ABSTRACT

This study aims to examine the influence of corporate tax aggressiveness with corporate social resposibity (CSR): to test legitimacy theory. Independent variabel used in this study is the tax aggressiveness that measured using proxy of effective tax rates. Dependent variable in this study is the corporate social responsibility (CSR). This study used five control variables, include size, leverage, capint (capital intensity), market to book ratio, ROA.

This study replicated from Lanis and Richardson's research on (2013). Sampling method used purposive sampling. A firm criteria are mining and property companies listed on Indonesian Stock Exhange during 2009-2012. Samples were 30 companies for each year which was consist 9 mining companies and 21 property companies. So the total sample were 120 data, then 2 samples outlier should be excluded from the sample, so that the number of samples used were 118 companies. Analysis test using a model of ordinary least square regression analysis.

This study showed that the aggressiveness of corporate taxes significantly and negatively related to CSR. Companies that have a low level of aggressiveness resulting company would disclose CSR greater than the firm that does tax aggressiveness. This does not justify the legitimacy of the theory in the context of tax aggressiveness.

Keywords: corporate social responsibility, corporate tax aggressiveness, legitimacy theory.