

ABSTRACT

This study aims to examine the influence of political connection, leverage, and income smoothing on tax avoidance. The independent variable of this study is political connection, leverage, and income smoothing, whereas tax avoidance as the dependent variable.

This research used the companies sample that listed in LQ-45 in Indonesia Stock Exchange on 2015-2019 period. This study is a quantitative study using secondary data in the form of annual reports 28 companies for 5 years (140 observations). The sampling method used in the study is purposive sampling. The hypotheses testing used multiple regression analysis with the help of SPSS version 25 software.

The results of this study show that leverage and income smoothing have significant effect on tax avoidance. While political connection have no significant effect on tax avoidance.

Keywords: *Political Connection, Leverage, Income Smoothing, Tax Avoidance, Agency Theory*