

## **ABSTRACT**

*Tax avoidance is a legal strategy used by companies to reduce their tax burden and increase profits after tax. In middle-income countries, the prevalence of this practice is often linked to weak control of corruption. When institutions fail to effectively manage corruption, oversight and law enforcement weaken, creating opportunities for firms to pursue more aggressive tax avoidance strategies. This study aims to examine the influence of corruption control, economic growth, leverage, firm size, profitability, and institutional ownership on tax avoidance in the construction sector.*

*This research is based on secondary data from 310 construction companies listed on Bloomberg Database in 2023, across 6 middle-income countries. The data were analyzed using multiple linear regression. Tax avoidance is measured using the Cash Effective Tax Rate (CETR), where a lower CETR indicates a higher level of tax avoidance. Meanwhile, corruption control is measured using the Control of Corruption (COC) index, which reflects how effectively a country manages corrupt practices. A higher COC score indicates stronger corruption control.*

*The results show that corruption control and firm size have a negative and significant effect on tax avoidance. Meanwhile, leverage and profitability have a positive and significant effect. Economic growth and institutional ownership do not have a significant effect on tax avoidance. These findings emphasize the importance of strengthening corruption control and understanding internal firm characteristics to reduce tax avoidance in the construction industry of middle-income countries.*

*Keywords: Tax avoidance, corruption control, Cash Effective Tax Rate (CETR), middle-income countries*

