
Tax Avoidance and Company Characteristics in Non-financial companies listed on the Indonesia Stock Exchange

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Abstract

This research aims to obtain empirical evidence regarding the effect of profitability, leverage, firm size, capital intensity, institutional ownership, board of directors' size, audit committee, and sales growth on tax avoidance. The population of this research is non-financial companies that are consistently listed on the Indonesia Stock Exchange (IDX) from 2018 to 2021. The number of research samples collected using the purposive sampling method is 450 data. This research uses the multiple regression method to determine the effect of independent variables on dependent variables. The results of this research stated that the variables of profitability, leverage, firm size, and audit committee affect tax avoidance, while the variables of capital intensity, institutional ownership, board of directors' size, and sales growth do not affect tax avoidance.

Keywords: Tax Avoidance, Profitability, Leverage, Institutional Ownership, Audit Committee, Sales Growth

1 INTRODUCTION

National development is a series of efforts that covers aspects of social life, nation, and country to realize national goals such as those mandated in the Constitution Foundation of the Republic of Indonesia in 1945. Implementation development naturally needs ample support from domestic revenues or outside countries and private or public funds. One source of funding is the tax sector (Jingga & Lina, 2017). Taxes are defined as contributions to the country owed by a private person or entity force, which does not get rewards (contra-performance) directly and is used for state needs for as many people as possible prosperity people. The government authorized collecting taxes from taxpayers, exemplary individuals, or bodies. However, government efforts to maximize the country's reception from sector tax meet many obstacles because there are differences in interests between the government and companies (Gianchiara et al., 2024; Iwenty & Surjandari, 2022; Sianturi et al., 2024). The government considers tax a source of income for the country, so the company sued to fulfill obligation taxation as an embodiment of his devotion to the country. The role must be to join in sharing to achieve development goals. In other words, the company considers taxes as a button that will reduce the price of the generated rated by the company. That causes the company to look for ways to legally reduce payment of tax goods through tax avoidance or illegally through embezzlement tax (tax evasion) (Fauzan et al., 2021). The practice of tax avoidance is a common thing in Indonesia. The findings of the Tax Justice Network prove this matter in 2020, which mentions that tax avoidance was done by several companies in Indonesia, resulting in the country experiencing a loss of US\$4.78 billion or equivalent Rp. 67.6 trillion. The wrong company that once

committed tax evasion, as reported in article Detik Finance, is PT Adaro Energi, Tbk, which transferred pricing through its subsidiary in Singapore, Coal Trade Services International, from 2009 to 2017. Report Global Witness found that PT Adaro had arranged for that appearance, so they paid US\$125 million in taxes lower than it should be in Indonesia. Global Witness also mentioned that through children's business, PT Adaro had moved large amounts of money through tax havens, causing the government of Indonesia to lose almost US\$14 million every year.

The study is a development from a study by Putra et al. (2020), which uses five variables: profitability, leverage, company size, capital intensity, and institutional ownership. There is an addition of independent variables, namely the board of directors and audit committee, which are taken from the study by Fauzan et al. (2021) and sales growth taken from research by Iwenty and Surjandari (2022). In addition, the samples used in the study, i.e., company non-financial registered in Exchange Effect Indonesia (IDX) with period research for three years from the year 2019 until 2021, different studies previously used sample company property, real estate, and construction buildings listed on the Stock Exchange Indonesia (IDX) during the year 2013 until 2017. Based on the background behind the research, which has been explained before, this research will discuss the problem: What are the influential factors in tax avoidance, including profitability, leverage, company size, capital intensity, institutional ownership, board size, audit committee, and sales growth? As for the background description and problem formulation above, this research aims to obtain empirical proof regarding the influence of profitability, leverage, company size, capital intensity, institutional ownership, the size of the board of directors, audit committee, and sales growth on tax avoidance.

