**ABSTRACT**

Fenny Liesay / 32150086 / 2019/ The Influence of Deferred Tax Expenses and Tax Planning on Earnings Management in Manufacturing Companies Listed on the Indonesia Stock Exchange in the Period of 2014-2017 / Advisor: Mulyani S.E.

The financial statements are an instrument for the company in conveying various information and company performance to the parties that have interest. Financial statements are also one of yhe benchmarks for principals to assess the performance of management (agents). The differences in interest and information between principals and agents spur agents to think about how the accounting numbers generated can further maximize their interests.

Based on agency theory, and positive accounting theory, conflicts of interest that occur between principals and agents will have an impact to the reporting of financial statements using certain valuations. Therefore this study tries to look at the effect of deferred tax expense and tax planning. Because it can be used to predict earnings management used by companies in meeting two objectives, namely to avoid decreasing profit and avoiding losses. In addition, it is also usually done by companies with the aim of minimizing the amount of tax that will be paid to achieve earnings management.

The study was conducted at manufacturing companies Indonesia Stock Exchange (IDX) through the website www.idx.co.id in the 2014-2017 period. The sampling technique used was purposive sampling. The sample used was 44 companies.

The results showed that the deferred tax expense has a sig value of 0.468 (0.937 / 2) does not have a positive effect on earnings management. This means that the First hypothesis was rejected. While tax planning has a sig value of 0.488 (0.799 / 2) does not have a positive effect on earnings management. This means the second hypothesis is rejected.

The conclusion shows that the deferred tax burden and tax planning do not have enough evidence to have a positive influence on earnings management.

Keywords: Deferred Tax Burden, Tax Planning and Profit Management