The Effect of Good Corporate Governance on Tax Avoidance

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Abstract
This study aims to determine whether institutional ownership, board of commissioners, audit quality, and audit committee influence tax avoidance on coal mining sector listed on the Indonesia Stock Exchange for the period of 2016-2018. The factors tested in this study are institutional ownership, board of commissioners, audit quality, and audit committee as independent variables, while tax avoidance as the dependent variable. The research method used in this study is the explanatory method. The population in this study is the coal subsector company listed on the Indonesia Stock Exchange for the period of 2016-2018, amounting to 49 companies. The sampling technique used in this study was non probability sampling with a purposive sampling method, so that the sample size was 10 companies. Analysis of the data used in this study is multiple linear regression analysis at a significance level of 5%. The program used in analyzing data uses Eviews 9. The results of the partial research show that institutional ownership, independent board of commissioners, and audit committee influence tax avoidance. While audit quality has no effect on tax avoidance. In addition the results of the study simultaneously show that institutional ownership, independent board of commissioners, audit quality, and audit committee influence tax avoidance. The magnitude of the influence of institutional ownership, the board of commissioners, audit quality, and audit committee in providing an influence contribution to tax avoidance of 83.7%.

Keyword: *Ownership of Institutional, Commissioners Board, Audit Quality, Committee of Audit, Tax Avoidance*

Introduction

In order to improve the economy and carry out domestic development, the government of the Republic of Indonesia requires large amounts of funds. Taxes're a major component to support the nation's revenue finncial plan and help increase domestic development. The tax definition based to Law No. 16 of 2009 regarding General Provisions and Procedures of Tax in Article 1 paragraph 1 is the tax payers contribution to the country owed by persons or objects that're forced by the law, with indirect and direct compensation, usually for country needs (Diantari and Ulupui, 2016). There are two main functions of tax, namely the regulation function (regular) and the revenue function (budgeter). The tax has a function as a regular, meaning that the tax functions as a tool to regulate policies in the social and economic fields. In addition, the tax has a function as a budgeter, meaning that the tax functions as a source of funds used to finance Mardiasmo's government expenditure (2018: 4). If the government tries to maximize the amount of potential tax that can be received by the state to help boost the economy and development of the country, it is different with companies. Every company always has a goal to be able to get the maximum profit. The company views that a high amount of tax burden will reduce the profits generated and it can harm the company. The high amount of taxes that must be paid by these companies makes them make efforts to be able to make tax payments efficient, namely by avoiding taxes that can reduce state income (Ismawati and Hermawan, 2019).

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In media reports, PT Adaro Energy Tbk carried out tax tricks. Adaro is said to do transfer pricing through its subsidiary in Singapore, Coaltrade Services International. These efforts have been carried out from 2009 to 2017. Adaro is alleged to have arranged in such a way that they can pay taxes of Rp. 1.75 trillion (exchange rate of Rp. 14,000) lower than what they should have paid in Indonesia. Taxation observer Yustinus Prastowo explained, taxpayers (WP), including bodies or companies, commonly carry out tax planning. But this effort often appears to outsmart the tax rules. According to Yustinus, Adaro used the gap by selling coal to Coaltrade Services International at a cheaper price. Then coal is sold to other countries at a higher price. As a result the income taxed in Indonesia is cheaper. This means that sales and profits reported in Indonesia are lower than they should be. Indeed, this method does not violate the rules, but it is not ethical. Because companies that gain profits through resources in Indonesia, but the tax revenue received by the state is not optimal. In fact, the profits were rushed to a country with lower taxes. (Finance seconds, Friday 05 July 2019). Tax avoidance behavior can be divided into two, namely the avoidance of allowed taxation and the avoidance of tax avoidance (Fadhilah, 2014). Tax avoidance that is allowed is also did call as avoidance of tax. While avoidance of tax that is not allowed is also called tax evasion. Avoidance of Tax's an effort create to minimize the tax burden in an allowable manner, in agreement with applicable statute. Conversely, evasion of tax is an illegal act of tax evasion. This is because in practice, tax evasion is against the applicable provisions.

