

## ABSTRACT

The purpose of this study is to investigate the effect of corporate tax aggressiveness on company cash holdings. This research used descriptive quantitative method. Book-Tax Difference is used as a proxy for corporate tax aggressiveness, and cash ratio is used to measure the amount of cash holding of company. The population in this study is all manufacturing companies listed in Indonesia Stock Exchange from period of 2012 to 2016. Purposive sampling is used as sampling method. The final total amount of samples being tested in this study amounted to 112 manufacturing companies with the total of 411 observations. Multiple regression analysis is used to analyze this study. The empirical results analysis showed that independent variable of tax aggressiveness affects the amount of company cash holding. It indicates that the more aggressive company performs tax avoidance activity, the higher the amount of cash withheld by company.

**Keywords:** Cash Holdings, Tax Aggressiveness, Tax Avoidance.