***ABSTRACT***

*Erlina Elisabeth / 34150198/2019 / Effect of Profitability, Capital Intensity, and Multinationality on Current ETR (Study of Manufacturing Companies Listed on Indonesia Stock Exchange Period 2015-2018) / Supervisor: Prima Apriwenni, SE, Ak., MM, M.Ak .*

*Tax is a potential income for the country that must be utilized as much as possible. With greater taxes, the company's net profit will be smaller. Companies want to minimize their taxes, so companies do a tax planning to minimize their tax burden so that it will optimize corporate profits. One way that is used by companies is through tax avoidance. This tax avoidance action can be influenced by various factors, some of which are profitability, capital intensity, and multinationality.*

*The theory in this study uses agency theory and stakeholder theory. Agency theory implies a relationship between agents and principals who have different interests. Stakeholder Theory is able to explain the relationship between a company and its stakeholders. Profitability is the ability of a company to get profits in a certain period. Capital Intensity is how much the company invests its assets in fixed assets. A multinational company is a company that has several factories in different countries. There are three hypotheses in this study, namely profitability has a negative effect on Current ETR, capital intensity has a positive effect on Current ETR, multinationality has a positive effect on Current ETR.*

*The objects of this study were 40 manufacturing companies listed on the Indonesia Stock Exchange in 2015-2018. The sampling technique used was the Non-Probability Sampling technique, using a purposive sampling method. The analytical methods used are data pooling test, descriptive statistical test, classic assumption test, multiple linear regression analysis, and hypothesis testing.*

*The results of the study with the statistical test t (α = 5%) obtained sig. Profitability variable of*

*0.045 is smaller than α 0.05. The sig value of Capital Intensity variable is 0.359 which is smaller than α 0.05. The sig value of the Multinationality variable is 0.106, which is greater than α 0.05. If the sig value is greater than α, then there is no effect.*

*Based on the results of research that has been done, it can be concluded that profitability is proven to have a negative effect on Current ETR, capital intensity is insufficient evidence of effect on Current ETR, and multinationality is not enough evidence of effect on Current ETR.*

*Keywords: Current ETR, Profitability, Capital Intensity, Multinationalty.*