JURNAL

**Riset Akuntansi dan Keuangan Indonesia**

URL : http://journals.ums.ac.id/index.php/reaksi/index

# Analysis of The Effect of Company Characteristics and Corporate Governance on Tax Aggressiveness: Before and During The Covid-19 Pandemic (Empirical Study of Manufacturing Companies Listed on The Indonesia Stock Exchange Period 2019-2020)

Risma Talia Saputri[1]*, Rr. Sri Handayani[2]

[1]Undergraduate Student of Accounting, FEB, UNDIP

[2]Accounting Lecturer, FEB, UNDIP

*email: rismasaputri40@gmail.com

**Keywords:**
company characteristics, corporate governance, tax aggressiveness

**ABSTRACT**

This study aims to analyze the effect of company characteristics and corporate governance on tax aggressiveness before and during the Covid-19 pandemic. The independent variables of this study are the company characteristics (profitability, capital intensity, inventory intensity, and company size) and corporate governance (independence the board of commissioners and audit committee size). The dependent variable of the study is tax aggressiveness measured using the Effective Tax Rate (ETR). The population of this study are manufacturing companies listed on the Indonesia Stock Exchange period 2019-2020. The sampling method used was purposive sampling and obtained a total sample of 176 firm-years of observation with certain criteria. This study uses multiple regression analysis and chow test with SPSS 25 software. Based on results of the t-test, there was a positive effect profitability on tax aggressiveness before and during the pandemic, there was a positive effect company size on tax aggressiveness before the pandemic, there was a negative effect audit committee size on tax aggressiveness before and during the pandemic. However, it is not proven company size had an effect on tax aggressiveness during the pandemic. Meanwhile, capital intensity, inventory intensity, and independence the board of commissioners have not been shown an impact on tax aggressiveness before and during the pandemic. Then, the findings chow test found there was no difference effect of the six independent variables on tax aggressiveness before and during the pandemic.

p-ISSN:1411-6510
e-ISSN :2541-6111

## INTRODUCTION

Tax aggressiveness is an action that seeks to reduce taxable income with tax planning strategies, either through ways that are considered legal, such as tax avoidance or towards tax evasion (Frank et al., 2009). While (Chen et al., 2010) argue that companies will be considered more tax aggressive if more loopholes are used. Companies tend to take tax aggressiveness in order to minimize the tax burden to increase the company's net profit.

Since the Covid-19 pandemic hit in early 2020, it has had an indirect impact on the company. The implementation of social restrictions or lockdowns causes the company's operational activities to be disrupted and even stopped for a relatively long period of time so that the company experiences reduced cash flow, reduced profits, and can even trigger employee reductions or termination of employment. This condition causes the company's environment to be unable to provide certainty of profit potential. The existence of production reductions, employee reductions or salary cuts is a form of action taken by the company to reduce the burden during the pandemic caused by reduced company profits. As part of corporate taxpayers, companies must fulfill tax obligations, the amount of which is determined by the company's total net profit. Therefore, the economic situation during the Covid-19 pandemic will provide a high possibility for company management to have a tendency to be aggressive in terms of taxation.

The Covid-19 pandemic has the potential to encourage tax aggressive practices. Especially with the existence of a new tax regulation that was made as a form of adjustment to minimize the circumstances and the impact caused by the Covid-19 pandemic. The tax stimulus policy and changes to the general corporate income tax rate during the pandemic for this new tax regulation can affect the behavior of company management in managing company financial reports. The implementation of incentives to reduce the general corporate income tax rate from 25% in 2019 to 22% in 2020 and 2021, provides an opportunity for company management to carry out a more thorough tax planning strategy or take advantage of tax regulation loopholes in order to minimize its tax burden. Therefore, changes in the tax rate will likely affect the response of management in the managing of taxes.

The tax collection system in Indonesia is called a self-assessment system, and gives authority to companies as corporate taxpayers to calculate the amount of tax to be paid by themselves. This provides the possibility for taxpayers to be aggressive towards their taxes. In addition, there are cases of tax aggressiveness by public companies, particularly in the manufacturing sector. According to news coverage by tempo.co (2020), there are indications that PT Toba Pulp Lestari Tbk has attempted tax evasion by deliberately manipulating documents related to the recording of export transactions. This was done by PT Toba Pulp Lestari Tbk to hide the proper export value in order to avoid paying taxes at domestically. In this case, PT Toba Pulp Lestari Tbk is suspected of having committed tax evasion, even though the company should have been subject to import duties on exports worth IDR 16.7 trillion, but only IDR 1.3 trillion of transactions were recognized by PT Toba Pulp Lestari Tbk. This phenomenon indicates that the company's goal to achieve high success and large profits cannot be separated from tax aggressive practices.

Based on the perspective of agency theory, tax aggressive actions arise as a result of conflicts interest and incomplete information (information asymmetry) between agents as management parties and principals as shareholder parties. Agents can practice tax aggressiveness because they know more about the company's internal conditions in full than the principal. The practice of tax aggressiveness is usually carried out by utilizing the company's accounting policies. Company management will use certain accounting methods to indirectly reduce the tax burden (Frank et al., 2009). This is related to company characteristics, the impact of company characteristics can trigger companies to be aggressive towards taxes. Because these characteristics form the fundamental structure of the company, they are important in determining the company's treatment of taxes (Rodriguez & Arias, 2012). The proxies for company characteristics that can influence tax aggressiveness are profitability, capital intensity, inventory intensity, and company size.

In addition, tax aggressiveness is also related to corporate governance. To reduce tax

aggressiveness, companies need to implement corporate governance as a monitoring or monitoring mechanism (Zemzem & Ftouhi, 2013). Minnick & Noga (2010) explained that the better the corporate governance, the better the tax management. Corporate governance mechanisms can be a bridge in minimizing agency conflicts between management as agents and shareholders as principals, in this study proxied by independence the board of commissioners and audit committee size. This research is a modification of a number of previous studies. But with different samples, research variables, and periods. The period 2019 and 2020 research were chosen because macro conditions can affect the micro conditions of companies before and during the pandemic, so the authors suspect that there is a possibility that conditions between before and during the pandemic will have a different influence from the company's characteristics and corporate governance perspective on tax aggressiveness practices. The category of manufacturing companies was also chosen because the companies listed in the manufacturing sector are the largest of the total companies listed on the Indonesia Stock Exchange and contribute most to tax revenues. So that manufacturing sector companies become one of the largest corporate tax contributors which will have a significant effect on tax revenues. Therefore, this study aims to analyze and obtain empirical evidence regarding the effect of company characteristics (profitability, capital intensity, inventory intensity, and company size) and corporate governance (independence the board of commissioners and audit committee size) on tax aggressiveness between before and during the Covid-19 pandemic in the category of manufacturing sector companies listed on the Indonesia Stock Exchange period 2019-2020.

## LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Based on the perspective of agency theory, the existence of aggressive tax behavior by company management can be influenced a number of factors that are characteristic of company, both from a financial and non-financial. Such as the level of profitability, capital intensity, inventory intensity, and company size. Aspects of these company characteristics will increase management flexibility in utilizing accounting policies for their personal gain. Agency problems may occur when there are different interests of the principal and the agent because agents tend to know more about the company's internal information. Thus causing the company as an agent to carry out tax planning strategy efforts in order to minimize the tax burden in order to prioritize its interests in optimizing profits by carrying out tax aggressiveness.

Profitability reflects the company's ability to generate profits in a certain period of time. A company with a high level of profitability will also incur high political costs, one of which is the imposition of a higher tax burden. In accordance with the perspective of agency theory, the existence of different interests can cause information asymmetry between agents and principals. This encourages company management to choose accounting techniques that are able to reduce reported earnings, which consequently will reduce the amount of the company's tax burden. According to Fauzan et al., (2019) the higher the profitability ratio can be described as a form of company efficiency, and the profits obtained are even greater. So it will cause the amount of tax that the company must pay even higher as the higher the profit generated. These conditions can increase the tendency of companies to take more aggressive tax steps, so that the amount of tax paid is not too high reducing profits.

**H1a:** There is a positive effect of profitability on tax aggressiveness before the Covid-19 pandemic

**H1b:** There is a positive effect of profitability on tax aggressiveness during the Covid-19 pandemic

The capital intensity ratio can be defined as how much a company invests in its fixed assets or also known as property, plant and equipment (PP&E). As Law No. 36 of 2008 in Article 6 paragraph 1b categorizes that the company's fixed assets will incur a depreciation expense. Where these costs can be deducted or include deductible expenses which can be a deduction from the company's tax burden that is owed. According to the perspective of agency theory, differences in interests caused between agents and principals can result in information asymmetry. Companies will use accounting policies to reduce profit reports, when investing in fixed assets, companies can use depreciation techniques that are considered to increase company profits. According to Delgado et al., (2014) the greater the company invests in its

p-ISSN:1411-6510
e-ISSN:2541-6111

fixed assets, the greater the depreciation expense will arise. The amount of depreciation expense will automatically cause the company's profit to fall. Low profits will result in a lower tax burden so that the ETR will also be lower which indicates that the company is aggressive in higher taxes.

**H2a:** There is a positive effect of capital intensity on tax aggressiveness before the Covid-19 pandemic
**H2b:** There is a positive effect of capital intensity on tax aggressiveness during the Covid-19 pandemic

The amount of inventory invested by the company is used to determine inventory intensity. The company's inventory count will determine the costs attached to the inventory. In PSAK 14 Number 13 categorizes costs attached to inventory and recognized as expenses in the period the transaction occurs, namely administrative and general costs, material costs, production costs, labor costs, storage costs, and selling costs. In accordance with the perspective of agency theory, information asymmetry occurs due to differences in interests between principals and agents. Company management has the opportunity to choose accounting policies to reduce profits. The higher the amount of inventory, the greater the expenses attached to the inventory will increase. The company's profit will decrease because of these expenses, so the company will use it to minimize the tax burden paid by increasing inventory in the warehouse. Fahrani et al., (2017) added that companies with large inventory intensity ratios will be more aggressive in their tax obligations because company profits in the current period are allocated in future periods to reduce tax expenditures. So that in the next period the company's profits can increase.

**H3a:** There is a positive effect of inventory intensity on tax aggressiveness before the Covid-19 pandemic
**H3b:** There is a positive effect of inventory intensity on tax aggressiveness during the Covid-19 pandemic

The size of the company is a scale that categorizes the company into large or small companies and can be measured through the natural logarithm of total assets. Siegfried (1972) argues that large-scale companies tend to be more tax aggressive than small companies. This is because large-scale companies usually have greater political and economic power and can reduce their tax burden. Large companies generally have large enough facilities that allow them to manage company activities to achieve optimal savings on tax costs. According to Kimsen et al., (2019) argues that the larger the company, the greater the total assets owned. Shows the more complex the company's economic activity in terms of generating profits which affects the amount of tax that the company must pay. This situation can make companies tend to take action to reduce the tax burden through tax aggressive measures.

**H4a:** There is a positive effect of company size on tax aggressiveness before the Covid-19 pandemic
**H4b:** There is a positive effect of company size on tax aggressiveness during the Covid-19 pandemic

This agency relationship itself can cause problems for certain parties who have different goals. Therefore, a corporate governance mechanism is needed that can harmonize the different interests between agents and principals in relation to tax aggressiveness. So that conflicts of interest that can harm the company can be avoided. Corporate governance is an integrated balancing and monitoring system that is considered capable of preventing and resolving agency conflicts or problems. Also carry out supervision by parties from internal companies, external companies, or from the government. Thus, the role of good corporate governance is considered capable of minimizing opportunistic management actions and limiting management space making it difficult to take risky actions such as aggressive tax actions.

Independence the board of commissioners is the most important component of corporate governance. Provision No.33/POJK.04/2014, says that the task of the board of commissioners is to provide advice to the directors and carry out general supervision in accordance with the articles of association. The board of commissioners consists of non-independent and independent commissioners. At least an independent commissioner has a proportion of 30% of the total board of commissioners in the company. Independence the board of commissioners can minimize conflicts interest between agents and principals within the company caused by information asymmetry. According to Zemzem & Ftouhi (2013) independence commissioners are able to increase the board's capacity to monitor management effectively in conditions characterized

by problems occurring from the separation of control, ownership, and can also help reduce tax aggressiveness. Because an independent board of commissioners will act objectively and can balance the company's stakeholders.

**H5a:** There is a negative effect of independence the board of commissioners on tax aggressiveness before the Covid-19 pandemic

**H5b:** There is a negative effect of independence the board of commissioners on tax aggressiveness during the Covid-19 pandemic

The audit committee size is able to become a bridge in reducing information asymmetry on the part of agents and users company information. In the provisions of OJK No. 55/POJK.04/2015, it is stated that the audit committee is a group appointed based on the board of commissioners with supervisory responsibilities. The audit committee consists of at least 3 members in a company organ. The audit committee as a corporate governance mechanism plays a role in assisting the board of commissioners in carrying out the oversight function or monitoring several matters, such as the internal control system, financial reports, internal and external audits. According to Fauzan et al., (2019) argues that the existence of an audit committee in a company supports the board of commissioners in terms of supervising or monitoring management companies policies so that information asymmetry does not occur in the company's performance reporting process. The more effective the oversight of the audit committee in evaluating the company's financial statements is believed to be able to inhibit companies from manipulating profit reports for tax purposes so as to minimize tax aggressive management actions.

