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THE INFLUENCE OF LEVERAGE, CORPORATE GOVERNANCE AND CAPITAL INTENSITY ON TAX AVOIDANCE IN MINING COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE YEAR 2020-2023

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ABSTRAK

Penelitian ini bertujuan untuk menguji pengaruh Leverage, corporate governance dan intensitas modal terhadap penghindaraan pajak pada Perusahaan pertambangan yang terdaftar di Bursa Efek Indonesia tahun 2020 - 2023. Sampel diambil menggunakan metode purposive sampling. Populasi dalam penelitian ini adalah semua Perusahaan pertambangan yang terdaftar di Bursa Efek Indonesia tahun 2020 - 2023. Dari populasi ini sebanyak 43 perusahaan pertambangan diperoleh 9 perusahaan pertambangan sebagai sampel. Data dianalisis dengan menggunakan regresi linier berganda. Hasil pengujian menunjukkan bahwa variabel profitabilitas, leverage memiliki pengaruh positif terhadap penghindaran pajak. Dewan komisaris dan komite audit sebagai proksi tata kelola perusahaan serta variabel intensitas modal juga menunjukkan pengaruh positif terhadap penghindaran pajak.”
Kata Kunci: Leverage, Corporate Governance dan Intensitas Modal, Penghindaran Pajak.

ABSTRACT

This research aims to examine the influence of leverage, corporate governance and capital intensity on tax avoidance in mining companies listed on the Indonesia Stock Exchange in 2020 - 2023. Samples were taken using the purposive sampling method. The population in this research is all mining companies listed on the Indonesia Stock Exchange in 2020 - 2023. From this population of 43 mining companies, 9 mining companies were obtained as samples. Data were analyzed using multiple linear regression. The test results show that the variable profitability, leverage has a positive effect on tax avoidance. The board of commissioners and the audit committee as proxies of corporate governance as well as the capital intensity variable also show a positive influence on tax avoidance.
Keywords: Leverage, Corporate Governance and Capital Intensity, Tax Avoidance.

I. INTRODUCTION

As a Taxpayer, the company is required to pay taxes in accordance with Law Number 36 of 2008. However, taxes are considered a burden by the company because they are considered a reduction in profit. The company aims to maximize profits in order to increase the company's wealth (Andrean, 2018). Tax is defined as a mandatory contribution directed to individuals and/or business entities whose profits are not directly visible. From the perspective of economic actors and the business world, tax is a

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business expense that reduces profits. This is because it does not match the expectations achieved by the company, namely high profits.

The company's objectives are not in line with the government's objectives, which causes many companies to avoid obligations. There are several factors that influence a company in carrying out tax aggressiveness, such as Profitability, Leverage, Corporate Governance, Profit Management, Corporate Social Responsibility, Capital Intensity, and others. Leverage is the level of debt used by the company in financing. Debt will incur interest which is a fixed rate return. Article 6 paragraph (1) letter a of Law Number 36 of 2008 states that interest is part of the business costs that may be deducted as costs (deductible expense) in the process of calculating Corporate Income Tax. Therefore, it can be concluded that the greater the level of debt, the smaller the taxable profit will be. This is due to the increasing tax incentives on debt interest.

The indicator of a company's success is its debt or solvency ratio. According to (Aprianto & Dwimulyani, 2019) and (Kalbuana et al., 2020) leverage reflects the use of debt to finance a company's investment or fixed assets. Leverage reflects the company's ability to finance debt by managing assets/equity. The higher the leverage, the higher the interest paid. The interest expense component can reduce profit before tax and reduce the amount of interest paid by the company.

The second factor that influences tax aggressiveness is corporate governance. If a company has implemented corporate governance, the company will run its business in accordance with applicable laws and accepted by stakeholders so that it will be able to create value. From a tax perspective, companies that have good corporate governance tend to take tax actions that are not risky and are more compliant with established regulations. The third factor that influences tax avoidance is capital intensity. Capital intensity is the level of comparison of a company's investment in fixed assets to total assets (Rulmadani, 2018).

Article 11 of Law Number 36 of 2008 concerning Income Tax explains that fixed assets (except land) have depreciation costs which are costs recognized in taxation so that they will reduce the profit obtained by the company. Based on this, the company has the opportunity to carry out tax avoidance. According to (Istrefi, 2020), corporate governance is related to efforts to maintain a balance between economic and social goals between company owners and parties appointed to manage the company (individual goals and shared goals), namely company managers. The corporate governance framework aims to encourage efficient use of resources and accountability in managing those resources. Because, the goal is to create harmony between the interests of individuals, companies, and society.

