



**ACCOUNTING DEPARTMENT**  
**FACULTY OF ECONOMICS AND BUSINESS**

**ANDALAS UNIVERSITY**

**THESIS**

**EFFECT OF PROFITABILITY, LEVERAGE AND LIQUIDITY ON TAX  
AVOIDANCE (Case Study On Basic Industrial and Chemical Companies Listed  
On The Indonesian Stock Exchange 2018-2021)**

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<b>EFFECT OF PROFITABILITY, LEVERAGE AND LIQUIDITY ON TAX AVOIDANCE (Case Study On Basic Industrial and Chemical Companies Listed On The Indonesian Stock Exchange 2018-2021)</b>			
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<b>ABSTRACT</b>			
<p><i>The purpose of this research is to analyze the effect of profitability, leverage and liquidity on tax avoidance. Independent variables were used profitability, leverage, and liquidity. Dependent variable was used tax avoidance. The Profitability is measured with Return on Asset (ROA), the Leverage is measured with Debt to Asset Ratio (DAR), and the Liquidity is measured with Current Ratio (CR). The research population was manufacturing companies listed in Indonesia Stock Exchange (IDX) in period of 2018-2021. Sampling method used was purposive sampling method with a sample of 16 companies during the observation period of 4 years in a row for a total of 64 samples. Analysis method of this research used multiple regression which includes classic assumption test, F statistic test, t statistic test, and the coefficient of determination test. The results of this study indicate that Profitability and Liquidity significant effect to tax avoidance, while Leverage has not significant effect to tax avoidance.</i></p>			
<b>Keyword:</b> Profitability, Leverage, Liquidity, Tax Avoidance			