Tax avoidance is done by using a variety of strategies, such as utilizing deductions and exceptions that are allowed in the provisions, as well as utilizing things that haven't been regulated in applicable regulations of tax (Mangunsong, 2002). Asthari, 2019 said that the Government expects the nature of tax compliance to arise in the community or entity. This includes the attitude of taxpayers who obey the tax shown by paying taxes according to the actual conditions that will increase state income. Conversely, companies as taxpayers place taxes as a burden and have the goal of maximizing profits and paying a small tax amount with no violate the law by doing avoidance of tax. Governance of corporates been formed by the request for management of tax which includes responsibility, transparency, independence, fairness and accountability (Winarsih et al., 2014). The establishment of corporate governance aims to provide oversight of the performance of company management, including corporate tax management.

Dewi and Jati (2014) mentioned that there's a crucial influence between governance of corporate which proxies the amount of the commissioners board on the avoidance of tax, this means that the independent commissioners board existence is effective to prevent avoidance of tax. The audit committee existence whose function's to improve the integrity of the credibility of financial reporting so that it can run well. If there are fewer audit committees owned by the company, the financial policy controls conducted by the audit committee are very minimal so that it will increase management's actions in conducting tax aggressive.

The commissioners board be formed of commissioner with independent and commissioner with non-independent. Commissioner with Independent don't come from associates, while commissioner with non-independent come from associates (Fadhilah, 2012). The commissioners board runs an important part to oversee management, make sure the implementation of corporate strategy, and make sure the implementation of accountability in the corporate governance implementation in the corporate. There are five principles of GCG derive from the Guidelines of General for Indonesian Governance of Corporate issued by the KNKG (2006). The five principles are responsibility, transparency, independence, accountability, and equality and fairness. Therefore, the commissioners board and the directors board must have the equal view regarding the company's sight, assignment, and importance (KNKG, 2006). Annisa and Kurniasih (2012) in their study entitled The Corporate Governance Effect on Avoidance of Tax states that corporate governance measurement can be done with various proxies such as ownership of institutional, the structure of the commissioners board, the committee of audit, and the quality of audit.

Ownership of institutional is ownership of company stock have by organization or institutions such as banks , companies of insurance, companies of investment and other institutions ownership (Tarjo, 2008 in Wien Ika 2010). Institutional ownership has an important meaning at controling management because the institutional ownership existence will increase oversight which's more optimum because it's considered competent of monitoring any decisions bring by managers more effective. By an institutional ownership with high level , the more great supervision to managers level can minimize conflicts of interest at management so that agency problems are reduced and reduce the chances of tax avoidance. The Board of Commissioners's interpret as an unaffiliated people in all matters in the managing stockholder. Hasn't affiliation with the directors or the commissioners board, and doesn't assist as a director of a related company. On the Indonesia Stock Exchange there is a rule that a company must have at least 30% independent commissioners, thus supervision can be carried out in such a way (Pohan, 2008, in Annisa, 2012). Quality of audit is a crucial component in governance of corporate that is nearly related affiliated to one of the corporate governance principles, namely transparency. Public corporates progressively demand transparency in statements of financial. Audit quality measurement can use a proxy that is the Public Accounting Firm (KAP) classify. The statements of financial audited by The Big Four Firm of Public Accounting (Price Water Cooper, KPMG, Deloitte Touche Tohmatsu, Ernst & Young) has a lower level of scam compared to companies audited by the non-Big Four Public Accounting Firm (Annisa, 2012).

Committee of audit is a committee established by the commissioners board of the company, whose components are assigned and discharged by the commissioners board, whose task is to help carry out checks or research deemed necessary for the implementation of the directors' functions in managing the company. From the previous description, the researcher decides to conduct research on Tax Avoidance in the Coal sub-sector which is one component of the Mining sector, the reason is the mining sub-sector has the largest contribution because of the total contribution of mining sector companies to revenues during 2018 amounting to 46.6 trillion and 70% of them come from the highest members of the Indonesian Mining Association (IMA) from the minerals and coal sector, and the number is increasing every year (detik finance Saturday, January 19, 2019). That is, illustrates that the coal sub-sector has an important role for the community's economy. From the previous explanation, the researchers are interested in conducting study with the title: "The Effect of Good Corporate Governance (GCG) on Tax Avoidance".

