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## TAX AVOIDANCE: EVIDENCE OF TAX PLANNING IN INDUSTRIAL COMPANIES IN INDONESIA STOCK EXCHANGE

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### ABSTRACT

Legal tax planning is mostly done by the company with the aim of reducing the amount of tax paid to the government. Therefore, this study aims to find out the tax planning undertaken by companies to reduce the amount of tax paid. The tax planning studied in this research is capital intensity, leverage, fiscal loss compensation, and profitability. This research was conducted on industrial companies listed on Indonesia Stock Exchange. The results of this study conclude that the company tax avoidance in various ways such as increasing the number of fixed assets, increasing the amount of debt, reported losses so as to get fiscal loss compensation, and conduct earnings reporting management. Therefore, the need for supervision from the government in making the reporting regulation of financial statements so as to minimize the practice of tax avoidance in the company.

**Keyword:** *Tax, capital intensity, leverage, fiscal loss, profitability.*

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