

ABSTRACT

Tax avoidance activities are a phenomenon that has been increasingly carried out by companies in recent years. This activity often raises ethical dilemmas by various parties. Companies get benefits in the form of cash savings that can be used for investment, but on the other hand tax avoidance can cause an ethical dilemma because it conflicts with aspects of justice. This study aims to examine the effect of corporate governance and Corporate Social Responsibility (CSR) on tax avoidance practices in State-Owned Enterprises (BUMN) companies during the 2021-2023 period.

The corporate governance aspects that are the focus of this study include compensation of directors, gender diversity in the board of directors, proportion of independent commissioners, and audit committee size. Meanwhile, CSR disclosure is measured using the GRI G4 index indicators listed in the sustainability report. The tax avoidance variable is proxied by the Effective Tax Rate (ETR). State-owned enterprises (SOEs) operating during the financial year period 2021 to 2023 were selected as the population in this study. The research sample selection was carried out using purposive sampling technique which resulted in a total of 115 observations. The data used for this study were obtained from annual reports and sustainability reports published by the company.

Based on the results of the regression analysis, it was found that Corporate Social Responsibility has a significant negative relationship with tax avoidance, while the gender diversity of the board of directors, the proportion of independent commissioners, and the size of the audit committee have no significant effect on tax avoidance. This research can provide theoretical and practical benefits, including enriching knowledge in the field of tax management and being able to provide guidelines for companies to formulate corporate governance policies and mechanisms for implementing Corporate Social Responsibility that uphold social and ethical values.

Keywords: tax avoidance, corporate governance, CSR