

ABSTRACT

The purpose of this research is to examine the development of car sales in Indonesia before the outbreak of Covid-19 pandemic, and after the government issued tax incentive during the Covid-19 pandemic. The method of analysis was by using tabulation method of car sales data within 2018 to 2021 period, published by the official Gaikindo website. The results confirmed that car sales in Indonesia when Covid-19 pandemic occurred in 2020 declined drastically. But due to the PPnBM incentive policy provided by the government, Indonesia's car sales managed to grow by 66% in 2021. This indicates that tax incentive affects the growth of car sales during the Covid-19 pandemic in Indonesia.

Keywords: *Tax Incentive, Consumer Behavior, Car Sales, Covid-19, Indonesia Automotive Industry.*