

The Effect of Effective Tax Rate and Tunneling Incentive on Transfer Pricing Decisions in Mining Companies Listed on the Indonesia Stock Exchange for the 2019-2021 Period

Nikka Ayuningtyas^{1*}, Martinus Budiantara²
Fakultas Ekonomi Universitas Mercubuana Yogyakarta, Indonesia

Corresponding Author: Nikka Ayuningtyas

ayunikka15@gmail.com

ARTICLE INFO

Keywords: Effective Tax Rate, Tunneling Incentive, Transfer Pricing

Received : 14, September

Revised : 27, September

Accepted: 28, October

©2024 Ayuningtyas, Budiantara : This is an open-access article distributed under the terms of the [Creative Commons Attribution 4.0 International](https://creativecommons.org/licenses/by/4.0/).



ABSTRACT

Companies in the mining industry make decisions to determine transfer pricing, the purpose of this study is to examine the role of effective tax rate (ETR) and tunneling incentives in transfer pricing. All companies listed on the IDX for the mining sector from 2019 to 2021 make up the population of this study. This study uses a quantitative method, which relies on numerical data. A total of 12 companies were sampled for this study, over 4 years. The analysis in this study found that neither the effective tax rate nor the tunnelling incentive had any influence on the decisions made regarding the determination of transfer pricing.

INTRODUCTION

The global economy has undergone a significant transformation as a result of globalization. The borders of the country began to disappear with the emergence of transnational businesses and multinational corporations. As a result, companies can now access resources and markets around the world from their operations in different countries. Companies from all over the world are now competing to provide better products and services to consumers, thanks to the impact of this phenomenon on the market.

As a result of globalization, the world economy faces major challenges in the future. Rapid adaptation to change is essential for countries and companies in today's highly competitive market. In these conditions, the most successful companies are the ones that can innovate while keeping their operations running smoothly. The impact is that it is increasingly difficult for the government to control and supervise the activities of companies within its territory.

Tax evasion is one of the main problems that arise due to the increasing number of international companies operating in Indonesia. According to the Directorate General of Taxes, many foreign companies operating in Indonesia have managed to avoid their tax obligations. Tax avoidance is a common goal of many businesses that use transfer pricing. Companies can reap financial benefits by using this strategy to set the price of goods and services sold within the company. This is unfair to local businesses because they do not have the same resources as the multinationals, and this also affects the country's tax revenue.

There is a lot of pressure on company managers to maximize profits for shareholders, especially controlling shareholders, in terms of setting transfer pricing. This can lead to unethical actions on the part of managers who put their own or their group's interests above the overall goals of the company. So, even though they pay the same amount as majority shareholders, minority shareholders often end up with lower profits.

Transparency in financial reporting and stricter regulations is a necessary response to the transfer pricing practices used by companies. To increase government revenues and keep the economy fair for all, policies must be set in tax avoidance. To build a more efficient and fair tax system in this era of globalization, international cooperation is also needed.

According to Ananto et al. (2017), the Durbin-Watson test is used to find out if there is an autocorrelation. Although they pay the same amount of fees as majority shareholders, minority shareholders often earn lower profits (Ayshinta, 2019). To find out how much tax a business has to pay, analysts use a ratio called the effective tax rate (ETR), which is the tax burden divided by the profit before tax. Multinational companies are involved in determining transfer pricing for tax and non-tax motives. It is a common practice to engage in the practice of determining transfer pricing to reduce taxable income. Companies are involved in setting transfer pricing in an effort to lower their tax liability in response to the increased tax burden. Companies can be involved in setting transfer pricing when they sell goods or services to each other by lowering their

prices and then remitting the money to other companies based in countries with lower tax rates.

