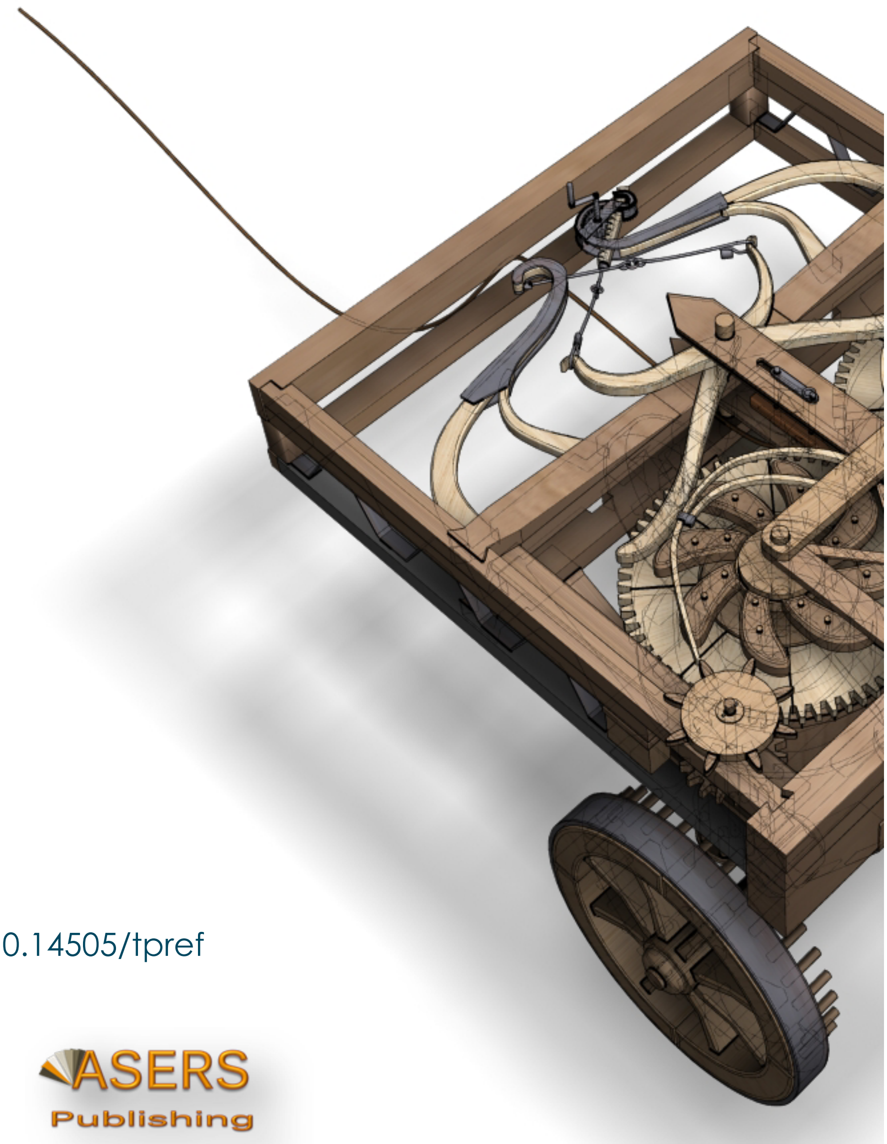
Theoretical and Practical Research in Economic Fields



Quarterly
Volume XV
Issue 3(31)
Fall 2024

ISSN: 2068 – 7710
Journal DOI: https://doi.org/10.14505/tpref

ASERS Publishing

Volume XV
Issue 3(31)
Fall 2024

ASERS Publishing
ISSN 2068 – 7710
Journal's Issue DOI:
https://doi.org/10.14505/tpref.v15.3(31).00

Table of Contents

Volume XV
Issue 3(31)
Fall 2024

ASERS Publishing
http://www.asers.eu/asers-publishing
ISSN 2068 – 7710
Journal's Issue DOI:
https://doi.org/10.14505/tpref.v15.3(31).00

Call for Papers
Winter Issue
Theoretical and Practical Research in Economic Fields

Many economists today are concerned by the proliferation of journals and the concomitant labyrinth of research to be conquered in order to reach the specific information they require. To combat this tendency, **Theoretical and Practical Research in Economic Fields** has been conceived and designed outside the realm of the traditional economics journal. It consists of concise communications that provide a means of rapid and efficient dissemination of new results, models, and methods in all fields of economic research.

Theoretical and Practical Research in Economic Fields publishes original articles in all branches of economics – theoretical and practical, abstract, and applied, providing wide-ranging coverage across the subject area.

Journal promotes research that aim at the unification of the theoretical-quantitative and the empirical-quantitative approach to economic problems and that are penetrated by constructive and rigorous thinking. It explores a unique range of topics from the frontier of theoretical developments in many new and important areas, to research on current and applied economic problems, to methodologically innovative, theoretical, and applied studies in economics. The interaction between practical work and economic policy is an important feature of the journal.

Theoretical and Practical Research in Economic Fields is indexed in SCOPUS, RePEC, ProQuest, Cabell Directories and CEEOL databases.

The primary aim of the Journal has been and remains the provision of a forum for the dissemination of a variety of international issues, practical research, and other matters of interest to researchers and practitioners in a diversity of subject areas linked to the broad theme of economic sciences.

At the same time, the journal encourages the interdisciplinary approach within the economic sciences, this being a challenge for all researchers.

The advisory board of the journal includes distinguished scholars who have fruitfully straddled disciplinary boundaries in their academic research.

All the papers will be first considered by the Editors for general relevance, originality, and significance. If accepted for review, papers will then be subject to double blind peer review.

Deadline for submission of proposals:	10th November 2024
Expected publication date:	December 2024
Website:	http://journals.aserspublishing.eu/tpref
E-mail:	tpref@aserspublishing.eu

To prepare your paper for submission, please see full author guidelines in the following file: https://journals.aserspublishing.eu/tpref/Template_for_Authors_TPREF_2024.docx on our site.

DOI: https://doi.org/10.14505/tpref.v15.3(31).12

Navigating the Maze: A Systematic Review of Empirical Studies on Tax Avoidance and Its Influence Factors

Chao GE
School of Economics, Shenzhen Polytechnic University, China
Law Economics Research Center, Guangdong Hong Kong-Macao Greater Bay Area, China
ORCID: 0000-0002-6522-473X
gechao@szpu.edu.cn

Wunhong SU
School of Accounting, Hangzhou Dianzi University, China
OCRID ID:0000-0001-8086-6821
whsu@hdu.edu.cn

Wong Ming WONG
International College, Krirk University, Thailand
OCRID ID:0000-0001-8978-0506
Correspondence author: wmwonguni@gmail.com

Article info: Received 18 July 2024; Received in revised form 30 July 2024; Accepted for publication 31 August 2024; Published 30 September 2024.

Abstract: There is a wealth of research on the factors influencing tax avoidance, and it has gradually become a global topic of interest. However, few studies systematically identify which factors influence corporate tax avoidance and how they do so. Many studies on similar topics show significant differences in conclusions across countries. Therefore, a systematic review of the relevant literature on tax avoidance is necessary, as it will help us understand the current state of research and offer insights and directions for future exploration of the reasons behind these discrepancies and the discovery of new factors influencing tax avoidance.

This study analyzes 97 empirical studies on tax avoidance, aiming to clarify influencing factors by categorizing themes and summarizing findings. Literature was sourced via Scopus and divided into three sections: Factors influencing tax avoidance in Western countries, factors in China, and future research prospects. Tax avoidance is a complex issue vital to firms' high-quality development. The study underscores that differing methodologies may lead to varying conclusions, systematizing the literature and drawing comparisons among various perspectives. By enhancing understanding of tax avoidance, the effort provides a foundation for future investigations into practical strategies for firms, contributing to a comprehensive understanding of tax avoidance and emphasizing the importance of a coordinated approach among stakeholders.

Keywords: tax avoidance; listed firms; empirical studies; influencing factors; coordinated approach among stakeholders.

JEL Classification: H26; A12.

Introduction

Tax avoidance, a term reflecting an enterprise's strategic measures to minimize its tax burden (Hanlon and Heitzman, 2010), is a common and complex practice observed across the global business landscape. In developed economies like the United States, an upward trajectory in public firms' tax disparities is seen, increasing yearly and tenfold over a decade (Boynton *et al.* 2005). Such a surge likely stems from the growing aggression in firm tax avoidance practices, influenced by various legal, economic, and social factors (Mills, 1998; Wilson, 2009; Blaylock *et al.* 2011). Estimates suggest that over 10% of firms engage in tax evasion.

In contrast, China, the largest developing economy, exhibits more severe tax evasion among listed firms, demonstrated by 22,800 cases investigated in 2018 alone involving 560 billion yuan (Cai and Liu, 2009; Lin *et al.*

2018). This phenomenon's prevalence in different regions, coupled with the lack of uniform understanding of who is influencing tax avoidance and why firms should avoid tax, highlights the need for a cohesive examination and strategic alignment on a global scale.

1. Existing Literature and Divergence

While the existing literature on factors influencing tax avoidance is abundant and developed based on unique systemic contexts, significant variations exist between Western and Eastern studies. Western literature frequently explores how managerial characteristics such as gender and political beliefs influence tax avoidance (Francis *et al.* 2014; Francis *et al.* 2016). In contrast, Chinese literature emphasizes the country's unique aspects, including tax system reforms and mixed-ownership reforms (Wang *et al.* 2009; Wang *et al.* 2021; Zhai *et al.* 2021).

A striking divergence is observed regarding the economic consequences of tax avoidance. The complexities of measuring tax avoidance and the dichotomy between theoretical and empirical evidence further contribute to the fragmentation of knowledge in this area. This lack of a unified perspective diminishes the practical value of tax avoidance theory and perplexes policymakers, practitioners, and researchers alike.

2. Purpose and Contributions of This Study

This study's comprehensive approach aims to synthesize existing literature on tax avoidance, facilitating an understanding of previous research focus, primary perspectives, and prevalent disagreements. The effort is instrumental in constructing a systematic theoretical framework for tax avoidance.

2.1. Comprehensive Theoretical Framework for Tax Avoidance Factors

This contribution provides a coherent theoretical framework for understanding tax avoidance influence factors. The study proposes a three-factor model comprising managerial characteristics (the decision-maker), fundamental firm characteristics (intrinsic conditions and capacity for tax avoidance), and corporate governance (pressure faced by decision-makers and other stakeholders). Unifying these aspects broadens understanding of what factors influence corporate tax avoidance.

2.2. Understanding the Driving Factors of Tax Avoidance

Existing theories are mainly categorized into classical economic and tax agency theories. The former argues that obtaining tax-saving benefits for the company is the main driving force affecting tax avoidance; the latter believes that whether insiders can receive private benefits from tax avoidance is the main driving force. This study seeks to systematically collate and link these theories and their accompanying evidence, providing a comprehensive perspective. It attempts to bridge the gap between different viewpoints and present a nuanced understanding of the driving factors of tax avoidance.

2.3. Insights for Future Development

By enriching the body of research related to tax avoidance, this study offers valuable insights for balancing tax avoidance costs and savings. This work's extensive review of the theoretical framework could lead to high-quality tax avoidance strategies, thereby ensuring that the firm's motivations and the interests of external stakeholders are in harmony.

3. Structure of the Remainder of the Study

The remainder of this study is thoughtfully structured. It begins with an analytical framework exploring the three principal elements influencing tax avoidance decisions: the decision-makers, the internal environment, and the external environment. Second, a theoretical framework identifies three major factors affecting firms: management characteristics, firm fundamental characteristics, and corporate governance. Further, through the literature review, we understand how the above factors affect corporate tax avoidance in the Western context. In addition, this paper teases out how corporate governance affects tax avoidance by Chinese companies. Due to China's system's uniqueness, its existing interest relationships are unique, and it has particular reference significance for understanding the tax impact of other developing countries. Finally, the study concludes by comparing different theoretical perspectives within the same research topics, presenting in-depth discussions, and proposing a roadmap for future research directions.

4. Methodology

4.1. Literature Collection Methodology

4.1.1. Selection of Database and Search Criteria

The focal point of this study is situated on two vital components: 'firm tax avoidance' and 'influencing factors.' The methodology for collecting literature began with meticulously selecting the ideal database. Scopus was chosen for its extensive reach and capacity, especially in social sciences, arts, humanities, and business (Falagas *et al.* 2008; Mongeon and Paul-Hus, 2016). This preference for Scopus over other databases like Web of Science (WoS) and Google Scholar was also informed by a comparative analysis of the accuracy, content breadth, and relevance to the current research domain.

