

## ABSTRACT

*Taxes are the largest source of state revenue. Taxes levied by the State function as a source of funds intended for financing government expenditures and functioned as a tool to measure and implement policies in the field of social and economic and used for the greatest prosperity of the people. Tax from the employer or taxpayer side, tax is one of the income or income deduction factors, while the employer or company's goal is to maximize the value of the company by earning the maximum profit. These differences of interest lead to efforts to minimize taxes called tax avoidance.*

*This study aims to examine and obtain empirical evidence about profitability, firm size and leverage to tax avoidance at automotive manufacturing companies listed in the Indonesia Stock Exchange (BEI) in 2011-2015 either simultaneously or partially.*

*Population in this research is automotive company which listed in Bursa Efek Indonesia (BEI) year 2011-2015. Sampling technique used was purposive sampling and obtained 8 automotive companies with observation period for 5 (five) years so that 40 samples obtained in this research. Data analysis method in this research is by using panel data regression model with significance 0,05 (5%).*

*The result of regression test of panel data resulted in the profitability (t-statistic) value of 0.023 which means the probability (t-statistic)  $< 0.05$ , firm size (X3) has a t-statistic value of 0.0053 which means probability (t-statistic)  $< 0.05$ , leverage (X2) has a probability value (t-statistic) of 0.3422 which means the probability (t-statistic)  $> 0.05$ .*

*The results showed that profitability and firm size significantly influence tax avoidance, while leverage does not significantly influence tax avoidance.*

**Keyword:** Tax Avoidance, Profitability, Size, Leverage