**H6a:** There is a negative effect of audit committee size on tax aggressiveness before the Covid-19 pandemic

**H6b:** There is a negative effect of audit committee size on tax aggressiveness during the Covid-19 pandemic

This research is expanded by carrying out different effects related to independent variables on tax aggressiveness between before the pandemic and during the pandemic. The existence of a pandemic creates economic conditions that cannot provide a definite possibility. So that forces management as an agent to make extra efforts to achieve the targeted profit (Firmansyah & Ardiansyah, 2020). With the stimulus of providing incentives in the form of relief or reduction of tax rates during the pandemic, corporate management can use it through a tax planning strategy to take tax aggressive actions. During the pandemic, the level of supervision and control over the provision of tax incentives is likely to decrease. Therefore, the practice of tax aggressiveness during the pandemic period will increase which is suspected to have caused a number of factors related to influencing corporate tax aggressiveness, such as profitability, capital intensity, inventory intensity, company size, independence the board of commissioners, and audit committee size will also differ between conditions before and during the pandemic.

**H7:** There are differences in the effect of profitability, capital intensity, inventory intensity, company size, independence the board of commissioners, and audit committee size on tax aggressiveness before and during the Covid-19 pandemic

## RESEARCH METHODS

### Research Variable

The dependent variable tax aggressiveness proxied by ETR follows Lanis & Richardson (2012) through the formula comparing income tax expense to pre-tax profit. Then, independent variable in this research include follows Tampubolon (2021) the ROA (return on assets) ratio measurement scale is used for the variable profitability, through the profit after tax ratio formula on total assets. Following Rodriguez & Arias (2012) the variable capital intensity (CAPINT) is measured by the ratio of total fixed assets to total assets of the company. Following Richardson & Lanis (2007) the variable inventory intensity (INVINT) is measured by the ratio of total inventory to total assets. Referring to Richardson & Lanis (2007) the variable company size (SIZE) is measured by the natural logarithm of total assets. Referring to Apriyanti & Arifin (2021) the variable independence the board of commissioners (IND) is measured by a comparison of the total members of the independent commissioners to the total board of commissioners. Then, the variable audit committee size (KOM) follows Apriyanti & Arifin (2021) is measured by the total number of audit committee members in the company.

p-ISSN:1411-6510
e-ISSN :2541-6111

### Population and Sample

The population of this study is the manufacturing sector listed on the Indonesia Stock Exchange during the observation period before the pandemic, namely 2019 and during the pandemic, namely 2020. The data collection method used is the observation of secondary data obtained in the annual financial reports available both from the Indonesia Stock Exchange website or related companies. As for determining the research sample through purposive sampling technique according to certain criteria. Based on the sample selection Table 1, a total sample of 88 was obtained for each year. So that the total sample for the final study used was 176 firm-years of observation.

**Table 1 Sampling Selection**

| Description | 2019 | 2020 | Total |
|---|---|---|---|
| Manufacturing companies listed on the Indonesia Stock Exchange | 182 | 195 | 377 |
| The company does not present financial statements in Rupiah (Rp) | (38) | (39) | (77) |
| The company suffered losses during the observation period | (24) | (48) | (72) |
| The company does not have complete data | (2) | (2) | (4) |
| Data outliers | (30) | (18) | (48) |
| Total sample | 88 | 88 | 176 |

Source: Processed Secondary Data, 2022

### Analysis Method

The method of analysis for this research is multiple linear regression analysis and different chow tests through the OLS (Ordinary Least Squares) approach with SPSS 25 program. This analysis was carried out before the pandemic for period 2019 observation and during the pandemic for period 2020 observation. The regression model of this study expressed in the following equation:

$$ETR = \alpha + \beta_1\, ROA + \beta_2\, CAPINT + \beta_3\, INVINT + \beta_4\, SIZE + \beta_5\, IND + \beta_6\, KOM + \varepsilon$$

Description:

| | | |
|---|---|---|
| ETR | = | Tax Aggressiveness |
| $\alpha$ | = | Constant |
| $\beta_1$-$\beta_6$ | = | Regression Coefficient |
| ROA | = | Profitability |
| CAPINT | = | Capital Intensity |
| INVINT | = | Inventory Intensity |
| SIZE | = | Company Size |
| IND | = | Independence the Board of Commissioners |
| KOM | = | Audit Committee SIZE |
| $\varepsilon$ | = | Error |

## RESULTS AND DISCUSSION

### Descriptive Statistics

The following Table 2, presents a summary of descriptive statistics before and during the pandemic for each research variable. As well as the Table 3, Independent Sample T-Test summary to prove whether or not there is a significant mean difference for the tax aggressiveness variable between before and during the pandemic.

**Table 2 Descriptive Statistics**

| | | Before the Pandemic | | | | During the Pandemic | | | |
|---|---|---|---|---|---|---|---|---|---|
| Variable | N | Minimum | Maximum | Mean | Std. Deviation | Minimum | Maximum | Mean | Std. Deviation |
| ROA | 88 | 0,005 | 0,17 | 0,059 | 0,041 | 0,0004 | 0,18 | 0,053 | 0,049 |
| CAPINT | 88 | 0,028 | 0,74 | 0,383 | 0,181 | 0,011 | 0,78 | 0,359 | 0,197 |
| INVINT | 88 | 0,018 | 0,43 | 0,190 | 0,097 | 0,001 | 0,44 | 0,179 | 0,104 |
| SIZE | 88 | 25,05 | 33,49 | 28,33 | 1,568 | 24,95 | 33,45 | 28,31 | 1,684 |
| IND | 88 | 0,25 | 0,67 | 0,410 | 0,097 | 0,25 | 0,67 | 0,408 | 0,095 |
| ETR | 88 | 0,14 | 0,53 | 0,272 | 0,073 | 0,0004 | 0,94 | 0,285 | 0,174 |
| Valid N (listwise) | 88 | | | | | | | | |

Source: Processed SPSS Data 25, 2022

Based on Table 2, it shows company data before and during the Covid-19 pandemic that were used as samples in this study, each of which consisted of 88 observations. The variable profitability

(ROA) before and during the pandemic obtained mean values of 0,059 and 0,053, which means that the sample companies found an average net profit of 5,9% and 5,3% on their total assets. The variable capital intensity (CAPINT) before and during the pandemic had a mean value of 0,383 and 0,359, meaning that the sample companies had an average total fixed asset of 38,3% and 35,9% of the company's total assets. The variable inventory intensity (INVINT) before and during the pandemic had a mean value of 0,190 and 0,179, meaning that the sample companies found an average total inventory of 19% and 17,9% of the company's total assets. The variable company size (SIZE) before and during the pandemic obtained mean values of 28,33 and 28,31 meaning that the average company size of total company assets (in the form of natural logarithms) before the pandemic was 28,33 or Rp. 10.303.314.857.747 and during the pandemic it was 28,31 or IDR 11.992.769.295.184. The variable independence the board of commissioners (IND) before and during has a mean value of 0,410 and 0,408, meaning that the sample companies found that the average total number of independent commissioners over the entire board of commissioners was 41% and 40,8% of the 88 sample companies had fulfilled the proportion of commissioners independent in accordance with provisions No.33/POJK.04/2014, namely a minimum of at least 30%. The variable tax aggressiveness (ETR) before and during the pandemic had a mean value of 0,272 and 0,285, which means that the sample companies found an average total income tax expense of 27,2% and 28,5% of total profit before tax.

