

ABSTRACT

This study aims to examine the effect of audit fees, audit quality, and ownership structure on tax aggressiveness. The independent variables in this study are audit fees, KAP Big 4, auditor industry specialization, managerial ownership, foreign ownership, and institutional ownership structures. Furthermore, the dependent variable used in this study is tax aggressiveness. In addition, this study also examines differences in tax aggressiveness in the period before and during the Covid-19 pandemic.

This study uses secondary data from the financial statements of companies listed on the Indonesia Stock Exchange. Using the purposive sampling method, as many as 132 samples were taken from the manufacturing sector which published its financial statements in 2018-2021. This study uses panel data regression to examine audit fees, audit quality, and ownership structure on tax aggressiveness. In addition, this study uses an independent t-test to examine differences in the level of tax aggressiveness in the period before and during the Covid-19 pandemic.

The results show that audit fee, audit quality with auditor industry specialization proxies, and foreign ownership significantly affect corporate tax aggressiveness. Furthermore, this study did not find a significant impact of audit quality with KAP Big 4 proxies, managerial ownership, and institutional ownership on corporate tax aggressiveness. This study also shows significant differences in tax aggressiveness in the period before and during the Covid-19 pandemic.

Keywords: tax aggressiveness, audit fee, KAP Big 4, auditor industry specialization, managerial ownership, foreign ownership, institutional ownership.