Theoretical Framework

The Institutional Ownership Effect on Avoidance of Tax

Corporates that have larger share ownership are possessed by other company organization and the government, so the management's performance in being able to obtain the desired profit'll have a tendency to be monitored by organizational investors. This inspire management to be able to reduce the value of tax owed by the corporate (Sri, Anita, Endang 2018). Research carry out by Shafer and Simmons (2006) found that Ownership of Institutional has a crucial role in controlling, influencing and disciplining managers in management of tax. The outcomes of researches before on the effect of institutional ownership on avoidance of tax conducted by (Alviyani, 2016) outcomes that ownership of institutional's an effect of positive on avoidance of tax. Based on previous theory and research, it is assumed there the connection between institutional share ownership and avoidance of tax.

The Board of Commissioners influence on The Avoidance of Tax

Agency theory states that the greater independent commissioners number, the better they supervise and control the actions of managers (Sri, Anita, Endang 2018). The agency theory premise is that commissioners of independent are needed by the commissioners board to control and oversee the actions of managers, with regard to their behavior of opportunistic (Jensen and Meckling, 1976)

On the ISX there's a rule that a corporate must have at least 30% independent commissioners, thus supervision can be carried out in such a way (Pohan 2008, in Annisa, 2012)

The outcomes of studies before conducted by (Alviyani, 2016) proving the independent commissioners board has a significant impact on avoidance of tax. According to Winata (2014) proves that the independent commissioners board has a significant impact on avoidance of tax.

Audit Quality Effect on Avoidance of Tax

One important element in governance of corporate is transparency. Transparency towards stockholders can be gained by communicating moments related to taxation on the capital basis and meeting of shareholders. Increased transparency towards shareholders in tax matters is increasingly being demanded by public authorities (Sartori, 2010).

Corporates audited by the Big Four Public Accounting Firm usually produce more good audit value, and it will be increasingly difficult to bring avoidance of tax policies. Thus, if the audit quality of a company is higher, the company tends not to manipulate earnings for tax purposes (Chain and Liu, 2009). The results of previous studies regarding audit quality of tax avoidance conducted by (Annisa, 2012) show that quality of audit has a significant impact on avoidance of tax.

The Audit Committee influence on The Avoidance of Tax

Since corporate governance was recommended on the Indonesia Stock Exchange, the committee of audit becoming a major component in the governance of corporate (CG) public companies structure. The committee of audit is one company management part that has a significant influence in determining company policy. Committee of audit affiliates with financial expertise or accounting better understand gaps in tax regulations in ways that can avoid detection risks, so they can provide useful advice for tax avoidance (Puspita, 2014).
The results of previous studies conducted by Fadhilah (2014) showed that the committee of audit had a significant impact on avoidance of tax. Based on the theory and previous study, it is suspected that there's a connection between the audit committee and the avoidance of tax.

Institutional Ownership Effects, Board of Commissioners, Quality of Audit, and Committee of Audit on The Avoidance of Tax
Every action taken by management must always be supervised by the principal. This is done so that every action taken is in accordance with company objectives and does not violate applicable regulations. The implemented Corporate Governance can carry out the oversight function of every decision taken by management. In addition to overseeing decisions taken, corporate governance can also oversee tax management. The implementation of corporate governance can affect company policy in terms of fulfilling tax obligations that will be applied (Santoso and Muid, 2014).
The company is a taxpayer where tax planning is influenced by how corporate governance is applied in the company (Friese and Mayer, 2006).

Based on this framework, the hypotheses to be tested at this research are:
$H_{\alpha 1}$: Institutional Ownership has a positive impact on Avoidance of Tax
$H_{\alpha 2}$: The commissioners board has a positive impact on Avoidance of Tax
$H_{\alpha 3}$: Quality of Audit has a positive impact on Avoidance of Tax
$H_{\alpha 4}$: The Committee of Audit has a positive impact on Avoidance of Tax
$H_{\alpha 5}$: Ownership of Institutional, Board of Commissioners, Quality of Audit, and Committee of Audit influence The Avoidance of Tax.