Based on the results of the descriptive statistics Table 2, it shows that the standard deviation values before and during the pandemic for all variables have values that are smaller than the average which indicates that data deviations or data variations are relatively small so that it can be said that the research variables are homogeneous. Summary of descriptive statistics on the variable audit committee size (KOM) before and during the pandemic can be seen from the frequency distribution Table 3 as follows.

**Table 3 Frequency Distribution of the Audit Committee Size**

| | Before the Pandemic | | | During the Pandemic | | |
|---|---|---|---|---|---|---|
| **Variable** | **Value** | **Frequency** | **Percentage** | **Value** | **Frequency** | **Percentage** |
| KOM | 1 | 1 | 1,1 | 1 | 1 | 1,1 |
| | 2 | 1 | 1,1 | 2 | 2 | 2,3 |
| | 3 | 81 | 92,0 | 3 | 81 | 92,0 |
| | 4 | 4 | 4,5 | 4 | 4 | 4,5 |
| | 5 | 1 | 1,1 | | | |
| | Total | 88 | 100 | Total | 88 | 100 |

Source: Processed SPSS Data 25, 2022

Based on Table 3, it was found that out of a total of 88 sample companies before the pandemic 86 or 97,6% of the sample companies and during the pandemic 85 or 96,5% of the sample companies had complied with the provisions set by OJK No. 55/POJK.04/2015 states that the audit committee must consist of at least 3 members. While the rest of the sample companies have an audit committee under the minimum limit provisions.

Based on the descriptive statistics of the tax aggressiveness (ETR), there was a difference in the mean tax aggressiveness before and during the pandemic. Thus, to prove whether there is a significant mean difference or not, it is necessary to carry out an Independent Sample T-Test.

p-ISSN:1411-6510
e-ISSN :2541-6111

Table 4 Independent Sample T-Test

| | | Levene's Test for Equality of Variances | | t-test for Equality of Means | | | | |
|---|---|---|---|---|---|---|---|---|
| | | F | Sig. | t | df | Sig. (2-tailed) | 95% Confidence Interval of the Difference | |
| | | | | | | | Lower | Upper |
| ETR | Equal variances assumed | 23,305 | 0,000 | -0,623 | 174 | 0,534 | -0,0523 | 0,0272 |
| | Equal variances not assumed | | | -0,623 | 116,681 | 0,535 | -0,0525 | 0,0274 |

Source: Processed SPSS Data 25, 2022

From Table 4, the sig (2-tailed) value is obtained in equal variances assumed of 0,534 > 0,05. So it can be concluded that there is no significant difference in the mean of variable tax aggressiveness proxied by the ETR between before and during the pandemic.

## Classical Assumption Test and Goodness of Fit Model

The following Table 5 is presented, as a summary of testing the classical assumptions and the goodness of fit model before and during the Covid-19 pandemic.

Table 5 Results of the Classical Assumption Test and Goodness of Fit Model

| | Before the Pandemic | | | | | | During the Pandemic | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Model | ETR = 0,460 – 0,456 ROA + 0,035 CAPINT – 0,047 INVINT – 0,013 SIZE + 0,092 IND + 0,051 KOM + ε | | | | | | ETR = 0,289 – 1,134 ROA + 0,069 CAPINT + 0,082 INVINT – 0,016 SIZE + 0,239 IND + 0,121 KOM + ε | | | | | |
| Variable | Collinearity Statistics | | Spearman's Rho | Statistic t Test | | | Collinearity Statistics | | Spearman's Rho | Statistic t Test | | |
| | Tolerance | VIF | Sig | B | t | Sig | Tolerance | VIF | Sig | B | t | Sig |
| Constant | | | | 0,460 | 2,923 | 0,004 | | | | 0,289 | 0,830 | 0,409 |
| ROA | 0,889 | 1,125 | 0,298 | -0,456 | -2,489 | 0,015 | 0,866 | 1,155 | 0,963 | -1,134 | -2,994 | 0,004 |
| CAPINT | 0,843 | 1,186 | 0,830 | 0,035 | 0,821 | 0,414 | 0,867 | 1,154 | 0,390 | 0,069 | 0,734 | 0,465 |
| INVINT | 0,777 | 1,287 | 0,913 | -0,047 | -0,560 | 0,577 | 0,791 | 1,264 | 0,869 | 0,082 | 0,440 | 0,661 |
| SIZE | 0,700 | 1,428 | 0,724 | -0,013 | -2,327 | 0,022 | 0,702 | 1,425 | 0,337 | -0,016 | -1,281 | 0,204 |
| IND | 0,906 | 1,104 | 0,844 | 0,092 | 1,180 | 0,241 | 0,848 | 1,180 | 0,950 | 0,239 | 1,211 | 0,229 |
| KOM | 0,860 | 1,162 | 0,744 | 0,051 | 2,560 | 0,012 | 0,802 | 1,247 | 0,555 | 0,121 | 2,128 | 0,036 |
| K-S | | | | | | 0,194 | | | | | | 0,121 |
| Runs Test | | | | | | 0,133 | | | | | | 0,668 |
| Sig. F Statistik | | | | | | 0,001 | | | | | | 0,004 |
| Adj. R Square | | | | | | 0,172 | | | | | | 0,146 |

Source: Processed SPSS Data 25, 2022

Based on results testing the classical assumptions and goodness of fit of the regression model before and during the Covid-19 pandemic shown in Table 5, it can be concluded that the regression model meets the requirements of the classical assumption so that the regression model can be said to be free from bias or BLUES (best Linear Unbiased Estimator) and had a fairly goodness of fit, so it can be used in further tests.

## Hypothesis Testing

Table 6 presents of the results of hypothesis testing obtained from statistic t-test. To determine the effect of each independent variable on tax aggressiveness before and during the pandemic. Then, to be able to find out the different effects before and during the pandemic of the six independent variables on tax aggressiveness, then the need to do different test effects the Chow Test, is presented in Table 7 below.

