

ABSTRACT

This study aims to examine and analyze the influence of profitability, leverage, political connections, and institutional ownership on tax avoidance in energy sector companies listed on the Indonesia Stock Exchange (IDX) during the 2022-2025 period. This research is based on agency theory, which explains the difference in interests and information asymmetry between managers as agents and shareholders as principals that can influence company decision-making, including in terms of taxation. This study employs a quantitative research method using secondary data obtained from companies' financial statements and annual reports. The sample was selected using the purposive sampling method, resulting in 40 companies with a total of 160 observations. After the testing process, several observations were identified as outliers, and autocorrelation was detected in the data. To address these issues, outliers were removed and the data were transformed using the Cochrane–Orcutt method. Following the data processing, 47 observations were excluded, resulting in 113 observations used in the final analysis. The data were analyzed using multiple linear regression with the assistance of IBM SPSS Statistics version 29 and Microsoft Office Excel. The results show that profitability has a positive and significant effect on tax avoidance, while political connections have a negative and significant effect on tax avoidance. Meanwhile, leverage and institutional ownership have no significant effect on tax avoidance.

Keywords: Profitability, Leverage, Political Connections, Institutional Ownership, and Tax Avoidance.