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THE EFFECT OF TAX INCENTIVES AND GOOD CORPORATE GOVERNANCE ON TAX AVOIDANCE

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Abstract-The purpose of this research is to examine and analyze the effect of tax incentives and good corporate governance on tax Avoidance. Population in this research is a manufacturing company food and beverage sector listed in Indonesia Stock Exchange period 2016-2020. The sample of research by using purposive sampling method as 12 companies that meet in the criteria. The technique used to test the hypothesis in this study is panel data regression, with data processing using the E-views 10 program. The results show that tax incentives and good corporate governance simultaneously affect the tax avoidance. While partially the institutional ownership and audit quality variable has an effect on tax avoidance, tax incentives and independent commissioners have no effect on tax avoidance.

Keywords: Tax Incentives; Good Corporate Governance; Tax Avoidance

I. INTRODUCTION

Taxes are an important source of funding for the Indonesian economy. Taxes are one of the country's largest sources of income. Taxes are used by the government to finance various public expenditures and improve people's welfare. According to the Ministry of Finance (2019), taxes are the largest source of state revenue, namely Rp. 1,786.4 trillion of the total state revenues of Rp. 2,165.1 trillion in the 2019 State Budget. Therefore, taxes are a huge source of income which is also regulated by law. According to the Law on General Provisions on Taxation Number 28 of 2007 in article 1 paragraph 1 "Taxes are mandatory contributions to the state owed by individuals or entities that are coercive under the law, by not receiving direct compensation and being used for the purposes of the state for the greatest prosperity of the people". The government's efforts to increase tax revenue are in contrast to taxpayers who try to minimize tax payments to a minimum to avoid taxation because tax payments reduce income or profit for the taxpayer. Tax avoidance is divided into allowable tax avoidance and unacceptable tax avoidance.

Currently, the tax collection system in Indonesia is a self-assessment system, where the government trusts taxpayers to calculate, deposit and report the amount of tax owed themselves. This provides a great opportunity for companies to take tax avoidance actions. The phenomenon of tax avoidance in Indonesia can be seen from the tax ratio of the Indonesian state. The tax ratio shows the government's ability to collect tax revenue. The higher the tax ratio of a country, the better the performance of that country's tax collection.

One of the cases of tax avoidance in Indonesia is PT Bentoel Internasional Investama. PT. Bentoel Internasional Investama is a leading company in the field of HM Sampoerna in Indonesia. According report from the Tax Justice Network Institute on Wednesday, May 8, 2019 a tobacco company owned by British American Tobacco (BAT) evaded tax through PT Bentoel Internasional Investama by taking a lot of debt in 2013 and 2015 from affiliated companies in the Netherlands, yes BV for debt refinancing. bank and pay for machinery and equipment. Interest payments paid will reduce taxable income in Indonesia, so that less taxes will be paid as a result the country could suffer a loss of US $ 14 million per year (Kontan, 2019).

The form of tax incentives provided by the government is stated in Government Regulation Number 56 of 2015 concerning "Amendment to Government Regulation Number 77 of 2013 concerning Reduction of Income Tax Rates for Domestic Corporate Taxpayers. The tax incentive is in the form of a reduction in the income tax rate for domestic companies or public companies by 5%, lower than it should be, which is 25%. During the Covid 19 pandemic, the government provided tax incentives to taxpayers as a policy step taken by the

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government in dealing with the economic slowdown due to the Covid 19 pandemic. The tax incentives provided by the government are contained in regulations PMK Number 9/PMK.03/2021, the most recent version, which is PMK Number 86/PMK.0 /2020, which is the title of the PMK Number 110/PMK.03/2020, Incentive of the version of the application with the number of classification codes used in the PMK version, as for the tax incentives provided, namely, income tax article 21 borne by the government during the April 2020 tax period until the September 2020 tax period, the Government exempts income tax article 22 about imports for 6 months, the Government provides a reduction policy income tax article 25 to 50% of the installments of income tax article 25 that should be payable, VAT incentives in the form of accelerated restitution for 6 months to taxpayers or companies engaged in exporters and non-exporters. However, even though the government has provided concessions to companies with tax incentive facilities, it is possible that companies will continue to try to do tax avoidance, because even though they have been given tax incentive facilities, the company will continue to grow taxes.

