

ABSTRACT

The current development of the digital economy has changed the business scheme of multinational companies which will certainly have an impact on analysis transfer pricing. Transfer pricing is an opportunity for companies that have special relationships outside Indonesia or countries with status tax haven countries to practice sales transactions so that the company has a low amount of tax payable. This study aims to examine whether taxes, profitability and bonus mechanisms have an effect on transfer pricing in manufacturing companies listed on the Indonesia Stock Exchange Period 2017 – 2019.

The research method used is quantitative research with descriptive verification purposes and this study has a causal type. The population in this study are manufacturing companies listed on the Indonesia Stock Exchange (IDX) in 2017 – 2019. The sampling technique used is non-probability sampling with purposive sampling so that a total of 270 samples were obtained from 90 manufacturing companies listed on the Indonesia Stock Exchange Period 2017 – 2019. The analytical method used is the logistic regression analysis method with the help of the IBM SPSS 25 application.

From the results of descriptive analysis and logistic regression, it is concluded that taxes, profitability and bonus mechanisms simultaneously affect the indications for transfer pricing. Partially, taxes, profitability and bonus mechanisms have no effect on indications of transfer pricing.

Keywords: taxes, profitability, bonus mechanisms, transfer pricing