ABSTRACT

The case of corporate tax avoidance concludes that, in the business world, tax avoidance efforts are seen as a legitimate strategy to reduce the cost of the tax burden by finding weaknesses and vagueness in tax laws and regulations. Tax avoidance occurs due to a high tax burden, thus making the company carry out a tax avoidance strategy. This tax avoidance effort illustrates a problem based on differences in the interests of companies with the government. Of course, this is related to the company's profit management which still has the principle of obtaining high profits and a smaller tax burden.

This study aims to determine the effect of profitability, leverage, and company size on tax avoidance in healthcare sector companies listed on the Indonesia Stock Exchange for the 2015-2021 period. The profitability variable was analyzed using the Return on Asset (ROA) ratio, leverage was analyzed using the Debt to Total Asset Ratio (DAR) ratio, and the company size was analyzed using a natural logaritma of total assets. The dependent variable tax avoidance was analyzed using the Cash Effective Tax Rate (CETR) ratio.

The population in this study are 25 healthcare sector companies listed on the Indonesia Stock Exchange in 2015-2021. The samples in this study were selected based on purposive sampling techniques with the number of sample units of 11 companies with 7 years of observation, to 77 samples. The analysis method used is the panel data regression method with a Random Effect model. The significance level in this study was measured at $\alpha = 5\%$.

The results of this study, simultaneously the profitability, leverage, and size of the Company have an influence on tax avoidance with the ability to explain variables of 10.57%. Partially profitability has an influence on tax avoidance, while leverage and company size have no influence on tax avoidance.
Keywords: *Profitability, Leverage, Firm Size, Tax avoidance*