES.....55

LIST OF FIGURES

Figure 2.1 Research Model 19
Figure 2.2 Framework of Thinking 20
Figure 4.1 Normality Test using Histogram 35
Figure 4.2 Normality Test using Probability Plot 35
Figure 4.3 Heteroscedasticity Test using Scatterplot Graph 37

LIST OF TABLES

Table 1.1 Indonesia's National GDP by Business Field (2022) 2
Table 1.2 Top Five Coal Producing Countries (2021) 2
Table 1.3 The 8 Biggest Tax Contributing Sectors in Indonesia (2022) 3
Table 2.1 Previous Research 14
Table 3.1 Determination of Sample 22
Table 3.2 Variable Operationalization Table 25
Table 3.3 Durbin Watson Decision Table 28
Table 3.4 Glejser Test Decision Table 28
Table 3.5 T-Test 30
Table 3.6 F-Test 30
Table 4.1 List of Company in Sample Data 31
Table 4.2 Descriptive Analysis Result 32
Table 4.3 Normality Test of Kolmogorov Smirnov 34
Table 4.4 Multicollinearity Test 36
Table 4.5 Glejser Test 38
Table 4.6 White Test 38
Table 4.7 Autocorrelation Test using Durbin-Watson Test 39
Table 4.8 Autocorrelation Test using Durbin-Watson Test (Cochrane-Orchutt method) 40
Table 4.9 Classical Assumption Test Summary 40
Table 4.10 Multiple Regression Test 41
Table 4.11 Coefficient of Determination 42
Table 4.12 Hypothesis T Test Result 44
Table 4.13 Hypothesis F Test Result 46
Table 4.14 Hypothesis Testing Summary 50

LIST OF APPENDICES

APPENDIX A: LIST OF SAMPLES A-1
APPENDIX B: DATA SAMPLES OF COMPANIES B-1
APPENDIX C: SPSS OUTPUTS C-1