

ABSTRACT

This research aims to determine the effect of fiscal loss compensation and leverage against tax avoidance at manufacturing companies in BEI. The population in this research is manufacturing companies listed consecutively on the BEI during 2014 – 2016 period. This research used purposive sampling technique in the selection of samples and obtained sample research as many as 59 companies with a research period of 3 years (2014-2016). This research was conducted by using multiple linear regression. The results showed that fiscal loss compensation had no significant effect on tax avoidance, while leverage had a positive effect on tax avoidance.

Keywords: *fiscal loss compensation, leverage, tax avoidance.*