

ABSTRACT

Tax revenue is the biggest source of funds for the government. As a source of state finance, the government always asks to increase tax revenues. On the other hand, companies agree to take measures to reduce their taxes by using gray in tax regulations called tax avoidance.

This study aims to determine the effect of institutional ownership, profitability, sales growth, and fiscal loss compensation to tax avoidance in food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange in the 2014-2018 period both simultaneously and partially.

This study consisted of 55 samples of the food and beverage sector which were listed on the Indonesia Stock Exchange in the 2014-2018 period. Samples were obtained by purposive sampling. The analytical method used in this research is descriptive statistical analysis and panel data regression using Eviews 10.

The results of this study indicate that institutional ownership, profitability, sales growth, and compensation for fiscal losses affect simultaneous tax avoidance. Partially, institutional ownership and profitability affect tax avoidance. Meanwhile, sales growth and fiscal loss compensation have no effect on tax avoidance.

For further researchers, it is suggested to add variables, sectors, proxies, and research time span. For the government, it is advisable to oversee tax avoidance practices that occur in food and beverage companies that have high institutional ownership and large total assets. For companies, it is suggested that the food and beverage company institutions can further optimize asset management and put aside the intention to manage the company for personal gain. For investors, the results of this research are expected to help in determining cooperation and analyzing financial statements to see the financial condition, performance, and understanding tax avoidance practices carried out by food and beverage companies.

Keywords : *Tax Avoidance, Institutional Ownership, Profitability, Sales Growth, Fiscal Loss Compensation*