4.1.2. Search Process and Selection Criteria

Accessing the Scopus database on Sep 8, 2024, a systematic approach using the PRISMA process was initiated, integrating various stages and iterations (Figures 1 and 2). An exhaustive preliminary search utilizing the aforementioned key terms yielded 2154 documents.
(TITLE-ABS-KEY ("tax avoidance ") AND TITLE-ABS-KEY ("influence")) AND PUBYEAR > 1991 AND PUBYEAR < 2025)

Figure 1. Documents by year

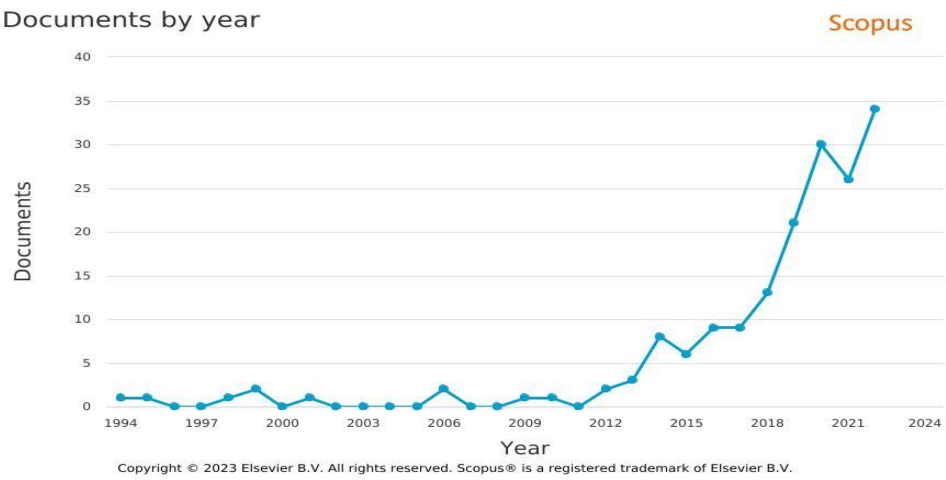
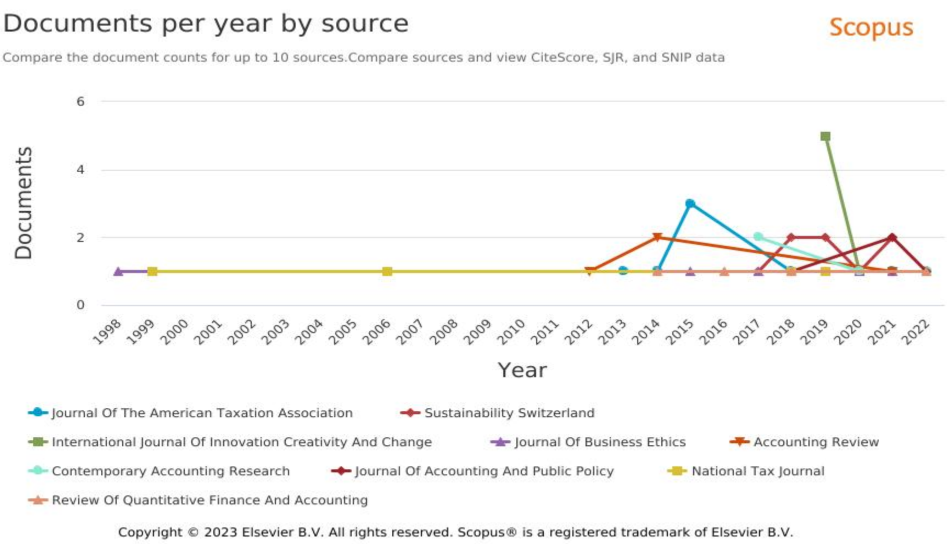


Figure 2. Documents per year by source



Source: Compiled and analyzed by the author based on searches conducted in the Scopus database.

To filter these results and align with the research objectives, several meticulous criteria were implemented:

(1) Publication Dates: Only articles published between 1922 and 2022 were considered to ensure a comprehensive overview, encapsulating the field's evolution.

(2) Document Type: The search was restricted to 'articles' to prioritize academic rigor and peer-reviewed insights.

(3) Source Type: Emphasis was placed on 'journals' to ensure a scholarly perspective.

(4) Language: Only articles published in English were considered to facilitate a coherent analysis.

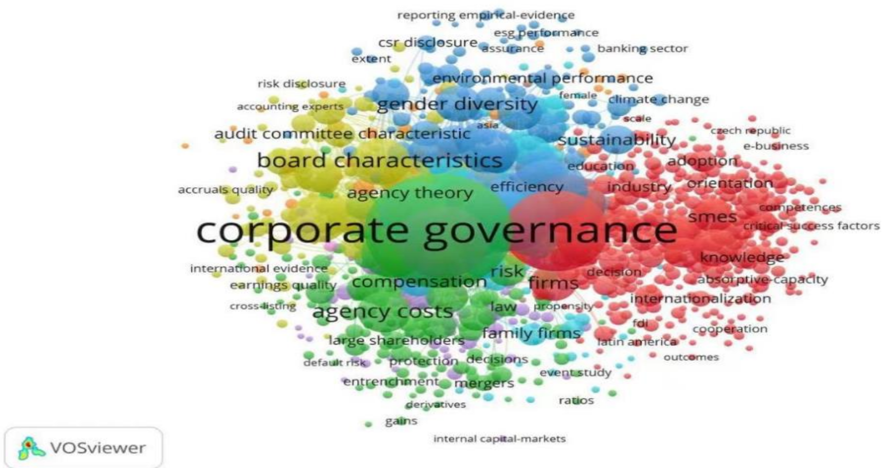
(5) The selection parameter was formulated in the following queries:

(TITLE-ABS-KEY ("tax avoidance") AND TITLE-ABS-KEY ("influence")) AND PUBYEAR > 1991 AND PUBYEAR < 2025 AND (LIMIT-TO (DOCTYPE, "ar")) AND (LIMIT-TO (SRCTYPE, "j")) AND (LIMIT-TO (LANGUAGE, "English"))

4.1.3. The Outcome of the Literature Search

The search's output culminated in a cohesive collection of 97 empirical studies (Figure 3). A comprehensive thematic analysis of these documents unearthed prevailing patterns, insights, and trends. Predominant themes emerged around managerial characteristics, fundamental firm attributes, corporate governance, and their respective trajectories over time.

Figure 3. Tax Avoidance Influencing Factors



Source : Compiled and analyzed by the author based on searches conducted in the Scopus database.

4.1.4 Limitations of Previous Research

The exploration also revealed limitations in the extant literature:

(1) A significant focus is on the first type of agency costs, neglecting the second type.

(2) A lack of comparative perspectives on taxation across institutional contexts.

(3) A strong dependency on tax avoidance measures largely emanated from US academia.

These limitations and insights provided a compelling rationale for the current study, filling essential knowledge gaps.

4.2 Theoretical and Research Framework

4.2.1 Theoretical Framework

Building upon classical tax avoidance theory, the study leverages theoretical insights to construct a nuanced understanding of tax avoidance as a dynamic interplay between firms and states. This theoretical perspective was enriched by dissecting the infamous Enron scandal, which revealed hidden complexities and triggered substantial theoretical reflections.

Two cardinal questions guided the theoretical exploration: who influences tax avoidance, and whether it benefits a firm's shareholders? Subsequent analysis unveiled tax avoidance agency theory, suggesting information asymmetry and potential exploitation of shareholders by information-advantaged managers (Desai and Dharmapala, 2006; Desai *et al.* 2007). This theoretical frame is an anchor, allowing the research to delve into intricate complexities.

4.2.2. Research Framework

Building on the theoretical foundation, a three-factor model affecting tax avoidance was formulated, providing a comprehensive perspective of the phenomenon. These factors include:

(1) Managerial Characteristics: The decision-maker's traits, beliefs, and strategies.

(2) Fundamental Firm Characteristics: The inherent conditions affecting the ability to avoid taxes.

(3) Corporate Governance: The policies, practices, and pressures that guide decision-making.

Simultaneously, the study explores tax avoidance risks across four dimensions, paving the way for a nuanced understanding of tax avoidance's economic consequences:

(1) Tax Risk: The threat to legal and compliance status.

(2) Accounting Information Risk: The risks associated with financial reporting and disclosure.

(3) Reputation Risk: The potential damage to a firm's public image.

(4) Financial Risk: The economic uncertainties stemming from tax avoidance strategies.

In summary, the research framework serves as an analytical tool, guiding the investigation into influencing factors, facilitating robust interpretation, and linking theoretical constructs to empirical observations. It provides the structural backbone, connecting multiple dimensions, enabling the synthesis of diverse insights, and shaping the overarching narrative of this study.

The thorough and multifaceted methodology adopted here ensures the research's rigor, coherence, and relevance, laying a solid foundation for further analysis and interpretation.

5. Analysis

Tax avoidance, a vital aspect of corporate finance, is shaped by various factors. The elements influencing tax avoidance can be categorized into four broad groups. This section provides an overview of these categories and sets the stage for a detailed exploration of each. The rationale for this division is rooted in the understanding that a firm is essentially a contractual coalition of parties aiming to minimize transaction costs (Jensen and Meckling, 1976). Consequently, the nature of firm tax decisions becomes a strategic action the contracting parties take (Chen and Chu, 2005; Lietz, 2013). Managers must, therefore, formulate tax decisions based on a comprehensive evaluation that considers the firm's situation and the interests of all involved parties.

The literature review for this study encompasses 97 empirical articles from the United States, China, and other countries, as displayed in Tables 1, 2, and 3.

Table 1. Summary of literature on factors influencing tax avoidance: Personal characteristics of managers (19 studies)

Authors	Country	Main Findings
Chyz *et al.* (2019)	United States	The relationship between CEO overconfidence and tax avoidance is explored by examining CEO departures. The study finds that CEO overconfidence reduces the extent of corporate tax avoidance.
Custódio and Metzge (2014)	United States	CEOs with financial expertise save on tax costs compared to those without.
Dai *et al.* (2017)	China	Firms tend to abandon aggressive tax avoidance strategies when female members in the executive team or when the proportion of female executives increases, suggesting that executive gender is an important factor influencing firm tax avoidance behavior.
Dyreng *et al.* (2010)	United States	The personal characteristics of senior executives, such as CEOs and CFOs, can significantly influence corporate decisions on tax avoidance behavior.
Francis *et al.* (2014)	United States	The authors compare the change in aggressive firm tax avoidance levels before and after the CFO gender switch. The authors develop the idea that women avoid taxes to a lesser extent than male CFOs.
Francis *et al.* (2016)	United States	Evidence that CEO political beliefs affect firm tax avoidance. The study shows that CEO firms with political affiliations have higher tax avoidance levels than those without.
Hoang *et al.* (2019)	Vietnam	Female CEOs pay higher total taxes and higher tax rates than male CEOs.
Hsieh *et al.* (2018)	United States	The relationship between CEO and CFO overconfidence and tax avoidance was examined, and it was found that overconfident CEOs or CFOs actively avoid taxes. At the same time, the personal relationship between the CEO and CFO also affects the impact of the relationship between the two.
James (2020)	United States	The older the CEO, the higher the firm tax rate, the smaller the tax differences in

Authors	Country	Main Findings
		the accounts, and overall, older CEOs are reluctant to engage in tax avoidance.
Koester *et al.* (2016)	United States	Firms with higher managers' capacity engage in more tax investment behavior.
Law and Mills (2017)	United States	CEOs with military experience pay more taxes, are less aggressive in avoiding taxes, and are less likely to use tax and other tax shelters.
Li *et al.* (2016)	China	CEO power significantly increases the firm's tax avoidance intensity. Still, the positive relationship between CEO power and the firm's tax avoidance intensity diminishes as customer concentration increases, indicating that customers, as external stakeholders of the firm, can play a certain governance role.
Liu and Lu (2015)	China	The study investigates the impact of managerial characteristics such as professional background, education, tenure, age, compensation, and shareholding level among the characteristics of firm managers on firm tax avoidance behavior and finds that personal characteristics of managers significantly affect the extent of firm tax avoidance.
Mcgee *et al.* (2012)	82 countries	Women are more tax-compliant than men and less likely to avoid taxes.
Tran (1998)	Australia	Examining ten years of data for 46 listed firms in Australia between 1983 and 1993, it was found that large firms have a more significant tax differential and bear a lower tax burden than small firms.
Wang and Yang (2019)	China	The stronger the CEO's overconfidence, the higher the level of tax avoidance.
Wen *et al.* (2019)	China	Academic CEOs significantly inhibit firm tax avoidance. The effect of academic CEOs on firm tax avoidance is more prominent in private firms than in state-owned firms. In addition, the inhibitory effect of high-level CEO academic experience on firm tax avoidance is more significant.
Xie and Tian (2014)	China	The more power the CEO has, the more aggressive the firm is in taxation.
Yan and Liao (2018)	China	The existence of an alum relationship between the CEO and CFO significantly contributes to firm tax avoidance, and this effect is more pronounced in areas with higher tax administration intensity. Further, the tax avoidance effect of CEO-CFO alum relationships significantly reduces firm value, especially in regions with high tax administration intensity. Finally, the extended studies find that firms' external financing constraints exacerbate the tax avoidance effect of CEO-CFO alum relationships.

Table 2. Summary of literature on factors influencing tax avoidance: Fundamental characteristics of the firms (23 studies)

Authors	Country	Main Findings
Blaylock *et al.* (2017)	United States	The relationship between tax differences and capital structure is investigated. It is found that the stronger the consistency of tax differences, the higher the proportion of firm debt, *i.e.*, tax avoidance is negatively related to leverage. It is mainly because lower tax differences lead to lower accounting information content and significantly higher equity compensation, forcing firms to choose debt financing.
Cao and Chen (2017)	China	The effects of the accelerated depreciation policy on fixed assets were examined using a difference-in-difference model and propensity score matching method with a sample of A-share manufacturing firms in Shanghai and Shenzhen from 2009 to 2015. The results show that the effect of the accelerated depreciation policy can be summarized as "the pilot firms' innovation investment increased significantly without substantial changes in the scale of fixed asset investment."
Chen *et al.* (2021)	United States	The authors examine several US multinationals with revenues close to zero and find that these firms have targeted income shifting, thereby minimizing global and domestic current taxes.
Dhaliwal *et al.* (1992)	United States	The lower the tax avoidance (the stronger the tax consistency), the higher the firm's leverage, *i.e.*, there is a substitution effect between tax avoidance and financial leverage.
Dyreng and Markle (2016)	United States	The study examines the impact of US multinationals on the amount and cost of repatriating income to the country. The authors find that if the cost of repatriating income to the US grows for US multinationals, they will prefer to keep the income