Table 6 Statistic t Test

| Independent Variable | Before the Pandemic | | | During the Pandemic | | |
|---|---|---|---|---|---|---|
| | B | Sig | Hypothesis | B | Sig | Hypothesis |
| ROA | -0,456 | 0,015 | H1a accepted | -1,134 | 0,004 | H1b accepted |
| CAPINT | 0,035 | 0,414 | H2a rejected | 0,069 | 0,465 | H2b rejected |
| INVINT | -0,047 | 0,577 | H3a rejected | 0,082 | 0,661 | H3b rejected |
| SIZE | -0,013 | 0,022 | H4a accepted | -0,016 | 0,204 | H4b rejected |
| IND | 0,092 | 0,241 | H5a rejected | 0,239 | 0,229 | H5b rejected |
| KOM | 0,051 | 0,012 | H6a accepted | 0,121 | 0,036 | H6b accepted |

Source: Processed SPSS Data 25, 2022

Table 7 Chow Test

| Description | Combined Models | Before the Pandemic | During the Pandemic | Hypothesis |
|---|---|---|---|---|
| Residual Value | 2,552 | 0,359 | 2,103 | H7 rejected |
| N | 176 | 88 | 88 | |
| *Chow Test* | | 0,999 | | |
| F Table$_{(0,05)}$ | | 2,154 | | |

Source: Processed SPSS Data 25, 2022

Data from Table 7, with a total n sample of 176 and total of independent variables estimated in restricted regression (k) is 6, the calculation for the F Chow Test is as follows:

$$F = \frac{(RSSr - RSSur)/\,k}{RSSur\,/\,(n1 + n2 - 2k)}$$

$$= \frac{(2{,}552 - (0{,}359\ + 2{,}103))/\,6}{(0{,}359\ + 2{,}103)/\,(88 + 88 - 12)}$$

$$= \frac{(2{,}552 - 2{,}462)/6}{2{,}462\,/\,164}$$

$$= 0{,}999$$

## Discussion of Research Results

Based the results of the first t-test in Table 6, the effect of variable profitability (ROA) on tax aggressiveness before and during the Covid-19 pandemic. Research findings that there is a positive effect of variable profitability on tax aggressiveness before and during the Covid-19 pandemic, thus H1a and H1b accepted. The direction of the coefficient variable profitability (ROA) before and during the Covid-19 pandemic on tax aggressiveness proxied by ETR is negative, meaning that the higher ROA, the higher tax aggressiveness, which is marked by the lower ETR. The findings of this study support positive accounting theory in agency theory that companies with high profitability will also be subject to high political costs, one of which is the tax burden will be higher. As a result, encouraging company management to choose to use accounting techniques that are able to reduce profit reports which will ultimately reduce the amount of tax burden that must be paid by the company. It is also possible for companies to take steps to avoid paying taxes due to the availability of tax incentives in the form of lower tax rates during the pandemic. Even though companies have access to tax incentive facilities, they will still try to reduce their tax obligations. Companies want low taxes and high profits. Companies with high profitability have the opportunity to take advantage of the tax relief incentive policy provided by the government during the Covid-19 pandemic. Companies use tax incentives as a way to avoid paying taxes or use regulatory loopholes to minimize the amount of the tax burden. As a result, the amount of tax that must be paid by the company will be smaller than it should be. This research is in line with the findings of Dewi & Yasa (2020); Lanis & Richardson (2012); Nugrohudi et al., (2019); Rodriguez & Arias (2012) found that there is a positive effect of profitability on tax aggressiveness. This means that the higher the ROA, the higher the acquisition of the company's net profit. As a result of the high net profit of the company, causing the greater amount of taxes. Profit-focused companies are motivated to reduce the amount of tax they have to pay with tax

aggressiveness through tax planning steps.

The results of the second t-test are based in Table 6, the effect of variable capital intensity (CAPINT) on tax aggressiveness before and during the Covid-19 pandemic. Research findings that variable capital intensity was not proven to have an effect on tax aggressiveness before and during the Covid-19 pandemic, thus H2a and H2b rejected. The direction of the coefficient before and during the Covid-19 pandemic from the relationship between variable capital intensity (CAPINT) and tax aggressiveness proxied by the ETR is positive, which means that the higher the CAPINT, the lower the tax aggressiveness is marked by the higher ETR, but the results are not significant. The findings of this study have not been able to support positive accounting theory in agency theory which provides accounting policy choices for management to reduce reported earnings through investing in fixed assets by utilizing depreciation expense. Plant, property, & equipment (PP&E) owned by the company is not able to influence the company's tendency to be aggressive towards taxes. This is because companies with high levels of investment in the form of fixed assets are basically used for the company's operational interests which can help increase company profits, but not intentionally to minimize the tax burden that companies have to pay by utilizing the depreciation expense attached to these fixed assets. Then during the Covid-19 pandemic, even though it showed that the average company investing in fixed assets was low, the company was able to manage assets effectively and efficiently. Companies are able to make good use of the government's tax incentive policies. Thus, this does not indicate an act of tax aggressiveness. The company is more able and obedient to pay its tax burden so it does not show that the company is tax aggressive. This research is in line with the findings of Apriyanti & Arifin (2021); Oktaviani et al., (2021); Sumiati & Ainniyya (2021) found that capital intensity was not proven to have a relationship with tax aggressiveness. Companies manage their fixed assets not to avoid taxes but to use them to support their operational activities, especially the manufacturing sector which has more complex operational activities.

Based on the results of the third t-test in Table 6, the effect of variable inventory intensity (INVINT) on tax aggressiveness before and during the Covid-19 pandemic. Research findings that variable inventory intensity was not proven to have an effect on tax aggressiveness before and during the Covid-19 pandemic, thus H3a and H3b rejected. The direction of the coefficient of the relationship between the variable inventory intensity (INVINT) and tax aggressiveness proxied by the ETR before and during the Covid-19 pandemic was negative and positive. Meaning that before the Covid-19 pandemic the higher INVINT, the higher tax aggressiveness, which was marked by a lower ETR. Then during the Covid-19 pandemic the higher INVINT, the lower tax aggressiveness which indicates a higher ETR. But the results showed that it was not significant. The findings of this study have not been able to support positive accounting theory in agency theory which states that company management has the opportunity to freely choose accounting practices that can increase profits for the company. The higher the company invests in the form of inventory in the warehouse, the greater the expenses related to inventory will increase. The company's profit will decrease because of these expenses, so the company will tend to take advantage of the expenses associated with these inventories to minimize the tax burden paid. Inventory that is stored for too long will cause an impairment in asset value as stated in PSAK 48 regarding impairment. Provisions in the tax regulations regarding losses resulting from a decrease in the value of unsold inventories cannot be expensed, nor are taxpayers allowed to take into account the decline in value and depreciation of inventories. According to regulation No.219/PMK.011/2012, this is not included in the category of deductible reserve funds. Therefore, when determining the amount of income subject to tax in the tax calculation, inventories may only be calculated at cost at cost without any impairment. According to Romadhina (2019) companies with lots of inventory ownership also do not receive tax relief incentives from tax laws. As a result, aggressive tax planning will not be an option for companies because companies will prefer to prioritize paying their tax burden. The findings of this study are in line with Andhari & Sukartha (2017); Oktaviani et al., (2021); Sugeng et al., (2020) found that inventory intensity was not proven to have a relationship with tax aggressiveness. Inventory intensity, which is part of the company's investment in inventory, is considered not the most effective strategy for minimizing the tax burden. In other words, a poor and inefficient inventory evaluation approach will

impact revenue and increase operating costs. The company will of course be more able to optimize its inventory to expedite production so that it can be sold and make a profit. Instead of deliberately stockpiling inventory in warehouses to incur storage costs and inventory maintenance costs to reduce the tax burden.

