

ABSTRACT

The Effect of Cash holding, Institutional Ownership, and Income Tax on Income smoothing Practices (Empirical Study of Infrastructure Sector Companies Listed on the Indonesia Stock Exchange in 2020-2023)

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This study aims to analyze the effect of cash holding, institutional ownership, and income tax on income smoothing practices on infrastructure companies listed on the Indonesia Stock Exchange for the 2020-2023 period. The background of the research is based on the revelation of the case of financial report manipulation conducted by PT. Waskita Kayra from 2017 to 2019. From 2020 to 2023 several companies in the infrastructure sector were also shown to practice income smoothing after calculating the eckel index. There are inconsistent results from previous studies related to the influence of these variables with the practice of income smoothing also behind the author's background in conducting this study. The research method uses a quantitative approach with secondary data from the company's financial statements. The study population consists of infrastructure companies listed on the Indonesia Stock Exchange during the period 2020-2023. The sample selected through purposive sampling, covering 108 samples. Data analysis was carried out through multiple linear regression with Eviews 13 software. The results of the study indicate that cash holding has an effect on income smoothing practices, institutional ownership has no effect on income smoothing practices, and income tax has an effect on income smoothing practices, cash holding, institutional ownership, and income tax have a simultaneous effect on income smoothing practices.

Keywords: *Cash holding, Institutional ownership, Income tax, Income smoothing*