

ABSTRACT

This study aims to examine the sensitive effect on tax aggressiveness of companies listed on the Indonesia Stock Exchange in 2017-2021. The variables used in this study include the dependent variable (company tax aggressiveness), independent variable (executive compensation), moderating variable (the strength of corporate governance), and control variable (size, profitability, leverage, capital intensity, growth, foreign activity, R&D intensity, operating and industry volatility).

The population used in this study are companies listed on the Indonesia Stock Exchange in 2017-2021. By using purposive sampling in selecting the sample, a total of 97 research samples were obtained for 5 consecutive years (2017-2021). The research hypothesis uses panel data regression analysis method.

The findings of this study indicate a significant positive relationship between the variable component executive compensation and tax aggressiveness. In addition, this study also shows a significant negative relationship between the fixed component executive compensation and tax aggressiveness. For the moderating effect of corporate governance strength, it shows significant positive results on the relationship between the variable component executive compensation and corporate tax aggressiveness. As for the interaction between the strength of corporate governance on the relationship between the fixed component executive compensation and corporate tax aggressiveness, it shows insignificant positive results.

Keywords: executive compensation, corporate tax aggressiveness, corporate governance.