Research conducted by Fadilla and Budiantara (2023) entitled "The Effect of Tunneling Incentives, Bonus Mechanisms, Company Size and Profitability on Transfer Pricing", shows that "company size and Tunneling Incentives both significantly affect transfer pricing". On the other hand, transfer pricing is not affected by profitability or bonus mechanisms. Research by Baiti and Suryani (2021) entitled "The Effect of Effective Tax Rate, Tunneling Incentive, Exchange Rate and Bonus Mechanism on Company Transfer Pricing Decisions (Empirical Study on Manufacturing Companies Listed on the Indonesia Stock Exchange for the 2015-2019 Period)" shows that "Tunneling Incentives have a negative effect on transfer pricing decisions and Effective Tax Rate, Exchange Rate, and bonus mechanisms have no effect on transfer pricing decisions". According to a study by Maharani and Budiantara (2024) entitled "The Influence of Taxes, Bonus Mechanisms, and Tunneling Incentives on the Implementation of Transfer Pricing" shows that "taxes, bonus mechanisms, tunneling incentives and company size do not have a significant effect on the decision to transfer pricing".

In regression models, normality tests are used to determine whether independent and dependent variables, or both, follow a normal distribution (Ghozali, 2021). "Transfer pricing can effect overall corporate income taxes. This is particularly true for multinational corporations" as according to Hansen and Mowen (1996). Hertanto Research, et. Al (2023) pointed out that "Tunneling Incentives have a negative but not significant effect on Transfer Pricing". Multinational companies can gain a larger share of the export and import markets by setting up offices in other countries. As a result of supply chain optimization and reduced logistics costs, they can provide more competitive prices. As a result, companies can strengthen their foothold in the international market and open up more opportunities for expansion (Hidayat et al., 2019).

Research conducted by Pong, et. al (2022) entitled "The Effect of Effective Tax Rate and Tunneling Incentive on Transfer Pricing Decisions in Mining Companies Listed on the Indonesia Stock Exchange in 2018-2021" shows that the decision to determine the company's transfer pricing is influenced by the Tunneling Incentive, not the effective tax rate. If one person or group owns a disproportionate number of shares in a company, that person or group will have a disproportionate influence on the company's operations. Some examples of tunneling incentives include not paying dividends, selling company assets below market value, and promoting family members to high positions (Putra & Rizkillah, 2022). Another reason for the emergence of the Tunneling Incentive is that controlling shareholders can increase their income whenever they want without having to transfer any assets owned by the company, unlike ordinary (dilutive) stock transactions (Ratnasari et al., 2021). The liquidity ratio, profitability ratio, and activity ratio all indicate a decline in the company's financial performance, according to Rizal All et.al (2022), although the solvency ratio shows an improvement. Excessive tax payments, depreciating currencies,

concentrated stock ownership, and manipulating profits to get large bonuses are what is known as the effective tax rate (ETR) (Sarifah, et al., 2019).

Sugiyono (2018) stated that the size and composition of the sample reflect the population as a whole. Nonetheless, determining a sufficient sample size is an important first step in any research project. The term "tunneling incentive" describes a practice in which majority shareholders or management use a company's assets and profits to advance their own interests, while minority shareholders end up paying the price. (Tania & Kurniawan, 2019). Research conducted by Wiharja and Sutandi (2023) entitled "The Effect of Effective Tax Rate, Tunneling Incentive and Debt Covenant on Transfer Pricing (Empirical Study of IDX 30 Companies Listed on the Indonesia Stock Exchange in 2017-2021)" shows that "effective tax rate has no effect on transfer pricing in inverse proportion to tunneling incentives and debt covenant affecting transfer pricing". Yumna Research, et. al (2021) entitled "The Effect of Effective Tax Rate (ETR), Exchange Rate, and Tunneling Incentive on Transfer Pricing" shows that ETR affects transfer pricing. Exchange rates and Tunneling Incentives do not affect transfer pricing. The effective tax rate (ETR), Exchange Rate, and Tunneling Incentive affect transfer pricing simultaneously. Based on the explanation given, the following hypothesis can be made:

Effect of Effective Tax Rate on Transfer Pricing Decisions

The Effective Tax Rate compares a company's total tax payments to its total net profit and serves as a measure of a company's efficiency in handling its tax burden. With the Effective Tax Rate, it's easy to see how much of a company's revenue should be used to pay taxes, and it can also show how well the tax strategy is going. The lower Effective Tax Rate shows that the company has managed to control its tax liabilities well, which is a good sign for its net profit.

The results of the study (Yumna, et. Al, 2021) and (Hertanto, et. Al, 2023) states that the Effective Tax Rate affects Transfer Pricing. Based on the description above, the hypothesis (H1) is as follows:

H₁: Effective Tax Rate affects transfer pricing decisions.

