

ABSTRACT

This study aims to analyze the effect of company characteristics and corporate governance on tax aggressiveness before and during the Covid-19 pandemic. The independent variables of this study are the company characteristics proxies use indicators of profitability, capital intensity, inventory intensity, and company size. Meanwhile, corporate governance proxies use indicators of independence the board of commissioners and audit committee size. The dependent variable of the study is tax aggressiveness measured using the Effective Tax Rate (ETR).

The population of this study are manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2019-2020 period. The sampling method used was purposive sampling and obtained a total sample of 176 firm-years of observation with certain criteria. This study uses multiple regression analysis and different test chow test with SPSS 25 software.

Based on the results of the t-test in conditions prior to the Covid-19 pandemic, it was found that there was a positive effect on profitability and company size on tax aggressiveness and there was a negative effect on the size of the audit committee on tax aggressiveness. However, capital intensity, inventory intensity, and independence the board of commissioners are not proven to have an effect on tax aggressiveness. Meanwhile, in conditions during the Covid-19 pandemic, it was found that there was a positive effect of profitability on tax aggressiveness and there was a negative effect of audit committee size on tax aggressiveness. In contrast, capital intensity, inventory intensity, company size, and independence the board of commissioners are not proven to have an effect on tax aggressiveness. Then, the findings of the chow test found that there was no difference in the effect of the independent variables on profitability, capital intensity, inventory intensity, company size, independence the board of commissioners, and audit committee size on tax aggressiveness before and during the Covid-19 pandemic.

Keywords: profitability, capital intensity, inventory intensity, company size, independence the board of commissioners, audit committee size, tax aggressiveness