

## **ABSTRACT**

*Earnings information contained in the financial statements is very important information for certain parties to measure company performance. Companies that have fluctuating profits are considered as less good companies. So, the company will continue to look for ways to hold and reduce the fluctuations in profits. One way that can be done is to do income smoothing. Income smoothing is a step or action taken by the company management to make the accounting profit reported by the company to be smooth or has stable profit fluctuations and looks good in the eyes of those who need it. The way to do this is to move the more profitable year income to the less profitable year.*

*There are two types of variables used in this study, namely the independent variable (operating profit margin, cash holding, bonus plan, and income tax) and the dependent variable (income smoothing). The purpose of this study was to determine the effect of operating profit margin, cash holding, bonus plan, and income tax variables on income smoothing. The object used in this study is mining sector companies listed on the Indonesia Stock Exchange in 2013-2018.*

*The sample selection technique used was purposive sampling and obtained six mining sector companies with six years of research period, 2013-2018, so that the total sample used in this study was 36 samples. The analysis method used is logistic regression analysis using SPSS 22 software.*

*Simultaneous test results, obtained that the variable operating profit margin, cash holding, bonus plan, and income tax simultaneously have a significant effect on income smoothing. Based on partial testing, cash holding have a positive and significant affect on income smoothing, meanwhile operating profit margin, bonus plan, and income tax variables do not affect income smoothing.*

*Based on the results of the study, it is expected that researchers will then use other types of sectors and also add other independent variables such as financial risk, winner/loser stock, company age, underwriter reputation and other variables that are thought to influence the disclosure of alleged income smoothing practices.*

**Keywords:** *bonus plan, cash holding, income smoothing, income tax, operating profit margin*