Corporate governance is a system created to direct the management of a company professionally based on the principles of corporate governance, namely transparency, accountability, responsibility, independence, fairness, and equality. Corporate governance can be a great way to manage business, transparency, and professionalism. This system regulates the relationship between the board of commissioners, directors, shareholders and other stakeholders. Good corporate governance is also referred to as a transparent process in setting company goals, achievements and performance appraisals. The alignment of the relationship between shareholders and company managers will affect the tax policy that will be used. Corporate governance is a business activity that requires operational activity.

II. LITERATURE REVIEW

Agency Theory

Agency theory states that agency relationships arise when one or more people (principals) hire another person (agent) to provide a service and then the decision-making authority is delegated to the agent (Jensen & Meckling, 1976). Agency theory is a theory that explains the relationship between agent and principal. In this case, the government as the principal orders and regulates the company's provisions in paying taxes. The company as an agent must act cooperatively in following government regulations to pay taxes in accordance with applicable regulations. However, the phenomenon that occurs between the principal and the agent has different interests, where the company tries to optimize profits by taking tax avoidance actions. So that there is a misalignment of interests between the principal and the agent, this is what is called the agency problem. The principal needs to monitor the agent to prevent the agent's actions that will harm the principal.

Signal Theory

Signaling theory is an example of what Ross (1977) said in the case of the executive branch, which has the information of the most important people in the field of information, and the information that the investor has in mind, and the number of investors in the country. a signal or signal in the form of information that reflects the condition of a company that is beneficial to the recipient (investor). According to Martyrs et al (2019), signal theory is a pillar theory in understanding financial management as a signal that the company (manager) makes to outsiders (investors) to imply something in the hope of making changes to the company's valuation. according toKhairani (2019: 50)"The theory of signaling is related to the perusal of a person or a person who provides information to a person who is not a person who is a perpetrator of any kind of information."

Signal theory provides an overview of quality information from a company so that outsiders can distinguish between good quality companies and poor quality companies. Information regarding tax avoidance disclosed through financial statements by looking at the institutional ownership structure, independent board of commissioners, and audit quality can provide a positive signal to outsiders (investors). The use of the tax incentives provided, whether appropriate to their use or there is fraud that is increasingly profitable for the company, is also a signal to outsiders (investors) to assess the quality of the level of tax avoidance carried out by the company. The information signals provided by the company are used to consider decisions that will be taken by outsiders.

Tax

According to the Law of the Republic of Indonesia Number 16 of 2009 concerning general provisions and taxation procedures, it is explained that the needs of the state are for the greatest prosperity of the people. Taxes

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are the largest source of revenue for the state in state development. Taxes are mandatory so that their collection can be forced. Adriani (2007) states that taxes are public contributions to the state that are owed by taxpayers (which can be imposed) according to laws and regulations without receiving direct rewards that can be shown and used to finance public expenditures. Based on the above definition, it can be concluded that tax is a mandatory contribution owed by individuals or entities that are coercive to the state based on the law by not getting direct compensation and are used for food. Sugiyanto & Fitria (2019) states that taxes have two functions, namely the function of the budgeteir (source of state finance) and the function of the regularend (regulator). In addition to these functions, taxes also have other functions, namely, the function of democracy, the function of stability and the function of income redistribution.

Tax Avoidance

Tax avoidance is an attempt by a company to reduce or minimize the tax burden owed by taking advantage of applicable regulatory loopholes. Rombe et al (2017) states that tax avoidance is a step to minimize the company's tax burden by not violating existing laws and regulations. Sofianty & Herlina (2020) defines tax avoidance as an explicit reduction in total tax, where tax avoidance is a series of tax planning activities. Therefore, tax avoidance is an activity that is permitted because it does not violate tax regulations but takes advantage of loopholes in the tax law that can affect state revenues from the tax sector. Tanjung et al (2019) states that the basic strategy of taxpayers in carrying out tax avoidance is to comply with the law (obey the law), take advantage of regulations that are still vague (use gray areas), take advantage of loopholes in the tax law (loopholes), and look for profitable alternatives. allowed by law. According to James Kessler, one of the experts expressed his opinion regarding the meaning of tax avoidance. James Kessler gives an understanding of tax avoidance as efforts made by taxpayers to minimize taxes in a way that is contrary to the intent and purpose of the legislators (the intention of parliament).

