

# **Financial Distress Analysis, Roa and its Relationship towards Tax Avoidances of Automotive Companies Listed at Indonesian Stock Exchange**

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**Abstract:** Every company has a goal to gain profit and continue its existence and maximizing the wealth of their stockholders. Surely, when talking about the profits, the financial performance of the company has taken the main part of the discussion. Financial performance is an essential part of a company as without good financial performance the continuance of the company is at stake. Financial performance is essentials for the following: Investors, creditors, and suppliers. In Indonesia Automotive and Spare Parts industry has great potential to reap huge profits because in 2016 there are 124 million registered vehicles throughout Indonesia it shows that Indonesian people desperately need a vehicle to support everyday life either in work, or others. Because the industry gets a big profit then the government must control the company so that the company does not avoid taxes so that state revenues received from taxes are higher. The study used descriptive method and the data used were secondary data derived from the financial report of Automotive and spare parts industry Sub-Sector companies of year 2011-2015. The sample used in the study was 6 companies that are listed as companies listed at Indonesia Stock Exchange from Automotive and Spare parts Sub Sector. The study concluded that based on the results of the study the Automotive and Spare Parts Sub Sector has generally the results indicated that there is a positive relationship between s-score and return on assets towards tax avoidance of Automotive and Spare Parts companies listed at Indonesian Stock Exchange.

**Keywords:** Springate, automotive, tax avoidance