

ABSTRACT

Tax avoidance is an engineering 'tax affairs' which is still within the scope of taxation provisions (lawful) by obeying the applicable regulations that are legal and permitted by tax legislation. This action will certainly benefit companies and harm the country, because the state is not able to optimize revenue from the tax sector. This study aims to determine the relationship and influence simultaneously or partially between tax avoidance as the dependent variable with the independent commissioner, political connections, and executive compensation as the independent variable.

The research method used is quantitative research with a descriptive verification purpose and this study has a type of causality. The unit of analysis used is a mining company that is consistently listed on the IDX, consistently publishes financial reports and annual reports and the company has not suffered losses during the research year, 2012-2018. From these criteria, this study contained 7 company samples with 7 years of research analyzed using descriptive analysis, and panel data regression analysis assisted with Microsoft Excel 365 software and E-Views 10.

From the results of the descriptive analysis and panel data regression it was concluded that independent commissioners, political connections, and executive compensation have simultaneous influence on tax avoidance. Partially, the independent commissioner has no effect on tax avoidance, political connections and executive compensation have a positive effect on tax avoidance.

Keywords: independent commissioner, executive compensation, political connections, tax avoidance