Authors	Country	Main Findings
		abroad and delay the release of domestic profits to reduce tax costs. It demonstrates that locational factors are among the most important factors influencing tax avoidance.
Frank *et al.* (2009)	United States	The study investigates the correlation between tax avoidance and the quality of accounting information. It controls for the effect of tax loss carryforward, a fundamental characteristic of the firm, on tax avoidance. Still, the results are insignificant, *i.e.*, tax loss carryforward has no significant effect on tax avoidance.
Gupta and Newberry (1997)	United States	The relationship between firm size, financial leverage, firm fundamental characteristics of ROA, and effective tax rate (ETR) is investigated, and it is found that financial leverage is significantly negatively related to tax avoidance, *i.e.*, substitution effect. Meanwhile, RandD expenditures are available for pre-tax deduction, leading to the insufficient incentive for tax avoidance, and the study supports the hypothesis that RandD reduces the degree of tax avoidance.
Han and Liu (2017)	China	Using the data of privately listed firms in GEM from 2013 to 2015 as a sample, the study uses a lagged variable model to test the effects of firm tax burden and add-on deduction policy on RandD investment. Then, the study examines the effects of political affiliation on RandD investment and the moderating role of political affiliation in the relationship between firm tax burden and RandD investment from the perspective of political affiliation. The results show that tax relief promotes RandD investment, and tax deduction policy generates a tax avoidance incentive effect.
Hope *et al.* (2013)	United States	The study investigates the relationship between the quality of accounting information reported on the earnings distribution of US multinational firms and firm tax avoidance. The results show that the quality of earnings accounting information is negatively related to tax avoidance, *i.e.*, lower-quality accounting information tends to hide unfavorable details on multinational firms, leading to a decline in the quality of accounting information. Furthermore, the authors controlled for the tax loss carry and its change value during the study in the current period. They found that both were significantly and negatively related to tax avoidance, *i.e.*, they supported the substitution effect of the credit for tax avoidance.
Liu *et al.* (2019)	China	Chinese investment firms domiciled in tax avoidance havens have significantly lower parent firm profits than other firms. It suggests that Chinese firms investing in tax avoidance havens are likelier to commit tax avoidance.
Markle and Shackelford (2012)	82 countries	The authors examined the firm tax burden in 82 countries worldwide. They found that Japanese firms had the highest taxes and multinational firms domiciled in tax havens had the lowest taxes, indicating that location is an important factor influencing tax avoidance.
Rego (2003)	United States	The study examined whether US multinational firms have a scale effect on tax avoidance. The results showed that the larger the size of the multinational firm, the lower the tax. These findings suggest that MNCs can use the complex resources of MNCs for tax avoidance to form a scale advantage.
Richardson and Lanis (2007)	Australia	Using Australian data to examine the relationship between firm size, financial leverage, RandD expenditures, and tax avoidance, the authors find a negative relationship between financial leverage and tax avoidance.
Richardson and Roman (2007)	Australia	The study selected a sample of Australian-listed firms from 1997 to 2003. After controlling for other factors affecting tax avoidance, they found that the larger the firm, the lower its effective tax rate.
Tran (1998)	Australia	Examining ten years of data for 46 listed firms in Australia between 1983 and 1993, it was found that large firms have a more significant tax differential and bear a lower tax burden than small firms.
Wang and Guo (2019)	China	Based on the capital structure trade-off theory, the impact of listed firms' tax avoidance on their capital structure was investigated. The conclusions show a significant negative relationship between tax avoidance and the gearing ratio of listed firms, and the hypothesis of substitution effect is confirmed. Furthermore, significant industry differences exist in the degree of tax avoidance and its impact on the gearing ratio. The degree of tax avoidance and its impact on the capital structure of non-state-owned enterprises is greater than that of state-owned enterprises.

Authors	Country	Main Findings
Wang *et al.* (2010)	China	Taking the firm income tax reform as an opportunity, the study first examines the impact of exogenous changes in firm income tax law on firm capital structure. Then, it tests the applicability of the Western debt tax shield and capital structure theory in China. It was found that after the income tax reform, firms with lower tax rates significantly reduced their debt levels. In comparison, firms with higher tax rates significantly increase their debt levels. The "tax shield with investment" obtained from the income tax reform is negatively related to the change in debt levels, which aligns with the theoretical expectation of the "substitution effect."
Wu *et al.* (2013)	China	Using a sample of Chinese GEM-listed firms from 2008 to 2011, the study investigates the effect of taxation on RandD activities. The authors argue that firms with higher tax burdens may be more inclined to invest in fixed assets to obtain external funds and enjoy the benefit of the pre-tax deduction for interest, thus reducing the investment in RandD activities, which supports the crowding-out effect.
Hossain and Mitra(2023)	United States	The corporate headquarters plays a pivotal role in information exchange, corporate governance, and strategic decision-making. The location of the headquarters may reduce tax avoidance by enhancing oversight and mitigating information asymmetry.
Nerudova *et al.* (2023)	European Union	The disparity between offshore and onshore tax rates in EU countries has a significant impact on tax avoidance. The greater the tax rate difference, the higher the degree of corporate tax avoidance.
Lei *et al.* （2023）	28 Countries and Regions	The higher the corporate carbon emissions, the greater the tax burden, while companies engaged in emission reduction enjoy lower tax liabilities. This relationship is more pronounced in countries that have implemented carbon taxes and boasts high media freedom, judicial independence, and sound legal frameworks.
Guo *et al.* (2024)	China	The development of digital finance is negatively correlated with corporate tax avoidance, and this effect is more pronounced in highly profitable and non-state-owned enterprises. There is a complementarity between digital finance and modern corporate governance mechanisms.
Chen *et al.* (2024)	China	An analysis was conducted on the impact of corporate digital transformation on tax avoidance, exploring how digital transformation reduces tax avoidance by lowering agency costs and increasing media and analyst attention.

Source: Compiled and analyzed by the author based on searches conducted in the Scopus database.

Table 3. Summary of literature on factors influencing tax avoidance: Corporate governance (55 studies)

Authors	Main Findings
Allen *et al.* (2016)	Firms with higher analyst attention are also less aggressive in their tax avoidance.
Allam *et al.* (2023)	The relationship between national culture and tax evasion reveals that cultural traits such as power distance and collectivism are positively correlated with levels of tax evasion.
Athira and Ramesh(2024)	The higher the uncertainty in economic policy, the greater the degree of corporate tax avoidance. However, in environments with higher governance levels, such as developed countries and companies subject to stricter auditing standards, the influence of economic policy uncertainty on tax avoidance is diminished. In unconstrained firms, this effect is more pronounced.
Badertscher *et al.* (2010)	The higher the proportion of private equity, the higher the degree of firm tax avoidance, indicating that private equity has a supervisory role in promoting firm tax avoidance and improving firm value.
Bauer (2014)	Firms with tax-related internal control deficiencies have lower levels of tax avoidance relative to other firms.
Brown *et al.* (2013)	Increasing bonus incentives for CEOs and CFOs can significantly reduce a firm's cash tax rate.
Cen *et al.* (2017)	Firms with close customer-supplier relationships can implement more tax avoidance. In addition, the quality of internal controls can also affect the level of firm tax avoidance.
Chen and Lin (2017)	Firms with higher analyst attention are also less aggressive in their tax avoidance.

Authors	Main Findings
Chen *et al.* (2010)	Tax avoidance is lower in family firms compared to non-family firms. It suggests that family firms are more concerned about the family reputation and long-term firm growth and are, therefore, reluctant to implement more tax avoidance.
Chen *et al.* (2016)	State-owned firms significantly reduce the level of tax avoidance during economic downturns. The greater the policy uncertainty, *i.e.*, the higher the risk that the central government replaces local government officials, the greater the incentive for firms to reduce their tax costs.
Chen *et al.* (2018)	The policy lowered pre-tax income rates and weakened politically connected firms' pre-tax income.
Cheng *et al.* (2012)	The higher the ratio of hedge fund holdings, the higher the degree of firm tax avoidance, indicating that private equity has a supervisory role in promoting firm tax avoidance and enhancing firm value.
Chircop *et al.* (2022)	The authors base their findings on Italian anti-mafia police operations as shock events that led to the disappearance of mafia firms. In addition, they found that peers reduced their tax avoidance behavior after these operations. Overall, government enforcement actions promote orderly competition in product markets and thus influence corporate tax avoidance behavior.
Chyz *et al.* (2013)	Firms with higher unionization have lower tax avoidance.
Deng *et al.* (2019)	Firms that receive more government subsidies reduce tax avoidance.
Desai and Dharmapala, (2006)	An increase in managers' incentives reduces firm tax avoidance based on an agency theory framework.
Eli *et al.* (2018)	There has been a significant decrease in firm tax avoidance in Israel after introducing a whistleblower mechanism for employees to report firm tax evasion.
Fan and Tian (2016)	The authors find that compared to locally promoted leaders, it is difficult to establish and maintain short-term government-business relationships in firms under outwardly transferred leaders, resulting in lower tax avoidance.
Feng *et al.* (2024)	Local gambling preferences are positively correlated with tax avoidance, a relationship that manifests through the weakening of corporate social responsibility, increased risk-taking capacity and reduced sensitivity to reputational damage.
Gaidi and Hu (2012)	A lower nominal tax rate leads firms to shift profits to years with lower tax rates to implement avoidance.
Gallemore and Labro (2015)	Firms with higher firm information environments have higher levels of tax avoidance and lower risk. To examine the effect of the accounting information environment on tax avoidance.
Henry *et al.* (2016)	Firms with high customer concentration have higher levels of tax avoidance.
Hill *et al.* (2013)	Firms engaged in tax-related political lobbying paid less in taxes.
Hogan and Noga (2015)	The higher the fee the firm pays for the auditor's tax services, the higher the level of firm tax avoidance and the corresponding lower tax risk.
Hoopes *et al.* (2012)	Increased IRS enforcement reduces the intensity of firm tax avoidance.
Huseynov *et al.* (2017)	Firms with lower levels of tax avoidance significantly increase their level of tax avoidance after being included in the SandP 500 index system.
Jiang *et al.*(2024)	There is a significant negative correlation between ESG performance and tax avoidance, particularly pronounced in regions with underdeveloped technology, companies with high agency costs, and those with lower audit quality.
Kanagaretnam *et al.* (2016)	Firms audited by international "Big Four" audit firms are less likely to engage in tax avoidance than other firms.
Kubick *et al.* (2016)	Firms with aggressive tax avoidance practices are more likely to receive a tax comment letter from the Securities and Exchange Commission. Firms receiving comment letters reduce their tax avoidance in anticipation of increased tax costs.
Lampenius *et al.* (2021)	Based on how the adoption of the two major tax reform acts of the United States, the Tax Reform Act of 1986 and the Tax Cuts and Jobs Act of 2017, affects the strategic choice of tax avoidance behavior of American multinational firms, the author uses the measurement method of separating tax rate and tax base to find that after the adoption of the two major acts, firm tax avoidance has changed significantly, indicating the important impact of government behavior on firm tax avoidance.
Li and Xu (2009)	The government-business relationship helps firms avoid tax avoidance. The

Authors	Main Findings
	positive effect of the government-business relationship is prominent when the government faces significant economic growth and fiscal pressure.
Li *et al.* (2016)	There is a significant positive relationship between board member similarity and tax avoidance. In addition, the authors also find that social donations significantly reduce the firm tax burden and are more pronounced for politically connected private firms.
Li *et al.* (2019)	Higher compensation incentives in private firms and firms with greater managers' power promote a degree of tax avoidance. Conversely, the effect of compensation incentives on the degree of tax avoidance is weaker for state-owned firms and firms with fewer managers' power.
Li *et al.* (2022)	Employee wages positively correlate with the degree of firm tax avoidance.
Liu and Wu (2014)	Tax avoidance is lower among SOEs in typhoon-prone locations, suggesting that government finances can influence firm tax decisions.
Liu *et al.* (2010)	The higher the degree of managers' incentives, the higher the firm tax avoidance.
Li (2024)	The tax incentives for managers are significantly positively correlated with their motivation for tax avoidance, indicating that management deliberately engages in tax avoidance.
Long *et al.*(2024)	Equity structure significantly affects tax avoidance. The study examined the influence of ownership structures, where both state-owned and non-state-owned shareholders coexist, on tax avoidance. It found that when the controlling shareholder is non-state-owned, tax avoidance is higher, whereas when the controlling shareholder is state-owned, tax avoidance is lower.
McGuire *et al.* (2011)	Firms with a higher degree of separation of DCS have lower levels of tax avoidance.
McGuire *et al.* (2012)	Firms with higher auditor industry expertise had higher levels of tax avoidance.
Mill and Newberry (2011)	Tax differences are more minor for publicly traded firms than for unlisted firms. Thus, firms with a public ownership structure have higher tax avoidance generation costs. Dual-Class Share Structure (DCS) is a unique ownership structure that separates cash and control rights. A greater degree of separation in a DCS means greater insider control, and comfort can lead to an insider's reluctance to make efforts to implement tax avoidance.
Powers *et al.* (2016)	The study examines how firm CEO incentives affect firm tax avoidance. The results find that CEO incentives significantly affect firms' adoption of different tax avoidance strategies. For example, firms using cash flow metrics report lower GAAP and cash effective tax rates than firms using earnings metrics
Rego and Wilson (2012)	Increasing the degree of CEO equity incentives induces them to adopt more aggressive tax avoidance, leading to an increase in the firm's tax exposure, suggesting that compensation incentives are an important factor influencing the degree of aggressiveness of CEOs in implementing tax avoidance.
Rego and Wilson (2012)	Increasing the degree of CEO equity incentives induces them to adopt more aggressive tax avoidance, leading to an increase in the firm's tax exposure, suggesting that compensation incentives are an important factor influencing the degree of aggressiveness of CEOs in implementing tax avoidance.
Richardson *et al.* (2015)	The higher the board independence, the higher the degree of tax avoidance.
Robinson *et al.* (2010)	Profit centers for firm tax departments have a lower effective tax rate than using cost centers for assessment. It suggests that profit center assessment can effectively incentivize tax department managers to actively engage in tax planning to increase firm value rather than just strict cost control.
Tan and Du (2015)	The authors investigate the correlation between internationalized boards and tax avoidance. They find that hiring expatriates as directors enabled them to monitor managers' self-interested and aggressive tax behavior, resulting in lower levels of tax avoidance than other firms.
Wang *et al.* (2009)	The market can identify tax avoidance behavior triggered by tax reform and positively respond to firms that adjust their profits. In addition, Wang (2014) finds that profit shifting due to tax reform is mainly concentrated in non-state firms and firms with a high proportion of managers' ownership.
Wang *et al.* (2010)	Private firms use the debt tax shield and employ more tax avoidance behaviors.

Authors	Main Findings
Wu (2009)	Lower levels of tax avoidance for state-owned firms relative to private firms.
Wu *et al.* (2009)	Firm tax avoidance intensity is lower when firm executives have a background in government service than other firms.
Wongsinhirun *et al.*(2024)	Companies where managers hold more shares, exhibit lower levels of tax avoidance, supporting the view that agency conflicts primarily drive tax avoidance.
Yong and Chao (2020)	Higher comparability of accounting information about firms makes it easier for investors to monitor managers' tax avoidance behavior, thus effectively reducing aggressive firm tax avoidance.
Zhang *et al.* (2018)	The closer the distance between the firm and the tax office, the higher the firm's tax avoidance level.
Zheng and Han (2008)	Lower levels of tax avoidance for state-owned firms relative to private firms.
Zhu*et al.* (2023)	During the pandemic, tax avoidance activities surged, especially in cases where International Financial Reporting Standards were adopted and in environments with higher levels of social trust.

