ABSTRACT

Tax revenue is one of the largest sources of income for the state. Taxes for companies are a burden that can reduce profits. Therefore, it is possible for companies to do tax avoidance. Tax Avoidance Is an attempt to avoid tax by taking advantage of the gray area contained in the legislation in order to minimize the tax burden payable.

This study aims to determine the effect of the fixed assets intensity, institutional ownership, and the audit committee on tax avoidance listed on the Indonesia Stock Exchange in 2016-2020. The method used in this research sampling technique is purposive sampling and obtained 29 companies with an observation period of 5 (five) years so that obtained 145 samples in this study. However, there were 25 outliers in this study, so that 120 samples were obtained. The data analysis method in this study is panel data regression analysis using Eviews 10

The results of this study indicate that the fixed assets intensity, institutional ownership, and the audit committee have a simultaneous effect on tax avoidance. Partially, the fixed assets intensity has an effect on tax avoidance. Meanwhile, institutional ownership and the audit committee have no partial effect on tax avoidance in manufacturing companies listed on the Indonesia Stock Exchange in 2016-2020.

Suggestions for the DJP government, the results of this study are expected to be taken into consideration in setting new policies in order to minimize tax avoidance. Suggestions for the company, this research is expected to help companies to maximize the tax burden that will be borne without having to take advantage of loopholes in tax regulations. For investors, this research is expected to be able to understand the practice of tax avoidance in order to make investment decisions.

Keywords: *fixed asset intensity, institutional ownership, audit committee and tax avoidance.*