

ABSTRACT

Earnings persistence is a revision of earnings that reflects the quality of earnings and indicates that the company can maintain earnings over time. Profit or a company's earnings plays a very important role for a company because the company can maintain business continuity and carry out various developments for the progress of its business.

This study was conducted to determine the effect of corporate governance and book tax differences on earnings persistence on banking companies listed in the Indonesia Stock Exchange (BEI) in 2015-2020. Corporate governance is projected as institutional ownership and managerial ownership. Meanwhile, book tax differences are projected as permanent differences and temporary differences. The samples used in this study were 14 companies with purposive sampling techniques. The data were then analyzed by panel data regression method using Eviews.

The results showed that institutional ownership, managerial ownership, permanent differences, and temporary differences have a simultaneous effect on earnings persistence. Partially, managerial ownership has a negative effect on earnings persistence and temporary differences have a positive effect on earnings persistence. Meanwhile, institutional ownership and permanent differences do not affect earnings persistence.

Keyword: *Earnings Persistence, Corporate Governance, Book Tax Differences*