# Financial Distress, Tax Loss Carried Forward, Corporate Governance and Tax Avoidance

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## ABSTRACT

One of the biggest state's income is tax. In Indonesia, almost all activities carried out by the public are taxable, for example; grocery for daily activities, electronic equipment purchased, and employee income tax. Taxes have a very important role on state revenue because of taxes were main sources in contributing funds used to finance government spending and national development, but for the tax company is a burden that reduces the company's net profit, so the company will try to reduce the tax burden. To control the amount of tax payments is through tax avoidance, known as tax avoidance which is part of tax planning. Therefore this study aims to determine the effect of financial distress, loss compensation, institutional ownership, managerial ownership, audit committee, audit quality, company size, and return on assets to tax avoidance actions. The companies used in this study are manufacturing companies listed on the Indonesia Stock Exchange (IDX) with a research period of 2016-2018. The number of research samples used were 162 data. The method of sampling used purposive sampling and this research used multiple regression analysis to test the hypothesis. This research shows that financial distress, tax loss carried forward, institutional ownership, managerial ownership, audit committee, audit quality, firm size, and return on asset have no influence on tax avoidance. This research shows that financial distress, tax loss carried forward, institutional ownership, managerial ownership, audit committee, audit quality, firm size, and return on asset have no influence on tax avoidance. Suggestions for further research to extend the study period of more than 3 years. In addition, it is hoped that further researchers can replace or add other independent variables such as sales growth.

***Keywords***: Financial Distress, Tax Loss Carried Forward, Corporate Governance, Tax Avoidancae