

ABSTRACT

Tax is an obligation that every taxpayer must pay to the state. Companies do tax avoidance to minimize the tax expense that must be paid and increase company profits. This is done by utilizing the loopholes in the regulations set by the government. Tax avoidance can be seen by using the Effective Tax Rate formula and can be seen in the financial statements. The reliability of financial statements cannot be separated from the role of auditors who conduct in-depth examinations. This study aims to analyze the effect of various auditor characteristics such as audit quality, audit tenure, audit fees, and auditor specialization on tax avoidance in manufacturing companies in Indonesia.

The population used in this study are manufacturing companies in Indonesia listed on the IDX in 2018-2022. Sampling was carried out using a purposive sampling method by taking samples that fit the criteria. The total number of samples in this study were 140 samples. The research data were taken from the company's annual report, company website, and Bloomberg. The data in the study were analyzed using the multiple linear regression method and previously a classical assumption test was performed to test the feasibility of regression.

The results in this study indicate that audit quality has a significant negative effect on tax avoidance. Audit tenure, audit fees, and auditor industry specialization have a significant positive effect on tax avoidance. The limitations of this study are that there are other factors that influence tax avoidance that are not examined in this study and there are still many companies that do not include sequential audit fees during 2018-2022.

Keywords: Tax Avoidance, Audit Quality, Audit Tenure, Audit Fees, Auditor Industry Specialization