

**THE EFFECT OF PROFITABILITY, LEVERAGE, AND COMPENSATION OF
FISCAL LOSSES ON TAX AVOIDANCE
(In Non-Exporting Construction Companies Listed on the Indonesia Stock Exchange
(IDX) for the 2021-2024 Period)**

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ABSTRACT

In the context of taxation, the phenomenon of declining tax revenue in Indonesia, highlighted by the World Bank, is a key concern in evaluating national fiscal effectiveness. This study aims to examine the relationship between profitability, leverage, fiscal loss carryforwards, and tax avoidance in infrastructure construction companies listed on the Indonesia Stock Exchange (IDX) during the period from 2021 to 2024. Profitability is measured using the Return on Assets (ROA), leverage is assessed using the Debt-to-Equity Ratio (DER), and fiscal loss carryforwards are accounted for using a dummy variable.

The research method used is a quantitative approach with panel data regression analysis. The sample consisted of companies meeting certain criteria during the observation period. The results indicate that profitability and fiscal loss carryforwards influence tax avoidance, while leverage does not. These results also indicate that internal company factors, particularly asset efficiency and utilization of fiscal facilities, play a role in shaping corporate tax strategies. This research is expected to contribute to strengthening fiscal policy and tax oversight in the construction sector.

Keywords: Profitability, Leverage, Fiscal Loss Compensation, Tax Avoidance