2 LITERATURE REVIEW

2.1 Agency Theory

Jensen and Meckling (1976) suggest that agency theory is a draft that describes that connection agency arises when one or more persons (principal) employ another (agent) to give something service in the principal's name. Then, the principal bestows authority over deciding on an agent. With another, the principal's party gives authority to another party, the agent, to do all activities on behalf of the principal in case of a decision. Theory agency appears in room scope tax avoidance if a conflict of interest arises between the tax authorities (government) and the tax (company). The government (principal) can collect taxes based on regulation legislation (Siahaan et al., 2024). The maximum income obtained must be taxed (agent), but management also has an interest. Alone and believing that the company must produce profit, which is the maximum, they endeavor to arrange a hefty tax that the company must pay. Differences in interests between both cause no optimal reception in the country from sector tax Because action taxpayers are opportunistically inclined to pay as little tax as possible. The difference here is that it causes conflict between tax authorities, who are collectors of taxes, and companies, who are payers of taxes (Darsani & Sukartha, 2021). Furthermore, these differences in interests can also lead to company non-compliance as a must-tax, which then encourages companies to make an effort to subtract tax with tax avoidance strategies (tax avoidance).

2.2 Tax Avoidance

Tax avoidance is depicted as wrong. One effort to tax evasion is by using a strategy in field taxation, which is provisioning taxation without violating the applicable law (Honggo & Marlinah, 2019; Siahaan et al., 2023b). Puspita & Febrianti (2017) put forward that tax avoidance is something transaction that aims to minimize the amount of tax payable by utilizing weakness (loophole) in the provisions of taxation so that these efforts are viewed as legally valid by experts because of no violation regulation taxation. Many companies that utilize effort subtraction payment tax through practice tax avoidance indicated that implementation tax avoidance is no accident. Tax avoidance is considered a complex and unique problem because, on the one hand, it is not a violation of tax

provisions. However, the government does not want it as it may cause optimal state revenues from the tax sector (Anggraeni & Febrianti, 2019).

2.3 Profitability and Tax Avoidance

Profitability is an indicator that can serve as an illustration of the performance of a finance company in earning profits through management asset companies. The greater profitability of a company can cause the company to do mature tax planning activities to produce tax, which is optimal when utilizing weaknesses in applicable taxation regulations. Generally, companies that produce high profits tend to want to pay taxes at the minimum possible (Putriningsih et al., 2018). In other words, companies that tend to generate high profits tax practice avoidance, because tax is considered a burden That can reduce company profits. This statement aligns with research by Kusumah et al. (2021) and Putra et al. (2020), who state that profitability positively influences tax avoidance. Several study previous, like the study done by Oktaviana and Kholis (2021) and Anggraeni and Febrianti (2019), as well as Iwanty and Surjandari (2022) show results which state that profitability hurts tax avoidance. On the other hand, the research results on No align with the study done by Urrahmah and Mukti (2021) Which found that profitability does not affect tax avoidance. The results of this research were powered by a study done by Ryandono et al. (2020), Salhi et al. (2020), and Sari et al. (2021), as well as Omesi & Appah (2021).

Ha1: Profitability affects tax avoidance

2.4 Leverage and Tax Avoidance

Leverage is a ratio that shows how much big companies use debt to meet operational needs and investments. Leverage also reflects ample use of debt to increase the company's profit (Putriningsih et al., 2018; Siahaan et al., 2023a; Winarta et al., 2024). However, existing leverage still requires the company to pay costs from the cost interest. Based on provision taxation, the loan interest is classified as a deductible expense (deductible expense) from income hit tax, which decreases the company's taxable profit. Decreased profit hits tax the indicated amount, and the company's debt will also be reduced (Rahmadani et al., 2020). That does not directly lead to action tax avoidance, because companies tend to utilize debt optimally to minimize the amount of tax owed (Darsani & Sukartha, 2021). Therefore, cost interest acts as a tax shield (tax shield) in conditions like this (Wijaya & Febrianti, 2017). That is in line with several previous studies by Anggraeni and Febrianti (2019), Kusumah et al. (2021) as well as Wijayanti and Merkusiwati (2017), which find a positive influence between leverage and tax avoidance. Different results are shown by research conducted by Dharma and Ardiana (2016); Sormin (2020), and Putra et al. (2020), which state that leverages influential hostility against tax avoidance. Ryandono et al. (2020) research shows that leverage influences tax avoidance. The results of this study were strengthened with research conducted by Putri and Suryarini (2017), and Omesi and Appah (2021).

