

## ABSTRACT

*This study aimed to get empirical evidence about the effect of growth in sales and book tax differences on the persistence of earnings related to the increasing of the vehicle used and followed by an increase in the level of sales of the companies listed in the automotive sub-sector should generate profits persistent. In addition to sales growth there are other factors that determine the level of earnings persistence and a growing issue is book-tax differences.*

*Through this research will be measured on sales growth ratio, the ratio of book-tax differences that divided the ratio of permanent differences and temporary differences and the ratio of earnings persistence. In addition this study will be to evaluate the effect of variable sales growth, permanent differences and temporary differences to the persistence of earnings in the automotive sub-sector Integration.*

*The data collection is done by documentation of data which is based on financial statements that have been audited and published in the Indonesia Stock Exchange. Based on the collection of samples using purposive sampling techniques number of samples obtained from this study were 9 companies in the automotive sub-sector listed in Indonesia Stock Exchange (BEI) in the period 2010-2014.*

*Based on test results using software Eviews 8.0, simultaneously independent variables divided by sales growth and book-tax differences (permanent and temporary differences) have no significant influence on earnings persistence. Based on the partial test results, obtained results showing sales growth variable (PTPJ) has a significant effect on the persistence of earnings (PRLB). While variable book-tax differences proxied by permanent differences (BTDP) and temporary differences (BTDT) does not have a significant influence on the persistence of earnings (PRLB).*

*Based on the result of this study, to be able to maintain the level of earnings persistence, automotive sub-sector company must maintain sales levels. This is because the importance of the sales role in generating profits. In addition the company also must pay attention to taxation policies, especially on items of permanent differences because if there is a mistake in tax planning related to permanent differences, such errors can not be corrected and the risk of causing inpersistent profits.*

**Keywords:** *Earning Persistnece; Sales Growth; Book-tax Differences*