

ABSTRACT

THE INFLUENCE OF TAX HAVENS, POLITICAL CONNECTIONS, AND INVESTMENT OPPORTUNITIES SET ON TAX AVOIDANCE

(A Study on the Coal Mining Subsector Listed on the Indonesia Stock Exchange for the Period 2019–2023)

By:

BALQIS MAHARANI MUMTAZ

2112110037

Tax avoidance practices in the coal mining sector can impact state tax revenues and corporate financial transparency. Several companies utilized tax haven schemes to reduce their tax burden by shifting profits to offshore entities. This study analyzed the influence of tax havens, political connections, and investment opportunity sets on tax avoidance in coal mining companies listed on the Indonesia Stock Exchange (IDX) during 2019–2023. The research employed a quantitative method using panel data regression through the EViews 12 software. The findings indicated that tax havens and investment opportunity sets had a significant negative effect on tax avoidance, suggesting that companies with higher investment opportunities tended to be more transparent in their tax reporting. Meanwhile, political connections did not have a significant effect on tax avoidance, indicating that political ties were not consistently used as a strategy for tax avoidance.

Keywords: Tax Havens, Political Connections, Investment Opportunity Set, Tax Avoidance, Mining

