ABSTRACT

The financial reporting quality is a company's financial information in an accounting period taht can be used to describe the performance of the company with the quality of financial reporting quality. at this stage of the tax inspection, the inspection process can be run with efficient tax aims to tax audit conducted in a professional manner have an effect prevented the taxpayer makes tax evasion.

This study aimed to determine the influence financial reporting quality to tax audit, the influence tax audit to tax evasion and the influence of financial reporting quality to tax audit and it's implication to tax evasion (survey on the corporate taxpayers in KPP Madya Bandung).

The research method used was descriptive method and verifikatif. Descriptive methods are used to determine the description about variable Financial Reporting quality, Tax Inspection variable and the Tax Evasion variable, while verifikatif method are used to determine the relationship of the variable financial reporting quality of tax audit and it's implications for tax evasion. To determine the influence of financial reporting quality to tax audit and tax audit to tax evasion (survey on the corporate taxpayers in KPP Madya Bandung) used statistical examination .Statistical examination that used is the calculation of Pearson correlation, coefficient of determination, hypothesis examination with using SPSS 18.0 software for windows.

The results of this study indicate that the financial reporting quality has a significant effect of the tax inspection if the financial reporting quality well the implementation of the tax audit will nice, whereas the tax audit has a significant effect of the tax evasion that is if when tax audit will nice tax evasion is a violation of the tax will decline.

Keywords: Financial Reporting Quality, Tax Audit and Tax Evasion.