The Effect of Tunneling Incentives on Transfer Pricing.

A Tunneling Incentive is a financial incentive that encourages managers or shareholders who control a company to siphon off funds or assets for themselves or other entities under their control. When the selling price in a company is set in a way that benefits the controlling shareholder, it can lead to tunneling in the context of a multinational company. Minority shareholders may suffer as a result of this practice because they gain nothing from the transfer of value.

Companies can be encouraged to set unfair prices by providing incentives, which can affect transfer pricing strategies. Managers or controlling shareholders can move profits to companies in lower-tax regions by manipulating selling prices between entities when they have an incentive to transfer wealth to themselves. This method not only lowers the company's

overall tax payments, but also makes shareholders, especially those who have no control, feel treated unfairly.

Tax officials and governments face difficulties when trying to determine how Tunneling Incentives affect transfer pricing. This practice not only leads to market injustice, but can also significantly reduce tax revenues for the country. The government should enact stricter rules and regulations regarding the supervision of transfer pricing practices to overcome this problem.

In order to protect the interests of all parties and ensure fair taxation, it is necessary to establish different standards for fair pricing and promote openness in financial reporting. In order to complete the deal, the controlling shareholder receives a very high price for the transfer of the company's cash or current assets. As a result, controlling shareholders will have more votes and profits within the business. The results of research conducted by (Pong, et.all, 2022) and (Wiharja and Sutandi, 2023) show that "tunneling incentives have an influence on transfer pricing decisions in companies".

Based on the description above, the hypothesis (H2) is as follows:

H₂: Tunneling Incentives affect transfer pricing decisions.

The Effect of Effective Tax Rate and Tunneling Incentives on Transfer Pricing Decisions.

The effective tax rate (ETR) plays an important role in determining the transfer pricing of multinational companies. A high ETR encourages companies to look for ways to reduce their tax liabilities, one of which is through the practice of setting transfer pricing. By setting a lower price for goods or services sold between entities within the group, the company can shift profits to the country at a lower tax rate, thereby reducing the total tax paid. This creates an incentive for companies to manipulate transfer pricing to optimize their tax burden.

Regarding the monitoring of transfer pricing practices, regulators and the government face challenges due to the interaction between ETR and Tunneling Incentive. As a result of tax incentives and the desire to transfer wealth, businesses are implementing a more aggressive transfer pricing strategy when subjected to high tax rates. To address this problem, the government must establish policies that encourage openness and fairness in tax procedures, such as strict monitoring of transactions between businesses. As a result, the interests of all shareholders will be better protected and tax payments will better reflect actual profits.

Understanding the bonus mechanism, Tunneling Incentives, and effective tax rate is very important when it comes to determining transfer pricing. Businesses often try to lower their effective tax rate by minimizing the amount of tax they have to pay when doing business with foreign affiliates. One way to measure effective taxes is to look at the effective tax rate.

Based on the description above, the hypothesis (H3) is as follows:

H₃: Effective Tax Rate and Tunneling Incentive together or simultaneously affect transfer pricing decisions.

THEORETICAL REVIEW

Theory of Anxiety

In their 1976 article, Jensen and Meckling defined agency theory as "a framework for understanding the nature and function of relationships between entities such as individuals, groups, and organizations (i.e., principals and agents)". Anyone who has the authority to decide the future of the company and delegate responsibilities to another party (agent) is known as the principal.

Agency theory is an idea in economics and psychology that explains how people tend to feel sad about losing something rather than for gaining something in common. According to this, the amount of money lost will be more painful than the same amount of money gained. According to this theory, rather than focusing solely on the acquisition of something, people often make decisions in an effort to prevent losing something.

The main principle of this theory is that, relative to profits, the intensity of dissatisfaction with losses is two to three times higher. As a result, people are more risk-averse, and they prefer to protect their wealth rather than risk new opportunities. This helps explain why people are cautious when making investments and corporate decisions. When it comes to investing, investors tend to stick to stocks that have been losing longer than stocks that have made money, all in an effort to avoid further losses. Declines in rational decision-making and obstacles to future profits are possible outcomes.