Based on the results of the fourth t-test in Table 6, the effect of the variable company size (SIZE) on tax aggressiveness before the Covid-19 pandemic. Research findings that there is a positive effect of variable company size on tax aggressiveness before the Covid-19 pandemic, thus H4a accepted. The direction of the coefficient from relationship between variable company size (SIZE) and tax aggressiveness proxied by ETR before the Covid-19 pandemic is negative, meaning that the higher the SIZE, the higher the tax aggressiveness, which is marked by the lower the ETR. The findings of this study support the theory that large companies tend to be more tax aggressive than small companies. This is possible because large companies have greater political and economic power and can reduce their tax burden. Large companies usually have large enough facilities that allow them to manage company activities, especially to achieve optimal savings on tax costs. These findings are in line with Dewi & Yasa (2020); Nugrohudi et al., (2019); Ogbeide, (2017); Pinandhito & Juliarto (2016); Richardson & Lanis (2007) found that there is a positive effect of company size on tax aggressiveness. In this case it indicates that the possibility of companies taking aggressive tax actions increases as the company gets bigger. Conversely, the smaller the company, the lower the possibility of taking aggressive tax actions. Large companies are considered to have more superior quality resources than small companies. Hence large-scale companies will be better able in terms of manipulating the political process in their favor to maximize tax savings. Based on the t-test in Table 6, it can also be seen that the effect of variable company size (SIZE) on tax aggressiveness during the Covid-19 pandemic. Research findings that variable company size was not proven to have an effect on tax aggressiveness during the Covid-19 pandemic, thus H4b rejected. The direction of the coefficient from relationship between variable company size (SIZE) and tax aggressiveness proxied by ETR during the Covid-19 pandemic is negative, meaning that the higher SIZE causes higher tax aggressiveness which is marked by lower ETR, but the results show that it is not significant. The findings of this study cannot yet support the theory that large companies tend to be more tax aggressive than small-scale companies. This is because large companies usually have large enough facilities that make it possible to manage company activities to achieve optimal savings on tax costs which are usually large. The company size calculated based on the natural logarithm of the company's total assets does not affect the company's decision to take tax planning steps to minimize its tax burden. This is because the company does not want to take a risk that might have an impact that will occur as a result of the company's decision. The impact that may occur for both large and small companies will be in the public spotlight, especially during the Covid-19 pandemic so that it will also have an impact on the company's image. Meanwhile, on the other hand, the government has provided tax incentive policies for companies affected by the pandemic. Thus large or small companies will comply and pay the tax burden according to and in line with the applicable tax provisions. These findings are in line with Dewi & Cynthia (2018); Sugeng et al., (2020); Sumiati & Ainniyya (2021) found that the size of the company is not proven to have an influence on tax aggressiveness. Both large and small scale companies are unable to influence the company's decision to take aggressive tax actions.

Based on the results of the fifth t-test in Table 6, the effect of variable independence the board of commissioners (IND) on tax aggressiveness before and during the Covid-19 pandemic. Research findings that variable independence the board of commissioners was not proven to have an effect on tax aggressiveness before and during the Covid-19 pandemic, thus H5a dan H5b rejected. The direction of the coefficient from relationship between variable independence the board of commissioners (IND) and tax aggressiveness proxied by ETR before and during the Covid-19 pandemic is positive, meaning that higher independence the board of commissioners (IND), the lower tax aggressiveness which indicates the higher ETR, but the results show not significant. The findings of this study have not been able to support the agency theory which states that independence the board of commissioners can minimize the conflict of interest between agents and principals in a company caused by information asymmetry. Independent board

p-ISSN:1411-6510
e-ISSN:2541-6111

of commissioners oversight has not been able to encourage management to be prudent regarding company policy decision-making so as to minimize tax aggressiveness. Management can take aggressive tax strategies or comply with tax payments without any influence from the board of commissioners. Even though the proportion of independent commissioners in the sample companies has met or did not meet OJK requirements, this does not guarantee independence the board of commissioners in implementing the supervisory function, especially the board of directors, has been running effectively and properly. The fact that the independent commissioners themselves have not optimally carried out all their responsibilities and responsibilities is the reason why this relationship does not exist. The results of this study are in line with Athifah & Mahpudin (2021); Gunawan & Resitarini (2019); Tandean & Winnie (2016) found that independent commissioners are not proven to have an influence on tax aggressiveness. The size of independence the board of commissioners has not been able to reduce tax aggressiveness. The role of an independent board of commissioners as an internal corporate governance mechanism has not optimally carried out the function of independence or its supervisory function on management performance in ensuring the company operates properly and independence the board of commissioners has not been able to guarantee balancing the interests of agents and principals.

The results of the sixth t-test based in Table 6, the effect of variable audit committee size (KOM) on tax aggressiveness before and during the Covid-19 pandemic. Research findings that there is a negative effect of variable audit committee size on tax aggressiveness before and during the Covid-19 pandemic, thus H6a and H6b accepted. The direction of the coefficient from relationship between variable audit committee size (KOM) and tax aggressiveness proxied by ETR before and during the Covid-19 pandemic is positive, meaning that the greater audit committees size (KOM) of the sample companies, the lower tax aggressiveness, which is marked by the higher the ETR. The findings of this study support the agency theory that when a company has good corporate governance it will be able to minimize opportunistic management attitudes so that it can suppress agency conflicts caused by tax aggressiveness. The role of the audit committee is an important aspect of the internal corporate governance mechanism which is believed to be effective in carrying out its function as a supervisor (monitoring) and assessing in evaluating the company's financial statements. Thus, the existence of an audit committee is considered capable of minimizing tax aggressiveness. These findings are in line with Apriyanti & Arifin (2021); Pratama (2017) found that there was a negative effect of the audit committee size on tax aggressiveness. This means that the bigger the audit committee in the company, the higher company's supervision system. So that the lower the tendency of companies to take tax aggressiveness. This provides evidence that the audit committee in corporate governance as a monitoring function can limit management's opportunistic behavior. The existence of an audit committee in a company will guarantee the quality of the company's financial reporting. Then the possibility of financial reporting being manipulated is reduced by the audit committee size in the company.