Source: Compiled and analyzed by the author based on searches conducted in the Scopus database.

5.1. Managerial Personal Characteristics

Managerial personal characteristics form the first category of factors influencing tax avoidance. It involves traits, beliefs, ethics, risk preferences, and experiences of the managers in a firm.

Managerial idiosyncrasies critically inform approaches to tax planning and compliance. For instance, a manager's risk-averse disposition may constrain aggressive tax optimization strategies, while ethical predilections could prioritize adherence to explicit and implicit legal frameworks.

Recognizing the idiosyncratic traits of managers is pivotal for comprehending the nuanced decision-making processes that underlie corporate tax avoidance strategies. Varied interpretations of identical operational opportunities and limitations by different managers engender divergent tax avoidance tactics. Therefore, managerial attributes constitute a salient lens for dissecting the multifaceted phenomenon of corporate tax avoidance.

This section has furnished a cursory examination of managerial attributes' role in tax avoidance. Ensuing sections will explore other determinants, namely fundamental organizational traits, governance structures, and ancillary factors influencing tax avoidance behavior.

Managerial characteristics significantly influence a firm's tax avoidance strategies, as confirmed by upper echelons theory (Hambrick and Mason, 1984; Hambrick, 2007). Managers hold key decision-making roles within firms (Jensen and Meckling, 1976), and their "Tone at the Top" can shape tax-related behavior (Dyreng *et al.* 2010).

5.1.1 Gender and Risk Aversion

Gender is a well-studied demographic variable that impacts tax avoidance (Mcgee *et al.* 2014). Female managers generally exhibit less aggressive tax behavior due to social conditioning (McGee and Cohn, 2008), lower average age and experience (Klapper and Parker, 2010), and higher risk aversion (Byrnes *et al.* 1999; Swamy *et al.* 2001; Faccio, 2016). However, research by Dyreng *et al.* (2010) suggests that gender may not significantly impact corporate tax avoidance, differing from individual-level findings (Mcgee *et al.* 2012).

5.1.2. Managerial Expertise

Managerial expertise in finance can optimize tax costs effectively (Custódio and Metzger, 2014). Competent managers facilitate proactive tax-saving measures and lower tax rates (Koester *et al.* 2016).

5.1.3. Political and Ethical Stances

Managers' political leanings and ethical backgrounds also influence tax behavior. Ethical considerations make CEOs with military experience less tax-averse (Law and Mills, 2017). Firms with Democratic-leaning CEOs are more tax-averse than those with Republican CEOs (Francis *et al.* 2016).

5.1.4. Personality Traits

Overconfident managers are more prone to tax avoidance (Chyz *et al.* 2019; Hsieh *et al.* 2018). In contrast, managers with academic backgrounds are generally more risk-averse and less likely to engage in tax avoidance (Wen *et al.* 2019).

5.1.5. Managerial Power and Internal Relationships

Increased managerial power correlates with lower tax avoidance (Xie and Tian, 2014; Li *et al.* 2016). Alum connections between CEOs and CFOs can elevate tax avoidance within the firm (Yan and Liao, 2018).

5.1.6. Additional Factors

Other factors such as age, tenure, and education have been studied but show inconsistent effects on firm tax avoidance (Liu and Lu, 2015).

5.1.7. Regional Contexts

In China, female managers and high female workforce participation correlate with lower aggressive tax avoidance (Dai *et al.* 2017). Overconfident managers in China tend to favor aggressive tax strategies (Wang and Yang, 2019).

In summary, managerial characteristics are critical in shaping a firm's tax avoidance strategies. While traits like gender and expertise have more consistent impacts, other factors like political beliefs, power dynamics, and internal relationships offer more nuanced effects.

5.2. Influence of Fundamental Firm Characteristics on Corporate Tax Decisions

The literature on corporate tax decisions is abundant, with studies that use fundamental firm characteristics as control variables in regression models. These characteristics are instrumental in determining a firm's proclivity toward tax avoidance. Among these are firm size, leverage, profitability, tax loss carryforwards, investment activities, and locational factors.

5.2.1. Firm Size and Tax Avoidance

Existing literature offers conflicting viewpoints on the influence of firm size on tax avoidance. Some studies argue that larger firms are better equipped to lobby for tax benefits, leading to more significant tax avoidance (Stickney and Mcee, 1982; Tran, 1998; Richardson and Roman, 2007). On the contrary, others argue that larger firms may engage in less tax avoidance due to increased public scrutiny and political costs (Watts and Zimmerman, 1986; Rego, 2003).

5.2.2. Leverage as a Determining Factor

Leverage, represented by the ratio of a firm's debt to its equity, also has a nuanced impact on tax avoidance. While some studies claim that firms with higher leverage ratios are less likely to seek other avenues of tax avoidance due to the tax-shielding effects of debt (Modigliani and Miller, 1963; DeAngelo and Masulis, 1980; Tucker, 2006), others find a negative correlation between leverage and tax avoidance (Dhaliwal *et al.* 1992; Gupta and Newberry, 1997; Richardson and Lanis, 2007).

5.2.3. Profitability and Its Impact

Profitability also weighs heavily on tax avoidance. Some literature suggests that more profitable firms are motivated to avoid more taxes to maximize their earnings (Rego, 2003; Dunbar *et al.* 2010). In contrast, others argue that higher profitability could result in higher effective tax rates, thus discouraging tax avoidance (Gupta and Newberry, 1997; Richardson and Lanis, 2007).

5.2.4. Influence of Tax Loss Carryforwards and Investment Activities

Tax loss carryforwards can encourage and discourage tax avoidance (Frank *et al.* 2009; Hope *et al.* 2013). Similarly, a firm's investment activities can affect its tax avoidance strategies. Capital-intensive firms and those with significant RandD expenditures may enjoy tax benefits that influence their tax avoidance activities (Stickney and McGee, 1982; Gupta and Newberry, 1997).

5.2.5. The Role of Location Factors

The location also has a substantial impact. Firms with a more significant international presence, especially in tax havens (Dyreng and Markle, 2016; Chen *et al.* 2021; Markle and Shackelford, 2012)., the greater the disparity between offshore and onshore tax rates (Nerudova *et al.* 2023), the more pronounced the impact on tax avoidance, Tend towards higher levels of tax avoidance. Additionally, the location of corporate headquarters plays a crucial role in tax avoidance. Hossain and Mitra (2023) found that companies headquartered near urban areas engage in fewer tax avoidance activities, whereas those located farther from cities exhibit higher levels of tax avoidance. This is attributed to the increased scrutiny from analysts and media in urban areas, which heightens the perceived tax risk.

5.2.6. Other Characteristics

Companies that actively engage in energy-saving and emission-reduction efforts are eligible for tax incentives, thereby reducing tax avoidance (Lei *et al.* 2023). Additionally, the widespread development of digital technologies (Chen *et al.* 2024; Guo *et al.* 2024) may further diminish corporate tax avoidance.

5.2.7. Chinese Context: A Gap in Research

While the existing literature essentially controls for these factors, studies specifically focusing on the Chinese context are limited. However, some noteworthy studies have been conducted. Wang and Guo (2019) found that higher leverage levels reduced tax avoidance in Chinese firms. Research on RandD expenditures in China indicates a positive relationship with tax avoidance (Han and Liu, 2017; Wu *et al.* 2013). Studies have also shown that location factors significantly influence Chinese firms' tax avoidance (Liu *et al.* 2019).

In summary, while each fundamental characteristic has been shown to affect a firm's tax avoidance strategies, the relationship is complex and can vary by jurisdiction and other contextual factors. Further research is needed, particularly within the Chinese context, to more comprehensively understand these relationships.

5.3. The Role of Corporate Governance in Tax Avoidance

Corporate governance is a critical variable in shaping a firm's approach to tax avoidance, given its broad impact on various stakeholders such as managers, investors, government bodies, and tax auditors (Slemrod, 2004; Chen and Chu, 2005). Unlike personal tax decisions, which primarily involve individuals and tax authorities, corporate tax decisions are influenced by a complex web of stakeholders, each with distinct interests.

The foundation of this complexity can be traced back to the agency theory, which posits a fundamental divide between firm owners and managers (Jensen and Meckling, 1976). While managers, as insiders, possess decision-making authority and informational advantages, other stakeholders act as outsiders. These outsiders may have concerns about potential malfeasance or neglect on the part of insiders, heightening the need for robust corporate governance as a protective measure.

Accordingly, effective corporate governance mechanisms can align a firm's strategic choices, including its approach to tax avoidance, with stakeholders' expectations. Such mechanisms function through a combination of incentives and oversight structures. Key dimensions explored in the current literature that influence corporate tax avoidance include compensation structures, board composition, ownership patterns, market pressures, the role of auditors, the influence of employees, government policies, and the importance of accurate accounting information (Hanlon and Heitzman, 2010; Lietz, 2013; Jost and Patrick, 2019).

Given that governance systems can vary greatly depending on the economic context, the impact of these dimensions is not uniform across all firms. This paper will review how these factors shape tax avoidance in developed economies like the United States and extend the discussion to emerging markets, focusing on Chinese firms.

5.3.1. The Impact of Compensation Incentives on Corporate Tax Avoidance

The role of compensation incentives in shaping corporate tax avoidance has been a subject of ongoing debate, with varying viewpoints on whether and how such incentives influence tax behavior at the managerial level.

(1) Differing Roles for Middle and Top Managers

One school of thought argues that compensation incentives are particularly effective in motivating middle-level managers - such as tax directors and regional managers—to engage in tax avoidance activities (Phillips, 2003; Robinson *et al.* 2010; Armstrong *et al.* 2012). For instance, Robinson *et al.* (2010) found that firms adopting profit-center assessments for their tax departments have lower effective tax rates than those using cost centers. This suggests that compensation based on profit outcomes encourages tax directors to seek tax-saving measures proactively. Armstrong *et al.* (2012) reinforced this by showing that tax directors could significantly reduce accrual-based tax rates when given amplified incentives.

However, the same studies found mixed results for top-level managers. While Phillips (2003) argued that performance incentives for divisional managers can significantly lower a firm's effective tax rate, no similar correlation was found for CEOs. This implies that middle managers may be more responsive to tax avoidance incentives than their top-level counterparts.

(2) The Contingency of Top-Level Incentives

Contrastingly, other research (Rego and Wilson, 2012; Brown *et al.* 2013; Powers *et al.* 2016) contends that incentives for top-level executives like CEOs and CFOs can foster more aggressive tax avoidance strategies. For example, Rego and Wilson (2012) found that increased CEO equity incentives correlated with increased tax avoidance measures. Powers *et al.* (2016) further nuanced this by suggesting that the type of incentive matters; CEOs driven by cash flow metrics engaged in lower tax accruals than those guided by accounting earnings. Similarly, Li (2024) found that tax avoidance incentives can prompt CEOs to direct more resources toward expanding the company's tax department, thereby increasing the level of tax avoidance.

(3) The Complexity of Incentives and Governance

However, some research counters these perspectives by arguing that heightened incentives do not necessarily lead to increased tax avoidance. Desai *et al.* (2007) use agency theory to suggest that while tax avoidance can enhance shareholder wealth, excessive incentives could deter managers from such practices, especially in firms with weaker corporate governance. Wongsinhirun (2024) argues that tax avoidance may serve as a facade for the rent-seeking behavior of insiders like CEOs. Thus, when management is provided with sufficient incentives, it aligns the CEO's interests with those of the company, thereby reducing the likelihood of the CEO exploiting tax avoidance for personal gain. Interestingly, Armstrong *et al.* (2015) proposed an inverted U-shaped relationship between managers' incentives and tax avoidance, indicating that the effect of incentives can vary based on existing levels of tax avoidance.

While compensation incentives undeniably play a role in corporate tax decisions, the extent of their impact appears contingent on various factors, including the level of management targeted and the firm's governance structure. These diverging viewpoints indicate that there is no one-size-fits-all approach to using incentives to guide tax avoidance behavior, thus warranting a more nuanced understanding and application of compensation incentives in corporate governance.

5.3.2. The Role of Board Structure in Corporate Tax Avoidance

The influence of a firm's board of directors on corporate tax avoidance can be examined from two contrasting perspectives. Elected by stakeholders by legal regulations, the board plays a pivotal role in delegating, motivating, and supervising managerial responsibilities (Fama and Jensen, 1983).

(1) Active Oversight for Increased Tax Avoidance

The first perspective argues that an effective board should proactively oversee managerial initiatives to increase tax avoidance (McClure *et al.* 2018; Jost and Patrick, 2019). This view is especially pertinent for firms in financial distress or at risk of insolvency, where aggressive tax avoidance strategies can result in much-needed tax savings. Richardson *et al.* (2015) support this viewpoint by establishing a positive correlation between board independence and the extent of tax avoidance; the more independent the board, the higher the likelihood of aggressive tax avoidance tactics.

(2) Supervision for Regulatory Compliance

The second perspective, in contrast, asserts that an independent board is more likely to ensure that managers adhere strictly to tax laws and regulations (Finkelstein and Mooney, 2003; Adams and Ferreira, 2007). In this view, board independence checks against overly aggressive tax avoidance strategies that skirt the edge of legality or veer into tax evasion.

In summary, the board's role in influencing corporate tax avoidance can be seen as a balance between active oversight for maximizing tax benefits and rigorous supervision for maintaining compliance with laws and regulations. While an independent board may be more proactive in tax avoidance under certain conditions, its primary function remains to ensure managerial actions align with stakeholders' interests and regulatory norms.

5.3.3. Influence of Ownership Structure on Corporate Tax Avoidance

Ownership structure plays a crucial role in corporate governance, particularly in shaping a firm's approach to tax avoidance. Different types of owners may have varying incentives and impacts on the company's tax strategies.

(1) Institutional Investors and Tax Avoidance

Institutional investors, such as private equity firms and hedge funds, are often vested in maximizing the economic benefits of tax avoidance due to their specialized governance knowledge (Bushee, 1998; Chung *et al.* 2002). Studies by Badertscher *et al.* (2010) and Cheng *et al.* (2012) demonstrate a positive correlation between institutional ownership and aggressive tax avoidance tactics. However, it is essential to note that such aggressive strategies may also result in non-tax costs, such as damage to the firm's reputation (Hanlon and Heitzman, 2010).