It is concluded that agency theory highlights the important role that emotions play in shaping the decision-making process. Individuals and organizations can improve their investment decisions and business strategies by realizing that people are more afraid of losing money than being driven to make a profit. Better long-term results can be achieved with this method, which encourages more relevant decision-making.

Transfer Pricing

Transfer pricing refers to pricing for transactions between connected entities within a group of companies, such as branches, subsidiaries, or affiliates. Companies can use transfer pricing to find out how much an item is worth when it is moved from one division to another. To ensure a fair distribution of profits and comply with relevant tax regulations, proper pricing is essential.

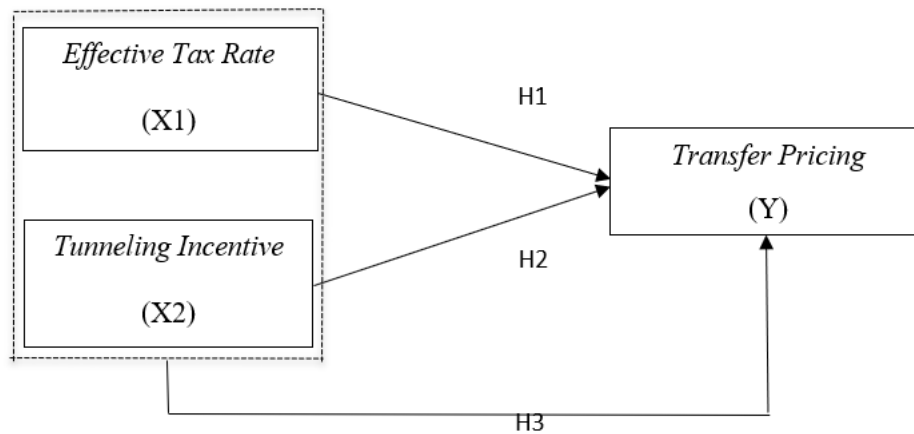
The main purpose of implementing transfer pricing is to minimize the company's tax liability. Companies can reduce their total tax liability by relocating their profits to countries with lower tax rates. Furthermore, transfer pricing can help businesses in controlling costs and transferring funds between departments. The company can ensure that each business unit contributes to the group's performance by setting the right price.

The cost method, market method, and profit analysis method are some of the ways transfer pricing is determined. Pricing using the cost method requires adding production costs to the profit margin target. To calculate transfer pricing, the market method looks at the selling price in the open market. In contrast, the profit analysis approach takes into account the anticipated profit from the transaction when deciding on a fair price. To avoid problems with tax

authorities and ensure compliance with regulations, choosing the right method is essential.

Companies must establish open policies and standards for transfer pricing management in order to handle them effectively. Additionally, companies must hire experienced tax and legal advisors to help them comply with all rules and laws. Companies can make good use of transfer pricing while avoiding legal issues and damaging their reputation if they plan ahead.

Among the many long-standing tax issues, the determination of transfer pricing is especially relevant to cross-border transactions of multinational companies. Multinational corporations often move their tax liabilities from countries with high tax rates to countries with low tax rates, which according to the government, reduces or eliminates a country's potential tax revenue. The following is the framework of the model used in this study, based on the theories and hypotheses proposed:



Source: Data processed, 2023

METHODOLOGY

This research uses information related to mining sector businesses whose names were listed on the IDX between 2019 and 2022. Researchers can access this data through the official website of the Indonesia Stock Exchange, www.idx.co.id, or by conducting a direct research visit to the IDX office. From 2019 to 2022, 240 companies listed on the Indonesia Stock Exchange in the mining subsector are included in this thinking population. Important criteria were met in this test, which included domain and real estate companies listed on the IDX. 48 points of interest regarding company information were selected using a deliberate testing procedure. Companies that document fund flows also meet this requirement, as do mining organizations listed on the IDX for the years 2019–2022.

