ABSTRACT

This study aims to examine the effect of corporate governance and executive compensation on tax avoidance. Corporate governance is proxied by financial expertise of the audit committe, independent commissioner, ownership structure (family, foreign, and government), and executive compensation. Tax avoidance is measured by effective tax rate.

This study use quantitative research design and secondary data from non-financial companies listed on the Indonesian Stock Exchange. By using purposive sampling in the observation period 2015, obtained 120 observations. Data were analyzed using ordinary least square regression model.

Regression result that independent commissioner has negative effect on tax avoidance. Financial expertise of the audit committe and executive compensation have positive effect on tax avoidance. Meanwhile, family ownership, foreign ownership, and government ownership do not have a significant effect on tax avoidance.

Keywords : tax avoidance, corporate governance, audit committees, independent commissioner, executive compensation, ownership structure