Ha2: Leverage affects tax avoidance

2.5 Company Size and Tax Avoidance

Company size is a factor indicator that describes the company's size, which can be determined from total sales, total assets, others, Etc (Effendi & Siahaan, 2023; Rakhmawati et al., 2024). The bigger the company's size, the more stable the conditions are for carrying out operational activities so that the company's profit increases and transactions increase even more complexly. Ability companies generate high and stable profits. Finally, it gives rise to trend companies to utilize weaknesses in regulation taxation to avoid heavy burden taxes (Nathania et al., 2021). Research

conducted by Dharma and Ardiana (2016) shows that the size of a company is influential and positive to tax avoidance. The results of the study were strengthened by several previous results, such as research by Ryandono et al. (2020), Sari et al. (2021), and Wulandari & Purnomo, (2021). In other words, research conducted by Kusumah et al. (2021) shows that the company's size influences hostility against tax avoidance. Research result this is confirmed by the results of research done by Putra et al. (2020), Anggraeni and Febrianti (2019), and Omesi and Appah (2021). Research conducted by Nathania et al. (2021); Novita and Herliansyah (2019); Salhi et al., (2020); Sormin (2020) and Wijayanti and Merkusiwati (2017) show that company size does not influence tax avoidance.

Ha3: Company size affects tax avoidance

2.6 Capital Intensity and Tax Avoidance

Capital intensity as an indicator that describes the size of the investment company in the form of assets still to support activities in its operations. Almost all fixed assets will experience depreciation or shrinkage during the benefits period, which can trigger emergency cost depreciation in the report finance company. Like interest costs, depreciation charges are also included, which can be deducted from income hit tax. Ultimately, it can reduce the amount of tax that must be paid by the company (Kalbuana et al., 2020). Urrahmah and Mukti (2021) and Dharma and Noviari (2017) found that capital intensity is influential and positive for tax avoidance. On the contrary, studies by Putra et al. (2020), Omesi and Appah (2021), and Ryandono et al. (2020) show that capital intensity does not affect tax avoidance.

Ha4: Capital Intensity affects tax avoidance

2.7 Institutional Ownership and Tax Avoidance

That can trigger the emergence of cost depreciation in a report finance company. As with costs, interest and depreciation charges are also included, which can be deducted from income and hit tax on. Ultimately, it can reduce the tax the company must pay (Kalbuana et al., 2020). Urrahmah and Mukti (2021) and Dharma and Noviari (2017) found that capital intensity positively influences tax avoidance. On the contrary, studies done by Putra et al. (2020), Omesi and Appah (2021), and Ryandono et al. (2020) show that there is an effect of capital intensity on tax avoidance. The higher the institutional ownership in a company, the more Aggressive tax avoidance can be reduced (Darsani & Sukartha, 2021). This statement is certainly in line with research by Fauzan et al. (2019); Putra et al. (2020), and Novita and Herliansyah (2019), who state that ownership institutional influence is negative to taxes avoidance. On the other hand, Anggraeni and Febrianti (2019), and Iwenty and Surjandari (2022) show different results. The results show that ownership does not influence tax avoidance.

Ha5: Institutional ownership affects tax avoidance

2.8 Board of Directors' Size and Tax Avoidance

The board directors serve to manage management companies so that the level of effectiveness and company efficiency becomes better. The board of directors' size is essential because it can influence various decision strategies. Because of that, the composition of board directors must be determined by appearance to ensure that there are enough members to operate various and functional board directors. Based on the theory of agency, there is a conflict of interest between companies and the government because the company wants to improve its profit. In contrast, the government considers an increase in income as a tax object that must be collected. By that, the existence of board

directors can reduce collision interest. Hoseini et al. (2019) state that tax rate avoidance will increase if the board of directors' size increases. That happens when board directors' interests drive them to make decisions and reduce tax payments through procedures, accountancy, And utilization gap law (Anggraeni & Kurnianto, 2020). A study by Fauzan et al. (2021) and Salhi et al. (2020) syndicates that the size of the board of directors hurts tax avoidance. However, the study of Omesi and Appah (2021) and Novita and Herliansyah (2019) showed different results, which state that the size of the board of directors does not influence tax avoidance.