Based on this, the company will regulate its tax burden to prevent further profits. One of the opportunities that can be utilized by the business world by implementing tax management is the tax planning mechanism (Chen et al., 2019) and (Campbell, et al., 2020). Tax planning is an effort to pay as little tax as possible and avoid immoral behavior. Only the risk of violation of fines limits tax planning activities that may involve illegal avoidance, such as violation of tax laws (Kirkpatrick & Radicic, 2020).

Tax avoidance is a form of tax avoidance that does not violate the law, takes advantage of tax loopholes provided by applicable laws, is legally valid, and is intended to rationalize a company's tax burden (Dyreng, Hanlon, & Maydew, 2019) and (Oats & Tuck, 2019). Capital intensity refers to the amount of money a company receives to generate income from increasing fixed assets. Capital concentration is the ratio of fixed assets such as buildings, machines in the company, this ratio is used for tax avoidance. According to (Darsono, 2015), the way to use it is by investing in fixed assets or tangible goods that have a depreciation value. This depreciation rate is the key to tax avoidance practices. Fixed assets have a depreciation value (free) that can be deducted from tax, thereby reducing the amount of tax owed.

The description of the tax avoidance phenomenon that occurs is evidence that tax avoidance in recent years has become an important issue and needs more attention. Tax avoidance or tax aggressiveness and the factors that influence it have been widely tested by previous researchers. However, the research conducted shows various conclusions with various independent variables. The differences that researchers develop are the independent variables studied by (Andrean, 2018), namely earnings management, corporate governance and financial leverage. while the dependent variable studied is tax aggressiveness.

Based on the background above, the formulation of the problem in this study is how do leverage, corporate governance, and capital intensity affect tax aggressiveness simultaneously and partially? The purpose of this study is to analyze the effect of leverage, corporate governance, and capital intensity on tax aggressiveness simultaneously and partially. Tax aggressiveness is an action taken by minimizing the amount of tax obtained by the company. This is a condition that often occurs in large companies today. Tax aggressiveness can be considered as an act that is socially irresponsible.

Tax avoidance is distinctive from tax evasion. Conceivable shapes of tax avoidance are withholding resources in money related explanations and not announcing SPT (notice letters) on time or not at all (Brink & Porcano, 2016) and (De Simone et al., 2020). In Indonesia, there are ways to maintain a strategic distance from avoidance in huge businesses, one of which is the mining industry. Agreeing to the Debasement Annihilation Commission, tax avoidance is expanding each year. The KPK master group saw that 'the KPK's yearly utilize of Rp.15.9 trillion in woodland zones had no tax installments, as detailed in a amalgamation note distributed within the KPK diary in 2018. This occurrence may well be called an illicit budgetary occurrence.

The decision to take aggressive tax action is made by management so that it is feared that it will open up opportunities for management to take aggressive tax action without considering the long-term sustainability of the company. This is not in accordance with the rules that apply both in society and in government. The government, as the recipient of taxes, will be harmed by this action because it can reduce government revenue for national development. For the community, the impact that will be felt is that they do not get adequate facilities and support development obtained from the government for this action.

In the interim, agreeing to (Kurniasih & Ratna Sari, 2013); (Annisa, 2017); (Nursari et al., 2017); (Pajriansyah et al., 2017); and (Sinaga & Suardikha, 2019) the leverage variable features a positive impact on tax avoidance. Several thinks about on corporate administration have too found diverse comes about. Inquire about by (Okrayanti et al., 2017); (Saputra & Asyik, 2017) stated that corporate governance has no impact on tax avoidance. In any case, inquire about (Subagiastra et al., 2016); (Chasbiandani et al., 2020); (Frisca Tania & Mukhlasin, 2020) state that the board of commissioners and the audit committee as a intermediary for corporate administration contains a noteworthy impact on tax avoidance. The fourth variable is capital escalated, investigate moreover finds diverse comes about, (Masrurroch et al., 2021) states that capital intensity does not influence corporate assess shirking exercises. In the interim, (Wijayanti et al., 2016); (Pattiasina et al., 2019); (Najmah, 2020) state that capital intensity impacts tax avoidance.

Meanwhile, researchers will examine the independent variables, namely leverage, corporate governance and capital intensity. With the dependent variable, namely tax aggressiveness. In addition, the object of research used is a mining company. The reason for choosing a mining company as the object of research is based on two things, the first is because there is still little research that discusses case studies of mining sector companies, and the second is because it is one of the strategic sectors with very large tax potential for Indonesia which often carries out tax avoidance actions. Ironically, tax management in this sector is less transparent so that the potential for state revenue is not optimal. Based on this background, the title taken in this study is "The Effect of Leverage, Corporate Governance and Capital Intensity on Tax Aggressiveness.

