

## **ABSTRACT**

*Tax avoidance form a process that a company supposing to do with the objectivity of reducing tax payments to VAT collector. In fact, when a company are under financial distress, the benefits of tax avoidance inclined to increases the incentive to avoid the tax. This study examines the impact of financial distress, firm size on tax avoidance by using leverage as moderating variable. This study uses a sample of 41 multinational companies listed on the Indonesia Stock Exchange in the period 2014-2019, the results of the research using moderation regression indicate that financial distress, firm size significantly have a positive effect on tax avoidance practices, and leverage variables significantly significantly able to moderate the relationship between financial distress and company size with tax avoidance.*