HOW TAX HYPOTHESIS DETERMINES DEBT MATURITY (STUDY IN MINING COMPANY SECTOR ARE LISTED ON THE INDONESIA STOCK EXCHANGE)

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ABSTRACT

Focus in this research is to see whether corporate tax rate, term structure, and asset variance affect change debt maturity policy. Population on this research is mining company sector are listed on the Indonesia Stock Exchange period 2011-2014. Sample on this research is use purposive sampling method. Total sample is 34 companies. Data used in this research is company’s financial statements were obtained from Indonesia Stock Exchange’s website. And this data is analyzed using multiple linear analysis on Eviews 6.0. Result of this research is corporate tax rate and term structure have no significant effect on debt maturity. While asset variance has significant effect on debt maturity and has negative direction toward debt maturity. In other words, mining companies do not use tax saving policy with debt. Therefore, mining companies are expected to use factors that is able go minimize cost incurred by the company.

Keyword: capital structure, debt maturity, tax hypothesis