II. LITERATURE REVIEW

The agency theory perspective has become the basis for viewing the problems of corporate governance and use. One party (central) against another party (specialist) when the first party considers that it will create good value in the future. Foremost may not realize the value of the decision that the specialist will seek in the future. However, the agreement between the specialist and foremost is expected to produce value or benefits. Agency theory explains that there is information asymmetry between the vital and the company leader (operator). The problem of the relationship between foremost

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and operator has emerged in theological studies and literature which states that the specialist is the person who becomes the leader in managing the company while the central is the owner or proprietor of the company. The agency problem arises as a choice in corporate governance (vital) and behavior is the result of the actions of the company leader (operator) which is the company organization. Agency theory also states that a company leader has a high motivation to increase company profits. However, the tax avoidance with the profit will be greater. Therefore, the role of the company leader (agent) is needed in utilizing company resources to reduce and submit company taxes.

Leverage

The leverage ratio or so-called solvency ratio has a function to calculate the add up to the company's debt in financing the company's operations. The goal is to describe the amount of debt owned by the company which is useful in making decisions about financing its assets. The greater the debt owned, the greater the interest burden that must be paid by the company, this will reduce the profit obtained by the company before tax. Therefore, this is where the company will take advantage of legal loopholes to carry out tax avoidance activities in reducing the company's tax burden.

Corporate Governance

The board of commissioners carries out a supervisory work over the administration of the company in planning money related reports as portion of corporate administration. The autonomous commissioner is in tax of supervising successful asset administration and supporting the arrangement of budgetary reports. Autonomous commissioner encompasses a legitimate position as an autonomous commissioner on the board of commissioners. Autonomous commissioners are chosen and legalized by the General Assembly of Shareholders' choices. As expressed within the Articles of Affiliation, has no relationship with any parties, particularly shareholders, members of the board of chiefs and / or other committee individuals. This can be one of the prerequisites to ended up an free commissioner. The review committee is the controller of budgetary reports to anticipate extortion. The critical errand of the review committee is to substantively guarantee that the monetary articulations arranged by the company's administration are free from mistakes that can delude partners. The part of the review committee will successfully be the controller in a company so that great corporate administration will be realized. In expansion to directing the detailing prepare and framework, counting looking into the require for and creating inside review, relegating and deciding reviewer expenses.

Capital Intensity

Capital Intensity implies that the capital of a company within the frame of resources can be utilized to produce wage. Capital intensity proportion appears that the company has solid capital. The capital concentrated proportion is valuable for minimizing the company's assess burden. One of the speculation devices that companies utilize in decreasing tax burdens is the securing of settled resources. Speculations in resources or value so that the devaluation cost of resources can be deducted from the component of the company's pay cost or deductible expenses. Variable diminishment costs require a assess burden on a company, meaning that the company maintains a strategic distance from tax avoidance. The nature of deductible devaluation costs will have a positive affect on the company since it can decrease the assess burden borne by a company, meaning that the company has taken advantage of a escape clause called tax avoidance.

Tax Avoidance

Tax avoidance implies making choices that lead to a littler assess risk when compared to choosing other alternatives which, on the off chance that actualized, will cause the company to bear a more prominent tax burden. Numerous traps can be connected to realize this objective, but with exercises that are not illicit or exterior the assess controls. Subsequently, the application of tax shirking is an action that takes advantage of escape clauses within the tax law, so it can be called lawful by the tax law. Tax shirking can be measured by the Cash Effective Tax Rate (CETR) formula, which is add up to cash to back tax cost partitioned by benefit some time recently tax. Cash ETR is connected as an assess of tax avoidance exercises carried out by companies since Cash ETR will not be influenced by changes in gauges such as valuation stipend or assess security.

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Leverage is the ability of a company to use assets or funds that have fixed costs (fixed cost assets or funds) to increase the level of income (return) for the company's owners. Leverage policy arises if the company finances its operational activities using borrowed funds or funds that have fixed costs such as interest expenses. The purpose of the company in taking a leverage policy is to increase and maximize the wealth of the company's owners themselves. Leverage is always related to fixed operating costs and financial costs. Fixed operating costs are costs that must be incurred by the company because they carry out investment activities, be it investment in equipment, equipment or long-term investments. When a company has debt, interest costs will arise, which can be used to reduce its tax burden. When a company is in debt with interest costs, leverage can be found in its operations. So it can also be said that the leverage ratio can be used to measure the company's assets financed by debt. States that the ratio used to measure the company's assets financed using debt is DER (Annisa, 2017). This means that the ratio shows the comparison between the amount of debt and the assets owned because the company is indeed able to use debt to meet operational and investment needs. The higher the DER ratio obtained, the higher the amount of assets financed by debt and the greater the interest costs that must be paid by the company. With the large interest costs owned by the company, it becomes one of the advantages for the company because interest costs are one of the costs that can reduce income in taxes. With the existence of interest costs, the company has the potential to take tax aggressive actions because the company's profits will decrease which automatically also reduces the company's tax costs. The results of research (Nursari et al., 2017) show that DER has an effect on tax aggressiveness. The results of this study are also supported by the results of research (Sinaga & Suardikha, 2019) that leverage has a significant effect on tax aggressiveness. Based on this explanation, the following hypothesis can be taken:

