ABSTRACT

This study is aimed to examine the effects of tax avoidance, tax aggressiveness, tax risk on firm risk with institutional ownership as moderating variable. The reason of choosing the title is because tax aspect is quite essential for every country and there is phenomenon that inhibits tax revenue in Indonesia. Different result in prior research is also one of some reasons why the title is chosen.

Populations of this study are manufacturing companies listed on Indonesia Stock Exchange during 2012 to 2014 and samples are determined based on several standards. First, manufacturing companies with availability of complete information needed such as representing data regarding pre-tax income, cash tax payment, UTB reserve, and proportion of institutional ownership. Second, manufacturing companies with IDR as their reporting currency. Third, manufacturing companies that end their financial statements on 31st of December. The populations during 2012 to 2014 are amounted to 413 manufacturing companies and it is obtained 102 manufacturing companies that already fulfilled the standards and can be used as samples. Moderated regression analysis is used to analyze this study.

The results showed that tax avoidance that was proxied by Cash ETR and tax risk that was proxied by Standard Deviation of Cash ETR did not affect firm risk, tax aggressiveness that was proxied by UTB Reserve affected firm risk, and institutional ownership that was proxied by percentage indicator of shares owned by the institution from the overall company's shares did not influence the effects of tax avoidance, tax aggressiveness, tax risk on firm risk.

Keywords: Tax Avoidance, Tax Aggressiveness, Tax Risk, Firm Risk, Institutional Ownership