

ABSTRACT

This study aims to examine the effect of aspects of good corporate governance on tax avoidance. Efforts to avoid taxes (tax avoidance) is an attempt by taxpayers to minimize the nominal tax payable. This effort is actually not against the law, but against the purpose of the law. Tax avoidance is influenced by several factors, including the five variables used in this study. The results of this study will show whether the five variables have an effect on tax avoidance.

This study uses secondary data in the form of financial statements obtained through the Indonesia Stock Exchange (IDX) website and related company websites. This research uses purposive sampling method. The population in this study are manufacturing companies listed on the Indonesia Stock Exchange in 2016-2019. A total of 49 companies were selected as research samples from a total of 129 companies during 2016-2019. The analytical method used in this research is multiple regression analysis.

This study uses agency theory to formulate five hypotheses that lead to the results of the analysis. The results show that institutional ownership has a negative effect on tax avoidance, independent commissioners have a positive effect on tax avoidance, and the audit committee has a positive influence on tax avoidance. Another result is that company size has no significant effect on tax avoidance, and public ownership has no significant effect on tax avoidance.

Keywords: aspects of good corporate governance, tax avoidance