H1: Leverage has an effect on Tax Aggressiveness

Good Corporate Governance (GCG) according to the National Committee on Governance Policy (KNKG) is one of the pillars of the market economic system. Corporate governance is closely related to trust in both the companies that implement it and the business climate in a country. Meanwhile, based on the Decree of the Minister of State-Owned Enterprises KEP-117 / M-MBU / 2002 Good Corporate Governance (GCG) is a process of structure used by BUMN organs to improve business success and corporate accountability in order to realize long-term shareholder value while still considering the interests of other stakeholders based on laws and regulations and ethics. The Cadbury Committee defines "Corporate Governance as a system that directs and controls a company with the first goal, to achieve a balance between the power of authority required by the company and the second, to ensure the continuity of its existence and accountability to stakeholders". This relates to the regulations on the authority of owners, directors, managers, shareholders, and so on (Subagiastra et al., 2016). From the several definitions above, it can be concluded that corporate governance is a system and structure for managing a company with the aim of increasing shareholder value and accommodating various parties interested in the company (stakeholders) such as creditors, suppliers, business associations, consumers, workers, government and the wider community. Corporate governance is a principle of good corporate governance which is related to agency theory. This is because it is related to the structure for managing the company well which aims to increase value and accommodate the needs of various stakeholders. With good governance by the company, aggressive actions towards taxes will be minimized because there is good supervision in decision - making to carry out aggressive tax actions that can harm the public interest. Haryanti (2019) in their research stated that corporate governance proxied by the size of the independent board of commissioners, the proportion of independent board of commissioners, institutional share ownership, and the internal audit committee did not have a significant effect on the effective tax rate. This is different from (Chasbiandani et al., (2020); and (Frisca Tania & Mukhlasin, 2020)) in their research, which showed that corporate governance has a negative effect on tax aggressiveness. Based on this explanation, the following hypothesis can be drawn:

H2: Corporate Governance has an effect on Tax Aggressiveness.

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Capital intensity is a company's investment activity associated with fixed asset and inventory investments. Capital intensity can also be defined as how a company sacrifices costs for operating activities and asset financing in order to obtain company profits. In this study, capital intensity is proxied using the fixed asset intensity ratio. The fixed assets referred to here are fixed assets owned and controlled by the company, not fixed assets from leasing activities. Almost all fixed assets will experience depreciation and depreciation costs can affect the amount of tax paid by the company. The more fixed assets owned by the company, the lower the tax paid, and vice versa. In fiscal accounting, the only depreciation methods permitted in tax regulations are straight-line and declining balance. If the basis for comparison in choosing a depreciation method is a commercial factor, then both the straight-line and declining balance methods will be different when assessed from the future value where the declining balance will save more income tax (Mulyani & Wi Endang, 2013). The choice of investment in the form of assets or capital related to taxation is in terms of depreciation. Companies that decide to invest in fixed assets can make depreciation costs as deductible expenses. Deductible depreciation costs reduce the company's taxable profit, which ultimately reduces the amount of tax the company must pay. To increase profitability, companies must establish financial management according to the conditions they face. One form that is commonly determined is capital intensity. Sugiyanto & Fitria (2019) state that a company that uses capital intensity to invest using assets can utilize depreciation as a deductible expense. This is the basic reason that capital intensity can increase the company's profitability. By utilizing the depreciation of assets owned, the company's profit will decrease, which will also reduce the tax owed by the company. Sugiyanto & Fitria (2019) conducted a study on the effect of capital intensity on tax aggressiveness, which showed that capital intensity had no effect on tax aggressiveness. Meanwhile, research conducted by (Simbolon &Sudjiman (2021) showed different results, namely that capital intensity had a significant effect on tax aggressiveness. Based on this explanation, the following hypothesis can be drawn:
H3: Capital Intensity has an effect on Tax Aggressiveness.