RESULTS

The Indonesia Stock Exchange (IDX) is an institution that facilitates securities buying and selling by bringing together parties who want to do so. Its members can conduct securities transactions reliably, fairly, and efficiently if

the system and infrastructure are strong. The following are the business criteria considered in this study:

Table 1. Selection Criteria

Criteria	Number of Companies
Perusahaan pertambangan yang terdaftar di IDX.	60
Perusahaan pertambangan yang tidak menyampaikan laporan secara lengkap.	(27)
Perusahaan yang mengalami kerugian pada tahun 2019-2022	(2)
Perusahaan yang menyampaikan laporan tidak tepat waktu	(19)
Total sample data	12
Tahun penelitian	4
Total sample data 2019-2022	48

Source: Data processed, 2023

Table 2 Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Effective Tax rate	48	.00	4.47	.4740	.95206
Tunneling Incentive	48	.00	1.00	.2729	.27634
Transfer Pricing	48	.00	.88	.1504	.21046
Valid N (listwise)	48				

Source: data processed, 2023

The total observations in this study were 48 observations, as shown in table 2 of the descriptive analysis. With a range of 0.00 to 4.47, an average of 0.4740, and a standard deviation of 0.95206, the Effective tax rate variable is shown in the table. If you look at the effective tax rate in 2021 and 2022, PT. Resource Alam Indonesia Tbk has the lowest tariff of 0.00 and PT. Indo Tambangraya Megah Tbk has the highest rate of 4.47. A standard deviation of 0.27634 and an average of 0.2729 characterize the Tunneling Incentive, which

ranges from 0.00 to 1.00. If you look at the value of the Tunneling Incentive from 2020 to 2021, PT. Alfa Energi Investama Tbk has the lowest tariff of 0.00 and PT. Indo Tambangraya Megah Tbk has the highest rate of 1.00. The transfer pricing value range ranges from 0.00 to 0.88 with an average of 0.1504 and a standard deviation of 0.021046. In 2022, PT. Pelita Samudera Shipping Tbk has the smallest company size value of 0.00, while in 2021, PT. Alfa Energi Investama Tbk has the largest company size value of 0.88.

Tabel 3 Uji Multikolinearitas

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	Collinearity Statistics	
	B	Std. Error	Beta	Tolerance	VIF
1 (Constant)	2.475	.493			
Effective Tax Rate	.011	.144	.014	1.000	1.000
Tunneling Incentive	.211	.219	.171	1.000	1.000

Source: Data processed, 2023

Investment knowledge, investment benefits, and investment motivation were not found to show symptoms of multicollinearity in the existing data, as shown in Table 3 above, specifically when examining the VIF value. The highest VIF value found in the data analysis was significantly lower than the threshold value of 10, there was a number greater than 0.10 in the tolerance value for the independent variable. The chance of multicollinearity is smaller when the tolerance level is high because the independent variables are not very predictable to each other. So there is no multicollinearity in the effective tax rate and Tunneling Incentives, according to the results of this analysis.

Tabel 4 Uji Autokorelasi

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.283 ^a	.080	-.026	122.291	1.708

a. Predictors: (Constant), Effective Tax rate, Tunneling Incentive

b. Dependent Variable: Transfer Pricing

Source: Data processed, 2023

From the table of autocorrelation test results, it can be seen that there are a total of 48 observations and 2 independent variables in the equation considered. $Du = 1.6231$ and $4-du = 2.3769$ are the following results. If there is no autocorrelation ($du < DW < 4-du$) or from $1.6231 < 1.708 < 2.3769$, the Durbin-Watson test yields a result of 1.360. Thus, the absence of autocorrelation in the research regression model can be concluded.

Tabel 5 Uji Glejser

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.199	.184	.	1.077	.291
Effective Tax rate	.004	.162	.005	.024	.981
Tunneling Incentive	.211	.249	.161	.846	.405

Source: data processed, 2023

The significance value is higher than 0.05, as shown in table 5 above. In this case, with an effective tax rate of 0.981 and leverage of 0.405, the absolute residual and independent variables both have a significance value greater than 0.05. From these findings, we can conclude that the regression method shows no signs of heteroscedasticity.

Tabel 6 Uji Linear Berganda

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.199	.184	.	1.077	.291
Effective Tax rate	.004	.162	.005	.024	.981
Tunneling Incentive	.211	.249	.161	.846	.405

Source: Data processed, 2023

The regression coefficient results in table 6 can be used to create the following regression equations:

$$PP = 0,199 + 0,004 X1 + 0,211 X2 + e$$

The constant value of 7.746 is shown in the regression equation above. The equation states that fraud detection will increase by 0.004 if the effective tax rate and Tunneling Incentive are set to zero or remain constant.