(2) Nature of Ownership and Tax Avoidance

On the one hand, compared to state-owned enterprises, family-owned businesses bear full financial responsibility, which gives them a stronger incentive to engage in higher levels of tax avoidance (Long *et al.* 2024). However, on the other han, family-owned firms appear less inclined to engage in aggressive tax avoidance, prioritizing family reputation and long-term business sustainability instead (Chen *et al.* 2010). These firms demonstrate that pursuing aggressive tax avoidance strategies is not universal across all ownership structures.

(3) Publicly-Traded vs. Unlisted Firms

Publicly traded firms generally exhibit a higher degree of tax avoidance than unlisted firms, potentially raising questions about the quality of their financial disclosures (Hanlon *et al.* 2005; Lennox *et al.* 2012). Supported by research from Hanlon *et al.* (2007), these suspicions are further validated by the observation that publicly traded firms have fewer tax adjustment errors, suggesting that these firms may be more capable of successfully engaging in tax avoidance. Mills and Newberry (2011) add another layer to this by noting that the cost of generating tax avoidance is generally higher for publicly traded firms due to the smaller tax disparities they experience.

(4) Dual-Class Share Structure (DCS) and Tax Avoidance

The Dual-Class Share Structure (DCS), which separates cash flow rights from control rights, also has implications for tax avoidance. Firms with a higher degree of separation in DCS tend to engage less in tax avoidance activities (McGuire *et al.* 2011). This could be attributed to the stronger insider control in such structures, which might reduce the inclination to pursue aggressive tax strategies.

In summary, the ownership structure can significantly influence a firm's approach to tax avoidance, with institutional investors typically favoring more aggressive strategies, family-owned firms opting for caution, and publicly-traded firms facing unique challenges and costs. The type of ownership can serve as an indicator of the likely direction and extent of a company's tax avoidance activities.

5.3.4. The Role of Market Pressure in Corporate Tax Avoidance

Market pressure is a significant governance variable, shaping how firms approach tax avoidance. The market's perception of a firm's tax behavior can sway corporate decisions, from affecting competitiveness to influencing reputational risk and transparency.

(1) Market Perceptions and Competitive Edge

On one hand, companies that engage in lower levels of tax avoidance are often perceived as less competitive in the market (Slemrod, 2004). Supporting this idea, Huseynov *et al.* (2017) found that after inclusion in the SandP 500 index, firms tend to increase their level of tax avoidance, suggesting that market expectations influence corporate tax behavior.

(2) Reputational Risks and Agency Costs

On the flip side, excessive tax avoidance comes with its own set of drawbacks. Firms engaged in high levels of tax avoidance may experience increased agency costs and can risk damaging their reputation significantly (Desai and Dharmapala 2006; Desai *et al.* 2007).

(3) Analysts' Influence on Transparency and Tax Avoidance

As key market players, analysts wield substantial influence over corporate tax decisions by interpreting and projecting tax-related information to investors (Allen *et al.* 2016; Chen and Lin, 2017). According to Allen *et al.* (2016), analysts can help bridge the information gap between a firm's internal and external stakeholders, thereby enhancing transparency. This improved clarity makes it more challenging for firms to engage in concealed tax avoidance activities.

(4) Impact of Decreased Analyst Attention

Interestingly, firms may escalate their tax avoidance efforts when analyst attention wanes. Allen *et al.* (2016) observed increased tax avoidance in firms that experienced diminished analyst attention due to exogenous events. Similarly, Chen and Lin (2017) noted a spike in tax avoidance when firms received less attention from analysts, a more pronounced trend in high-reputation firms.

Market pressures, encapsulating market perception, reputational risks, and analyst scrutiny significantly shape corporate attitudes and actions toward tax avoidance. Firms often adapt their tax strategies to these pressures, highlighting the complex interplay between market forces and corporate tax behavior.

5.3.5. Role of Auditors in Corporate Tax Avoidance

Auditors play a critical role in shaping a firm's approach to tax avoidance by ensuring the integrity and accuracy of financial reports (DeAngelo, 1981). Since tax information is chiefly disseminated through financial statements, the role of auditors extends beyond mere compliance to influencing corporate tax strategies.

Auditors face a dual incentive structure. On the one hand, they aim to uphold their reputation and avoid litigation risks by advocating for sound tax strategies (DeAngelo, 1981; Hanlon and Heitzman, 2010). This is especially true for international "Big Four" auditing firms, whose clients are found to engage in less aggressive tax avoidance than others (Kanagaretnam *et al.* 2016). On the other hand, auditors also derive substantial non-audit service fees from providing tax services, presenting a potential conflict of interest.

Adding complexity to this dual role, specialized auditors can leverage their expertise to reduce the firm's tax burden. Studies show that firms audited by industry experts engage in higher levels of tax avoidance (McGuire *et al.* 2012). Furthermore, the quality and extent of tax services directly relate to auditors' fees. Hogan and Noga (2015) found a positive correlation between the fees for auditor tax services and the firm's tax avoidance levels, suggesting that more expensive tax services often result in more aggressive tax avoidance strategies.

Therefore, auditors serve as a balancing act between limiting risky tax avoidance practices and leveraging their tax expertise to benefit the firm. Their role is shaped by the tension between upholding their professional reputation and capitalizing on lucrative service fees.

5.3.6. Employee Influence on Corporate Tax Avoidance

Employees hold a unique position in influencing the firm's approach to tax avoidance. While they do not bear the direct financial risks associated with the firm's activities, as shareholders do, their interests primarily lie in timely wage payments and benefit improvements rather than engaging in risky corporate behaviors (Faleye *et al.* 2006).

Several studies shed light on how employees and labor unions shape the firm's tax policies. For instance, introducing a whistleblower mechanism in Israel led to a notable decline in tax avoidance activities within firms (Eli *et al.* 2018). This suggests that employees when empowered, can act as internal checks against aggressive tax avoidance measures. Labor unions further amplify this employee influence. Chyz *et al.* (2013) found that a higher degree of unionization within a firm is correlated with reduced tax avoidance activities, indicating that collective labor power can serve as a moderating factor.

However, this influence is not always directed toward reducing tax avoidance. In a study examining the impact of rising minimum wages in various Chinese provinces, Li *et al.* (2022) found that increased wage costs drive firms to escalate their tax avoidance practices. The study highlights that external factors affecting employee compensation can indirectly stimulate a firm's pursuit of aggressive tax strategies.

Therefore, employees and labor unions serve as important governance mechanisms, shaping the firm's tax practices by acting as internal watchdogs or creating conditions that drive tax strategies. Their influence is complex, both a potential constraint and an accelerator for different forms of corporate tax avoidance.

5.3.7. The Government's Role in Shaping Firm Tax Avoidance

As a significant minority shareholder in firms, the government exerts a powerful influence over corporate tax avoidance through legislation and regulatory enforcement (Desai *et al.* 2007). In addition to mandating dividend payouts according to specific regulations (Slemrod *et al.* 1992), governmental agencies like the IRS and the Securities and Exchange Commission (SEC) play a critical role in monitoring and controlling firm taxation. For example, heightened IRS enforcement was shown to reduce firm tax avoidance (Hoopes *et al.* 2012). Similarly, Kubick *et al.* (2016) found that firms with aggressive tax avoidance were more likely to receive tax comment letters from the SEC, which often reduced tax avoidance activities, given the anticipated higher tax-related costs.

Interestingly, firms are not merely passive actors in this process. Evidence suggests that lobbying can effectively obtain favorable tax legislation (Siegfried, 1974; Stickney and McGee, 1982). Hill *et al.* (2013) revealed that companies involved in tax-related political lobbying were generally subject to lower tax liabilities, illustrating how firms can actively shape government policy to benefit their tax positions.

Moreover, major legislative acts can catalyze strategic changes in tax avoidance behaviors. A case in point is the study by Lampenius *et al.* (2021), which examined the impact of two significant US tax reform acts—the Tax Reform Act of 1986 and the Tax Cuts and Jobs Act of 2017—on US multinational firms. The study found noteworthy shifts in tax avoidance strategies in response to these legislative changes, underscoring the government's considerable influence in shaping corporate tax practices.

In sum, the government plays a dual role as an enforcer and a legislator in influencing corporate tax avoidance. It curtails excessive tax avoidance through regulatory bodies and catalyzes strategic shifts in tax avoidance behavior through its legislative actions.

5.3.8. The Influence of Upstream and Downstream Relationships on Tax Avoidance

Besides the governance mechanisms that affect a firm's tax avoidance practices, the firm's relationships with upstream suppliers and downstream customers, as well as the quality of its internal controls and accounting information, also have a bearing on its tax strategies.

High customer concentration levels amplify the business risks of losing key clients (Hertzel *et al.* 2008; Dhaliwal *et al.* 2020). This customer reliance pushes firms to invest in customer-specific assets (Wang, 2012) and exposes them to potential margin reductions due to customer bargaining power (Ravenscraft, 1983; Balakrishnan *et al.* 1996). Consequently, the financial pressures from these risks encourage firms to seek tax avoidance as a capital relief strategy. Supporting this view, Henry *et al.* (2016) reported that firms with higher customer concentration are more inclined to engage in tax avoidance.

In a different yet relevant context, Chircop *et al.* (2022) explored the influence of organized crime on business dynamics in Italy. They found that Mafia-controlled firms distort the competitive landscape, heightening survival costs for other companies. However, when the Italian police implemented purges against the Mafia, the competitive pressures and tax avoidance aggressiveness among rival firms were alleviated.

Supplier relationships are another influential factor. Firms enjoying robust relationships with their suppliers are more likely to engage in tax avoidance (Cen *et al.* 2017). The quality of internal controls within a firm also impacts its tax strategies. Effective internal controls and a conducive information environment can generate high-quality accounting information, assisting firms in making informed decisions and reducing tax liabilities (Brazel and Dang, 2008). Conversely, firms with deficiencies in tax-related internal controls exhibit less aggressive tax avoidance behavior (Bauer, 2014).

5.3.9. The Role of Accounting Information in Tax Avoidance

While many studies focus on various mechanisms influencing tax avoidance, the specific role of accounting information in shaping tax strategies remains relatively underexplored. Bauer (2014), for instance, did not directly address how the quality of accounting information could act as a determinant in tax avoidance behavior. However, subsequent studies have started to fill this gap.

Gallemore and Labro (2015) found a positive relationship between the quality of a firm's information environment and the degree of tax avoidance, noting that firms with better accounting information tend to have higher levels of tax avoidance while assuming lower risks. A robust accounting information system can facilitate more sophisticated and effective tax strategies.

Further underscoring the importance of accounting information, Yong and Chao (2020) investigated how the comparability of such information affects tax avoidance. Their research revealed that when accounting information is more comparable across firms, it allows investors to monitor management's actions better, resulting in less aggressive tax avoidance behaviors by the firm.

In summary, while the role of accounting information has not been the primary focus in existing literature, emerging research indicates its significance in shaping tax avoidance strategies by enabling firms to develop more refined tax plans and allowing for greater scrutiny by investors.

5.3.10. The Influence of Institutional Culture on Tax Avoidance

Culture is a significant factor affecting tax avoidance. Cultural traits such as uncertainty avoidance, power distance, collectivism, and restraint influence tax avoidance through institutional mechanisms such as the rule of law, regulatory quality, and government effectiveness (Allam *et al.* 2023). ESG, encompassing environmental, social, and governance dimensions, reflects a company's institutional environment and governance standards. Companies with higher ESG scores are less likely to engage in tax evasion (Jiang *et al.* 2024). Conversely, a poor cultural or institutional environment may foster tax evasion. For example, Feng *et al.* (2024) found that a gambling culture could undermine corporate social responsibility, leading to increased tax evasion.

5.3.11. The Impact of Uncertainty on Tax Avoidance

Increased macroeconomic uncertainty significantly raises the demand for precautionary funds, compelling companies to engage in higher levels of tax avoidance to conserve cash outflows. Zhu *et al.* (2023) found that tax avoidance activities surged during the pandemic. Similarly, Athira and Ramesh (2024) observed that in regions with heightened economic uncertainty, the degree of corporate tax avoidance is notably higher.

5.3.12. The Impact of Corporate Governance on Corporate Tax Avoidance in Developing Countries: The Case of China

Tax avoidance in China is shaped by a complex interplay of managerial incentives, board composition, ownership types, market pressures, auditor roles, and government policies. These factors are backed by substantial empirical studies, providing a rich tapestry of influences between state-owned and private firms.

(1) Compensation Incentives

The impact of managerial shareholding on tax avoidance varies between state-owned and private firms. Liu and Lu (2015) argue that higher managerial shareholding in state-owned firms results in less tax avoidance. However, Liu *et al.* (2010b) note that private firms show a positive relationship between shareholding and tax avoidance.

(2) Board Structure

Board characteristics can shape tax avoidance behavior. Li *et al.* (2016) found that board similarity leads to more aggressive tax strategies. Contrarily, Tan and Du (2015) observe that internationally diverse boards result in less tax avoidance.

(3) Ownership Structure

According to existing literature, state-owned firms are less inclined to engage in tax avoidance than private firms (Wu, 2009; Wang *et al.* 2010). The government, acting as both a shareholder and tax collector, can influence these behaviors, as supported by Deng *et al.* (2019).

(4) Market Pressure

Analyst tracking and media scrutiny can affect tax avoidance, especially in private firms. This is supported by the studies of Lu (2010) and Liu and Guo (2019), who focus on analyst tracking and media coverage.

(5) Auditors

Auditing quality plays a significant role in controlling tax avoidance. Ding *et al.* (2019) found that larger auditing firms are more effective in mitigating tax avoidance.

(6) Government Influence

Local governments have a notable impact on tax behavior. Wu *et al.* (2009) argue that executives with government backgrounds engage in less tax avoidance. Additionally, Zhang *et al.* (2018) show that geographic proximity to tax offices affects tax avoidance levels.

(7) Policy and Regulatory Changes

Central government policy impacts tax avoidance across firms. Changes in tax-sharing reforms have been shown to influence tax behaviors, supported by the findings of Fan and Tian (2013) and Chen *et al.* (2018).

5.4. Factors Influencing Tax Avoidance: A Summary

Tax avoidance research has evolved to consider various factors as businesses face increasingly complicated internal and external landscapes. While initial research homed in on the decision-maker's traits and the inherent characteristics of firms, contemporary studies have branched out to include corporate governance and its intersection with country-specific events or institutional cultures. For example, Li *et al.* (2016) have explored how social relations impact tax avoidance in China, Desai and Dharmapala (2006) have examined tax law enforcement in Russia, and Chircop *et al.* (2022) have investigated the effects of anti-mob crackdowns on tax behavior in Mexico.

