

## **ABSTRACT**

*This research aims to examine the influence of financial distress and good corporate governance on tax avoidance. The theory used in this study is agency theory. The testing also includes a control variable, which is firm size. The data for this study were collected from 13 companies that met the sample criteria using secondary data from mining sector companies listed on the Indonesia Stock Exchange (IDX) during the period of 2018-2022. The total number of data points that met the sample criteria was 13 companies. The data were analyzed using multiple linear regression analysis. The Statistical Package for Social Sciences (SPSS) software was used for data processing. The sample prioritized companies that did not have an Average Price Agreement (APA) policy. The research findings indicate that financial distress has a positive influence on tax avoidance, while independent commissioners, audit committees, and institutional ownership do not have a significant impact on tax avoidance. The results regarding financial distress support the agency theory, which focuses on the conflict of interests between agents and principals. On the other hand, the results regarding the proxies for good corporate governance, such as board size, institutional ownership, and audit committee, do not have a significant impact on tax avoidance, thus suggesting an explanation based on the theory of reliability.*

*Key Words: Mining Sector Companies, Financial Distress, Good Corporate Governance, Advance Pricing Agreement (APA), Tax Avoidance*