ABSTRACT

Aggressiveness tax is a company's efforts to manipulate the taxable income that is done through tax planning whether legal and illegal to shrink tax expense. Many companies minimize their tax expense by earning management. Corporate governance can reduce the degree of aggressiveness tax. The implementation of good corporate governance in a company, make a small chance of the companies have tax aggressiveness.

This research was purposed to finding out the influence of earning management and corporate governance simultaneously and partially on aggressiveness tax in the telecommunication company that listed in the Indonesia Stock Exchange (IDX) during 2012-2016.

Sampling technique that used in this study is purposive sampling and obtained five companies with five year study period and give 25 sample units. The analytical method is testing of descriptive statistics and panel data regression analysis using Eviews version 9.

The results shows that earning management and corporate governance have the influence to do aggressiveness tax practice 59,4285% and the other 40,5715% is influenced by other variable outside this research.

The results showed that simultaneous of earning management and corporate governance have a significant effect on aggressiveness tax. Partially, corporate governance (the board of commissioners independent) have negative influence on aggressiveness tax, while earning management and corporate governance which (audit committee) have no effect on aggressiveness tax.

Keywords *: Aggressiveness Tax, Corporate Governance which includes the board of Commissioners Independent and Audit Committee, Earning Management*