

ABSTRACT

Tax avoidance is a practice carried out by management without violating tax laws and regulations in reducing the burden of paying taxes, it is beneficial for companies with a small tax burden but is detrimental to the state as the recipient of the tax burden. The existence of a target for state budget revenues from the manufacturing sector, the realization has never reached the target, the phenomenon also mentions the practice of tax avoidance carried out by several companies and also executives who are concerned with personal interests.

This study was conducted to determine the effect of the audit committee, executive character on tax avoidance by using the control variables of leverage, sales growth, and profitability in manufacturing companies listed on the IDX (Indonesian Stock Exchange) during the 2015-2019 period.

Based on the phenomenon related to tax avoidance, this study uses a descriptive and verification approach, quantitative methods, types of secondary research, and the sampling technique used is non-probability sampling with purposive sampling technique. The population in this study are manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2015-2019 period as many as 151 companies, obtained a sample of 15 companies with observations for five years and obtained an overall sample of 75 research samples. Hypothesis testing using panel data regression.

The results showed that the audit committee and the executive character of the control variables had a simultaneous effect on tax avoidance. The results showed that audit committee members had a partial negative effect on tax avoidance, and executive character partially positive effect on tax avoidance practices, while audit committee meetings had no partial effect on tax avoidance practices with control variables of leverage, sales growth, and profitability. It is also low that the company must have more than three audit committee members and low-risk executives, if the four-person audit committee members get BTD results who also have executives who have a high risk of practicing tax avoidance.

The results of this study are expected to be used as insight and knowledge about tax avoidance, and also realize that tax avoidance actions are detrimental to the state, especially for manufacturing companies in terms of being honest in paying taxes. It is hoped that the tax law regulations regarding audit committee members can be updated by the OJK, of which at least three members become at least four people, also knowing more about the weaknesses of the tax law which are used as loopholes to practice tax avoidance.

Keywords : *Audit Committee, Executive Character, and Tax Avoidance.*