III. RESEARCH METHODS

The research is a cross-sectional quantitative study where quantitative data is collected through secondary sources (Sugiyono, 2018); (Situmorang & Simanjuntak, 2021); (Simanjuntak, et al., 2023) and (Situmorang et al., 2023). The dependent variable in this study is tax aggressiveness which is an action attempted by the company to reduce the tax payable. Tax aggressiveness in this study is proxied by ETR (Effective Tax Rate) which is calculated using the formula used by (Annisa, 2017), which is the comparison between Tax Burden and Income before tax. The ETR (Effective Tax Rate) used in this study will indicate whether or not the company is aggressive in reducing its tax burden. A low ETR is an indicator that the company is making tax aggressive efforts by reducing the taxable income payable. The higher the ETR value, the lower the level of tax aggressiveness carried out. Conversely, the lower the ETR value, the higher the indication that the company is carrying out tax aggressiveness.

The independent variables used in this study are Leverage (LEV) Corporate Governance (CG) and Capital Intensity (CI). To calculate leverage, the author uses the Debt to Equity Ratio (DER) measuring tool according to the proxy used in the study (Pattiasina et al., 2019), namely the comparison between Total Debt and Total Assets. The proxy used to measure corporate governance in this study is the composition of independent commissioners compared to the total number of commissioner members according to the study (Pattiasina et al., 2019). Capital intensity in this study will be proxied using the capital intensity ratio, namely the comparison of fixed assets to total assets. This ratio shows the proportion of the company's capital allocated for investment in fixed assets, such as factory buildings, machinery, and other fixed assets. The fixed asset intensity ratio used in this study refers to the ratio used by (Pattiasina et al., 2019).

The population in this study were mining companies listed on the Indonesia Stock Exchange in 2020 to 2023. The study did not use data from 2019 because when the observation was carried out, many mining companies were late in uploading their annual reports to the Indonesia Stock Exchange. The sample selection in this study used the purposive sampling method, which means that the sample is the result of a selection that meets the criteria set according to needs. The criteria are: (a) The sample is a mining company listed on the Indonesia Stock Exchange consecutively for the period 2020 to 2023 (b) Mining companies publish financial reports and complete annual reports in the year studied (c) Companies that use dollars in their financial reporting (d) The company did not experience losses during the study period. This study uses secondary data in the form of annual reports and financial reports of mining companies published by the company through the official website of the Indonesia Stock Exchange, namely www.idx.co.id.

The analytical tools used in this study are descriptive statistical analysis and inferential statistical analysis using the Multiple Linear Regression model with the help of SPSS Version 24. The first analysis used is descriptive statistical analysis. The analysis aims to determine the amount of data processed, the average data and the standard deviation of the variable data. In addition, the minimum and maximum values of the data used can also be determined. Through this descriptive statistical test, a summary of the data used and processed in the study can be determined.

There are 4 classical assumption tests that are carried out, namely: (a) The normality test aims to test whether in a regression model, the dependent variable, the independent variable or both have a normal distribution or not. Although the normality of data is not always required in the analysis, the results of the statistical test will be better if all variables are normally distributed. If the variables are not normally distributed, the results of the statistical test will be degraded. The normality test in this study was carried out using the histogram graph test and the p-plot graph as well as the Kolmogorov-Smirnov statistical test. The normality test using the histogram graph is carried out by looking at the shape of the graph. If the histogram graph is symmetrical, not skewed to the left or right, then it can be said that the data has been distributed normally. Conversely, if the histogram graph is skewed to the left or right, then the data is not normally distributed. In the p-plot graph, data is said to be normal if the residual points are spread and overlap around the diagonal line.

Meanwhile, from the Kolmogorov-Smirnov test, the normal data distribution can be said to be normal if the Asymp.Sig.(2-tailed) value of the calculation result in the computer is more than 0.05 with the significant level used is 0.05 (b) Multicollinearity test where a regression model is said to be good if there are no symptoms of strong correlation between independent variables. The Multicollinearity test in the logistic regression model uses a correlation matrix between independent variables. Through the correlation matrix table, the correlation between independent variables can be known. To detect the presence or absence of multicollinearity in the regression model is to look at the Tolerance and Variance Inflation Factor (VIF) values. The cutoff value commonly used to see multicollinearity is the Tolerance value ≥ 0.10 or the same as the IF value ≤ 10. (c) The Heteroscedasticity test aims to test whether there is inequality of variance between residual values (errors).