Ha6: The size of the Board of Directors affects tax avoidance

2.9 Audit Committee and Tax Avoidance

In general, audit committee is formed to safeguard public trust in the mechanism of accountancy, auditing, and system control and help the board commissioner undergo function supervision. The existing audit committee is expected to be capable of supervising various actions related to reporting finance, especially Those related to taxes. Independence at the audit committee is expected to maintain a management company, so it is still professional without any collision of interests and influence or pressure from the company management. There are no regulations or laws are applicable. Thus, expectations arise that an audit committee can reduce the party's tendencies to avoid management company action. This statement aligns with research by Novita and Herliansyah (2019) and Oktaviana and Kholis (2021), which found a negative influence between audit committee and tax avoidance. Different results were found in several previous studies, such as research by Fauzan et al. (2021), and Maulana et al., (2024) which show that the audit committee does not influence tax avoidance.

Ha7: Audit committee affects tax avoidance

2.10 Sales Growth and Tax Avoidance

Sales growth is strategic for the company, because the existence of assets must support sales done by the company, increased sales must support by an existing increase in the number of assets owned by the company. How much a Good company can optimize resources can be seen from mark sales company year previously. Sales growth can be an excellent illustration of a company's sales growth rate and can be used to estimate the profit it will obtain. Increased sales growth gives rise to company trends that generate significant profits, so companies will also tend to take tax avoidance actions (Fauzan et al., 2019). Wulandari and Purnomo (2021) find that sales growth is influential in reducing taxes. A study by Iwenty and Surjandari (2022) shows that sales growth does not affect tax avoidance.

Ha8: Sales growth affects tax avoidance

3 RESEARCH METHODS

Mardjono et al. (2020) used manufacturing companies listed on the IDX as their research objects, whereas, in this research, the research objects used were non-financial companies listed on the IDX. The method used in this research was a purposive sampling method, and the data used amounted to 278 data. The data in this study are secondary and were analyzed using SPSS (Statistical Product and Service Solutions) version 25, which consists of descriptive statistics, normality tests, outlier tests and classical assumption tests. The operational definitions and proxies for each variable are as follows:

3.1 Taxes Avoidance

Tax avoidance is defined as effort avoidance tax carried out legally by tax payers because it is not against the applicable taxation law. Pohan (2014) Measurement of tax avoidance in study This is done using the formula Effective Tax Rate (ETR), namely burden taxes on the income statement, which are divided by profit before tax (Nathania et al., 2021). ETR is measured using a scale ratio. According to Putra et al. (2020), the formula used to count Effective Tax Rate (ETR) is $\text{Income tax expenses/earnings before tax}$.

3.2 Profitability

A company's profitability describes the ability to produce profit during a period with a certain level of sales, assets, And capital share (Putriningsih et al., 2018). Profitability is measured using a scale ratio. The typical profitability ratio used is Return on Assets (ROA). ROA functions to measure the level of effectiveness of the company in utilizing source Power, which it has (Puspita & Febrianti, 2017). According to Putra et al. (2020) the formula used to calculate Return on Assets (ROA) is $\text{Net Income After Tax/Total assets}$.

3.3 Leverage

Leverage is a ratio that can measure where companies use debt to meet operational needs and company investment (Putriningsih et al., 2018). Leverage can be measured using ratio scale measurements, namely Debt to Assets Ratio (DAR). DAR is a ratio that measures how large the amount of assets financed by the company's creditors. According to Putra et al. (2020), the formula used for calculating Debt Assets Ratio (DAR) is $\text{Total liabilities/Total Assets}$.

3.4 Size Company

Size is interpreted as an interpretation divided by the number of assets, sales amount, the average amount of assets, and average sales. The size of a company can be measured using the number of assets owned by the company because the amount of assets considered tend to be more stable compared to the number of sales and capitalization value (Putra et al., 2020). According to Putra et al. (2020), the size of companies can be measured using the measurement of natural logarithm total assets, which scale ratio with the formula as follows: $\text{Size} = \text{Ln}(\text{Total Asset})$.

