SUMARY

DIAH PURWITOSARI. Non Compliant Risk Analyses on Large Tax Payer of Non Oil and Gas Mining Sector. Supervised by RINA OKTAVIANI and MUHAMMAD FIRDAUS.

Indonesia has abundance of natural resources hence the management of natural resources can be the sources of huge tax revenue. Nevertheless, Indonesian tax ratio which included of non oil natural resources is under the average tax ratio of ASEAN country. Based on data of foreign inflow investment in Indonesia, for primary sector the non oil and gas mining sector is the most interesting sector. According to previous research corporate tax payer who has foreign capital in their capital structure has lower tax compliance level. Those conditions become the important reason of surveillance over the business activity in non oil and gas mining sector in accordance with the fulfillment of tax obligation so it can contribute to the national revenue. Fulfillment of tax obligation in Indonesia which had implemented self assessment system needs maximum level of tax compliant. Effort to promote tax compliant level can be done by deterrence action upon planned tax audit hence the return is effective and efficient. Risk based audit planning is important with respect to the limited of human resources in Directorate General of Taxation.

This research analyses the noncompliant risk of large taxpayers in non oil and gas mining sector in Indonesia. The assumption that underlies the research is that the taxpayer will fulfill their tax obligation to maximize the expected utility of their income. The analysis using ordinal logistic regression is used to acknowledge relation of Return on Investment (ROI), Debt to Equity Ratio (DER), asset, and audit status of previous audit with non compliant level. Result of that ordinal logistic regression then is used to determine form of tax payer’s non compliant attitude. Analytic Hierarchy Process (AHP) is used to generate the conclusion from the expert opinion related to the priority of the most dominant non compliant attitude and the factors used to detect.

Based on ordinal logistic regression has been found that there is significant relationship between the noncompliant risk and the Return on Investment, and the previous audit. Another finding showed there is an indication of thin capitalization attitude based on DER. Priority of non compliant attitude respectively are outbound transfer pricing, thin capitalization, and inbound transfer pricing. All of the result of this research can be used to formulate non compliant attitude of large tax payer of non oil and gas mining sector that will be a consideration matter in contrive risk based audit planning.

Keywords: Tax Noncompliant, ROI, transfer pricing, thin capitalization