



## The Effects of the Corporate's Characteristics on Tax Avoidance Moderated by Earnings Management (Indonesian Evidence)

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Tax Avoidance, Effective Tax Rate, Corporate characteristics, Earnings management, Indonesian.

### **Jel Classification**

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### **Abstract**

The objective of this study is to analyze the effects of the corporate's characteristics on tax avoidance and to analyze the effects of moderation of earnings management on the relationship between the corporate's characteristics and tax avoidance. The corporate's characteristics in this study are proxied by the profitability, the leverage, and the size. This study selected 49 manufacturing companies listed on the Indonesia Stock Exchange of the period of 2012-2016 as samples that were selected by using the cluster random sampling technique. The result of the panel data regression with random effect model shows that the characteristics of a company, namely the profitability and the size have a significant negative effect on tax avoidance, whereas the leverage has a significant positive effect on tax avoidance. The action of the earnings management is able to moderate the effects of the profitability and the leverage on tax avoidance. However, the action of the earnings management is unable to moderate the effects of the size on tax avoidance.