Research Methodology

The type of research in this research is explanatory. The expanatory method in this research is used to evaluate the impact of GCG on tax avoidance and to test the hypothesis whether the hypothesis is acceptable or not. The analysis unit in this study is the coal sector mining sector corporates listed on the IDX at the period of 2016-2018. Researchers conduct an analysis of the corporate's financial statements that've been announced on the site www.idx.co.id. The object of research that will be examined in this case is the financial statements of mining sector corporates listed on the IDX at the period of 2016-2018, with indicators such as Ownership of Institutional, Commissioners Board, Quality of Audit, and Committees of Audit using Good Corporate disclosure proxies. Governance. Sampling in this research using sampling of purposive method. The data source used at this research is data of secondary. Data of secondary in this study were sourced from yearly reports and statements of financial of mining corporates listed at the IDX in the 2016-2018 period. The data and information collection techniques used by the author in the preparation of this thesis are: (1) Library Research; (2) Internet Studies (Internet Research). The research instrument used is the financial statements of mining corporates listed at the IDX at the 2016-2018 period.

Result and Discussion

Statistics of Descriptive Testing Results
Statistics of Descriptive're statistics that provide a description or data description seen from the average, maximum, minimum, standard deviation, kurtosis, skewnes. From the outcomes of descriptive statistics testing the following outcomes are gained:
Table 1
Descriptive statistics

	OWNERSHIP	COMMISSIONER _IND	AUDIT QUALITY	KOMITE_AUDIT	TAX_AVOIDANCE
Mean	0.573566	0.431825	0.366667	0.369444	0.410288

Maximum	0.970000	0.666667	1.000000	0.500000	3.527138
Minimum	0.327139	0.250000	0.000000	0.250000	0.120701
Std. Dev.	0.190020	0.092507	0.490133	0.083858	0.594460
Skewness	0.632603	0.247846	0.553372	0.701504	5.038781
Kurtosis	2.675509	2.695480	1.306220	2.140299	26.96440

Source: Eviews Output Results 9

Based on table 1 above, the descriptive statistical test results can be explained as follows:

1) Institutional ownership variable indicates the average mark of 0.573566. The maximum mark of 0.970000 at PT Golden Energy Mines Tbk in 2016-2018. The minimum value is 0.327139 at PT Bayan Resources Tbk in 2018. The standard deviation value is 0.190020. Skewness value of 0.632603. The value of kurtosis is 2.675509.
2) The independent commissioner variable shows an average mark of 0.431825. The maximum mark is 0.666667 at PT Delta Dunia Makmur Tbk in 2018. The minimum value is 0.250000 at PT Samindo Resources Tbk in 2018. The standard deviation value is 0.092507. Skewness value of 0.247846. The value of kurtosis is 2.695480.
3) The audit quality variable shows an average mark of 0.366667. The maximum mark of 1,000000 in 2016-2018 is PT Bayan Resources Tbk, PT Adaro Energy Tbk, and PT Samindo Resources Tbk, and in 2016-2017, PT Harum Energy Tbk. The minimum value of 0.0000 million in 2016-2018 is PT Ratu Prabu Energy Tbk, PT Dian Swastatika Sentosa, PT Delta Dunia Makmur Tbk, PT Golden Energy Mines Tbk, PT Citatah Tbk, and Bukit Asam Tbk, and in 2018, Harum Energy Tbk. The standard deviation is 0.490133. Skewness value is 0.553372. The value of kurtosis is 1.306220.
4) The audit committee variable shows an average mark of 0.369444. The maximum mark of 0.500000 at PT Ratu Prabu Energy Tbk and PT Citatah Tbk in 2016-2018. The minimum value of 0.250000 at PT Bayan Resources Tbk in 2016-2018. The standard deviation is 0.083858. Skewness value of 0.701504. The value of kurtosis is 2.140299.
5) The variable tax avoidance shows an average mark of 0.410288. The maximum mark is 3.527138 at PT Ratu Prabu Energy Tbk in 2016. The minimum value is 0.120701 at PT Ratu Prabu Energy Tbk in 2017. The standard deviation value is 0.594460. Skewness value is 5.038781. The value of kurtosis is 26,96440.