Tax Incentive

Rombe et al (2017)) pointed that tax incentive is a tax policy by providing relief to taxpayers with the aim of increasing national progress in terms of investment. Dewi Syanti & Widyasari (2020: 110) notes that an offer from the government, through a tax benefit, in a particular activity, such as a monetary contribution to a quality activity, is called a tax incentive". Sumantri (2018) states that tax incentives are usually given for the economic development of a country, especially developing countries, in general four forms of tax incentives are given, namely, exemption from taxation, reduction of tax base, reduction of tax rates, and tax benefits. From the above definition, it can be concluded that tax incentives are tax facilities given to investors so that they are interested in investing in a country so that national progress can be realized. With the tax incentives, it is expected to accelerate the creation of jobs through increased investment.

Good Corporate Governance

Organization for Economic Cooperation and Development (OECD) defines corporate governance as the relationship between company management, shareholders, company owners, and other interested parties. According to Alvenina (2021), good corporate governance aims to control the company's management system runs well in accordance with applicable regulations and provisions. According to Wijayanti et al (2018), corporate governance plays a role in supervising tax avoidance, where corporate governance determines the direction of the company according to the way of the company leader and the leadership's plan will influence the decisions made, including in terms of tax avoidance.

Therefore, in this study, good corporate governance is measured using elements of institutional ownership, independent board of commissioners, and audit quality. Ginting (2016) states that institutional ownership is share ownership by the government and other institutions other than the public such as financial institutions, legal entities and foreign institutions that have the ability to control the management by monitoring. According to alvenina (2021: 90), institutional ownership is the ownership of company shares owned by institutions such as insurance companies, banks, investment companies, and other institutional ownership. Rosalia & Sapari (2017), institutional share ownership is the percentage of shares owned by institutional and blockholders, with individual ownership above five percent but not included in the managerial ownership category. Institutional ownership originating from outside the company plays a role in monitoring management. Management usually tries to generate as much profit as possible, one of which is by doing tax avoidance, so institutional ownership can pressure managers to do tax avoidance. (2) Independent Board of Commissioners, according to the

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Regulation of the Minister of State Milin Enterprises Number Per-01 / MBU / 2011 controlling shares or other relationships that may affect its ability to act independently. According to ginting (2016), the independent board of commissioners is a board of commissioners who is not affiliated with the board of directors or other board members, so that the board of commissioners can act independently in preventing tax evasion.Martyrs et al (2019) defines independent commissioners as commissioners who come from outside the company, have no affiliation with the company, commissioners of directors, or major shareholders, and do not own shares either directly or indirectly. In the provisions of the Indonesia Stock Exchange (IDX), which presents independent commissions that are proportional to a minimum of 30% of the total number of commissioners. According tohandayani (2017), independent commissioners play a very important role in a company, namely as a supervisor and directing the company to operate according to applicable regulations. According to Alvenina (2021: 91), the Commissioner of Independent states provides for checks and balances (checks and balances) for the purpose of processing operations. Independent commissioners have the function of monitoring the company's performance independently. Therefore, the greater the proportion of independent commissioners, the more effective and effective supervision of management behavior will be. (3) Wijayanti et al (2018)said audit quality is all possible violations in the company's accounting system that the auditor finds in the company's financial statements, where in carrying out his duties the auditor is guided by auditing standards and the relevant public accountant code of ethics. According to Mira & Purnamasari (2020: 214) Audit quality is all the possibilities that can occur when the auditor audits the client's financial statements and finds violations or errors that occur and reports them in the audited financial statements. According to rosalia & Sapari (2017), Quality auditing is a one-stop-shop audit that is performed by an auditor or an auditor to ensure that you have material, and that you are performing an audit audit. Financial statements have a very important role and as a basis for decision making for investors, therefore the quality of the company's financial statements can be seen from the KAP used in auditing the company, namely using the Big Four KAP. According to suripto (2021), good audit quality by using a large KAP or like the Big Four can minimize tax avoidance because a large KAP will maintain the quality of its audit so that the quality of the audit results of its financial statements is maintained and can be detected if there is cruelty. Financial statements have a very important role for investors in making decisions. Therefore, the quality of financial reports can be seen from the KAP chosen by the company in auditing its financial statements. KAP has a number of keystrokes and a number of keystrokes and a number of keystrokes as a result, KAP also has its credibility measures for accounting and continuity of service provision.