The seventh test results in Table 7 of the chow test, differences in the effect of six independent variables on tax aggressiveness before and during the Covid-19 pandemic. Research findings that there is no difference in the effect of the six independent variables on tax aggressiveness since before and during the Covid-19 pandemic. This is made possible by the factors in terms of forming values that are not different. The net profit for the sample companies from managing their productive assets both before and during the pandemic was the same. The sample companies have the same ability in managing investments in the form of fixed assets before and during the pandemic. The ability to manage the inventory investment of the sample company before the pandemic is the same as the management of inventory investment made by the sample company during the pandemic. The ability of the sample companies before the pandemic and during the pandemic to acquire assets was no different. The proportion of independent commissioners in the sample companies before the pandemic was the same as the proportion of independent commissioners during the pandemic. The sample companies both before the pandemic and during the pandemic had the same number of audit committees. The sample companies carried out relatively the same tax-saving activities in the period before and during the pandemic. Another possibility is changes in tax regulations related to

tax rates. In the field of taxation, several relaxation and tax incentive policies have been issued by the government through the Minister of Finance for taxpayers affected by the Covid-19 pandemic. Following the Tax Cluster Omnibus Law and Perpu No. 1 of 2020 changes the general rate of Corporate Income Tax. In 2019 the general corporate income tax rate is 25%, but through this regulation for 2020 and 2021 the general corporate income tax rate will be 22%. Then companies in the form of Public Company (Go Public) with a total number of shares of at least 40% traded on the IDX and fulfilling certain requirements will receive a rate of 19%, which is 3% lower than the general corporate income tax rate. Furthermore, there are incentives for PPh Article 21 borne by the government, reduced installments for PPh Article 25, and imports for PPh Article 22. This research found that relaxation and incentive policies during the Covid-19 pandemic made no difference to tax savings. These regulatory changes forced the company to make changes to its tax planning strategy as well. With this changed tax planning strategy, the direction of tax savings may also not be different. Companies have to pay less tax with the change in regulation. It can also be a tax savings with tax planning by taking advantage of regulatory changes that have been issued by the government.

## CONCLUSION

Based on results analysis the findings of this study, it can be concluded as follows:

1. There is a positive effect of profitability on tax aggressiveness before and during the Covid-19 pandemic. The higher of profitability, the higher tax aggressiveness. As a result of the high net profit of the company, causing the greater amount of taxes. Profit-focused companies are motivated to reduce the amount of tax they have to pay by tax aggressiveness through tax planning measures. During the pandemic, companies with high profitability have the opportunity to take advantage of tax relief incentive policies provided by the government as a way to avoid paying taxes or use regulatory loopholes to minimize the amount of the tax burden. That the tax paid is so not too large reduce the company's profits.
2. Capital intensity has not been proven to have an effect on tax aggressiveness before and during the Covid-19 pandemic. Higher capital intensity does not guarantee increased tax aggressiveness. The company manages its fixed assets not to avoid taxes but to use them to support its operational activities. During the pandemic, even though it showed that the average company investing in fixed assets was low, the company was able to manage assets effectively and efficiently. So this does not indicate that the company is tax aggressive.
3. Inventory intensity has not been proven to have an effect on tax aggressiveness before and during the Covid-19 pandemic. Higher inventory intensity does not guarantee increased tax aggressiveness. The existence of inventory that is stored in the warehouse for too long will certainly reduce quality and make the company's operations not optimal. Companies with multiple inventory holdings also do not receive tax relief incentives from tax laws. Thus, the company will of course optimize its inventory more to expedite production so that it can be sold and make a profit. Instead of intentionally stockpiling inventory in warehouses to incur storage costs and inventory maintenance costs to reduce the tax burden.
4. There is a positive effect of company size on tax aggressiveness before the Covid-19 pandemic. The higher of company size, the higher tax aggressiveness. Large companies tend to be more tax aggressive than small companies. Large companies usually have large enough facilities that allow them to manage company activities, especially to achieve optimal savings on tax costs. Meanwhile, the company size has not proven to have an effect on tax aggressiveness during the Covid-19 pandemic. The size of a company does not affect the company's decision to take tax planning steps by carrying out tax aggressiveness during a pandemic. This is because the company does not want to take a risk that might have an impact that will occur as a result of the company's decision. Large and small companies will be in the public spotlight, especially during a pandemic, so that it will also have an impact on the company's image.
5. Independence the board of commissioners has not been proven to have an effect on tax aggressiveness before and during the

p-ISSN:1411-6510
e-ISSN :2541-6111

Covid-19 pandemic. The size of independence the board of commissioners has not been able to reduce tax aggressiveness. The role of an independent board of commissioners as an internal corporate governance mechanism has not optimally carried out the function of independence or its oversight function on management performance in ensuring the company operates properly and the independence the board of commissioners has not been able to guarantee balance between the company's stakeholders.

6. There is a negative effect of audit committee size on tax aggressiveness before and during the Covid-19 pandemic. The higher of audit committee size, the lower tax aggressiveness. The bigger audit committee size, the higher company's monitoring system. So that the lower tendency of companies to take tax aggressiveness. This provides evidence that audit committees in corporate governance can limit management's opportunistic behavior. The effective oversight of the audit committee in evaluating the company's financial statements can hinder company management from manipulating profit reports for tax purposes. So as to minimize tax aggressive management actions.
7. There is no difference in the effect of the six research independent variables on tax aggressiveness before and during the Covid-19 pandemic. This is made possible by the same value forming factors. Exist relaxation and incentive policies during the pandemic no made differences to tax saving. Although regulatory changes during the pandemic have changed the company's tax planning strategy. However, it is possible that the direction of tax savings may be the same among before and during the Covid-19 pandemic.

## LIMITATIONS

The limitations of this study only includes 2 observation periods in conditions before and during the Covid-19 pandemic, namely 2019 to 2020. In addition, in the coefficient of determination test, the Adjusted R Square is low so that tax aggressiveness cannot be fully explained by the combination of independent research variables. These results show that there are variables outside the regression model that are not added in this study which have a major contribution in predicting tax aggressiveness. Then, the spread of data is very small in this study causing the hypothesis to be rejected.

**Suggestion**

On the basis of these limitations, further research is expected to be able to expand the observation period, especially to see comparisons of conditions before and after phenomena such as the Covid-19 pandemic occurred. It is necessary to expand the observation period to 2 periods before pandemic and 2 periods during pandemic, such as the 2018-2021 period. In addition, adding other variables that are expected to influence tax aggressiveness in order to obtain a better explanation regarding a number of factors that are predicted to influence tax aggressiveness. In the data collection process, it is better to pay attention to the wider spread of data so that the sample spread is much wider and more even. Considering other proxies to measure tax aggressiveness besides ETR proxies, including BTD and Cash ETR.

The implications of this research for companies can be taken into consideration in formulating tax policies for the survival of companies, especially in the midst of the Covid-19 pandemic by not carrying out a tax planning strategy that is against the law and can harm the state or the image of the company itself. For regulators to understand a number of factors that lead to tax aggressiveness, so that it can be used as early detection to identify tax aggressive practices in a company and become input in making appropriate decisions. For academics, it can become material for understanding related to a number of factors that influence tax aggressiveness, and can be used as material for consideration or reference for further research.

## REFERENCE

Andhari, P. A. S., & Sukartha, I. M. (2017). Pengaruh Pengungkapan Corporate Social Responsibility, Profitabilitas, Inventory Intensity, Capital Intensity dan Leverage pada Agresivitas Pajak. *E- Jurnal Akuntansi Universitas Udayana*, *18*(3), 2115–2142.