Panel Data Analysis of Regression

Analysis of Regression is used to decide the connection that exists between variables so that the relationship obtained can be estimated one variable, if the price of other variables is known. The regression model equation used by the author is the panel data regression model equation (panel data regression). Based on the test results using panel data regression analysis obtained the following results:

Table 2

Panel Data Regression

Dependent Variable: TAX_AVOIDANCE				
Method: Panel EGLS (Cross-section random effects)				
Date: 01/21/20 Time: 18:32				
Sample: 2016 2018				
Periods included: 3				
Cross-sections included: 10				
Total panel (balanced) observations: 30				
Swamy and Arora estimator of component variances				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.023963	0.299371	10.10105	0.0000
KEPEMILIKAN_INST	-1.216105	0.381563	-3.187164	0.0038
KOMISARIS_IND	-1.941143	0.494360	-3.926574	0.0006
KUALITAS_AUDIT	-0.112452	0.156959	-0.716444	0.4804
KOMITE_AUDIT	-2.977088	0.690651	-4.310552	0.0002

Source: Eviews Output Results 9

The regression equation model formed from the outcomes of the research are :

$$Y = 3.023963 - 1.216105\ X1 - 1.941143\ X2 - 0.112452\ X3 - 2.977088\ X4$$

From the equation of regression model it can be described :

1) If α = constant is 3.023963, it means that if the independent variable, namely institutional ownership variable, independent board of commissioners, audit quality, and audit committee are considered constant (0 value), then the dependent variable that is the tax avoidance variable will be worth 3.023963.
2) If the regression coefficient value of institutional ownership variable shows -1.216105, meaning that if the institutional ownership variable increases by (one) unit, while other independent variables namely the variable independent board of commissioners, audit quality, and audit committee are considered constant (value 0), then the dependent variable that is the tax avoidance variable will decrease by -1.216105.
3) If the regression coefficient of the independent commissioner variable shows -1.941143, it means that if the independent commissioner variable increases by (one) unit, while other independent variables, namely institutional ownership, audit quality, and audit committee are considered constant (valuable 0), then the dependent variable that is the tax avoidance variable will decrease by -1.941143.
4) If the audit coefficient value of the audit quality variable shows -0.112452, it means that if the audit quality variable has increased by (one) unit, while the other independent variable is the institutional ownership variable of the independent board of commissioners, and the audit committee is considered constant (value 0) , then the dependent variable that is the tax avoidance variable will decrease by -0.112452.
5) If the audit committee variable regression coefficient value shows -2.977088, it means that if the audit committee variable has increased by (one) unit, while the other independent variable is the ownership of institutional variable of the independent commissioners board, and quality of audit is considered constant (value 0) , then the dependent variable that is the tax avoidance variable will decrease by -2.977088.

Hypothesis test

Partial Hypothesis Testing (t Test)

This evaluate basically aims to reveal the effect of individual variables of independent on the dependent variable. From the outcomes of partial test of hypotheses obtained the following results:

Table 3

Partial Hypothesis Testing

Dependent Variable: TAX_AVOIDANCE				
Method: Panel EGLS (Cross-section random effects)				
Date: 01/21/20 Time: 18:32				
Sample: 2016 2018				
Periods included: 3				
Cross-sections included: 10				
Total panel (balanced) observations: 30				
Swamy and Arora estimator of component variances				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.023963	0.299371	10.10105	0.0000
KEPEMILIKAN_INST	-1.216105	0.381563	-3.187164	0.0038
KOMISARIS_IND	-1.941143	0.494360	-3.926574	0.0006
KUALITAS_AUDIT	-0.112452	0.156959	-0.716444	0.4804
KOMITE_AUDIT	-2.977088	0.690651	-4.310552	0.0002

Based on table 3, the partial test results are :

1) From the outcomes of the partial test in the model of regression, the value of significance of the institutional ownership variable is 0.0038 <0.05 (the significance level of the research significance). Besides that, it can also be seen from the result of the comparison between tcount and ttable which shows tcount of 3.187, while ttable of 2.060. From these results it can be seen that tcount> ttable is 3.187> 2.060, it can be concluded that H1 is accepted, meaning that partially institutional ownership influences tax avoidance.

