ABSTRACT

This research aimed to analyze the influence of deferred taxes and tax ratios to bond ratings in Indonesia. In particular, this study investigates the influence of the assets, long-term liabilities, operating income, type of company, cash flow from operating activities, Discretionary Accrual, Plant Property and Eqiupment, tax deferred, and the ratio of taxes on bond ratings in Indonesia. For five year observation period (2006-2010) using Paired t Test and Multinominal Logistic Regression method. This research was a replication from Crabtree and Maher (2009) with differences in research location at Moody and Standart & Poor Agency in America. And has an obligation rating standart which refers to America Obligation Rating Standart.

Proxies used were deferred tax and tax ratio. The hypothesis of this research is divided into three hypothesis. Hypothesis 1 analyze the influence of deferred tax to bond rating. Hypothesis 2 analyze the influence of tax ratios to bond rating. And Hypothesis 3 analyze the influence of deferred tax and tax ratios to bond rating.

The result of this research showed that deferred tax has positive and significant influence to bond rating. Tax ratio has positive and significant influence to bond rating. And both of independent variables have no significant influence. This research implied that deferred tax and tax ratio partially could be an indicator for assesing the obligation rating in PT PEFINDO. And the Indonesia Rating Agency (PT PEFINDO) has a good performance as well as America Rating Agency (Moody or Standard & Poor).

Key words: tax-deferred, tax ratios, bond ratings