Apriyanti, H. W., & Arifin, M. (2021). Tax Aggressiveness Determinants. *Journal of Islamic Accounting and Finance Research*, *3*(1), 27–52. https://doi.org/10.21580/jiafr.2021.3.1.7412

Athifah, L. N., & Mahpudin, E. (2021). The Effect of Liquidity, Company Size, and Independent Commissioner on Tax Aggressiveness. *E-Jurnal Ekonomi Dan Bisnis Universitas Udayana*, *10*(02), 53–60.

Chen, S., Chen, X., Cheng, Q., & Shevlin, T. (2010). Are Family Firms more Tax Aggressive than Non-family Firms? *Research Collection School of Accountancy*, *91*(1), 41–61.

Delgado, F. J., Fernandez-Rodriguez, E., & Martinez-Arias, A. (2014). Effective tax rates in corporate taxation: A quantile regression for the EU. *Engineering Economics*, *25*(5), 487–496. https://doi.org/10.5755/j01.ee.25.5.4531

Dewi, & Cynthia, C. (2018). Aggressiveness tax in indonesia. *Jurnal Akuntansi*, *22*(2), 239–254. https://doi.org/10.24912/ja.v22i2.350

Dewi, K. S., & Yasa, G. W. (2020). The Effects of Executive and Company Characteristics on Tax Aggressiveness. *Jurnal Ilmiah Akuntansi Dan Bisnis*, *15*(2), 280. https://doi.org/10.24843/jiab.2020.v15.i02.p10

Fauzan, Wardan, D. A., & Nurharjanti, N. N. (2019). The Effect of Audit Committee, Leverage, Return on Assets, Company Size, and Sales Growth on Tax Avoidance. *JURNAL Riset Akuntansi Dan Keuangan Indonesia*, *4*(3), 171–185.

Firmansyah, A., & Ardiansyah, R. (2020). Bagaimana Praktik Manajemen Laba Dan Penghindaran Pajak Sebelum Dan Setelah Pandemi Covid19 Di Indonesia? *Bina Ekonomi*, *24*(2), 31–51. https://doi.org/10.26593/be.v24i1.5075.87-106

Frank, M. M., Lynch, L. J., & Rego, S. O. (2009). Tax Reporting Aggressiveness and its Relation to Aggressive Financial Reporting. *The Accounting Review*, *84*(2), 467–496. https://doi.org/10.2308/accr.2009.84.2.467

Gunawan, B., & Resitarini, F. K. (2019). The Influence of Corporate Governance Mechanisms, Profitability, Leverage, and Earnings Management on Tax Aggressiveness (An Empirical Study on Mining Sector Companies Listed on the Indonesia Stock Exchange in 2014-2017). *Advances in Economics, Business and Management Research*, *102*, 13–19.

Kimsen, K., Kismanah, I., & Masitoh, S. (2019). Profitability, Leverage, Size of Company Towards Tax Avoidance. *JIAFE (Jurnal Ilmiah Akuntansi Fakultas Ekonomi)*, *4*(1), 29–36. https://doi.org/10.34204/jiafe.v4i1.1075

Lanis, & Richardson, G. (2012). Corporate social responsibility and tax aggressiveness: An empirical analysis. *Journal of Accounting and Public Policy*, *31*(1), 86–108. https://doi.org/10.1016/j.jaccpubpol.2011.10.006

Minnick, K., & Noga, T. (2010). Do corporate governance characteristics influence tax management? *Journal of Corporate Finance*, *16*(5), 703–718. https://doi.org/10.1016/j.jcorpfin.2010.08.005

Nugrohudi, B. S., Saraswati, E., & Roekhudin. (2019). Effects of Company Characteristics and Corporate Social Responsibility Exposure on Tax Agressivity. *International Journal of Humanities, Religion and Social Sciences*, *3*(9), 29–39.

Ogbeide, S. O. (2017). Firm characteristics and tax aggressiveness of listed firms in Nigeria : Empirical evidence. *International Journal of Academic Research in Public Policy and Governance*, *4*(1), 62–75. https://doi.org/10.46886/IJARPPG/v4

Oktaviani, R. M., Pratiwi, Y. E., Sunarto, S., & Jannah, A. (2021). The Effect of Leverage , Earning Management

, Capital Intensity , and Inventory Intensity on Tax Aggressiveness of Manufacturing Companies in Indonesia. *The Journal of Asian Finance, Economics and Business*, *8*(7), 501–508. https://doi.org/10.13106/jafeb.2021.vol8.no7.0501

Pinandhito, A. K., & Juliarto, A. (2016). Pengaruh Pengendalian Internal, Kualitas Auditor, Independensi Komite Audit, Ukuran Perusahaan, Dan Leverage Terhadap Agresivitas Pajak. *Diponegoro Journal of Accounting*, *5*(4), 1–15.

Pratama, A. (2017). Company Characteristics, Corporate Governance and Aggressive Tax Avoidance Practice: A Study of Indonesian Companies. *Review of Integrative Business and Economics*, *6*(4), 70.

Richardson, G., & 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. https://doi.org/10.1016/j.jaccpubpol.2007.10.003

Rodriguez, F. E., & Arias, M. A. (2012). Do Business Characteristics Determine an Effective Tax Rate? Evidence for listed companies in China and the United States. *Chinese Economy*, *45*(6), 60–83. https://doi.org/10.2753/CES1097-1475450604

Sugeng, S., Prasetyo, E., & Zaman, B. (2020). Does capital intensity, inventory intensity, firm size, firm risk, and political connections affect tax aggressiveness? *JEMA: Jurnal Ilmiah Bidang Akuntansi Dan Manajemen*, *17*(1), 78–87. https://doi.org/10.31106/jema.v17i1.3609

Sumiati, A., & Ainniyya, S. M. (2021). Effect of Profitability, Leverage, Size, Capital Intensity, and Inventory Intensity toward Tax Aggressiveness. *Journal of International Conference Proceedings*, *4*(3), 245–255. https://doi.org/10.32535/jicp.v4i3.1314

Tampubolon, L. D. (2021). The Effect of Liquidity, Leverage and Profitability on the Tax Aggressiveness of Manufacturing Companies. *ATESTASI: Jurnal Ilmiah Akuntansi*, *4*(2), 246–256.

Tandean, V. A., & Winnie, W. (2016). The Effect of Good Corporate Governance on Tax Avoidance: An Empirical Study on Manufacturing Companies Listed in IDX period 2010-2013. *Asian Journal of Accounting Research*, *1*(1), 28–38. https://doi.org/10.1108/AJAR-2016-01-01-B004

Zemzem, A., & Ftouhi, K. (2013). The Effects of Board of Directors Characteristics on Tax Aggressiveness. *Research Journal of Finance and Accounting*, *4*(4), 140–147.