

ABSTRACT

Tax aggressiveness is an action taken by the company to reduce the tax burden through tax planning both legally (tax avoidance) and illegally (tax avoidance). This tax aggressiveness is one of the causes of the delay in state tax revenues. Thus, for the government, this action can cause considerable losses because taxes are one of the highest sources of state revenue with a composition that reaches more than 70% in the APBN.

This study was conducted to know the effect on institutional ownership, managerial ownership, audit quality, and financial difficulty of tax aggressiveness using the effective tax rate proxy (ETR). The population in this study are manufacturing companies in the Consumer Goods Industry sector listed on the Indonesia Stock Exchange (IDX) for the 2016-2020 period.

The sampling technique used in this study was purposive sampling and there were 23 companies with a period of 5 (five) years so the number of samples in this study was 115 samples. The data analysis method used in this study is panel data regression analysis using Eviews 12 software.

Based on this study, it was found that institutional ownership, managerial ownership, audit quality, and financial difficulties simultaneously affect tax aggressiveness in manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange (IDX) in 2016-2020. Partially, financial distress harms tax aggressiveness. Meanwhile, institutional ownership, managerial ownership, and audit quality do not affect tax aggressiveness in manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange in 2016-2020.

Suggestions for the DJP, this research is expected to be considered in conducting tax audits to pay more attention to companies with healthy financial conditions. Suggestions for companies are that when doing tax planning, they should choose to save taxes compared to tax avoidance or tax avoidance. Then the advice for investors is to be more careful in investing because of the possibility of companies doing tax aggressive.

Keywords: *Audit Quality, Financial Distress, Institutional Ownership, Managerial Ownership, Tax Aggressiveness.*