

ABSTRACT FOR 2015 ATTA CONFERENCE

ANALYSIS OF CORRELATION BETWEEN CORPORATE TAX AGGRESSIVENESS, INDEPENDENT COMMISSIONER'S PROPORTION, AND CORPORATE DEBT POLICY: THE STUDY OF MANUFACTURING COMPANIES LISTED IN INDONESIA'S STOCK EXCHANGE FOR THE YEAR 2008 - 2013

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Text of Abstract [Arial size 12 font justify paragraph; approx 200 to 500 words]

This study focuses on the correlation between corporate tax aggressiveness, proportion of independent commissioners, and corporate debt policy toward 640 manufacturing companies listed in BEI for the observation year of 2008 - 2013. This study is the first research in Indonesia to examine the relationship between tax aggressiveness and debt and how the role of the Independent Commissioner in providing advice toward corporate tax avoidance strategies. The research data were taken from the annual database and financial ratios which are available at the Center for Economic and Business Data (PDEB) Faculty of Economics, University of Indonesia and the datastream of Thomson Reuters. The companies' annual report data were also obtained from the official website of the Indonesia Stock Exchange (www.idx.co.id) and the official website of each company.

The result of this research is that there is a significant negative correlation between tax aggressiveness and debt on the first and the second FEM. The result also shows that there is no significant relationship between the proportion of independent commissioner and corporate debt. The proportion of Independent Commissioner as a moderation of negative relationship between tax aggressiveness and debt has a variety of results in the third FEM. In the first and second proxies, there is a moderation which weakens the positive relationship and negative relationship respectively, and no significant relationship to the third proxy.

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