In summary, tax avoidance in firms across emerging economies is shaped by multifaceted influences. These range from the characteristics of the individuals responsible for making tax-related decisions to the firm's resources and external stakeholders' pressures. This complex interplay provides the framework within which tax avoidance strategies are devised.

6. Potential Contributions of this Paper

On one hand, this paper establishes a three-factor model of corporate tax avoidance, providing readers with a systematic and efficient understanding of the overall progress in factors influencing corporate tax avoidance. Although there is abundant research on these influencing factors, a systematic understanding of how and which factors exert influence is still lacking. By adopting a consistent theoretical framework, this paper reviews literature from the perspectives of managerial characteristics, corporate fundamentals, and corporate governance, facilitating readers' quick comprehension and construction of relevant structural frameworks. On the other hand, this study offers fresh insights for future research. A comparative analysis reveals that whether and how specific factors influence tax avoidance varies significantly across countries and periods. This suggests that the factors influencing tax avoidance may be affected by other unexamined variables such as region, culture, institutions, and time. This divergence offers valuable perspectives for future exploration of these discrepancies.

7. Discussion

This study offers a comprehensive theoretical framework to understand the multiple influences on tax avoidance within emerging economies. Unlike developed countries such as the United States, where the scope and impact of tax avoidance remain subjects of ongoing debate, emerging economies like China present a unique set of challenges. These include rapid economic expansion, less robust governance, and more flexible approaches to tax enforcement.

This study focuses on three main areas: the role of managerial characteristics, firm-level attributes, and stakeholder influences in shaping tax avoidance practices. Managerial characteristics are vital, highlighting the balance managers must strike between their interests and those of shareholders and the government. On a firm level, the study delves into the traits that may incline a business towards aggressive tax avoidance strategies. Lastly, from a stakeholder viewpoint, we examine the external pressures that can affect a firm's approach to tax avoidance.

Given the urgent need for high-quality development in emerging markets, the study emphasizes improving governance structures. This is crucial for managing tax avoidance risks effectively and equitably distributing benefits among diverse stakeholders, particularly in economies like China experiencing rapid development and governance challenges.

Acknowledgments:

Keep acknowledgments brief, naming those who helped with your research, contributors, or suppliers who provided free materials. You should also disclose any financial or other substantive conflict of interest that could be seen to influence your results or interpretations.

Credit Authorship Contribution Statement:

Chao Ge: Conceptualization, Writing – original draft, Validation, Visualization, Funding;
Wunhong Su: Project administration, Software, Formal analysis, Supervision, Visualization;
Wong Ming Wong: Methodology, Project administration, Software, Data curation.

Declaration of Competing Interest:

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

Declaration of Use of Generative AI and AI-Assisted Technologies:

The authors declare that they have not used generative AI and AI-assisted technologies during the preparation of this work.

References

[1] Adams, R. B., and Ferreira, D. (2007). A theory of friendly boards. *Journal of Finance*, 62(1): 217-250. DOI: https://doi.org/10.1111/j.1540-6261.2007.01206.x

[2] Allam, A., Moussa, T., Abdelhady, M., and Yamen, A. (2023). National culture and tax evasion: The role of the institutional environment quality. *Journal of International Accounting, Auditing and Taxation*, 52, 100559. DOI: https://doi.org/10.1016/j.intaccaudtax.2023.100559

[3] Allen, A., Francis, B. B., Wu, Q., and Zhao, Y. J. (2016). Analyst coverage and corporate tax aggressiveness. *Journal of Banking and Finance, 73*: 84-98. DOI: https://doi.org/10.1016/j.jbankfin.2016.09.004

[4] Armstrong, C. S., Blouin, J. L., and Larcker, D. F. (2012). The incentives for tax planning. *Journal of Accounting and Economics*, 53(1-2): 391-411. DOI: https://doi.org/10.1016/j.jacceco.2011.04.001

[5] Armstrong, C. S., Blouin, J. L., Jagolinzer, A. D., and Larcker, D. F. (2015). Corporate governance, incentives, and tax avoidance. *Journal of Accounting and Economics*, 60(1): 1-17. DOI:https://doi.org/10.1016/j.jacceco.2015.02.003

[6] Athira, A., and Ramesh, V. K. (2024). Economic policy uncertainty and tax avoidance: International evidence. *Emerging Markets Review*, 60, Article 101135. DOI: https://doi.org/10.1016/j.ememar.2024.101135

[7] Badertscher, B. A., Katz, S. P., and Rego, S. (2010). The Impact of Private Equity Ownership on Portfolio Firms' Corporate Tax Planning. *Harvard Business Review*.

[8] Balakrishnan, T. J., and Linsmeier, M. (1996). Financial benefits from JIT adoption: Effects of customer concentration and cost structure. *The Accounting Review*, 71: 183-205.

[9] Bauer, A. M. (2016). Tax Avoidance and the Implications of Weak Internal Controls. *Contemporary Accounting Research*, 33(2): 449-486. DOI: https://doi.org/10.1111/1911-3846.12151

[10] Bill, F., Iftekhar, H., Qiang, W., and Meng, Y. (2014). Are Female CFOs Less Tax Aggressive? Evidence from Tax Aggressiveness. *SSRN Electronic Journal*. DOI: https://doi.org/10.2139/ssrn.2474543

[11] Blaylock, B., Gaertner, F. B., and Shevlin, T. (2017). Book-tax conformity and capital structure. *Review of Accounting Studies*, 22(2): 903-932. DOI: https://doi.org/10.1007/s11142-017-9386-2

[12] Blaylock, B., Shevlin, T., and Wilson, R. J. (2012). Tax Avoidance, Large Positive Temporary Book-Tax Differences, and Earnings Persistence. *Accounting Review*, 87(1). DOI: https://doi.org/10.2308/accr-10158

[13] Boynton, C., and Legel, D. F. (2005). Prelude to Schedule M-3: Schedule M-1 Corporate Book-Tax Difference Data 1990-2003. *Tax Notes*, 109(12).

[14] Brazel, J. F., and Dang, L. (2008). The Effect of ERP System Implementations on the Management of Earnings and Earnings Release Dates. *Journal of Information Systems*, 22(2): 1-21. DOI:https://doi.org/10.2308/jis.2008.22.2.1

[15] Brown, J. L., Drake, K. D., and Martin, M. A. (2013). Are Firms Myopic?: The Case of Contracting on Performance and Risk. *SSRN Electronic Journal*. DOI: https://doi.org/doi:10.2139/ssrn.1659439

[16] Bushee, B. J. (1998). The Influence of Institutional Investors on Myopic RandD Investment Behavior. *The Accounting Review*, 73(3): 305-333.

[17] Byrnes, J., Miller, D., and Schafer, W. (1999). Gender Differences in Risk Taking.

[18] Cai, H. B., and Liu, Q. (2009). Competition and Corporate Tax Avoidance: Evidence from Chinese Industrial Firms. *Economic Journal*, 119(537): 764-795. DOI: https://doi.org/10.1111/j.1468-0297.2009.02217.x

[19] Cen, L., Maydew, E. L., Zhang, L. D., and Zuo, L. (2017). Customer-supplier relationships and corporate tax avoidance. *Journal of Financial Economics*, 123(2): 377-394. DOI:https://doi.org/10.1016/j.jfineco.2016.09.009

[20] Chen, H., Yang, D., Zhang, X., and Zhou, N. (2019). The Moderating Role of Internal Control in Tax Avoidance: Evidence from a COSO-Based Internal Control Index in China. *Journal of the American Taxation Association*, 42(1). DOI:https://doi.org/10.2308/atax-52408

[21] Chen, K. P., and Chu, C. Y. C. (2005). Internal Control versus External Manipulation: A Model of Corporate Income Tax Evasion. *Rand Journal of Economics*, 36(1): 151-164.

[22] Chen, M. A., Zhao, K., and Jin, W. (2024). Corporate digital transformation and tax avoidance: evidence from China. *Pacific-Basin Finance Journal*, 85. DOI: https://doi.org/10.1016/j.pacfin.2024.102400

[23] Chen, N. X., and Lehmer, T. (2021). Aggressive Tax Avoiders: US Multinationals Shifting Domestic Earnings to Zero. *Accounting Review*, 96(5): 181-206. DOI: https://doi.org/10.2308/tar-2018-0419

[24] Chen, S. P., Chen, X., Cheng, Q., and Shevlin, T. (2010). Are family firms more tax aggressive than non-family firms? *Journal of Financial Economics*, 95(1): 41-61. DOI: https://doi.org/10.1016/j.jfineco.2009.02.003

[25] Chen, T., and Lin, C. (2017). Does Information Asymmetry Affect Corporate Tax Aggressiveness? *Journal of Financial and Quantitative Analysis*, 52(5): 2053-2081. DOI: https://doi.org/10.1017/s0022109017000576

[26] Chen, Y. S., Meng, Q. Y., and Yuan, C. (2018). Relational tax incentives and the effectiveness of tax policy: An implicit tax perspective. *Accounting Research*, (02): 41-47. (in Chinese).

[27] Cheng, C. S. A., Huang, H. H., Li, Y. H., and Stanfield, J. (2012). The Effect of Hedge Fund Activism on Corporate Tax Avoidance. *Accounting Review*, 87(5): 1493-1526. DOI: https://doi.org/10.2308/accr-50195

[28] Chircop, J., Fabrizi, M., Malaspina, P., and Parbonetti, A. (2023). Anti-Mafia Police Actions, Criminal Firms, and Peer Firm Tax Avoidance. *Journal of Accounting Research*, 61(1): 243-277. DOI:https://doi.org/10.1111/1475-679x.12455

[29] Chung, R., Firth, M., and Kim, J. B. (2002). Institutional monitoring and opportunistic earnings management. *Journal of Corporate Finance*, 8(1): 29-48. DOI: https://doi.org/10.1016/S0929-1199(01)00039-6

[30] Chyz, J. A., Gaertner, F. B., Kausar, A., and Watson, L. (2019). Overconfidence and Corporate Tax Policy. *Review of Accounting Studies*, 24(3), 1114-1145. DOI: https://doi.org/10.1007/s11142-019-09494-z

[31] Chyz, J. A., Leung, W. S. C., Li, O. Z., and Rui, O. M. (2013). Labor unions and tax aggressiveness. *Journal of Financial Economics*, 108(3): 675-698. DOI: https://doi.org/10.1016/j.jfineco.2013.01.012

[32] Custódio, C., and Metzger, D. (2014). Financial Expert CEOs: CEO's Work Experience and Firm's Financial Policies. *Journal of Financial Economics*, 114(1): 125-154. DOI: https://doi.org/10.1016/j.jfineco.2014.06.002

[33] Dai, B., Liu, Y., and Peng, C. (2017). Executive Gender, Power Configuration, and Corporate Tax Aggressive Behavior. *Journal of Yunnan University of Finance and Economics*, 33(03): 110-123. DOI:https://doi.org/10.16537/j.cnki.jynufe.000209 (in Chinese)

[34] Deangelo, L. E. 1981. Auditor size and audit quality. *Journal of Accounting and Economics*, 3(3): 183-199. DOI: https://doi.org/10.1016/0165-4101(81)90002-1

[35] Deng, B. F., Liu, J. W., and Ji, L. (2019). Do government subsidies affect corporate tax avoidance behavior? *Financial and Economic Research*, 45(01): 109-121. DOI: https://doi.org/10.16538/j.cnki.jfe.2019.01.007 (in Chinese).

[36] Desai, M. A., and Dharmapala, D. (2006). Corporate tax avoidance and high-powered incentives. *Journal of Financial Economics*, 79(1), 145-179. DOI: https://doi.org/10.1016/j.jfineco.2005.02.002

[37] Desai, M. A., Dyck, A., and Zingales, L. (2007). Theft and taxes. *Journal of Financial Economics*, 84(3), 591-623. DOI: https://doi.org/10.1016/j.jfineco.2006.05.005

[38] Dhaliwal, D., Trezevant, R., and Wang, S. (1992). Taxes, investment-related tax shields and capital structure. *Journal of the American Taxation Association*, 14(1), 1-21.

[39] Ding, F. F., Liu, M., and Qiao, Z. W. (2019). The Impact of Firm Size, Institutional Environment, and Corporate Tax Aggressiveness. *Auditing and Economic Research*, 34(01), 14-23. Available at: https://link.cnki.net/urlid/32.1317.F.20190114.0856.008

[40] Dunbar, A., Higgins, D. M., Phillips, J. D., and Plesko, G. (2010). What Do Measures of Tax Aggressiveness Measure? *Proceedings of the Annual Conference on Taxation*, 18-26.

[41] Dyreng, S. D., and Markle, K. S. (2016). The Effect of Financial Constraints on Income Shifting by US Multinationals. *Accounting Review*, 91(6), 1601-1627. DOI: https://doi.org/10.2308/accr-51420

[42] Dyreng, S. D., Hanlon, M., and Maydew, E. L. (2010). The Effects of Executives on Corporate Tax Avoidance. *Accounting Review*, 85(4), 1163-1189. DOI: https://doi.org/10.2308/accr.2010.85.4.1163

[43] Faccio, M., Marchica, M. T., and Mura, R. (2016). CEO gender, corporate risk-taking, and the efficiency of capital allocation. *Journal of Corporate Finance*, 39, 193-209. DOI:https://doi.org/10.1016/j.jcorpfin.2016.02.008

[44] Falagas, M. E., Pitsouni, E. I., Malietzis, G. A., and Pappas, G. (2008). Comparison of PubMed, Scopus, Web of Science, and Google Scholar: strengths and weaknesses. *The FASEB Journal*, 22(2). DOI:https://doi.org/10.1096/fj.07-9492LSF

[45] Faleye, O., Mehrotra, V., and Morck, R. (2006). When Labor Has a Voice in Corporate Governance. *Journal of Financial and Quantitative Analysis,* 41(03), 489. DOI:https://doi.org/10.1017/s0022109000002519

[46] Fama, E. F., and Jensen, M. C. (1983). Separation of Ownership and Control. Journal of Law and Economics, 26(2), 301-325. DOI: https://doi.org/10.1086/467037

[47] Fan, Z. Y., and Tian, B. B. (2016). Tax competition, tax enforcement, and corporate tax avoidance. *Economic Research*, 15(04), 1303-1328. DOI: https://doi.org/10.13821/j.cnki.ceq.2016.03.02 (in Chinese).

