

CHAPTER IV

CONCLUSIONS AND SUGGESTIONS

4.1 Conclusions

Transfer pricing is one way for companies to avoid a large tax burden. This can result in the loss of potential state revenue from taxes. This study aims to analyze the emergence of transfer pricing decisions in a company so that the potential loss of income from taxes can be reduced. In this study, the samples were taken from the profit and loss statements of manufacturing companies listed on the IDX from 2018 to 2020.

Based on the results and discussion, three conclusions can be drawn from this study. First, the tax burden has a negative effect on transfer pricing decisions. The smaller the tax burden owned by a company, the more likely it is that the company transfers profits to related parties. Conversely, the greater the tax burden owned by a company, the less likely it is that the company is transferring profits to related parties. This transfer of profits is done in terms of avoiding a high tax burden on a country by bestowing profits to companies whose tax burden is low on a country.

Second, tunneling has a positive effect on transfer pricing decisions. at a time when tunneling rates increase, companies will tend to shift profits

into the company. The transfer of profits into the company will increase the ratio of gross profit derived from transactions to related parties which results in the value of tunneling increases. Third, bonuses are significant to transfer pricing decisions. The transfer of profit to the company will make the resulting profit high. The magnitude of this profit will provide a great bonus for the company's management because the success of a company is seen in its high profits. From the results of the research conducted, there are two benefits received by the company, namely the company can divert the profits owned to reduce the cost of the tax burden. and the resulting profit becomes higher so that it can achieve the company's main goal of obtaining as much profit as possible.

This research is expected to contribute to the development of accounting knowledge regarding matters that can be used as a reference for management in making transfer pricing decisions. This research is also expected to provide information for company management so as not to abuse transfer pricing as a way to get bonuses from the board of directors.

4.2 Suggestions

Based on the research conducted there are still some limitations experienced by the author. This research only focuses on manufacturing companies that foam on the IDX. In addition, the period used is still very small, namely from 2018 to 2020. For future research, researchers can add the period used. In addition, researchers can then add bound variables used in this study. In terms of calculating the marginal tax rate, the author next

needs to pay attention to all aspects that can change the value of the tax burden.