ABSTRACT

Transfer pricing is the price for the delivery of goods, services, or other intangible assets at related parties transact with each other based on the arm's length principle, but transactions between members of the company can inflict to income transfer intended to lower all taxes owed on taxpayers who have that related party.

This study aims to determine the effect of tax, intangible assets, and bonus mechanism on transfer pricing decisions either simultaneously and partially on mining sector companies listed on the Indonesian Stock Exchange (IDX) in 2015-2018.

The population in this study are mining sector companies listed on the Indonesian Stock Exchange (IDX) in 2015-2018. Sample selection thecnique used is purposive sampling and acquired 13 sampel companies, a research period of 4 years with the result that obtained 52 total observations. The data used in this study was obtained from financial statement. Methods of data analysis in this research is logistic regression analysis using SPSS software version 23.

The result showed that simultaneous tax, intangible assets, and bonus mechanism have a significant effect on transfer pricing decision. Tax partially have no significant effect on transfer pricing decision, while intangible assets has a significant positive effect on transfer pricing decision, and bonus mechanism have no significant effect on transfer pricing decision.

Based on the results of the research, the companies are expected to be more cooperative in achieving company's goals as not to harm the country. The companies can evaluate its actions againts government regulations and adjust to the company's targets and the interests of shareholders.

Keywords: Intangible Assets, Bonus Mechanism, Tax, Transfer Pricing.