

ABSTRACT

Calculating, paying, and reporting taxes is the obligation of individual and corporate taxpayers, and tax benefits are not felt directly. Taxes have a huge role in contributing to state income. Thus, the government hopes that the tax revenue received will align with the target as one of the country's most significant sources of income. However, tax is a burden for taxpayers that can reduce a company's net profit. Therefore, companies often take tax avoidance actions to reduce the tax they will pay. Tax Avoidance is an action that attempts to minimize the tax burden that taxpayers will incur by exploiting loopholes in tax regulations. Several factors influence tax avoidance: corporate risk, managerial ability, and CEO overconfidence.

This research analyzes the effect of corporate risk, managerial ability, and CEO overconfidence on tax avoidance in manufacturing sector companies listed on the Indonesia Stock Exchange (IDX) for the 2018-2022 period. This research also examines the role of gender diversity on the board of directors in influencing management decision-making. This research tests the moderating effect of gender diversity on managerial ability and tax avoidance. This research also wants to know the simultaneous and partial influence of independent variables, namely corporate risk, managerial ability, and CEO Overconfidence, on the dependent variable tax avoidance in manufacturing sector companies listed on the Indonesia Stock Exchange (BEI) in 2018-2022.

This research uses quantitative methods. The population is manufacturing sector companies listed on the Indonesia Stock Exchange from 2018 to 2022. The technique used in sampling was purposive sampling, and 27 manufacturing companies were obtained with an observation period of 5 years, so the total sample in this study was 135 samples, with the help of Eviews 12 software.

The research results show that corporate risk, managerial ability, and CEO overconfidence simultaneously influence tax avoidance in manufacturing companies listed on the Indonesia Stock Exchange (BEI) in 2018-2022. Meanwhile, partially, corporate risk and managerial ability do not affect tax avoidance. CEO overconfidence has a negative effect on tax avoidance. Gender diversity does not moderate the influence of managerial ability on tax avoidance.

This research recommended for further research to use independent variables, proxies, and different research objects and to add research periods. It is recommended that the government evaluate statutory regulations to reduce taxpayers' tax avoidance. Meanwhile, companies are advised to avoid tax avoidance by knowing the factors that influence it and the resulting impact on the country and society

Keywords: Corporate Risk, Managerial Ability, CEO Overconfidence, Gender Diversity, Tax Avoidance