If all other factors remain constant, an increase of one unit in the variable will result in an increase of 0.004 units at the effective tax rate, according to a regression coefficient of 0.004.

If all other variables remain constant, an increase of one unit in the Tunneling Incentive will result in an increase of 0.211 units in the variable, according to a regression coefficient of 0.211.

Tabel 7 Uji Koefisien Determinasi

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.283 ^a	.080	-.026	122.291

Source: data processed, 2023

The value of the determination coefficient of 0.080 (Adjusted R Square) is reported in table 7 above. While the rest includes other factors in this study that are not considered

Tabel 8 Uji Signifikansi F

ANOVA ^a					
Model	Sum of Square	df	Mean Square	F	Sig.
Regression	3.392	3	1.131	.756	.529 ^b
Residual	38.883	26	1.496		
Total	42.276	29			

Source: Data processed, 2023

The F value of 0.756 is smaller than the F table, as shown in the results of the f significance test in table 8 above. The significance level of 0.529 is higher than the threshold of 0.05. In contrast, the table's f value is 3.20 when sig a = 0.05 and df = n-k, specifically 48-2 = 46. This implies that transfer pricing is not affected by the effective tax rate or Tunneling Incentive either separately or in combination.

Tabel 9 Uji T (Parsial)

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	-2.475	.493		-5.021	.000
Effective Tax rate	.011	.144	.014	.080	.937
Tunneling Incentive	.211	.219	.171	.964	.343

Source: Data processed, 2023

Table 9 shows the results of the t-test that compares the effective tax rate with the determination of transfer pricing; The t-value for the effect of the effective tax rate on this decision is 0.080, and the corresponding significance level is 0.080. On the other hand, the t-table value is 1.679 for sig a = 0.05 and df = n-k-1, specifically 48-2-1 = 45. A value of 0.080 is less than 1.679, as the results of the analysis show. So, it is clear that Transfer pricing is not affected by the Effective tax rate. Table 9 shows the results of the t-test conducted between the Tunneling Incentive and the transfer pricing determination. The calculated t-value for leverage on tax avoidance is 0.964, and the significance level is 0.343. On the other hand, the t-table value is 1.679 for sig a = 0.05 and df = n-k-1, specifically 48-2-1 = 45. The value of 0.964 is smaller than 1.679, as the results of the analysis show. So, it seems that the Tunneling Incentive has no effect on transfer pricing.

DISCUSSION

Effect of Effective Tax Rate on Transfer Pricing

The results of the study show that there is a significant relationship between the effective tax rate and the determination of transfer pricing, as shown

by the results of the t-test of $0.080 < 1.679$. Since the Effective tax rate does not affect the Transfer pricing, it can be concluded that H1 is wrong. This result is in line with (Wiharja and Sutandi, 2023) and (Pong et al., 2022). Their research found that transfer pricing is not affected by the effective tax rate.

The Effect of Tunneling Incentives on Transfer Pricing

Statistically significant results from the t-test comparing Tunneling Incentive with transfer pricing are presented in this study. The analysis rejects H2 because the value of 0.964 is smaller than 1.679. That Tunneling Incentives are not effective in influencing transfer pricing is shown here. These results corroborate the research of Maharani and Budiantara (2024) and Saefudin et al. (2018), which did not find the impact of Tunneling Incentive on transfer pricing.

Effect of Effective Tax Rate and Incentive Tunneling on Transfer Pricing

Table 9 shows the results of the t-test conducted between the effective tax rate and the determination of transfer pricing. The results of the transfer pricing analysis and the Tunneling Incentive analysis on transfer pricing showed that the values of 0.080 and 0.964 were smaller than 1.679, respectively. So the results of the analysis show that H3 rejected the effective tax rate and tunneling incentives together or simultaneously have no effect on transfer pricing.

CONCLUSIONS AND RECOMMENDATIONS

Based on the results and analysis that has been carried out on the three hypotheses, the following conclusions are obtained:

1. The Effective Tax Rate partially has no effect on Transfer Pricing for mining companies listed on the IDX for the 2019-2022 period.
2. The Tunneling Incentive has no effect on Transfer Pricing for mining companies listed on the IDX for the 2019-2022 period.
3. The Effective Tax Rate and Tunneling Incentive simultaneously or together do not have a significant effect on Transfer Pricing for mining companies listed on the IDX for the 2019-2022 period.