Hypothesis
H1: Tax incentives have an effect on tax avoidance.
H2: Institutional ownership has an effect on tax avoidance.
H3: Independent commissioners has an effect on tax avoidance.
H4: Audit quality has an effect on tax avoidance.
H5: Tax incentives, institutional ownership, independent board of commissioners, and audit quality simultaneously affect tax avoidance.

III.METHOD

This type of research is quantitative research, namely the research method used to examine the population and sample, data collection with research instruments, statistical data analysis, to test the predetermined hypothesis (Sugiyono, 2015). These are the types of data used are data seconds, which are the data, compilation, and data from the Indonesia Stock Exchange (IDX) via the website http://www.idx.ac.id. The data used in this study are the annual financial reports of manufacturing companies in the food and beverage sector in the 2016 to 2020 period.

Find out more about the Indonesia Stock Exchange on the website http://www.idx.co.id. The number of denominations in the Indonesia Stock Exchange period as of 2016 is 2020. At the end of the month, the dimensions of the number of denominations in the term of the data panel are as long as the period of 5 years from 2016-2020. The independent variables used are Tax Incentives, Institutional Ownership and Independent Commissioners, Audit Quality. Variable dependent is tax Avoidance.

The population in this study is company data originating from the Manufacturing sector, with more specifically into the Food and Beverage sub-sector that publishes its financial services through the Indonesia Stock Exchange (IDX) in the period from 2016 to 2020. This research is a purposive sampling technique.

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Purposive sampling method is a research sampling method with certain considerations to obtain representative data with selected criteria. From the sampling method used, a sample of 12 (twelve) companies was obtained with a total of 60 (sixty) data over a period of 5 (five) years. The data collection method used in this research is the literature study method and the documentation method. Literature study is done by processing literature, articles, scientific journals, as well as written media related to the discussion of this research. Meanwhile, the documentation method is a method of collecting data by studying company records or documents related to research variables. The documents in this study are data obtained from the financial statements of food and beverage manufacturing companies listed on the Indonesia Stock Exchange in 2016-2020.

The data analysis technique in this research is descriptive and verification analysis. Verified analytics from the penitentiary using analytics regression data panel (pooled data). The data processing tools in this study used Microsoft Excel and E-views 10 software. E-views is a windows-based program used for statistical analysis and computational tools for time series and time series electronics. The data analysis methods used include Descriptive Statistics, Panel Data Regression Model (Common Effect Model, Fixed Effect Model, Random Effect Model) Panel Data Regression Model Estimation (Chow Test, Hausman Test, Lagrange Multiplier Test, Classical Assumption Test (Normality Test), Multicollinearity Test, Autocorrelation Test, Heteroscedasticity Test) and Multiple Linear Regression Analysis, Hypothesis Testing (F Test, T Test,

IV. RESULT AND DISCUSSION

Statistics Descriptive

Table 1
Descriptive statistics

	ETR	IP	KINST	KINDP	KA
mean	0.244266	0.020892	0.493889	0.378472	0.366667
median	0.247224	0.018149	0.578696	0.333333	0.000000
Maximum	0.419945	0.049341	0.920121	0.5000000	1.0000000
Minimum	0.032015	0.003719	0.000000	0.333333	0.000000
Std. Dev.	0.063178	0.012041	0.297573	0.063303	0.485961
Skewness	-0.769372	0.530717	-0.331613	1.126292	0.553372
Kurtosis	6.243645	2.428631	2.100498	2.729204	1.306220
Jarque-Bera	32.22241	3.632764	3.122429	12.86866	10.23443
Probability	0.000000	0.162613	0.209881	0.001605	0.005993
Sum	14.65596	1.253494	29.63333	22.70833	22.000000
Sum Sq. Dev.	0.235495	0.008555	5.224445	0.236429	13.93333
Observations	60	60	60	60	60

Source: Data processed Eviews 10 (2021)

From the test results, it can be concluded that tax avoidance shows an average value (mean) of 0.244266, and a standard deviation of 0.063178. Tax incentives show an average value (mean) of 0.020892, and a standard deviation of 0.012041.Institutional ownership showsthe average value (mean) is 0.493889, and the standard deviation is 0.297573. Independent commissioners show an average value (mean) of 0.378472, and a standard deviation of 0.063303. audit quality shows an average value (mean) of 0.366667, and a standard deviation of 0.485961. On the variables of tax avoidance, tax incentives, institutional ownership and independent commissionershas a standard deviation value lower than the mean value, which means that the data in the variable is well distributed. Meanwhile, the audit quality has a higher standard deviation value than the mean value, which means the data is not well distributed.