3.5 Capital Intensity

Capital intensity reflects how much capital a company needs or produces income. When a company makes investments, it must always consider every opportunity to compete in the market. Indicators used to view opportunity on the period front can be seen from capital intensity. Capital intensity is an indicator that describes a comparison or the ratio between the number of fixed assets owned by the company and the amount of its assets (Puspita & Febrianti, 2017). The ratio scale is used to measure capital intensity. According to Putra et al. (2020), the formula used to calculate capital intensity is as follows: $\text{Total Fixed Assets/Total Assets}$.

3.6 Ownership Institutional

Ownership institutional is ownership shares are owned by holders of shaped institutions, such as governments, insurance companies, overseas investors, or banks, except ownership shares by an individual (Anggraeni & Febrianti, 2019). Institutional ownership is measured by using a ratio scale. The measurement used to count ownership institutional in a company is the ratio percentage between

the number of shares owned by institutions and several company shares outstanding. According to Putra et al. (2020), the formula used for count ownership institutional is as follows: Number of Institutional Share Ownership/Number of Shares Outstanding.

3.7 Board of Directors' Size

Board directors are defined as a body of law that gives authority and responsibility to the management company for interests aligned with the company's mean and objective. Besides that, board directors are also authorized to represent a company, both inside and outside court, by the provision legislation that applies (Sutarmin & Andesto, 2022). Size of board directors in the study uses a scale ratio. According to Fauzan et al. (2021), the formula used for count size board directors is as follows: $BSD = \Sigma \text{ Member of Board Directors}$.

3.8 Audit Committee

Audit committee is a committee formed by the board commissioner, something a company Which own understands adequate preparation report finance and principles supervision internal. The audit committee can be measured using ratio scale measurements. The measurement used to measure committees auditing is calculating the number of audit committees in a company (Honggo & Marlinah, 2019). According to Fauzan et al. (2021), the formula used to calculate committees' auditing is as follows: $CA = \Sigma \text{ Member of audit committee}$.

3.9 Sales Growth

Sales growth is an indicator that reflects development level sales from year after year, so if it develops, it can increase and decrease. Sales growth measurement can be measured using calculations from sales at the end of the period in the year concerned minus sales at the end of the previous period, shared with the sale end period year (Honggo & Marlinah, 2019). The scale used to measure sales growth is a ratio scale. According to Iwenty and Surjandari (2022), the formula used to measure sales growth is as follows: $(\text{Sales}_{it} - \text{Sales}_{it-1})/\text{Sales}_{it-1}$.

4 RESULTS AND DISCUSSION

The following table 1 shows the results of the processing test descriptive statistics consisting of average (mean), standard deviation, minimum, and maximum values for all research variables.

Variable	N	Minimum	Maximum	Mean	Std. Deviation
ETR	450	0.0001	0.9495	0.243943	0.1624384
ROA	450	0.0001	0.4163	0.071481	0.0631645
DAR	450	0.0630	0.8582	0.403252	0.1894056
SIZE	450	25.6590	33.5372	29.051269	1.6327458
CAPINT	450	0.0036	0.9359	0.329203	0.2260912
OI	450	0.1106	0.9971	0.688301	0.1901693

BSD	450	2	11	4.87	2,002
CA	450	2	7	3.07	0.373
SG	450	-0.7708	1.5576	0.075724	0.2705730

Source: Results processing data IBM SPSS Statistics version 25

Table 1 shows that 450 data were used in this research. The dependent variable tax avoidance, which is proxied by ETR, has a mark minimum as big as 0.0001 contained in the company Wheel Vivatex Tbk. in 2021 and a mark maximum of 0.9495, which is at the Bumi Citra Permai Tbk company in 2021. The mean and standard deviation variables are each as big as 0.243943 and 0.1624384. Variable profitability, which is proxied by ROA and has a value of a minimum of 0.0001, exists at the Bumi Citra Permai Tbk company in 2021 and as high as 0.4163, which exists at Multi Bintang Indonesia Tbk company in 2019. Mean and standard deviation variables are as big as 0.071481 and 0.0631645. Variable leverage, which is proxied by DAR, has a value minimum of 0.0630, exists in the company Supreme Cable Manufacturing & Commerce Tbk. in 2021, and a maximum value of 0.8582 found in the company Adhi Karya (Persero) Tbk. in the year 2021. Mark mean and standard deviation variables are as significant as 0.403252 And 0.1894056.