2) From the outcomes of the partial test in the model of regression, the value of significance of the independent commissioner variable was obtained at 0,0006 <0.05 (significant level of research significance). Besides that, it can also be seen from the result of the comparison between tcount and ttable that shows the tcount value is 3,926, while ttable is 2,060. From these results it can be seen that tcount> ttable is 3.926> 2.060, it can be concluded that H2 is accepted, meaning that partially the independent board of commissioners has an effect on tax avoidance.
3) From the outcomes of the partial test in the model of regression, the value of significance of audit quality variables is obtained as 0.4804> 0.05 (the significance level of research significance). Besides that, it can also be seen from the result of the comparison between tcount and ttable which shows tcount value of 0.7164, while ttable of 2.060. From these results it can be seen that tcount <ttable is 0.7164 <2.060, it can be concluded that H3 is rejected, meaning that partially audit quality has no effect on tax avoidance.
4) From the outcomes of the partial test in the model of regression, the value of significance of the audit committee variable was obtained at 0.0002 <0.05 (the significance level of the research significance). Besides that, it can also be seen from the results of the comparison between tcount and ttable which shows the tcount value of 4,310, while ttable of 2,060. From these results it can be seen that tcount> ttable is 4.310> 2.060, it can be concluded that H4 is accepted, meaning that partially the audit committee influences tax avoidance.

Simultaneous Hypothesis Testing (Test F)

F test is a test conducted on the model formed, whether the model is suitable or not. The F test resolve to find out whether all variables of independent together have an effect of significant on the variable of dependent. Based on the results of simultaneous testing, the following results were obtained:

Table 4
Simultaneous Hypothesis Testing

R-squared	0.837181	Mean dependent var	0.172143
Adjusted R-squared	0.811130	S.D. dependent var	0.524592
S.E. of regression	0.227983	Sum squared resid	1.299411
F-statistic	32.13612	Durbin-Watson stat	2.021519
Prob(F-statistic)	0.000000		

Source: Eviews Output Results 9

From the outcomes of hypothesis testing (F test) in previous table 5.15, the value of significance of the regression's model is gained simultaneously at 0,000, this mark is narrow than the level of significance 0.05 (5%), which is 0,000 <0.05. In addition, it can also be view from the results of the collation between F_{count} and F_{table} which reveals the mark of F_{count} of 32.136 while F_{table} of 2.76. From these results it can be seen that F_{count}> F_{table} ie 32.136> 2.76, it can be decided that H5 is fulfilled, the sickness together or simultaneously ownership of institutional, independent commissioners board, quality of audit, and quality of audit affect avoidance of tax.

Test of Determination Coefficient

The test of determination coefficient is used to measure how long the model capability in describing the variation of variables of independent on the variable of dependent. The coefficient of determination shown by the R2 value of the regression model is used to determine the greatness of the variability of the variable of dependent that can be described by the variables of independent. Below will be presented the outcomes of testing the determination coefficient are as follows:

Table 5
Coefficient of Determination

R-squared	0.837181	Mean dependent var	0.172143
Adjusted R-squared	0.811130	S.D. dependent var	0.524592
S.E. of regression	0.227983	Sum squared resid	1.299411
F-statistic	32.13612	Durbin-Watson stat	2.021519
Prob(F-statistic)	0.000000		

Source: Eviews Output Results 9

From the outcomes of the determination coefficient test in previous table 5.16, it shows that the R2 mark is 0.837 which means that the variability of the variable of dependent is avoidance of tax which can be described by the variables of independent namely ownership of institutional, independent commissioners board, quality of audit, and committee of audit that is equal to 83, 7%, while the remaining 16.3% is explained by other outside variables of the model research.

