

ABSTRACT

Tax avoidance is a way for companies to manipulate taxable income through tax planning actions. Tax avoidance is used by companies to minimize the tax burden borne by the company and to get the highest possible profit. There are several factors that affect tax avoidance, including affiliated sales transactions, political connections, and corporate social responsibility.

This research aims to analyze affiliated sales transactions, political connections, corporate social responsibility, and tax avoidance. In addition, to analyze simultaneously and partially the influence between affiliated sales transactions, political connections, and corporate social responsibility on tax avoidance on basic industrial and chemical sector companies listed on the Indonesia Stock Exchange for the period 2017–2019.

The method used in this study is a quantitative method. Sample selection technique uses purposive sampling. From the method obtained 44 companies, so the number of observations in this study is 132 observation data. The type of data used is secondary data with the data collection technique used is regression analysis of panel data using Eviews Software.

The results showed that affiliated sales transactions, political connections, and corporate social responsibility had a simultaneous effect on tax avoidance. Partially affiliated sales transactions negatively affect tax avoidance, political connections have no effect on tax avoidance, and corporate social responsibility has a positive effect on tax avoidance. The novelty in this study is an indicator in revealing CSR using POJK Number 51/POJK.03/2017.

The results of this study are expected to provide information from theoretical and practical aspects to academics, governments, and investors about the influence of affiliated sales transactions, political connections, corporate social responsibility on tax avoidance. This research is also expected to be a consideration for further researchers to re-examine using other independent variables. For basic industrial and chemical sector companies are expected to be able to do tax planning well so that there is no fraud in accordance with applicable tax regulations.

Keywords: *Affiliated Sales Transactions, Corporate Social Responsibility, Political Connections, Tax Avoidance*