The variable size company proxied by SIZE has a mark minimum as big as 25.6590, which was found in the Mitra Energi company Persada Tbk. in 2021, and a value maximum as big as 33.5372, which was found in the company Astra International Tbk. in 2021. The mean and standard deviation of this variable are 29.051269 and 1.6327458, respectively. The variable capital intensity Proxied by CAPINT has a value as low as 0.0036, which is on company Wheel Vivatex Tbk. in the year 2021, and as high as 0.9359, which is on company Batavia Prosperindo Trans Tbk. in the year 2021. The mean and standard deviation variables are as low as 0.329203 and 0.2260912. The institutional ownership variable, which is proxied by OI., has a value of a minimum of 0.1106 and exists in the Kapuas Prima Coal Tbk company. In 2021, the maximum value was as significant as 0.9971, found in the company Dawn Sun Wisesa Tbk. in 2021. Mark mean and standard deviation variables are as significant as 0.688301 And 0.1901693. Size variables: The board of directors, which is proxied by BSD, has a minimum mark of 2 and a maximum mark of 11. Mean value and standard deviation variable: These are each as big as 4.87 and 2,002. Variable audit committee, proxied to CA has a minimum mark as big as two and a maximum mark as big as 7, which was on company Telkom Indonesia tbk. in 2020. Mean and standard deviation variables, each as big as 3.07 and 0.373. The Bayu Buana Tbk company has variable sales growth, approximated by SG.'s mark minimum of -0.7708. In 2020, the company Pura delta Sustainable Tbk had a maximum value of 1.5576. In 2019, this variable's mean value and standard deviation were 0.075724 and 0.2705730, respectively.

The t-statistical test is carried out with the objective of how much far influences one variable independently in a way that the individual explains the variation of the dependent variable. t-test results can see in Table 2 following:

Model	B	Sig.	Conclusion
Constant	0.798	0,000	
ROA	-0.507	0,000	Ha 1 accepted
DAR	0.160	0,000	Ha 2 accepted

SIZE	-0.028	0,000	Ha 3 accepted
CAPINT	0.057	0.076	Ha 4 No accepted
OI	-0.010	0.802	Ha 5 No accepted
BSD	0.001	0.821	Ha 6 No accepted
CA	0.067	0.001	Ha 7 accepted
SG	-0.004	0.888	Ha 8 No accepted

Source: Results processing data IBM SPSS Statistics version 25

Variable profitability (ROA) has a significance value of 0.000, smaller than alpha 0.05, which means Ha 1 accepted. Results show that profitability influences tax avoidance. A b coefficient value as immense as -0.507 shows that profitability negatively influences ETR; the higher the profitability level, the lower the ETR. A low ETR value indicates a high level of tax avoidance, which the company does, so it can be concluded that profitability affects increased tax avoidance. The high profits generated by the company also cause the amount of tax due paid by the company to increase, so the company tends to practice tax avoidance. The company considers tax a burden That can reduce profit generated, so the company does careful tax planning to pay the minimum tax possible (Kusumah et al., 2021). Variable leverage (DAR) has a significance value of 0.000, smaller than alpha 0.05, meaning Ha 2 is accepted. The results show that leverage influences tax avoidance. Mark coefficient B, as big as 0.160, indicates that the leverage ratio positively influences ETR. It means the higher the ratio leverage, so mark ETR as the taller. That height mark ETR indicated that the company was low in tax avoidance, so it can be concluded that leverage is influential for lower *tax* avoidance. Ratio leverage reflects ample use of debt to finance the company. A company that owns debt will try to show good performance to creditors by demonstrating how to generate better profits than companies that do not have debt. Although debt can increase a company, large amounts of debt are accompanied by significant risks. The company management will also be careful in acting and avoiding risks that may occur by not carrying out tax avoidance (I. M. S. Dharma & Ardiana, 2016).