[48] Feng, Z. Y., Wang, Y. C., and Wang, W. G. (2024). Corporate carbon reduction and tax avoidance: International evidence. *Journal of Contemporary Accounting and Economics*, 20(2). DOI:https://doi.org/10.1016/j.jcae.2024.100416

[49] Finkelstein, S., and Mooney, A. C. (2003). Not the Usual Suspects: How to Use Board Process to Make Boards Better. Academy of Management Executive, 17(2), 101-113. DOI:https://doi.org/10.5465/AME.2003.10025204

[50] Francis, B. B., Hasan, I., Sun, X., and Wu, Q. (2016). CEO political preference and corporate tax sheltering. *Journal of Corporate Finance*, 38, 37-53. DOI: https://doi.org/10.1016/j.jcorpfin.2016.03.003

[51] Francis, B., Hasan, I., Wu, Q., and Yan, M. (2014). Are Female CFOs Less Tax Aggressive? Evidence from Tax Aggressiveness. *Research Discussion Papers*. DOI: https://doi.org/10.2139/SSRN.2428541

[52] Frank, M. M., Lynch, L. J., and Rego, S. O. (2009). Tax Reporting Aggressiveness and Its Relation to Aggressive Financial Reporting. *Accounting Review,* 84(2), 467-496. DOI:https://doi.org/10.2308/accr.2009.84.2.467

[53] Gallemore, J., and Labro, E. (2015). The importance of the internal information environment for tax avoidance. *Journal of Accounting and Economics*, 60(1), 149-167. DOI:https://doi.org/10.1016/j.jacceco.2014.09.005

[54] Gao, M., Gu, Q. K., He, S. J., and Kong, D. M. (2023). Legal environment and corporate tax avoidance: A geographic discontinuity design based on the Great Wall in China. *Finance Research Letters*, 53, Article 103663. DOI: https://doi.org/10.1016/j.frl.2023.103663

[55] Guo, X. F., Wei, T., Wang, A. P., and Hu, H. F. (2024). Corporate governance effects of digital finance: Evidence from corporate tax avoidance in China. *Research in International Business and Finance*, 72. DOI:https://doi.org/10.1016/j.ribaf.2024.102526

[56] Gupta, S., and Newberry, K. (1997). Determinants of the variability in corporate effective tax rates: Evidence from longitudinal data. *Journal of Accounting and Public Policy*, 16(1), 0-34. DOI:https://doi.org/10.1016/s0278-4254(96)00055-5

[57] Hambrick, D. C. (2007). Upper echelons theory: An update. *Academy of Management Review*, 32(2), 334-343. DOI:https://doi.org/10.5465/amr.2007.24345254

[58] Hambrick, D. C., and Mason, P. A. (1984). Upper Echelons: The Organization as a Reflection of Its Top Managers. *Academy of Management Review,* 9(2), 193-206. DOI: https://doi.org/10.5465/amr.1984.4277628

[59] Han, Q. L., and Liu, L. (2017). Political Connections and Tax Policy's Impact on Corporate RandD Investment: Empirical Evidence from Private Listed Companies on China's Growth Enterprise Market. *Journal of Central South University (Social Sciences)*, 23(04), 110-118.

[60] Hanlon, M., and Heitzman, S. (2010). A review of tax research. *Journal of Accounting and Economics*, 50(2-3), 127-178. DOI: https://doi.org/10.1016/j.jacceco.2010.09.002

[61] Hanlon, M., Laplante, S. K., and Shevlin, T. (2005). Evidence for the possible information loss of conforming book income and taxable income. *Journal of Law and Economics,* 48(2), 407-442. DOI:https://doi.org/10.1086/497525

[62] Hanlon, M., Mills, L. F., and Slemrod, J. B. (2005). An Empirical Examination of Corporate Tax Noncompliance. *SSRN Electronic Journal*, 21(1), 171-225. DOI: https://doi.org/10.2139/ssrn.891226

[63] Harry, DeAngelo, Ronald, W., Masulis. (1980). Optimal capital structure under corporate and personal taxation. *Journal of Financial Economics*, 8(1), 3-29. DOI: https://doi.org/10.1016/0304-405X(80)90019-7

[64] Hertzel, M. G., Li, Z., Officer, M. S., and Rodgers, K. J. (2008). Inter-firm linkages and the wealth effects of financial distress along the supply chain. *Journal of Financial Economics,* 87(2), 374-387. DOI:https://doi.org/10.1016/j.jfineco.2007.01.005

[65] Hill, M. D., Kubick, T. R., Lockhart, G. B., and Wan, H. S. (2013). The effectiveness and valuation of political tax minimization. *Journal of Banking and Finance,* 37(8), 2836-2849. DOI:https://doi.org/10.1016/j.jbankfin.2013.04.002

[66] Hoang, T. T., Nguyen, C. V., and Phung, T. D. (2019). Do male CEOs really run firms better than female counterparts? New evidence from Vietnam. *Hitotsubashi Journal of Economics*, 60(2), 121-140. DOI:https://doi.org/10.15057/30786

[67] Hogan, B., and Noga, T. (2015). Auditor-provided tax services and long-term tax avoidance. *Emerald Group Publishing Limited*(3). DOI: https://doi.org/10.1108/raf-10-2013-0116

[68] Hoopes, J. L., Mescall, D., and Pittman, J. A. (2012). Do IRS Audits Deter Corporate Tax Avoidance? *Accounting Review*, 87(5), 1603-1639. DOI: https://doi.org/10.2308/accr-50187

[69] Hope, O. K., Ma, M., and Thomas, W. B. (2013). Tax avoidance and geographic earnings disclosure. *Journal of Accounting and Economics*, 56(2-3), 170-189. DOI: https://doi.org/10.1016/j.jacceco.2013.06.001

[70] Hossain, M., and Mitra, S. (2023). Does headquarters location matter in corporate tax avoidance? *Journal of Financial Stability*, 64. DOI: https://doi.org/10.1016/j.jfs.2023.101106

[71] Hsieh, T. S., Wang, Z. H., and Demirkan, S. (2018). Overconfidence and tax avoidance: The role of CEO and CFO interaction. *Journal of Accounting and Public Policy*, 37(3), 241-253. DOI:https://doi.org/10.1016/j.jaccpubpol.2018.04.004

[72] Huang, H. H., Lobo, G. J., Wang, C., and Xie, H. (2016). Customer concentration and corporate tax avoidance. *Journal of Banking and Finance.* DOI: https://doi.org/10.1016/j.jbankfin.2016.07.018

[73] Huang, Y., and Yan, C. (2020). Global accounting standards, financial statement comparability, and the cost of capital. *International Review of Economics and Finance*, 69, 301-318. DOI:https://doi.org/10.1016/j.iref.2020.05.019

[74] Huseynov, F., Sardarli, S., and Zhang, W. (2017). Does index addition affect corporate tax avoidance? *Journal of Corporate Finance*, 43, 241-259. DOI: https://doi.org/10.1016/j.jcorpfin.2017.01.008

[75] Jensen, M. C., and Meckling, W. H. (1976). Theory of the firm: Managerial behaviour, agency costs and ownership structure. 3(4), 0-360. DOI: https://doi.org/10.1016/0304-405x(76)90026-x

[76] Jiang, H. L., Hu, W. J., and Jiang, P. C. (2024). Does ESG performance affect corporate tax avoidance? Evidence from China. *Finance Research Letters*, 61, Article 105056. DOI:https://doi.org/10.1016/j.frl.2024.105056

[77] Kanagaretnam, K., Lee, J., Lim, C. Y., and Lobo, G. J. (2016). Relation between Auditor Quality and Tax Aggressiveness: Implications of Cross-Country Institutional Differences. *Auditing-a Journal of Practice and Theory*, 35(4), 105-135. DOI: https://doi.org/10.2308/ajpt-51417

[78] Klapper, L. F., and Parker, S. C. (2011). Gender and the Business Environment for New Firm Creation. *World Bank Research Observer*, 26(2), 237-257. DOI: https://doi.org/10.1093/wbro/lkp032

[79] Koester, A., Shevlin, T., and Wangerin, D. (2017). The Role of Managerial Ability in Corporate Tax Avoidance. *Management Science*, 63(10), 3285-3310. DOI: https://doi.org/10.1287/mnsc.2016.2510

[80] Kovermann, J., and Velte, P. (2019). The Impact of Corporate Governance on Corporate Tax Avoidance. *A Literature Review*. Journal of International Accounting Auditing and Taxation. DOI:https://doi.org/10.1016/j.intaccaudtax.2019.100270

[81] Kubick, T. R., Lynch, D. P., Mayberry, M. A., and Omer, T. C. (2016). The Effects of Regulatory Scrutiny on Tax Avoidance: An Examination of SEC Comment Letters. *Accounting Review*, 91(6), 1751-1780. DOI:https://doi.org/10.2308/accr-51433

[82] Lampenius, N., Shevlin, T., and Stenzel, A. (2021). Measuring Corporate Tax Rate and Tax Base Avoidance of U.S. Domestic and U.S. Multinational Firms. *Journal of Accounting and Economics* (2), 101406. DOI:https://doi.org/10.1016/j.jacceco.2021.101406

[83] Law, K. K. F., and Mills, L. F. (2017). Military experience and corporate tax avoidance. *Review of Accounting Studies*, 22(1), 141-184. DOI: https://doi.org/10.1007/s11142-016-9373-z

[84] Lei, G. Y., Qiu, B. Y., Yu, J. L., and Zuo, J. J. (2023). "Hitting the jackpot" in corporate tax strategy: A perspective on gambling preferences. *Economic Modelling*, 125, Article 106333. DOI:https://doi.org/10.1016/j.econmod.2023.106333

[85] Lennox, C. S., Lisowsky, P., and Pittman, J. A. (2012). Tax Aggressiveness and Accounting Fraud. Journal of Accounting Research, 51(4), 739-778. DOI: https://doi.org/10.2139/ssrn.2016166

[86] Li, C., Wu, Y. H., and Hu, W. J. (2016). Internal board linkage, tax avoidance, and corporate value. *Accounting Research*, 50-57+97. (in Chinese).

[87] Li, J. H. (2024). Do managers respond to tax avoidance incentives by investing in the tax function? Evidence from tax departments. *Journal of Contemporary Accounting and Economics*, 20(1), Article 100401. DOI:https://doi.org/10.1016/j.jcae.2024.100401

[88] Li, X. L., Fang, S. Y., and Zhang, L. (2016). CEO power, customer concentration, and corporate tax avoidance intensity. *Modern Finance and Economics (Journal of Tianjin University of Finance and Economics)*, 36(9), 100-113. DOI: https://doi.org/10.19559/j.cnki.12-1387.2016.09.009 (in Chinese).

[89] Li, X. X., Lim, C. Y., and Xu, Y. P. (2023). The minimum wage and corporate tax avoidance. *Accounting and Business Research*, 53(4), 379-415. DOI: https://doi.org/10.1080/00014788.2022.2045893

[90] Lietz, G. M. (2013). Determinants and Consequences of Corporate Tax Avoidance. *Social Science Electronic Publishing*. DOI: https://doi.org/10.2139/ssrn.2363868

[91] Lin, K. Z., Mills, L. F., Zhang, F., and Li, Y. B. (2018). Do Political Connections Weaken Tax Enforcement Effectiveness? *Contemporary Accounting Research*, 35(4), 1941-1972. DOI: https://doi.org/10.1111/1911-3846.12360

[92] Liu, H., Liu, J., and Zhang, T. M. (2010). Management equity incentive and the relationship between corporate tax avoidance. *Foreign Taxation* (12), 37-40. DOI: https://doi.org/10.19376/j.cnki.cn10-1142/f.2010.12.008

[93] Liu, X. H., and Lv, S. S. (2015). The impact of manager characteristics on the tax avoidance behavior of listed companies. *Journal of Beijing Technology and Business University*(04), 49-57. DOI:https://doi.org/10.16299/j.1009-6116.2015.04.007

[94] Liu, X. X., and Guo, S. Y. (2019). Media negative reporting, internal information environment and corporate tax avoidance. *Securities Market Herald* (03), 49-58.

[95] Liu, Z., Chen, Z., Wu, H., Huang, Z., and Zhang, Y. (2019). Base erosion and profit shifting of Chinese firms: Chinese experience under the reconfiguration of the international tax governance system. Economic Research Journal, 54(2), 21-35.

[96] Long, W. B., Wu, H. Y., Li, L. D., Ying, S. X., and Li, S. H. (2024). Mixed-ownership structure, non-state-blockholder coalition, and tax avoidance. *International Review of Financial Analysis*, 91, Article 102988. DOI:https://doi.org/10.1016/j.irfa.2023.102988

[97] Lv, W. (2010). Analyst tracking, property rights arrangements, and corporate tax avoidance behavior: Empirical evidence from the implementation of the new enterprise income tax law. *Journal of Shanxi University of Finance and Economics*, 32(11), 60-66. DOI: https://doi.org/10.13781/j.cnki.1007-9556.2010.11.003 (in Chinese).

[98] Markle, K. S., and Shackelford, D. A. (2012). Cross-country comparisons of corporate income taxes. *National Tax Journal*, 65(3), 493-527. DOI: https://doi.org/10.17310/ntj.2012.3.01

[99] McClure, R., Lanis, R., Wells, P., and Govendir, B. (2018). The impact of dividend imputation on corporate tax avoidance: The case of shareholder value. *Journal of Corporate Finance*, 48, 492-514. DOI:https://doi.org/10.1016/j.jcorpfin.2017.10.007

[100] McGee, R. W. (2012). Gender and the Ethics of Tax Evasion: An Empirical Study of 82 Countries. *Social Science Electronic Publishing.* DOI: https://doi.org/10.1007/978-1-4614-1287-8_26

[101] McGee, R. W., and Cohn, G. M. (2008). Jewish Perspectives on the Ethics of Tax Evasion. Journal of Legal, *Ethical and Regulatory Issues*, 11.

