



## The Influence of Taxes and Intangible Assets on Transfer Pricing in a Company

Intan Febrianti<sup>1</sup>, Alimuddin<sup>2</sup>  
Universitas Hasanuddin Makassar

**Corresponding Author:** Intan Febrianti : [febriantiintan517@gmail.com](mailto:febriantiintan517@gmail.com)

---

### ARTICLE INFO

*Keywords:* Intangible Asset, Tax, Transfer Pricing

*Received :* 10, April  
*Revised :* 12, May  
*Accepted:* 25, June

©2024 Febrianti, Alimuddin (s): This is an open-access article distributed under the terms of the [Creative Commons Atribusi 4.0 Internasional](https://creativecommons.org/licenses/by/4.0/).



### ABSTRACT

This research aims to determine the factors influencing transfer practices in multinational manufacturing companies listed on the Indonesian Stock Exchange in 2019-2022. In this research, the factor used is the bonus mechanism intangible asset tax.

This research is quantitative research with secondary data in the form of the company's annual financial reports. The sample was selected using a purposive sampling technique and 40 sample data were obtained. The data analysis technique was using multiple linear analysis with the SPSS 23 program

The research results show that intangible assets have a positive effect on transfer pricing, while tax variables have a negative impact on transfer pricing

## INTRODUCTION

The developments that have occurred from year to year which cover all aspects including technology, information and communication can have a significant influence in all fields, one of which is economics and business. This development can make it easier for a company to develop and expand its business (Rahayu et al., 2020). So quite a few companies are trying to expand their business reach by building subsidiary companies or opening branches not only within the country. Companies that have business branches and businesses that operate in several countries in the world are also called multinational companies (Safira et al., 2021). Companies that operate in several countries certainly have various kinds of transactions on an international scale in various countries with different regulations in each countries, one of which is the difference in tax rates. Because of these differences in tax rates, multinational companies use transfer pricing as

The developments that have occurred from year to year which cover all aspects including technology, information, and communication can have a significant influence in all fields, one of which is economics and business. This development can make it easier for a company to develop and expand its business (Rahayu et al., 2020). So quite a few companies are trying to expand their business reach by building subsidiary companies or opening branches not only within the country. Companies that have business branches and businesses that operate in several countries in the world are also called multinational companies (Safira et al., 2021). Companies that operate in several countries certainly have various kinds of transactions on an international scale in multiple countries with different regulations in each country, one of which is the difference in tax rates. Because of these differences in tax rates, multinational companies use transfer pricing as one of their corporate strategies. Transfer pricing is known as one of the company's strategies in determining the transfer price of a transaction, whether it concerns the sale or purchase of goods, providing a service, intangible asset transactions, or other financial matters to companies that have a special relationship (Nugroho et al., 2018 ).

In one of the company's strategies. Transfer pricing is known as one of the company's strategies in determining the transfer price of a transaction, whether it concerns the sale or purchase of goods, providing a service, intangible asset transactions, or other financial matters to companies that have a special relationship (Nugroho et al., 2018 ).

In Indonesia itself, there are several cases of transfer pricing which are stated to have been implemented by several companies. PT. Adarao Energy Tbk, PT.

CocaCola Indonesia and PT Toyota Motor Manufacturing Indonesia are among several companies that are indicated to be carrying out transfer pricing practices. Eliminating transfer pricing is not an easy matter, the absence of public access to detailed company transactions means that companies are free to modify financial reports. Even public companies (Tbk) may also carry out transfer pricing (Suryana, 2012). The issue of allocating company income and costs must be regulated properly and clearly by each country involved in international transactions.

Good and clear regulations are expected to prevent and detect acts of tax manipulation through transfer pricing which are often carried out by companies (Nurhayati, 2013). From all these statements it can be concluded that the transfer pricing that occurs in Indonesia is increasingly detrimental to the country. Therefore, the author is interested in re-analyzing the tax treatment of transfer pricing transactions in manufacturing companies in Indonesia

## Theoretical Background

### Agency Theory

This theory was first introduced and developed by Jensen and Meckling (1976). Agency theory is defined as a relationship that occurs because of a contract between the agent (management) and the principal (company owner or shareholder). In this theory, it is stated that there could be an information exchange that occurs between the principal and the agent who represents the management of the company (Nainggolan and Sari, 2019). This problem occurs because the decisions made by agents are not always in favor of the company's interests, which then triggers agency conflict (Jansen and Mackling, 1976).