Variable size company (SIZE) has a significance value of 0.000, which is smaller than alpha, which is 0.05, which means Ha 3 is accepted. Results indicate that the size of the company influences tax avoidance. The coefficient B value is - 0.028, which shows that the company's size is influential to ETR; it means the more prominent company is a big size company, so the mark ETR is Getting lower. A low ETR value indicates a high level of tax avoidance, which the company does, so it can be concluded that its size influences increasing tax avoidance. Large companies have stable conditions to carry out activities and operations to generate profit. The ability to generate these high profits finally gives rise to tendencies in the company. To utilize weaknesses in regulation taxation, avoid burden tax, which is tall (Nathania et al., 2021). Variable capital intensity (CAPINT) 's own mark significance of 0.076 is greater than alpha 0.05, which means Ha 4 No accepted. The results show that capital intensity does not influence tax avoidance. According to Ryandono et al. (2020) a ratio of high capital intensity does not completely indicate that a company does action tax avoidance because it may still use assets to support its operations. Variable ownership institutional (OI) own mark significance as considerable as 0.802, more significant than the alpha 0.05, which means Ha 5 is not accepted. These results show that institutional ownership does not influence tax avoidance. According to Anggraeni and Febrianti (2019), institutional shareholders tend to avoid the risks that enable them to fail to find indications of tax avoidance, which can destroy a good company. Thus,

this means stakeholders share the operating function and control over the management company with reasonable action so tax avoidance can be prevented.

Board size directors (BSD) have a significance value of 0.821, more significant than the alpha 0.05, meaning Ha 6 is not accepted. These results show that the size of the board of directors does not influence tax avoidance. Size board directors influence the decision of a company to take action on tax avoidance because of the impact it will have when the company carries out tax avoidance, such as sanctions from an authority, a decline in the price of company shares, and company image. Its good becomes an essential consideration of the company's policy on taxation. Variable audit committee (CA) has a significance value of 0.001, smaller than alpha 0.05, which means Ha 7 accepted. The results show that the audit committee influences tax avoidance. The b-coefficient value as significant as 0.067 shows that audit committee impact ETR; it means that the audit committee increases the ETR value. Mark ETR indicates a low level of tax avoidance, which the company does, so it can be concluded that the audit committee influences lower tax avoidance. Existence audit committee is expected to supervise party management so that careful, responsible answers are provided. It is also essential to be open when compiling report finance to prevent action tax avoidance (Oktaviana & Kholis, 2021). Variable sales growth (SG) has a significance value of 0.888 more, which is significant from alpha 0.05, which means Ha 8 No is accepted. The results show that sales growth is not its influence on tax avoidance. According to Iwenty and Surjandari (2022), a company with high sales will result in profit, so the company pays the obligation to join in increases, and the company does not need to carry out tax avoidance actions that can damage the reputation of the company.

5 CONCLUSIONS

Based on the results of statistics and analysis of 150 companies That registered in a way consistent with Exchange Effect Indonesia (IDX) during the year 2018-2021, it was concluded that profitability, leverage, company size, and audit committee are influential to tax avoidance, while capital intensity, institutional ownership, board size directors, and sales growth no influential to taxes avoidance. There are several limitations contained in this research, such as data not being distributed normally, autocorrelation problems, and heteroscedasticity problems with profitability variables, company size, and sales growth. The study's coefficient of determination value (adjusted R²) is only as significant as 14%, which means many other independent variables in the model regression study influence tax avoidance.

Based on the study's limitations, which have been outlined, the researcher gives several recommendations that can benefit the researcher. Furthermore, the study can further transform data to ensure that it is distributed in a standard, autocorrelation, or heteroscedastic way. The study can also add variables independent of other potential influences on tax avoidance, like commissioner independence, fiscal loss compensation, executive character, audit quality, and the age of the company.

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