Ideal data is data that does not violate the heteroscedasticity assumption, that is, there is no inequality of variance between residual values (errors). To test the heteroscedasticity assumption, scatterplot graphs and the Glejser test are used. Data that does not violate the heteroscedasticity assumption will form a scatterplot graph that is spread out and does not form a certain pattern. The residual points on the scatterplot graph will spread above and below the number 0 on the Y axis. In the Glejser test, data can be said to be free from heteroscedasticity if the significance value produced is more than the probability significance of 5% or 0.05. (d) The autocorrelation test aims to determine whether in the regression model there is a correlation between the disturbing error in period t and the disturbing error in period t-1. If there is a correlation, then there is an autocorrelation problem, because a good regression model is a regression model that does not have autocorrelation in it.

IV. RESULTS AND DISCUSSION

Descriptive Statistical Test

During the period 2020 to 2023 the minimum value of tax aggressiveness/AP (ETR) is 0.12 and the maximum value is 0.86, while the average value is 0.3581 with a standard deviation of 0.26902. This means that tax aggressiveness has a low level of data variation because the standard deviation value is lower than the average. The minimum value of leverage (LEV) is 0.21 and the maximum value is 0.92

while the average value is 0.5394 with a standard deviation of 0.27031. This means that leverage has a low level of data variation because the standard deviation value is lower than the average. The corporate governance (CG) variable has a minimum value of 0.25 and a maximum value of 1.00. Then for the average it has, it is 0.4595 with a standard deviation of 0.13440. This shows a low level of CG data variation because the standard deviation value shown is lower than the average. The Capital Intensity (CI) variable has a minimum value of 0.14 and a maximum value of 0.92. In addition, the average value shown is 0.3025 with a standard deviation of 0.82608. The standard deviation is lower than the average, so it can be concluded that the level of IM data variation is low.

Classic Assumption Test

Normality Test

The classical assumption test shows the following results: The Kolmogorov Smirnov test is used to determine the normality of the data, with a significance threshold of 5 percent used to determine significance. In addition, to strengthen the analysis results, histogram graphs and normal P-Plot are used to see the normality of the data. From the results of the Kolmogorov-Smirnov test above, the Asymp. Sig. (2-tailed) value is 0.200. These results can indicate that the residual data in this regression model is normally distributed because the Asymp. Sig. (2-tailed) value is above 0.05.

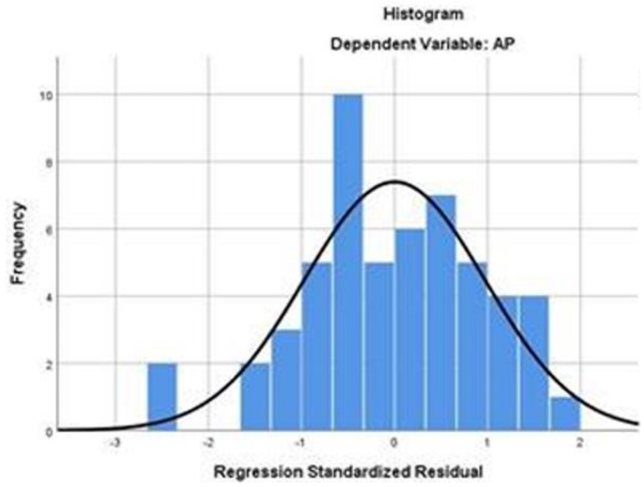

Figure 1. Normality Test

The image above shows a histogram graph that does not have a tendency for the curve to tilt to the right or left. This shows that the data is normally distributed.

Multicollinearity Test

To find out whether the regression model has a relationship between independent variables, a multicollinearity test is used. A feasible regression model is a model that has no relationship between independent variables. The tolerance and VIF values can determine whether there is multicollinearity in the regression model. The following are the results of the multicollinearity test: From the results of the multicollinearity test analysis above, the tolerance coefficient value is above 0.1 and the VIF is below 10. The Leverage (LEV) variable has a tolerance of 0.824 with a VIF of 2.371. Then the Corporate Governance (CG) variable has a tolerance of 0.593 with a VIF of 2.793. While the Capital Intensity (CI) variable has a tolerance of 0.891 and a VIF of 1.749. These results can be concluded that there is no multicollinearity problem in this regression model and can be used for further analysis.