The resulting conflict of interest encourages management to maximize profit management from both an accounting and fiscal perspective by taking advantage of regulatory flaws and tax rates. The tax gap and the implementation of the self-assessment system are opportunities for agents to minimize the company's tax burden by reducing the amount of tax income

### **Transfer Pricing**

Transfer pricing is a company's action in determining the price of a transaction for goods, intangible assets, services, or financial transactions between companies (Ministry of Finance, 2014). According to Hansen and Mowen (2015), transfer pricing is the price determined by the sales definition of the purchasing definition within the company.

(Falbo and Firmansyah, 2018) state that transfer pricing is an effort to divert income wherever possible to companies or divisions with special relationships in countries that have the lowest tax rates. The difference in tax rates can be used to avoid larger taxes

## **Tax**

In Law No. 28 of 2007 concerning General Provisions and Procedures for Taxation, it is explained that "tax is a mandatory contribution to the state owed by individuals and entities that are coercive based on the Law, with no direct compensation and is used for state needs for the greatest prosperity of the people. Taxes have a very important role in the life of the state, especially in the implementation of development because taxes are a source of state income to finance all expenditures, including development expenditures." Meanwhile, taxes have several functions, namely:

1. Budget function
2. Function regulate
3. Stability function
4. Income redistribution function

Income tax is regulated in Law No. 36 of 2008 concerning Income Tax. For domestic taxpayers and permanent establishments or business entities, the amount of taxable income is calculated based on gross income, or gross income minus expenses paid to obtain that income. This taxable income is then used as the basis for applying rates for domestic taxpayers in a tax year. The tax rates set by a country are often different from those of other countries. Disparities in tax rates between countries can influence multinational companies to use transfer pricing.

Tax calculations are based on research by Nazihah, Azwardi, and Fuadah (2019) which uses the Effective Tax Rate proxy. ETR is found by dividing the tax burden by profit before tax.

$$\text{Effective Tax Rate (ETR)} = \frac{\text{Beban Pajak}}{\text{Laba Sebelum Pajak}}$$

### *Intangible Asset*

The term "intangible assets" refers to assets that do not have a physical form, often have a long useful life, are used in business activities, and are not used for resale (PSAK No. 19 article 17 of 2015). A company often expends resources or assumes responsibilities when acquiring, developing, maintaining, or improving intangible resources or intangible assets. Azzuhriyyah and Kurnia (2023) say that intangible assets tend to be more difficult to measure or value compared to tangible assets. This can often be used by multinational companies to transfer their intangible assets to subsidiaries or branches of the company they own.

In this research, the calculation of intangible assets refers to the research of Jafri and Mustikasari (2018), namely by dividing intangible assets by total sales.

$$\text{Intangible Asset} = \frac{\text{Aset tak berwujud}}{\text{Total penjualan}}$$

### METHODOLOGY

This research is quantitative in nature. In this research, sampling was carried out using a purposive sampling strategy. The sampling method based on certain criteria is known as the purposive sampling approach (Sugiyono, 2017: 144). ). The data used in this research is in the form of financial reports of multinational manufacturing companies which are presented on the official website of the Indonesia Stock Exchange, namely [www.idx.co.id](http://www.idx.co.id). In this research there are several criteria in determining the sample, these criteria include:

1. Multinational manufacturing companies listed on the Indonesian Stock Exchange in 2019-2022.
2. Companies controlled by foreign companies with an ownership percentage of 20% or more.
3. Companies that publish complete annual financial reports for 2019-2022.
4. Companies that do not experience losses in 2019-2022. This is because companies that experience losses have no obligation to pay taxes, so the motivation for taxation becomes irrelevant (Arifin et al., 2020)

**Tabel 1**

No	Criteria	Amount
1	Multinational manufacturing companies listed on the Stock Exchange in 2019-2022.	97
2	Companies that are not controlled by foreigners with a percentage of 20% or	(28)

	more.	
3	Companies that do not publish complete annual financial reports for 2019-2022	(6)
4	Manufacturing companies that experienced losses in 2019-2022	(32)
5	Companies that do not have the necessary information or data related to the variables in this research	(21)
Companies that meet the criteria		10
The research sample is a 4 year period		10X4=40