[102] McGuire, S. T., Omer, T. C., and Wang, D. C. (2012). Tax Avoidance: Does Tax-Specific Industry Expertise Make a Difference? *Accounting Review*, 87(3), 975-1003. DOI: https://doi.org/10.2308/accr-10215

[103] McGuire, S. T., Wang, D. C., and Wilson, R. J. (2014). Dual Class Ownership and Tax Avoidance. *Accounting Review*, 89(4), 1487-1516. DOI: https://doi.org/10.2308/accr-50718

[104] Mills, L. F., and Newberry, K. J. (2001). The Influence of Tax and Nontax Costs on Book-Tax Reporting Differences: Public and Private Firms. *SSRN Electronic Journal*. DOI: https://doi.org/10.2139/ssrn.228340

[105] Mills, L., Erickson, M., and Maydew, E. (1998). Investments in Tax Planning. *Journal of the American Taxation Association*, 20(1): 1-20.

[106] Modigliani, F. (1963). Corporate Income Taxes and the Cost of Capital: A Correction. *American Economic Review*. DOI: https://doi.org/10.2307/1809167

[107] Mongeon, P., and Paul-Hus, A. (2016). The Journal Coverage of Web of Science and Scopus: A Comparative Analysis. *Scientometrics, 106*. DOI: https://doi.org/10.1007/s11192-015-1765-5

[108] Nerudova, D., Dobranschi, M., Solilov, V., and Litzman, M. (2023). Onshore and offshore profit shifting and tax revenue losses in the European Union. *Economic Modelling*, 119, Article 106111. DOI:https://doi.org/10.1016/j.econmod.2022.106111

[109] Phillips, J. D., and John, D. (2003). Corporate Tax-Planning Effectiveness: The Role of Compensation-Based Incentives. *Accounting Review*, 78(3), 847-874. DOI: https://doi.org/10.2308/accr.2003.78.3.847

[110] Powers, K., Robinson, J. R., and Stomberg, B. (2016). How do CEO incentives affect corporate tax planning and financial reporting of income taxes? *Review of Accounting Studies*, 21(2), 672-710. DOI:https://doi.org/10.1007/s11142-016-9350-6

[111] Rego, S. O. (2003). Tax-avoidance activities of US multinational corporations. *Contemporary Accounting Research*, 20(4), 805-833. DOI: https://doi.org/10.1506/vann-b7ub-gmfa-9e6w

[112] Rego, S. O., and Wilson, R. (2012). Equity Risk Incentives and Corporate Tax Aggressiveness. *Journal of Accounting Research*, 50(3), 775-810. DOI: https://doi.org/10.1111/j.1475-679X.2012.00438.x

[113] Richardson, G., and Lanis, R. (2007). Determinants of the variability in corporate effective tax rates and tax reform: Evidence from Australia. *Journal of Accounting and Public Policy*, 26(6), 689-704. DOI:https://doi.org/10.1016/j.jaccpubpol.2007.10.003

[114] Richardson, G., Lanis, R., and Taylor, G. L. (2015). Financial distress, outside directors and corporate tax aggressiveness spanning the global financial crisis: An empirical analysis. *Journal of Banking and Finance*, 52, 112-129. DOI: https://doi.org/10.1016/j.jbankfin.2014.11.013

[115] Robinson, J. R., Sikes, S. A., and Weaver, C. D. (2010). Performance Measurement of Corporate Tax Departments. *Accounting Review*, 85(3), 1035-1064. DOI: https://doi.org/10.2308/accr.2010.85.3.1035

[116] Siegfried, J. (1974). Effective Average US Corporation Income Tax Rates. *National Tax Journal*, 27(2), 245-259. Available at: http://www.jstor.org/stable/41861946

[117] Slemrod, J. (2004). The economics of corporate tax selfishness. *National Tax Journal*, 57(4), 877-899. DOI:https://doi.org/10.17310/ntj.2004.4.06

[118] Slemrod, J., Scholes, M. S., and Wolfson, M. A. (2002). Taxes and Business Strategy. *Journal of Finance*, 47(4), 1648. DOI: https://doi.org/10.2307/2328961

[119] Stickney, C. P., and McGee, V. E. (1982). Effective corporate tax rates: The effect of size, capital intensity, leverage, and other factors. *Journal of Accounting and Public Policy*, 1(2), 125-152. DOI:https://doi.org/10.1016/S0278-4254(82)80004-5

[120] Swamy, A. V., Knack, S., Lee, Y., and Azfar, O. (2000). Gender and Corruption. *SSRN Electronic Journal*. DOI:https://doi.org/10.6018/analesps.32.3.229171

[121] Tan, X., and Du, X. Q. (2015). Internationalized boards, auditor industry expertise, and tax avoidance. *Journal of Shanxi University of Finance and Economics*, 37(11), 113-124. DOI:https://doi.org/10.13781/j.cnki.1007-9556.2015.11.010 (in Chinese).

[122] Tucker, G. A. L. (2006). Tax shelters and corporate debt policy. *Journal of Financial Economics.* DOI:https://doi.org/10.1016/j.jfineco.2005.09.002

[123] Wang, D. Q., and Yang, H. Q. (2019). The effect of CEO overconfidence on the tendency of corporate tax avoidance behavior—with competitive strategy as a mediating variable. *Journal of Hunan Agricultural University (Social Science Edition)*, 20(02), 55-61. DOI: https://doi.org/10.13331/j.cnki.jhau(ss).2019.02.008 (in Chinese).

[124] Wang, J. (2012). Do firms' relationships with principal customers/suppliers affect shareholders' income? *Journal of Corporate Finance*, 18(4), 860-878. DOI: https://doi.org/10.1016/j.jcorpfin.2012.06.007

[125] Wang, P., and Guo, K. (2019). A study on the impact of tax avoidance on the capital structure of listed companies. *Finance and Trade Research*, 30(05), 99-110. DOI: https://doi.org/10.19337/j.cnki.34-1093/f.2019.05.010 (in Chinese).

[126] Wang, P., Su, L. Z., and Ding, D. (2019). A study on the impact of tax avoidance of listed companies on the level and value of cash holdings. Journal of Beijing *University of Technology and Business (Social Science Edition)*, 34(02), 63-76. (in Chinese).

[127] Wang, W., Wang, H., and Wu, J. (2021). Mixed ownership reform and corporate tax avoidance: Evidence of Chinese listed firms. *Pacific-Basin Finance Journal*, 69, Article 101648. DOI:https://doi.org/10.1016/j.pacfin.2021.101648

[128] Wang, Y. T., Wang, L. L., and Gong, C. P. (2009). Income Tax Reform, Earnings Management, and Its Economic Consequences. Economic Research Journal, 44(03), 86-98.

[129] Wang, Y. T., Wang, L. L., and Peng, Y. (2010). Property Rights Nature, Debt Tax Shield, and Capital Structure. Economic Research Journal, 45(09), 122-136.(in Chinese).

[130] Watts, R. L., and Zimmerman, J. L. (1986). A Positive Accounting Theory. *Accounting Review*, 65.

[131] Wen, W., Zhang, X. L., and Song, J. B. (2019). Can Scholarly CEOs Curb Corporate Tax Avoidance? *Journal of Shanxi University of Finance and Economics*, 41(06), 110-124. DOI:https://doi.org/10.13781/j.cnki.1007-9556.2019.06.009 (in Chinese).

[132] Wilson, Ryan J., An Examination of Corporate Tax Shelter Participants (2009). Accounting Review, Vol. 84, No. Available at SSRN: https://ssrn.com/abstract=2411015

[133] Wongsinhirun, N., Chatjuthamard, P., Chintrakarn, P., and Jiraporn, P. (2024). Tax avoidance, managerial ownership, and agency conflicts. *Finance Research Letters*, 61, Article 104937. DOI:https://doi.org/10.1016/j.frl.2023.104937

[134] Wu, L. S. (2009). State Ownership, Tax Incentives, and Corporate Tax Burden. Economic Research, 44(10), 109-120. (in Chinese).

[135] Wu, W. F., Wu, C. F., and Rui, M. (2009). Government background and tax benefits of executives in Chinese listed companies. *Managers World*, 2009(03), 134-142. DOI: https://doi.org/10.19744/j.cnki.11-1235/f.2009.03.015 (in Chinese).

[136] Wu, Z. G., Wan, D. F., and Wu, W. H. (2013). The impact of taxation on corporate RandD investment: crowding out effect and tax avoidance incentives - empirical evidence from Chinese GEM listed companies. *Research and Development Managers*, 25(05), 1-11. DOI: https://doi.org/10.13581/j.cnki.rdm.2013.05.001 (in Chinese).

[137] Xie, S. W., and Tian, L. (2014). CEO power, audit industry expertise, and tax radicalism. *Audit and Economic Research*, 29(05), 31-39. (in Chinese).

[138] Yan, C., Wang, J., Wang, Z., and Chan, K. (2023). Is reverence for life reverence for rule? Awe culture and corporate tax avoidance in China. *International Review of Financial Analysis*, 90, Article 102855. DOI:https://doi.org/10.1016/j.irfa.2023.102855

[139] Yan, H. M., and Liao, J. (2018). CEO-CFO alum relationship and corporate tax avoidance behavior—a study based on the perspective of tax administration intensity. *Modern Finance and Economics (Journal of Tianjin University of Finance and Economics)*, 38(09), 77-91. DOI: https://doi.org/10.19559/j.cnki.12-1387.2018.09.006 (in Chinese).

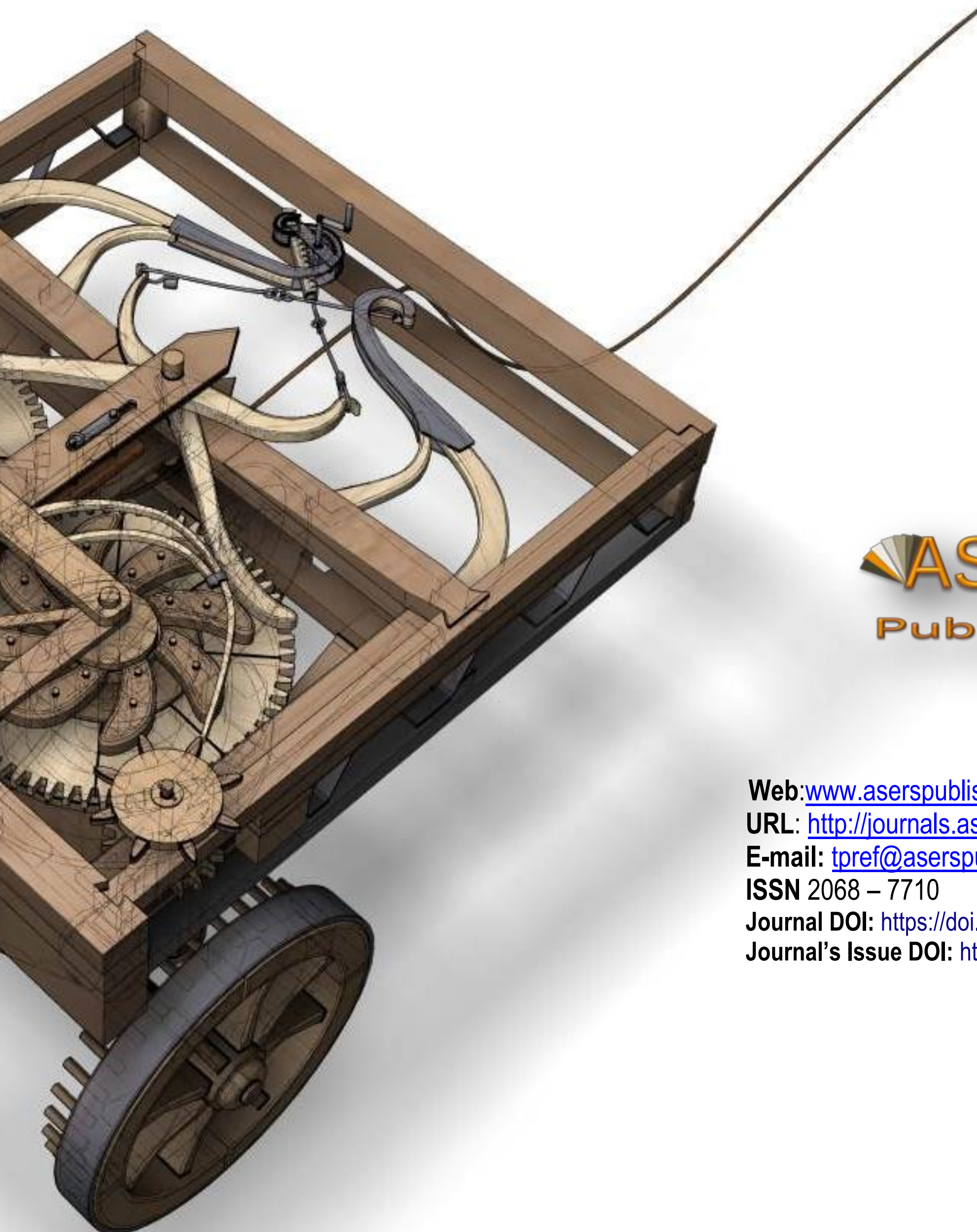
[140] Yong, H., and Chao, Y. (2019). Global Accounting Standards, Financial Statement Comparability, and the Cost of Capital. *SSRN Electronic Journal*. DOI: https://doi.org/10.2139/ssrn.3500694

[141] Zhai, S. P., Fan, R., and Miao, Q. (2023). Reverse mixed reform and tax avoidance of private enterprises. *Foreign Economics and Managers*, 45(08), 34-50. DOI:https://doi.org/10.16538/j.cnki.fem.20220905.204 (in Chinese).

[142] Zhang, M., Liu, Y. S., Wang, X., and He, X. (2018). Enterprises and tax offices as neighbors: facilitating tax avoidance or tax collection? *Managers World*, 34(05), 150-164. DOI: https://doi.org/10.19744/j.cnki.11-1235/f.2018.05.012 (in Chinese).

[143] Zhu, J., Ho, K., Luo, S., and Peng, L. (2023). Pandemic and tax avoidance: Cross-country evidence. *Economic Modelling*, 124, Article 106300. DOI: https://doi.org/10.1016/j.econmod.2023.106300

ASERS



ASERS Publishing

Web:www.aserspublishing.eu
URL: http://journals.aserspublishing.eu/tpref
E-mail: tpref@aserspublishing.eu
ISSN 2068 – 7710
Journal DOI: https://doi.org/10.14505/tpref
Journal's Issue DOI: https://doi.org/10.14505/tpref.v15.3(31).00