

## **ABSTRACT**

Tax Avoidance is an illegal act, can be justified because it does not violate the Act, in this case there is absolutely no violation of the law and this action aims to reduce or minimize the amount of tax to be paid. Basically the tax evasion is not desirable because it can be detrimental to the state government. Because the biggest state revenue comes from taxes. In practice, there are still many cases of tax evasion committed by the company that resulted in huge losses to the state. This study aimed to investigate the effect of Executive Compensation and Executive Risk Preferences to Tax Avoidance.

The population in this study is the property and real estate company listed on the Indonesia Stock Exchange in 2011-2014. The sample used by 15 companies. The sampling technique used in this research is purposive sampling. Data analysis method used is panel data regression analysis with the 0.05 (5%).

The results showed that executive compensation, especially compensation of directors does not have a significant effect on tax avoidance, while risk companies which is a proxy of the preferences of the executive risk (risk taker) had a significant influence on tax avoidance.

*Keyword : Tax Avoidance, Executive Compensation, Risk Taker, Risk Averse*