

ABSTRACT

EFFECT OF POLITICAL CONNECTION AND GOOD CORPORATE GOVERNANCE ON TAX AGGRESSIVENESS THROUGH COMPANY SIZE AS A CONTROL VARIABLE

(An Empirical Study on Infrastructure Companies, Utilities, and Transportation Indexed in Indonesia Stock Exchange in the Period of 2014-2017)

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The objective of this research was finding out the effect of the political connection and the good corporate governance on the tax aggressiveness through the company size as a control variable. The subject of this research was the infrastructure companies, the utilities, and the transportation indexed in Indonesia Stock Exchange in the period of 2014-2017. The population of this research was 60 companies. The number of samples used in this research was 12 companies. The sampling technique used in this research was the purposive sampling technique. The type of the data used in this research was the secondary data obtained from Indonesia Stock Exchange. The data analysis technique used in this research was through the multiple linear regression. The result of this research was that the political connection before using the control variables affected the aggressiveness; however, the political connection after using the control variable did not affect the GCG i.e., the managerial ownership, the institutional ownership, the board of the independent commissioners, and the audit quality did not affect the tax aggressiveness before and after using the control variable. Moreover, the audit committee before using the control variable had no effect; however, the audit committee after using the control variable had an effect on the tax aggressiveness.

Keywords: *Political Connection, Good Corporate Governance, Tax Aggressiveness*

