

ABSTRACT

Tax avoidance is an effort that done by a taxpayer in order to reduce the tax burden without breaking the tax law. This research aims to determine the influence of institutional ownership and multinationality with firm size and leverage as control variables on tax avoidance, either simultaneously or partially. The population in this research is all of manufacturing companies listed in Indonesia Stock Exchange (IDX) period 2011 to 2015. The sampling technique that used is purposive sampling and obtained ten manufacturing companies with five-year period thus obtained fifty sample data. Data analysis method that used is panel data regression analysis.

The results show that institutional ownership, multinationality, firm size, and leverage are able to explain tax avoidance as the dependent variable by 14.2727% while the remaining of 85.7273% explained by other variables outside this research. Simultaneously, institutional ownership and multinationality with firm size and leverage as control variables have no significant effect on tax avoidance. Partially, institutional ownership has a significant negative effect on tax avoidance, while multinationality, firm size, and leverage have no significant effect on tax avoidance.

Keywords: Tax Avoidance, Institutional Ownership, Multinationality, Firm Size, Leverage