ABSTRACT

This study aims to examine whether the business strategy applied by the company influences the level of corporate tax aggressiveness. The type of business strategy applied by the company is measured by five proxies, which are then carried out scoring. The scoring results are then converted into a dummy variable. Whereas for corporate tax aggressiveness measured by two measurement models, namely Book ETR and Cash ETR.

This study uses a purposive sampling method, where manufacturing companies listed on the Indonesia Stock Exchange in 2013-2017 are the research population. From the application of the method obtained 44 manufacturing companies each year that meet the criteria as a research sample, so the total sample used in this study as 220 samples.

This research uses panel regression analysis where REM (Random Effect Model) is used for the first model regression with Book ETR as proxy for measured tax aggressiveness, meanwhile FEM (Fixed Effect Model) is used for second model regression with Cash ETR as a proxy for measured tax aggressiveness. The results of this study indicate that there is no influence of the firm's business strategy with the level of corporate tax aggressiveness.Because majority of companies in Indonesia have not applied business strategies constantly for five years research.

Keywords: *Business strategy, Tax aggressiveness, ETR, REM, FEM*