ABSTRACT

This study aims to examine the effect of deferred tax assets and liabilities for future current tax over a two-year period (t+1, t+2). Deferred tax assets and liabilities arising from timing differences in the recognition of revenues and expenses based on financial accounting standards and tax laws. Deferred tax assets and deferred tax liabilities are recognized in the financial statements because it can lead to future tax payments to be larger or smaller.

Sample of this study consists of 38 companies from manufacturing sectors listed on Indonesia Stock Exchange in 2011-2014. Multiple regression analysis is used to determine the effect of each component of deferred tax assets and liabilities for future current tax. Data components of deferred tax assets and liabilities are taken from the Notes to the Financial Statements of the company.

The results show that deferred tax assets of post-employment benefits has negatively significant and deferred tax liabilities of accelerated depreciation has negatively significant to future tax. This is due to the possibility of some companies samples to defer tax payments . While the results for the deferred tax assets of accrued expenses do not affect future tax. Future taxes paid related to the time reversal of deferred tax assets and liabilities. Accrued expenses may not be realized over a three-year period, so the deferred tax assets do not reverse.

Keywords: income tax, current tax, deferred tax assets and liabilities, PSAK 46.