Normality test

Picture 1

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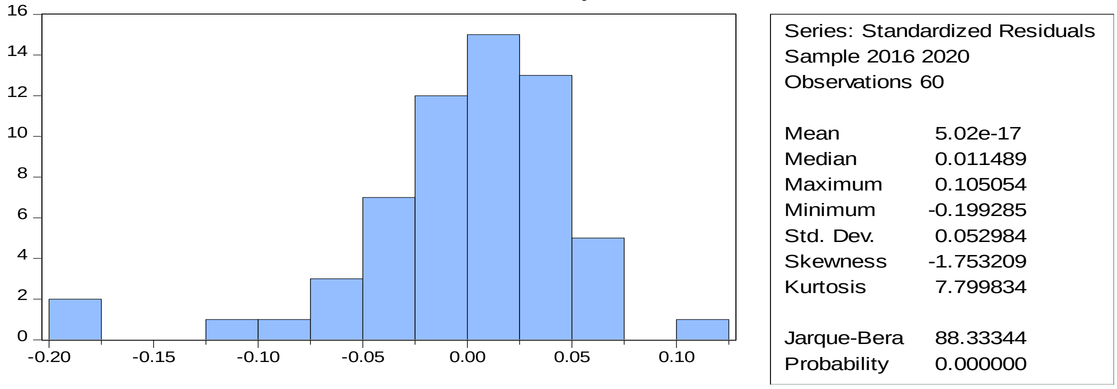
Normality test



Source: Data processed Eviews 10 (2021)

From the results of the normality test above, it showsprobability value 0.000000 <0.05, it can be concluded that the data is not normally distributed. The data is not normally distributed due to several things, such as the distribution of the data is very varied because the data is very high or very low and the number of samples is small. This is reinforced by the results of descriptive statistical tests, where the variables of tax incentives and audit quality have data that are not well distributed. In addition, according to Ghozali (2018) states that the classical assumption test should be more emphasized on heteroscedasticity and autocorrelation which can cause statistical conclusions to be invalid, so that data with results that are not normally distributed are equal.

Multicollinearity Test

Table 2
Multicollinearity Test

Variance Inflation Factors
Date: 12/24/21 Time: 09:42
Samples: 1 60
Included observations: 60

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.002398	47.78459	AFTER
IP	0.434521	5.012857	1.234326
ART	0.000601	3.962626	1.042422
KINDP	0.018896	55.41108	1.483518
KA	0.000267	1.953969	1.237514

Source: Data processed Eviews 10 (2021)

Based on the tablet above, it shows that all correlations in each variable have a VIF value (*Variance Inlation Factor)* <10 which means that in this regression model there is no multicollinearity or there is no correlation between the independent variables in this model.

Heteroscedasticity Test

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Table 3
Heteroscedasticity Test

Heteroskedasticity Test: Harvey

F-statistics	2.305156	Prob. F (4.55)	0.0697
Note * R-squared	8.614639	Prob. Chi-Square (4)	0.0715
Scaled explained SS	8.510986	Prob. Chi-Square (4)	0.0746

Source: Data processed Eviews 10 (2021

Based on the results of the Harvey heteroscedasticity test in the table above, the chi square probability value in Obs * R-Squared is 0.0715> 0.05, which means that there is no heteroscedasticity problem in this study.

Autocorrelation Test

Table 4
Autocorrelation Test

Breusch-Godfrey Serial Correlation LM Test:

F-statistics	0.446716	Prob. F (2.53)	0.6421
Note * R-squared	0.994666	Prob. Chi-Square (2)	0.6082

Source: Data processed Eviews 10 (2021)

Based on the results of the autocorrelation test above, it showsthe value of Prob.Chi-Square is 0.6082 > 0.05 which means there is no autocorrelation problem.