Based on the results that have been described, there are several suggestions from researchers for future researchers

1. It is hoped that the next researcher will include property and real estate companies to provide a comprehensive overview of the company's condition related to the determination of transfer pricing.
2. Listing the year of the study is highly recommended for future researchers.
3. Additional variables related to transfer pricing should be included for future researchers.

FURTHER STUDY

1. The results of this study do not apply to other industries because the sample used is only companies from the mining sector listed on the Indonesia Stock Exchange.

2. There are several variables that can affect the determination of transfer pricing, but this study only considers the effective tax rate and Tunneling Incentive variables.
3. Each variable in this study was measured using one instrument.

ACKNOWLEDGMENT

1. Dr. Hasim As'ari, SE., MM., CAP. as the Dean of the Faculty of Economics, Mercu Buana University, Yogyakarta,
2. Nugraeni, SE., M.Sc, CRA, CRMP, CAP. as the Head of the Accounting Study Program, Mercu Buana University Yogyakarta,
3. Both parents, husbands, children, younger siblings and the entire family who have given prayers and support.
4. To all friends who have given advice and support so far.

REFERENCES

- Ananto, R. P., Mustika, R., & Handayani, D. (2017). Pengaruh Good corporate Governance (GCG), Leverage, Profitabilitas dan Ukuran Perusahaan terhadap Financial Distress Pada Perusahaan Barang Konsumsi yang Terdaftar di Bursa Efek Indonesia. *Jurnal Ekonomi & Bisnis Dharma Andalas*, 19(1).
- Ayshinta, P. J. (2019). Pengaruh Tunneling Incentive, Mekanisme Bonus Dan Exchange Rate Terhadap Keputusan Perusahaan Melakukan Transfer Pricing. *Jurnal Eksplorasi Akuntansi (JEA)*, 1(2), 572-588. doi:<https://doi.org/10.24036/jea.v1i2.96>
- Baiti, N., & Suryani, S. (2020). PENGARUH EFFECTIVE TAX RATE, TUNNELING INCENTIVE, EXCHANGE RATE DAN MEKANISME BONUS PADA KEPUTUSAN TRANSFER PRICING PERUSAHAAN (Studi Empiris Pada Perusahaan Manufaktur yang terdaftar pada Bursa Efek Indonesia Periode 2015-2019). *Jurnal Akuntansi dan Keuangan*, 9(2), 139-152. doi:<http://dx.doi.org/10.36080/jak.v9i2.1419>
- Fadilla, N., & Budiantara, M. (2023). Pengaruh Tunneling Incentive, Mekanisme Bonus, Ukuran Perusahaan dan Profitabilitas terhadap Transfer Pricing. *Jurnal AL-KHARAJ*. doi:[10.47467/alkharaj.v6i2.5421](https://doi.org/10.47467/alkharaj.v6i2.5421)
- Ghozali, I. (2016). *Aplikasi analisis multivariete dengan program IBM SPSS 23*. Semarang: Semarang Badan Penerbit Universitas Diponegoro. Cetakan VIII. Retrieved from <http://kin.perpusnas.go.id/DisplayData.aspx?pId=218217&pRegionCode=UN11MAR&pClientId=112>
- Hansen, D. R., & Mowen, M. M. (2007). *Managerial Accounting 8TH EDITION*. Surabaya: Western College Publishing. Retrieved from https://ilubis.files.wordpress.com/2008/05/managerial-accounting_8e_hansen-ebook.pdf
- Hertanto, A. D., Marundha, A., & Kuntadi, C. (023). PENGARUH EFFECTIVE TAX RATE, MEKANISME BONUS, DAN TUNNELING INCENTIVE TERHADAP TRANSFER PRICING (Studi Empiris pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia Tahun 2017- 2021). *Jurnal Economina*, 2(2), 504-522. doi:<https://doi.org/10.55681/economina.v2i2.328>