Discussion

The Ownership of Institutional Effect on The Avoidance of Tax

The outcomes showed that ownership of institutional influenced avoidance of tax. The outcomes of this study are also reinforced by a previous discussion which states that corporates with larger ownership of share are holded by other corporates and institutions of government, so that the management performance to obtain the desired profit will tend to be monitored by institutional investors (Sri et al, 2018). Ownership of institutional has a crucial role in controlling, influencing and disciplining managers in management of tax (Shafer and Simmons, 2008). Institutional ownership has advantages including: Having professionalism in analyzing information so that it can test the information reliability. Have a great stimulus to carry out solid supervision around activities that occur within the corporate (Winanda, 2009). Ownership of institutional has a major role in reduce agency conflicts that happen between shareholders and managers (Jensen and Meckling, 1976). Large or small Institutional Ownership concentration will affect avoidance of tax policies by companies, if the greater the concentration of long-term shareholders (longterm shareholders), the more will reduce the tax avoidance policy actions (Khurana and Moser, 2009).

The greater ownership of institutional will make tax avoidance practices carried out by companies can be avoided. The presence of institutional owners plays an active role in overseeing the effectiveness and efficiency of company management so that it can hinder the opportunist behavior of managers. The presence of institutional owners indicates institutional pressure on company management not to carry out aggressive tax policies. Institutional owners expect the company to contribute to development in the form of tax payments. The existence of institutional owners in the corporate governance mechanism serves as an obstacle to tax avoidance decisions (Sihaloho and Pratomo, 2015).

The outcomes of this research're similar with the outcomes of previous studies by Mulyani (2018), the results of his study indicate that ownership of institutional influences the avoidance of tax. While the outcomes of this research're not similar with the previous studies outcomes run by Winata (2014) and Maharani and Suardana (2014), the outcomes of the research indicate that ownership of institutional ha no impact on the avoidance of tax.

The Influence of Independent Commissioners Board on The Avoidance of Tax

The outcomes revealed that the independent commissioners board influenced avoidance of tax. The outcomes of this research are also reinforced by a previous discussion which states that agency theory states that the more the number of independent commissioners, the better they supervise and control the actions of managers (Sri et al, 2018). The agency theory premise is that a commissioner of independent is needed by the commissioners board to control and oversee the actions of managers, with regard to their behavior of opportunistic (Jensen and Meckling, 1976).

The larger the independent directors proportion, the higher the shareholders' performance and wealth. From a stakeholder perspective, the independent commissioner existence in a company is a stakeholder strategy to influence and oversee the company. The higher the supervision by a commissioner of independent, the more lower the practice of corporate avoidance of tax (Sandy and Lukviarman, 2015). The outcomes of this research aren't similar with the outcomes of previous studies derived by Winata (2014), the results of his study showed that the independent commissioners board had no impact on the avoidance of tax.

The Effect of Audit Quality on Tax Avoidance

The results showed that audit quality had no effect on tax avoidance. The results of this study contradict the previous discussion which states that companies audited by the public accounting firm (The Big Four) usually produce better quality aufits, and it will be increasingly difficult to conduct tax avoidance policies. Thus, if the audit quality of a company is higher, then the company tends not to manipulate earnings for tax purposes (Chain and Liu, 2009).

However, the results of this study indicate that audit quality has no effect on tax avoidance. That is because audit quality has no effect on tax avoidance. This study underlines that audit quality is measured in the use of Big Four KAP or Non Big Four KAP. This means that the audit quality produced by the auditor or KAP is not based on the Big Four or the Non

Big Four KAP, but rather the competence, independence, and integrity possessed by the auditor or KAP. So that the higher the competence, independence, and integrity possessed by the auditor or KAP, the higher the quality of the resulting audit will have an impact on the low practice of tax avoidance carried out by the company. The results of this study are in line with the results of previous studies conducted by Mulyani (2018), Winata (2014), and Maharani and Suardana (2014), the results of the study show that audit quality has no effect on tax avoidance.

