

ABSTRACT

Tax Avoidance is the effort or art made by the taxpayer to make an effort to reduce the burden of tax payable or legally minimize tax payments and not break the rules.

This study aims to determine the effect of company size, profitability and risk of the company against tax avoidance in the subsector of food and beverage companies listed in Indonesian Stock Exchange period 2012-2015.

Sampling method in this research is purposive sampling. The sample used in this study as many as 14 companies. The method used in this research is descriptive statistics and panel data regression using the software Eviews-9. Methods of data analysis using panel data regression analysis with significance of 5%.

Based on the results, simultaneously company size, profitability and the company's risk significant effect on tax avoidance. Partially, the size of the company does not have a significant effect, but the profitability and the company's risk significantly affect tax avoidance. And the coefficient of determination (R^2) by 14%, which means that independent variables can explain the dependent variable by 14% while the other 86% is explained by other variable outside this research.

Based on the results of research conducted, it is expected that more law-abiding taxpayers pay tax and their tax obligations in a timely and correct amount. And the government has a role as supervisor better able to improve supervision of the payment of taxes, so that no taxpayers who violate the rules.

Keywords: Tax Avoidance, Firm Size, Profitability, Corporate Risk