# ***ABSTRACT***

*Visca Seven Niat Hati Larosa / 38150549 / 2019 / Effect of Profitability, Leverage, and Sales Growth on Tax Avoidance in Manufacturing Companies Listed in Indonesia Stock Exchange from 2015 to 2018 / Sugi Suhartono, SE., M.Ak.*

*Tax is the biggest source of state revenue that used to finance state expenditure. There are obstacles in tax collection caused by difference of interests between taxpayers and the government related to tax payment. Taxpayers tend to reduce the amount of tax payment, while the government is trying to increase tax revenue. The efforts made by taxpayers to reduce their tax obligation are called tax avoidance.*

*This study uses agency theory that explains the difference of interests (agency problems) between principals and agents. To solve these difference of interests, it uses aggressive tax avoidance in order to optimize both interests.*

*This study uses observation of secondary data obtained from the audited financial statements of manufacturing companies that are listed on the Indonesia Stock Exchange For the Period 2015 to 2018. The sampling technique is a non-probability sampling technique using a purposive sampling method. The data analysis technique is done through descriptive test, pooling test, classic assumption test, multiple linear regression analysis with the coefficient of determination test, F test and t test using the IBM SPSS 22 program.*

*The results showed that this study had passed classic assumption test and data pooling test. The F test shows that the independent variables jointly influence the dependent variable with significant value of 0.000. The t test results showed profitability, leverage, and sales growth variables with each a significant value of 0.001; 0.047 and 0.011 have a significant effect on tax avoidance. The coefficient value of determination (R2) is 0.449 or 44.9%.*

*The conclusion of this study shows that variable of profitability and sales growth have a partially negative effect on tax avoidance or have a positive effect on Current ETR, whereas leverage variable have a partially positive effect on tax avoidance or have a negative effect on Current ETR. While simultaneously, the variable of Profitability, Leverage, and Sales Growth affect tax avoidance.*

***Keywords:*** *Tax Avoidance, Profitability, Leverage, and Sales Growth*