The Influence of the Audit Committee on Tax Avoidance

The results showed that the audit committee affected tax avoidance. The results of this study are also supported by a previous discussion which states that the audit committee is one part of company management that significantly influences the determination of company policy. Audit committee members with accounting or financial expertise better understand gaps in tax regulations in ways that can avoid detection risks, so they can provide useful advice for tax avoidance (Puspita, 2014). The audit committee is used because it is tasked with assisting the board of commissioners to ensure that the financial statements are fairly presented in accordance with generally accepted accounting principles. The audit committee is responsible for controlling and supervising the process of preparing the company's financial statements so as to minimize the occurrence of fraud that occurs in a company. Therefore, the existence of an audit committee can reduce corporate tax avoidance fraud because the audit committee can monitor mechanisms that can improve the quality of information for company owners and company management (Evi, 2017). The more and the higher the function of the implementation of supervision conducted by the audit committee, the lower the practice of corporate tax avoidance (Kurniasih and Sari, 2013). The results are in line with the results of previous studies conducted by Fadhilah (2014), the results of his study showed that the audit committee affected tax avoidance. While the results of this study are not in line with the results of previous studies conducted by Mulyani (2018), Winata (2014), and Maharani and Suardana (2014), the results of his research show that the committee of audit has no effect on the avoidance of tax.

Institutional Ownership Effects, Independent Commissioners Board, and Quality of Audit, and Committee of Audit on The Avoidance of Tax

The results showed that ownership of institutional, independent commissioners board, quality of audit, and committee of audit influenced the avoidance of tax. The outcomes of this research are also reinforced by previous discussions which stated that every action taken by management must always be monitored by the principal. This is done so that every action taken is in accordance with company objectives and does not violate applicable regulations. The implemented corporate governance can carry out the oversight function of every decision taken by management. In addition to overseeing decisions taken, corporate governance can also oversee tax management. The implementation of corporate governance can affect company policy in terms of fulfilling tax obligations that will be applied (Santoso and Muid, 2014; Saudi, 2018). Institutional ownership has advantages including: Having professionalism in analyzing information so that it can test the information reliability. Have a great stimulus to carry out solid supervision over activities that occur within the corporate (Winanda, 2009). Ownership of institutional has an crucial role in reduce agency conflicts that happen between shareholders and managers (Jensen and Meckling, 1976). Large or small Institutional Ownership concentration will affect the avoidance of tax policies by companies, if the greater the concentration of long-term shareholders (longterm shareholders), the more will reduce the tax avoidance policy actions (Khurana and Moser, 2009). The agency theory premise is that a commissioner of independent is needed by the commissioners board to control and oversee the actions of managers, with regard to their behavior of opportunistic (Jensen and Meckling, 1976). The greater the proportion of independent directors, the higher the shareholders' performance and wealth. From a stakeholder perspective, the existence of an commissioner of independent in a corporate is a stakeholder strategy to influence and oversee the company. The higher the supervision by an commissioner of independent, the lower the practice of corporate the tax of avoidance (Sandy and Lukviarman, 2015). While audit quality simultaneously influences in minimizing tax avoidance measures. But in this case, the measurement of audit quality is not determined by the use of KAP Big Four or Non Big Four KAP audit services. Quality of audit produced by the auditor or KAP is not based on the Big Four or Non Big Four KAP, but rather the competence, independence, and integrity possessed by the auditor or KAP. So that the higher the competence, independence, and integrity possessed by the auditor or KAP, the higher the quality of the resulting audit will have an impact on the low practice of the avoidance of tax carried out by the corporate.

Conclusion

From the results of research and discussion in the above, the following conclusions are obtained:

1. The outcomes of the research indicate that ownership of institutional influences the avoidance of tax.
2. The outcomes of the research indicate that the board of commissioners influences the avoidance of tax.
3. The outcomes of the research indicate that quality of audit has no effect on the avoidance of tax.
4. The outcomes of the research showed that the committee of audit affected the avoidance of tax.
5. The outcomes of the research indicate that ownership of institutional, commissioners board, quality of audit, and committee of audit influence the avoidance of tax.

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