Heteroscedasticity Test

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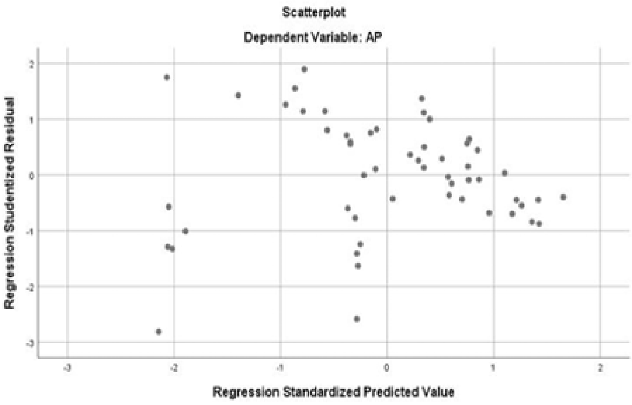

Figure 2. Heteroscedasticity Test

From the results of the heteroscedasticity test analysis above, the scatter plot test results show random data and do not form a pattern. These results can be concluded that there are no symptoms of heteroscedasticity in the regression model and can be used for further analysis. In the Glejser test, data that is free from heteroscedasticity shows a significant value of more than its probability of 0.05. In table 5, the LEV variable shows a sig of 0.255, the CG variable shows a sig of 0.328 and the CI variable shows a sig of 0.821. Because all variables have a significance of more than 0.05, it can be concluded that there are no symptoms of heteroscedasticity in the regression model and can be used for further analysis.

Multiple Linear Regression Analysis

The constant value is 1.750, which means that if the leverage, corporate governance and capital intensity variables are zero, then tax aggressiveness is 1,750. The coefficient of the LEV variable is 0.200. The coefficient shows a positive sign, which means that every additional 1 leverage will increase the ETR value which is a proxy for tax aggressiveness. The lower the ETR value, the lower the tax aggressiveness carried out by the company. So if there is an additional 1 leverage, there will be an additional tax aggressiveness of 0,200 dollars. The CG coefficient proxied by the board of commissioners shows a value of 0,010. The CG coefficient proxied by the audit committee shows a value of 0,030. The coefficient shows a positive sign. The sign of the coefficient indicates that the higher the value of the CG variable, the higher the ETR value. Because the lower the ETR value, the lower the tax aggressiveness carried out by the company, it can be said that if there is an additional 1 corporate governance, there will be an additional tax aggressiveness of 0.010 dollars. The coefficient of the CI variable or capital intensity shows a value of 0,028. The coefficient shows a positive sign, which means that the higher the level of capital intensity, the higher the company's ETR value. The low ETR value indicates a high level of tax aggressiveness. So if there is an additional 1 capital intensity, there will be an increase in tax aggressiveness of 0.028 dollars.

The t-statistic test is used to test the magnitude of the influence of the independent variable partially on the dependent variable at a significance level of 0.05. In the t-statistic test, if the significance value is less than 0.05, it can be said that the independent variable has an influence on the dependent variable. Conversely, if the significance value is greater than 0.05, the independent variable has no influence on the dependent variable. Based on the results of the t-statistic test in table 8, the following can be concluded:

H1: Leverage has an effect on Tax Aggressiveness.

The leverage variable (LEV) has a significant value of 0.006, which is less than 0.05. Based on these results, it can be concluded that the first hypothesis is accepted because leverage in this study partially has a significant positive effect on tax aggressiveness. This study explains that the higher the solvency ratio or DAR of a company, it will trigger the company's aggressiveness in carrying out tax

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avoidance activities (Annisa, 2017); (Nursari et al., 2017); and (Sinaga & Suardikha, 2019)). Companies will take advantage of the existing loopholes in tax regulations illegally, namely the tax laws and regulations article 6 paragraph 1 of Law number 36 of 2008 in connection with Income Tax (PPh), loan interest because it can be deductible (deductible expense) to taxable income (PKP) body. Its essence is to balance the benefits and sacrifices that arise as a result of the use of debt. The company will add the debt component to the highest point where the company's value will be even greater. Logically, the company will maximize the use of debt instruments to minimize the tax interest expense borne. Logically, the company will maximize the use of debt instruments to minimize the cost of tax interest paid.

H2: Corporate Governance has an effect on Tax Aggressiveness.

The results of the t-statistic test show that the corporate governance (CG) variable has a significance value of less than 0.05, which is 0.001. This means that the corporate governance (CG) variable proxied by the board of commissioners and audit committee partially has a significant positive effect on tax aggressiveness. So the second hypothesis in this study is accepted. The parties involved as interactions in corporate governance are shareholders, managers, customers, suppliers, government, and the community. All those who have these interests have the potential to access tax avoidance practice activities. Shareholders have a desire for good and positive investment growth from the management of their invested funds. However, this is very different from the interests and actions of management who prioritize large amounts of retained earnings, by not distributing dividends. This difference will affect company policy, including the application of taxation.

