

ABSTRACT

Taxes are contributions from individual and corporate taxpayers that are forced for the prosperity of the people. However, companies try to minimize their tax expense because taxes reduce company profits, while the government opposes these actions because they can reduce state revenues. The effort made by the company is called tax avoidance. The action of tax avoidance has been committed by PT Adaro Energy Tbk, which is one of the energy sector companies listed on the Indonesia Stock Exchange.

This study aims to determine if leverage, earnings management, and fiscal loss compensation affect tax avoidance in energy sector companies listed on the Indonesia Stock Exchange for the period 2017-2021, either simultaneously and partially.

This study uses quantitative methods using secondary data from the company's financial statements. The population in this study were energy sector companies listed on the Indonesia Stock Exchange in 2017-2021, totaling 63 companies. The use of purposive sampling method to select the sample resulted in a final sample size of 11 energy sector companies or 55 sample data. Research data analysis using panel data regression analysis using the E-views 12 application.

The results showed that simultaneously leverage, earnings management, and fiscal loss compensation affect tax avoidance. Meanwhile, partially earnings management has a negative effect on tax avoidance, but leverage and fiscal loss compensation have no effect on tax avoidance in energy sector companies listed on the Indonesia Stock Exchange in 2017-2021.

The results of this study are expected to provide useful information for readers and companies in managing their taxes to be more cautious when it comes to earnings management using the income-decreasing pattern.

Keywords: *Tax Avoidance, Leverage, Earnings Management, Compensation Fiscal Loss.*