

DOES CLIMB PEAK OF TAX AVOIDANCE FROM CSR AND COMPANY CHARACTERISTICS? STUDY IN INDONESIA

Muhammad Taufik^{1*}
Elian Nevi Novita²

^{1,2}Accounting Department, Universitas Internasional Batam, Batam, Indonesia

*Correspondence: m.taufik@uib.ac.id

Abstract

Departing from the realization of declining tax revenues as an indication of the tax aggressiveness existence, this paper addresses the relationship of social values, namely corporate social responsibility (CSR) and company characteristics, namely profitability, firm size, leverage, and capital intensity to three tax avoidance practice schemes, book tax difference (BTD), cash effective tax rate (CAETR), and current effective tax rate (CUETR). We accommodate legitimacy theory to seek CSR rationalization, corporate obligations that are maximize shareholder wealth, and tax regulations determine tax avoidance. The research sample is a company that is listed on the Indonesian stock exchange and publishes sustainability reporting for the 2016-2020 period where the panel data regression technique is used. The descriptive results show that BTD and CAETR do not show tax avoidance practices, on the contrary, CUETR does. The results explain that CSR is carried out based on ethical values-not profit driven, and it is proven that it does not significantly cause tax avoidance. Firm size and capital intensity are not proven to have strong ties to all tax avoidance schemes. Through CUETR, ROA and leverage are used as tools to practice tax avoidance, while BTD and CAETR are not used. This research contributes to tracing CSR driven, shows tax regulations that are used for tax avoidance, and has practical implications to show that ROA and leverage have a tendency to tax aggressiveness tools. Future research should directly examine companies involved in tax avoidance.

Keywords : corporate social responsibility; company characteristics; ethical driven; tax avoidance.

Abstrak

Sehubungan dengan kondisi penurunan penerimaan pajak yang merupakan suatu indikasi adanya agresivitas pajak. Paper ini juga menguji keterkaitan antara nilai-nilai sosial, seperti CSR dan karakteristik perusahaan, seperti profitabilitas, ukuran perusahaan, leverage dan intensitas modal pada skema penghindaran pajak, book tax difference (BTD), cash effective tax rate (CAETR), dan current effective tax rate (CUETR). Paper ini menggunakan teori legitimasi untuk menguji keterkaitan rasionalisasi CSR, kesejahteraan pemegang saham dan regulasi pajak untuk menghindari pajak. Sampel penelitian merupakan perusahaan yang terdaftar di BEI (Bursa Efek Indonesia) dan mempublikasikan laporan keberlanjutan periode tahun

2016-2020 dimana menggunakan teknik data regresi panel. Hasil deskriptif menunjukkan hasil bahwa *BTD* dan *CAETR* tidak menunjukkan praktik menghindari pajak, sebaliknya *CUETR* menunjukkan. Hasil menjelaskan bahwa *CSR* dilakukan berdasarkan nilai etis – bukan dorongan profit, dan terbukti tidak secara signifikan menyebabkan penghindaran pajak. Ukuran perusahaan dan intensitas modal tidak terbukti memiliki ikatan yang kuat terhadap semua skema penghindaran pajak. Melalui *CUETR*, *ROA* dan *leverage* yang digunakan sebagai alat untuk praktik penghindaran pajak, selama *BTD* dan *CUETR* tidak digunakan. Penelitian ini berkontribusi untuk melacak dorongan *CSR*, menunjukkan peraturan pajak yang digunakan untuk penghindaran pajak, dan memiliki implikasi praktik yang menunjukkan bahwa *ROA* dan *leverage* memiliki kecenderungan untuk alat agresivitas pajak. Penelitian selanjutnya harus meneliti perusahaan yang terlibat dalam penghindaran pajak.

Keywords : *corporate social responsibility; company characteristics; ethical driven; tax avoidance.*

JEL Classification : **H26, M14**

Submission date: 10 January 2022

Accepted date: 30 March 2022

INTRODUCTION

Taxpayers have a tendency to practice tax avoidance because they think taxes are a burden (Maharani & Suardana, 2014). Putting more simply, the higher the company's income, the higher the company's tax burden, resulting in one of the reasons for the practice of tax avoidance through various schemes. Generally, tax avoidance is considered a legitimate act because it uses more loopholes in the applicable tax rules. Tax avoidance does not violate the law but is contrary to the purpose of making tax laws and regulations.

Tax avoidance was represented through a comparison of the target and the realization of tax revenue. The following is a comparison table from 2016-2020 to illustrate it.

Table 1
Comparison of Target and Realization of Tax Revenue in Indonesia 2016 – 2020
(In Trillion)

Year	Target	Realization	%
2016	1,355.00	1,105.81	81.61%
2017	1,283.60	1,151.10	89.68%
2018	1,424.00	1,313.40	92.23%
2019	1,577.60	1,332.20	84.44%
2020	1,652.57	1,069.98	64.75%

Source: Performance Report of the Indonesian Ministry of Finance

Referring to Table 1, the target tax revenues from 2016-2020 has continuously increased from 1.355 trillion to 1.652.57 trillion, except for 2017 which experienced a decrease of 1,283.60 trillion. On the other hand, the realization of taxes continued to

increase from 2016-2019, showing 1,105.81 trillion to 1,332.20 trillion and the realization in 2019 reached a peak from its figure. In contrast, after its figure reached culmination, its figure decreased dramatically in 2020, showing 1.069.98 trillion, then the position of this figure was nadir point, accounting for 1.069,98 trillion, giving causing the percentage of realized tax revenues to 64.75% only. If referring Mocanu et al. (2020), the lower the tax revenue ratio, representing the more ineffective the tax entered into the state treasury, indicating higher tax avoidance. To sum up, the nadir point of tax revenue is peak point of tax avoidance.