Data Regression Analysis Panel

Table 5
Data Regression Analysis Panel

Dependent Variable: CETR
Method: Panel EGLS (Cross-section random effects)
Date: 12/10/21 Time: 23:19
Samples: 2016 2020
Periods included: 5
Cross-sections included: 12
Total panels (balanced) observations: 60
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistics	Prob.
C	0.276249	0.070938	3.894218	0.0003
IP	-0.398488	0.714731	-0.557536	0.5794
ART	-0.090871	0.026334	-3.450761	0.0011
LOGIN (KINDP)	-0.008347	0.060943	-0.136967	0.8916
KA	0.035476	0.017613	2.014254	0.0489
		Effects Specification		
			SD	Rho
Random cross-section			0.000000	0.0000
Idiosyncratic random			0.058889	1.0000
		Weighted Statistics		

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R-squared	0.296240	Mean dependent var	0.244266
Adjusted R-squared	0.245057	SD dependent var	0.063178
SE of regression	0.054894	Sum squared resid	0.165732
F-statistics	5.787902	Durbin-Watson stat	1.684256
Prob (F-statistic)	0.000583		
	Unweighted Statistics		
R-squared	0.296240	Mean dependent var	0.244266
Sum squared resid	0.165732	Durbin-Watson stat	1.684256

Source: Data processed Eviews 10 (2021)

From this equation, it shows the coefficient value of0.276249 which means that tax avoidance will be worth 0.276249 if other variables are fixed. Tax incentives are worth - 0.398488, which means that tax incentives have decreased tax avoidance by 0.398488 if other variables are fixed. Institutional ownership has a regression coefficient of -0.090871 which means that institutional ownership has decreased tax avoidance by 0.090871. Assuming other variables are fixed. The independent board of commissioners has a regression coefficient of -0.008347 which means that the independent board of commissioners has decreased tax avoidance by 0.008347. Assuming other variables are fixed. Audit quality has a regression coefficient of 0.035476 which means that audit quality has increased tax avoidance of 0.035476. Assuming other variables are fixed. Based on the tables above, the panel data regression in this study are:

$$ETR = 0.276249 - 0.398488 - 0.090871 - 0.008347 + 0.035476 + e$$

Coefficient of Determination

Table 6
Coefficient of Determination

R-squared	0.296240
Adjusted R-squared	0.245057
SE of regression	0.054894
F-statistics	5.787902
Prob (F-statistic)	0.000583

Source: Data processed Eviews 10 (2021)

Based on the table above, it shows that the R-squared value is 0.296240 which means that the percentage of the independent variable's contribution to the dependent variable in this study is 29.6%, while the remaining 70.4% is explained by variables outside of this study.

Simultaneous Test (F Test)

Table 7
Simultaneous Test (F Test)

F-statistics	5.787902
Prob (F-statistic)	0.000583

Source: Data processed Eviews 10 (2021

From the results of the F test above, it has an F-statistic value of 5.787902 with Probability of 0.000583 lower than alpha 0.05. This shows that tax incentives, institutional ownership, independent commissioners, and audit quality together have an effect on tax avoidance in food and beverage companies in 2016-2020. Based on the results of the study, the fifth hypothesis was declared accepted.

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Partial Test (t Test)

Table 8
t test

Variable	Coefficient	Std. Error	t-Statistics	Prob.
C	0.276249	0.070938	3.894218	0.0003
IP	-0.398488	0.714731	-0.557536	0.5794
ART	-0.090871	0.026334	-3.450761	0.0011
LOGIN (KINDP)	-0.008347	0.060943	-0.136967	0.8916
KA	0.035476	0.017613	2.014254	0.0489

Source: Data processed Eviews 10 (2021

The table above shows that the tax incentive has a value of *probability* 0.5794 > 0.05. Meanwhile, institutional ownership has a probability value of 0.001 <0.05, and audit quality has a probability value of 0.04 < 0.05. which means that institutional ownership and audit quality partially affect tax avoidance.

Discussion

In this study, tax incentives have no effect on tax avoidance in food and beverage companies listed on the IDX in 2016-2020. This is because the tax incentives will only affect the total tax burden as a whole but not for the current tax burden or the current year's tax burden. This is a list of penalties that you can read here Setiawan & Wijayanti (2021) and Rombe et al (2017) which states that tax incentives affect tax avoidance because the higher the tax incentive, the lower the tax paid. The results of this study are also not in line with research conducted by alstadsaeter & Jacob (2013) that usually companies do tax avoidance when there is a tax incentive, which is done by exaggerating the dividend allowance so that the tax incentive gets bigger and the tax burden decreases, by using exceptions, dal pongan, and piper.