- Hidayat, W. W. (2019). Pengaruh Pajak Dan Tunneling Incentive Terhadap Keputusan Transfer Pricing pada Perusahaan Pertambangan Yang Terdaftar Di Bursa efek Indonesia (BEI Periode 2012-2017). *Jurnal Ilmiah Akuntansi Dan Manajemen (JIAM)*, 235-240.
- Maharani, B. A., & Budiantara, M. (2024). Pengaruh Pajak, Mekanisme Bonus, Ukuran Perusahaan dan Tunneling Incentive Terhadap Pelaksanaan Transfer Pricing. *Jurnal KOLEGAL*, 1-10. doi:P-ISSN 2088-5644; E-ISSN 2614-008X
- Pong, R. S., Manaroinsong, J., & Moroki, F. (2022). PENGARUH EFFECTIVE TAX RATE DAN TUNNELING INCENTIVE TERHADAP KEPUTUSAN TRANSFER PRICING PADA PERUSAHAAN PERTAMBANGAN YANG TERDAFTAR DI BURSA EFEK INDONESIA TAHUN 2018-2021. *JURNAL MANAJEMEN DAN BISNIS*, 7(4). Retrieved from <http://www.ejournal.fekon-unima.ac.id/index.php/JAK/article/view/2888>
- Putra, R. J., & Rizkillah, A. A. (2022). Effect Tunneling Incentive, Intangible Assets, Profitability on Transfer Pricing Moderation Tax Avoidance. *Budapest International Research and Critics Institute-Journal (BIRCI-Journal)*, 5(2), 14373-14383. doi:<https://doi.org/10.33258/birci.v5i2.5304>
- Ratnasari, M., Widiastuti, N., & Sumilir, S. (2021). DETERMINASI TRANSFER PRICING PADA PERUSAHAAN TAMBANG DI INDONESIA. *Jurnal AKUNIDA*, 7(2), 151-164. doi:<https://doi.org/10.30997/jakd.v7i2.4535>
- Rizal, M. N., Izdihar, M. D., Sampurna, N. W., & Irawan, F. (2022). KINERJA KEUANGAN EMITEN BATUBARA DI MASA PANDEMI COVID-19. *JURNALKU*, 2(4), 379-395. doi:<https://doi.org/10.54957/jurnalku.v2i4.288>
- Saefuding, & Luky, S. P. (2018). DETERMINASI PAJAK, MEKANISME BONUS, DAN TUNNELING INCENTIVE. *Jurnal Ekonomi dan Bisnis*, 32-43. doi:10.22236/agregat_vol2/is1pp32-43
- Sarifah, D. A., Probuwulan, D., & Maharani, A. (2019). DAMPAK EFFECTIVE TAX RATE (ETR), TUNNELING INCENTIVE (TNC) INDEKS TREND LABA BERSIH (ITRENDLB) DAN EXCHANGE RATE PADA KEPUTUSAN TRANSFER PRICING PERUSAHAAN MANUFAKTUR YANG LISTING DI BURSA EFEK INDONESIA (BEI). *Jurnal Ilmiah Akuntansi dan Humanika*, 9(2), 215-228.

Sugiyono. (2018). *Metode Penelitian Kuantitatif*. Bandung: Alfabeta.

Tania, C., & Kurniawan, B. (2019). PAJAK, TUNNELING INCENTIVE, MEKANISME BONUS DAN KEPUTUSAN TRANSFER PRICING (STUDI EMPIRIS PADA PERUSAHAAN MANUFAKTUR YANG TERDAFTAR DI BURSA EFEK INDONESIA TAHUN 2014-2017). *International Journal of Business*, 2(2), 82-86. doi:<https://doi.org/10.33365/tb.v2i2.329>

Wiharja, J. A., & Sutandi, S. (2023). Pengaruh Effective Tax Rate, Tunneling Incentive dan Debt Covenant terhadap Transfer Pricing (Studi Empiris Perusahaan IDX 30 yang Terdaftar di Bursa Efek Indonesia Tahun 2017-2021). *eCo-Buss*, 6(1), 193-205. doi:<https://doi.org/10.32877/eb.v6i1.723>

Yumna, Z., Sumiati, A., & Susanti, S. (2021). Pengaruh Effective Tax Rate (ETR), Exchange Rate, dan Tunneling Incentive terhadap. *Jurnal Bisnis, Manajemen, dan Keuangan*, 2(1), 132-149.