

## **ABSTRACT**

*Earnings is one information that can used as a guide for investors and other parties in making investments and assessing the company's ability to generate profits in the future. In order for the company's performance to look good, management tends to take earnings management actions with the aim of providing better earnings information to external parties. Earnings management is carried out with management intervention by regulating and managing earnings for its own sake. Earnings management can be done by adjusting the financial statements or using several choices of certain accounting methods to modify reported earnings.*

*This study aims to determine the effect of tax planning and financial distress with control variables of profitability, leverage, and firm size on earnings management in food and beverage sub-sector companies listed on the Indonesia Stock Exchange in 2015-2020.*

*The research method used is a quantitative method using panel data regression analysis techniques which are processed using eviews 10. The sample selection technique used is purposive sampling by obtaining 13 companies with a 6-year observation period so that 70 samples are obtained after deducting 8 outlier data that interfere with the study. this.*

*The results of hypothesis testing that have been carried out show that tax planning and financial distress simultaneously affect earnings management. While partially tax planning has no effect on earnings management, while financial distress has a positive effect on earnings management.*

*This study has limitations with an R-square value of only 14%, meaning that there are other factors that affect earnings management. For further research, it is recommended to use different variables and research objects in order to develop a larger number of samples so that the research results are more accurate.*

*Keywords: Tax Planning, Financial Distress, Profitability, Leverage, Company Size, Earnings Management.*