Corporate governance is proxied by calculating the ratio of independent commissioners and audit committees. The independent commissioner functions to support the appropriate use of resources and financial reports. A conflict of interest occurred between the independent commissioner and company management. Company management prioritizes large profits, while independent commissioners prioritize all company activities so that they run in accordance with applicable laws and minimize risk control. Supervision by the audit committee is an effort to prevent information asymmetry between management and stakeholders. This means that the independent commissioner has an influence on the management activities of the company which is carried out by the management. Independent commissioners and audit committees are indirectly the parties capable of influencing the determination of company policy (Subagiastra et al., 2016); (Haryanti, 2019); (Chasbiandani et al., 2020); and (Frisca Tania & Mukhlasin, 2020)).

H3: Capital Intensity affects Tax Aggressiveness.

The capital intensity (CI) variable in the t-statistic test results table shows a significant value of less than 0.05, which is 0.015. So it can be concluded that the capital intensity (CI) variable affects tax aggressiveness partially. So the third hypothesis in this study is accepted. Fixed assets have an exempt depreciation amount or a tax expense that can be deducted from them. Thus, the company's activities include actions taken by companies in tax avoidance practices. A significant value of t < 0,05, namely 0,015, which means that capital intensity affects tax avoidance practices, so third hypothesis (H3) is accepted. This shows that capital intensity has a positive effect on tax avoidance according to research conducted by (Najmah, 2020); (Pattiasina et al., 2019); (Wijayanti et al., 2016) prove that the company has made use of the depreciation value of fixed assets. The company takes advantage of the deductible expense gap to reduce the tax burden it incurs by acquiring assets at an affordable tax expense stage. Actions that have been taken by the company can be used as an investment option because they affect the value of taxes borne.

DISCUSSION

Based on the results above, it can be concluded that the leverage variable has a significant positive effect on tax aggressiveness. So if there is an increase or decrease in leverage carried out by the company, it will affect the level of tax aggressiveness. The results shown can occur because leverage will only affect the company's funding and will affect how the company generates profit. Leverage is the level of debt used by the company in financing its company. The funding structure policy has been regulated in tax law, therefore, funding decisions can be a picture of tax aggressiveness related to the effective tax rate. Funding sources can come from internal parties such as dividends from retained earnings or from external parties such as debt to third parties. In tax regulations, interest expenses on debt to third parties that are carried out can be a reduction in taxable profit. However, in this study, the sample companies mostly had debts from capital loans to shareholders or related parties, so that the interest expenses arising from these transactions can be a reduction in taxable profit.

Corporate governance variables have a significant positive effect on tax aggressiveness. The results of this hypothesis are supported by research conducted by (Sartika, 2018) and (Andrean, 2018) which states that corporate governance proxied by the board of commissioners and audit committee has a significant positive effect on tax aggressiveness. This can happen because independent members of the board of commissioners can be appointed or appointed to the board of commissioners and audit committee only to meet formal requirements, resulting in the loss of the ability to exercise supervisory authority. Meanwhile, dominant shareholders continue to exert significant influence, so that the performance of the board of commissioners and audit committee is better. This can also be triggered by the appointment or election of the board of commissioners and audit committee. Indonesia pays more attention to the competence and integrity of the board of commissioners and audit committee, and instead prefers to show admiration or respect for their work. The placement or addition of the board of commissioners and audit committee is only possible to meet formal requirements, while the majority shareholder holds significant control over the board of commissioners, so that the performance of the board of commissioners and audit committee is influenced by the majority. The selection or assignment of the board of commissioners and audit committee in Indonesia does not only consider the competence and integrity of the board of commissioners and audit committee, but more on showing respect or appreciation. In addition, the understanding or expertise of the board of commissioners and audit committee about the company's core business is very inadequate, so that their role is very functional and has a significant influence.

The capital intensity variable affects tax aggressiveness which is proxied by ETR. Based on the test results, it can be concluded that the higher the company's capital intensity, the lower the company's ETR value. A low ETR value indicates tax aggressiveness carried out by the company. This is in line with research conducted by (Simbolon & Sudjiman, 2021) which states that capital intensity has a significant effect on tax aggressiveness. Capital intensity is a measure that describes a company's investment in fixed assets owned. Fixed assets owned will incur depreciation costs every year, which depreciation costs can be a reduction in taxable profit based on tax provisions. Tax aggressive actions by utilizing the capital intensity owned are actions that are permitted by the regulations that have been set. Seeing this opportunity, the company takes full advantage of this by adding fixed assets from idle funds in order to obtain benefits in the taxation sector. So the greater the fixed assets owned, the greater the depreciation costs will be, then the taxable profit owned will decrease which will automatically also reduce the tax payable.

V. CONCLUSION

Further research is suggested to add variables that are related to tax aggressiveness, such as corporate risk, profitability and fiscal loss compensation. Further researchers are also expected to use larger companies listed on the Indonesia Stock Exchange and more companies and add years of observation.

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