Source : Data diolah peneliti 2024

## 1. Result and Discussion

### a. Descriptive statistics

#### Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
ETR	40	.02621	.81462	.2699370	.12533232
IA	40	.00004	.03447	.0086788	.01067335
TF	40	.00000	.49138	.1365450	.14352811
Valid N (listwise)	40				

Source: Data diolah 2024

The tax variable, which is the first independent variable in this study, shows a minimum value of 0.02621. Meanwhile, the maximum tax value is 0.81462. The mean (average) tax value is 0.2699370 with a standard deviation value or level of spread of 0.12533232. This shows that the standard deviation value is smaller than the mean value, so the tax data for the sample companies has an even distribution of data, meaning that the difference between one data and another is not much different.

The intangible asset variable, which is the second independent variable in this study, shows a minimum value of 0.00004. Meanwhile, the maximum value of intangible assets is 0.03447. The mean (average) value of intangible assets is 0.0086788 with a standard deviation value or level of spread of 0.01067335. The standard deviation value is greater than the average value of 0.0086788, which shows that intangible assets have a large data distribution. So it can be said that the data is diverse or varied, meaning that there are quite high differences between one data and another.

The descriptive statistical test results of the dependent variable, namely transfer pricing (TF), have a minimum value of 0.00000. Meanwhile, the maximum transfer pricing value is 0.49138. The mean (average) value of transfer pricing is 0.1365450, which means that the average transfer pricing carried out by the companies in the research sample is 13.65%. The standard deviation value or level of spread is 0.14352811. The standard deviation value is greater than the average value of 0.1365450, which shows that transfer pricing has a large data spread. So it can be said that the data is diverse or varied, meaning that there are quite high differences between one data and another.

**b. Simultaneous Test (F Statistical Test)**

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.295	2	.147	10.731	.000 <sup>b</sup>
	Residual	.508	37	.014		
	Total	.803	39			

a. Dependent Variable: TF

b. Predictors: (Constant), IA, ETR

Sourcer: *Data diolah 2024*

Based on the table above, it is known that the significance value in the F test is 0.000. This means that the significance value is <0.05 so it can be interpreted that simultaneously or together the independent variables of this research, namely taxes, and intangible assets have a significant effect on the dependent variable, namely transfer pricing.

**c. Coefficient of Determination Test (R2)**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.606 <sup>a</sup>	.367	.333	.11722733

a. Predictors: (Constant), IA, ETR

Sumber: *Data Olahan SPSS*

Based on the table above, it can be seen that the R2 value in this study was 36.6% and the adjusted R2 value was 33.3%. This shows that the transfer pricing variable is explained by 33.3% by the tax variable, intangible assets. Meanwhile, the remaining 66.7% is explained by other variables outside this research model

d. Multiple Linear Regression Test

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.102	.050		2.041	.048
	ETR	-.121	.152	-.106	-.796	.431
	IA	7.789	1.784	.579	4.366	.000

Sumber: Data Olahan SPSS

The constant value is 0.102, which indicates that the independent variables, namely taxes, intangibles have a constant or fixed value, so transfer pricing is worth or equal to 0.102.

The regression coefficient value for the tax variable is -0.121. This means that if the tax variable experiences an increase of 1 unit, while the other independent variables are considered constant, then the transfer pricing variable will experience a decrease of 0.121.

The regression coefficient value for the intangible asset variable is 7.789. This means that if the intangible asset variable increases by 1 unit, while the other independent variables are considered constant, then the transfer pricing variable will increase by 7.789

e. Uji Statistik t

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.102	.050		2.041	.048
	ETR	-.121	.152	-.106	-.796	.431
	IA	7.789	1.784	.579	4.366	.000

Sumber: Data Olahan SPSS

In the tax variable, it can be seen that the significance value is 0.431 or the significance value is  $> 0.05$  with a regression coefficient value of -0.121. This

shows that the tax variable has a negative influence on transfer pricing. So it can be concluded that the first hypothesis in this study is not supported. In the intangible asset variable, it can be seen that the significance value is 0.000 or the significance value is  $<0.05$  with a regression coefficient value of 7.789. This shows that the intangible asset variable has a positive influence on transfer pricing. So it can be concluded that the third hypothesis in this study is supported.

