

# Role of Accounting Conservatism in Corporate Governance on Tax Avoidance

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## Abstract

This present research based on the many phenomena of companies that are still not aware of the importance of reporting and paying taxes. This statement is in contrast to the existing legal tax regulations in Indonesia. One of the rules that can ease the company's tax burden is the tax avoidance rule. Where tax avoidance has the aim of minimizing the tax burden payable and maximizing profit after tax but still fulfilling tax obligations that do not violate the laws in Indonesia. By taking tax avoidance measures, management can also choose to apply accounting conservatism measures or choose not to use them. By applying the rules legally, it can show that the company has good corporate governance.

The purpose of this study is to determine the role of accounting conservatism in moderating corporate governance on tax avoidance. The data used are the financial statements of mining companies listed on the Indonesian stock exchange from 2017 to 2020 as many as 47 companies and 38 companies that consistently publish financial reports.

Based on data from 38 companies that were collected and processed using warpls 8.0, it was found that institutional ownership and managerial ownership have a significant influence on tax avoidance. Institutional ownership has a significant effect on accounting conservatism and managerial ownership has no significant effect on accounting conservatism. However, institutional ownership and managerial ownership if moderated by accounting conservatism have no significant effect on tax avoidance.

## Keywords:

Institutional Ownership; Managerial ownership; Tax Avoidance; Accounting Conservatism

## Biographies

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