Institutional ownership has an effect on tax avoidance in food and beverage companies listed on the IDX in 2016-2020. This is a penitentiary article written by youputri & Lawita (2019) where the higher the institutional ownership, the tighter the level of supervision so that the level of tax avoidance is lower, and vice versa, the lower the institutional ownership, the higher the level of tax avoidance. The results of this study are also supported by researchmulyani et al (2018) states that institutional ownership has an effect on tax avoidance, the greater institutional ownership of a company, the tighter the level of supervision of managers so as to reduce conflicts of interest between managerskrishna (2019) states that institutional ownership has an effect on tax avoidance, the higher institutional ownership will reduce the practice of tax avoidance. This is also in line with previous research byzahirah (2017) stated that institutional ownership has an effect on tax avoidance where the amount of institutional ownership aims to monitor, discipline, and influence managers has an impact on the level of tax avoidance. However, the results of this study are not in line with the research conducted bysunarsih & Handayani (2018) states that institutional ownership has no effect on tax avoidance, it is assumed that the size of institutional ownership has not been able to become an effective monitoring tool for companies so that it cannot reduce the opportunities for tax avoidance.

The independent board of commissioners has no effect on tax avoidance in food and beverage companies listed on the IDX in 2016-2020. This is a penitentiary article written by youalvenina (2021) that the larger the independent board of commissioners does not determine the level of fraud because the addition of independent commissioners to the company structures is only a formality as a fulfillment of the provisions of good corporate governance. These results are also supported by researchprimasari (2019) that the independent board of commissioners has no effect on tax avoidance because the independent board of commissioners cannot directly suppress management decisions so that the independent commissioner can only supervise but the decision to avoid tax is caught. However, this research is not in line with the research conducted bysari & Devi (2018) states that the independent board of commissioners has an effect on tax avoidance.

The audit of the quality of the tax avoidance on the basis of the first paragraph and at least the IDX date of the 2016-2020 period. This is a penitentiary article written by youzoebar & Miftah (2020) states that audit quality has an effect on tax avoidance, audit quality with KAP The Big Four has high quality standards so that transparency is concerned and presents the actual auditor's report which will minimize tax avoidance. This is also supported by research conductedmira & Purnamasari (2020) stated that audit quality with KAP The Big

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Four has a significant effect on tax avoidance, where companies audited by KAP are large (Big Four), will have quality financial information that is reliable and good so that it can be minimized. Research is also a member of the Research community.Sunarsih & Handayani (2018) where companies whose financial statements are audited by KAP The Big Four will be more trusted by the tax authorities because the real KAP has a lower level of fraud. Find out more about Research in the world of researcherssari & Devi (2018) states that audit quality has no effect on tax avoidance, it is assumed that there is no significant difference between companies audited by KAP The Big Four and KAP non The Big Four on tax avoidance practices, this is because when the sequence of KAP Four and KAP non The Big Four both are guided by the audit quality control standards that have been set by the Indonesian Public Accountant Professional Standards Board and the ethical rules of public accountants set by the Indonesian Institute of Certified Public which are also available and the same.

In this study tax incentives, institutional ownership. Independent commissioners, and audit quality simultaneously affect tax avoidance.This is a penitentiary article written by yourombe et al (2017) that tax incentives affect *tax avoidance*,where the provision of tax incentives in the form of a decrease in corporate tax is used as a loophole to do tax avoidance in order to get higher profits and lower taxes. This research is also in line with research byputri & Lawita (2019) where the higher the institutional ownership, the tighter the level of supervision so that the level of tax avoidance is lower. Then in line with research conducted byariawan & Setiawan (2017) that the independent board of commissioners has an effect on tax avoidance, where the existence of an independent board of commissioners in the company will increase supervision and monitoring of the company's management in every decision taken, including complying with tax regulations. Then in line with research conducted by suripto (2021) audit quality has an effect on tax avoidance, with an indication that companies audited with large kaps will maintain audit quality so that the quality of their financial statements is maintained so as to minimize tax avoidance acts.

V. Conclusions

Based on the results of research that has been carried out, the results of hypothesis testing are obtained, namely tax incentives have no effect on tax avoidance, institutional ownership has no effect on tax avoidance, independent commissioners have no effect on tax avoidance, good corporate governance is proxied by institutional ownership, independent commissioners and audit quality simultaneously affects tax avoidance.

Suggestions for further researchers, are expected to be able to add other variables that are thought to affect tax avoidance such as voluntary disclosure, sales growth, company size, political connections etc. Also, it can use other types of sectors such as mining sector, financial sector, agricultural sector etc. In the other hand, it can add period longer years of research in order to obtain better and maximum results.

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