## CONCLUSION

This research is research to determine the factors that can influence companies in carrying out transfer pricing in multinational manufacturing companies listed on the Indonesia Stock Exchange in 2019-2022. Based on the results of data analysis and discussions carried out, the conclusions obtained in this research are:

- a. Tax variables have a negative influence on transfer pricing
- b. Intangible assets have a positive influence on transfer pricing.

## RECOMMENDATION

Referring to the research conclusions and there are still limitations encountered by researchers, it is felt necessary to provide several suggestions for similar research in the future, namely it is recommended to increase the number of research samples, not only in one company sector on the IDX but can use multinational companies as a whole so that research on transfer pricing is more relevant.

## REFERENCES:

- Anisyah, F. (2018). Pengaruh Beban Pajak, Intangible Assets, Profitabilitas, Tunneling Incentive Dan Mekanisme Bonus Terhadap Transfer Pricing (Studi Empiris Pada Perusahaan Manufaktur Yang Listing di BEI Periode 2014-2016). *JOM Fekon*, 1(1), 1-14.
- Muhajirin, M. Y., Junaid, A., Arif, M., & Pramukti, A. (2021). Pengaruh Transfer Pricing Terhadap Tax Avoidance Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia. *Center of Economic Student Journal*, 4(2), 1-19. <https://jurnal.fe.umi.ac.id/index.php/CSEJ/article/view/423>
- Shodiq, J., Widjajanti, K., & Rusdianti, E. (2017). Determinan Keputusan Transfer Pricing (Studi Pada Perusahaan Manufaktur Yang Terdaftar Di Bei Tahun 2011 S.D. 2014 ). *Jurnal Riset Ekonomi Dan Bisnis*, 10(2), 85. <https://doi.org/10.26623/jreb.v10i2.1131>

- Adelia, C., & Asalam, A. G. (2024). Pengaruh Transfer Pricing, Leverage, Dan Profitabilitas Terhadap Tax Avoidance Pada Perusahaan Sub Sektor Makanan Dan Minuman BEI Tahun 2018-2021. *Owner*, 8(1), 652-660. <https://doi.org/10.33395/owner.v8i1.1843>
- Sutanto, J., & Lasar, H. F. A. T. (2023). Pengaruh Transfer Pricing Dan Karakteristik Perusahaan. *Media Bisnis*, 15(2), 1-12.
- Kusuma Negara, P., Handajani, L., & Effendy, L. (2018). Studi Kasus Fenomena Tingkat Serapan Anggaran pada Satuan Kerja Perangkat Daerah. *Jurnal Akuntansi Dan Investasi*, 19(1), 76-91. <https://doi.org/10.18196/jai.190193>
- Pratomo, D., & Triswidyaria, H. (2021). Pengaruh transfer pricing dan karakter eksekutif terhadap tax avoidance. *Jurnal Akuntansi Aktual*, 8(1), 39-50. <https://doi.org/10.17977/um004v8i12021p039>
- Panjalusman, P. A., Nugraha, E., & Setiawan, A. (2018). Pengaruh Transfer Pricing Terhadap Penghindaran Pajak. *Jurnal Pendidikan Akuntansi & Keuangan*, 6(2), 105. <https://doi.org/10.17509/jpak.v6i2.15916>
- Napitupulu, I. H., Situngkir, A., & Arfanni, C. (2020). Pengaruh Transfer Pricing dan Profitabilitas Terhadap Tax Avoidance. *Kajian Akuntansi*, 21(2), 126-141. <https://doi.org/10.29313/ka.v21i2.6737>
- Dewi, N. K. C. W., Adelia, Y., & Tallane, Y. Y. (2023). Pengaruh Transfer Pricing Dan Leverage Terhadap Tax Avoidance Pada Perusahaan Properti Dan Real Estate Yang Terdaftar Di Bei Periode 2020-2022. *Going Concern: Jurnal Riset Akuntansi*, 18(4), 280-290.