Referring to the discussion above, this article aims to find the causes of the climbing peak of tax avoidance that this article addresses the influence of social aspects, namely corporate social responsibility (CSR) and aspects of company characteristics consisting of profitability, firm size, leverage, and capital intensity on tax avoidance. Initially, in 2015, there was little literacy in previous research investigating the relationship between CSR and tax avoidance (Lanis & Richardson, 2014). Meanwhile, since 2016 increased publication of business practices and academics to shed light on CSR and tax avoidance (Abid & Dammak, 2021; Davis et al., 2016; Goerke, 2019; Watson, 2015; Zeng, 2019). According to previous study, tax avoidance practices are considered as actions that harm the company's reputation and are socially irresponsible (Lanis & Richardson, 2011). However, Government Regulation No. 93 of 2010 Article 3 allows companies in Indonesia to treat costs related to CSR that it treat deduction from gross income, which amounts to 5% of net income in the previous period. This regulation opens up opportunities for companies to maximize CSR and manage it to deduction from profits. This is in line with the company's goal of maximizing profits (Chen et al., 2010) and increase shareholder value (Friedman, 1970; Huseynov & Klamm, 2012).

Second, the company's profitability, which is represented by return on assets, describes the company's performance, it is how the company utilizes its assets efficiently in obtaining company profits. The higher the profitability, the better the company's performance or the more efficient it is in earning profits using assets. Companies benefit from tax deductions and tax incentives due to the company's ability to do tax avoidance and good asset management so that ROA has a positive relationship to tax avoidance (Darmawan & Sukartha, 2014).

Third, firm size is a benchmark in determining the size of a company. Dewinta & Setiawan (2016) stated that large-scale companies tend to practice tax avoidance. Although large-scale companies are under the strict supervision of the tax authorities, the company's human resources have good knowledge and understanding of taxation to enable companies to carry out tax planning, resulting in reducing the taxes that must be paid. (Fauzan et al., 2019).

Fourth, leverage is a description of the debt used by the company in its company operations. The greater the debt owed by the company, the more interest expenses. Interest expense is included in fiscal costs that it would reduce taxable income based on Law No. 36 of 2008 article 6 paragraph 1. Thus, companies that have high loans have the potential to reduce the tax burden that must be paid. (Wahyuni et al., 2019).

Finally, capital intensity describes the amount of investment in the company's assets in fixed assets where depreciation costs would be deducted from profit before tax. The more fixed assets the company has, the higher the depreciation value, so the lower the nominal tax payable by the company.

The key difference to the previous study is how to compare CSR issues or company characteristics that cause tax avoidance. Previous research tends to explore CSR only, whereas CSR is a tool to cover up significant adverse events, and we consider the findings of Godfrey et al. (2009) and Minor & Morgan (2011) where they argue that CSR is insurance against the issue of tax avoidance. CSR become insurance in dealing with the negative effects of tax avoidance were also stated by Davis et al. (2016). Meanwhile, instruments that represent companies are not popular to be studied together with CSR, resulting in evidence that the characteristics of companies that do tax avoidance tend to carry out CSR acts as a non-empirical study. For instance, Lanis & Richardson (2013), Ortas & Gallego-Álvarez (2020), Hoi et al., (2013), Richardson et al. (2014), Gunawan (2017), Hidayati & Fidiana (2017), Zeng (2019), Liu & Lee (2019), Alsaadi (2020), dan Ortas & Gallego-Álvarez (2020) examine the issue of CSR with tax avoidance only. Moreover, Kurniasih & Sari (2013), Darmawan & Sukartha (2014), Tiaras & Wijaya (2017), and Hoi et al. (2013) only test the characteristics of the company. Therefore, the first contribution of this paper is to shed light on whether companies exploiting the virtue motive of CSR are used as tax avoidance insurance.

Furthermore, the second contribution of this paper is to underline the suitability of the company's characteristics with regulations that have the opportunity to be used as a tax avoidance instrument. It has been explained earlier that there are regulations in Indonesia that allow companies to carry out tax management and that action is reflected in assets and debts. We underline 4 areas - profitability, firm size, leverage, and capital intensity - that are vulnerable to this, namely assets and debt. Thus, this paper has implications for regulatory studies.

Lastly, through CSR, we contribute to underlining the weakness of income tax regulations, namely Law No. 36 of 2008 which involves expenses that would be treated as income tax deductions. In practice, this regulation allows scholarship fees, donations and development costs for social and educational purposes to be treated as income tax deductions. All of these costs are costs that are in direct contact with indigenous or non-customary-and-local or non-local communities where these costs should be a representation of the social contract described by legitimacy theory. Thus, companies carry out CSR with economic motives, even though the ideal value of CSR is ethical and philanthropic motives (Carroll, 2004; DiMaggio & Powell, 1983; Marrewijk, 2003).

Eventually, 4 parts are presented for the remaining paper. Literature review and hypothesis development are illustrated in the second part. The third part describes the research methodology and variables measurement. The fourth part discusses the empirical results and the last is the conclusion.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Legitimacy Theory

In maintaining business continuity, the company seeks legitimacy from investors, creditors, consumers, the government and the surrounding community where maintaining legitimacy would be obtained by carrying out corporate social responsibility (Carroll, 2004). It departs from the understanding that the company is part of a social system that lives with the community (Deegan, 2002; Wardiyowono; 2017). If social responsibility is neglected, companies would experience legal problems, fines and a bad image (Arvidsson, 2014). This neglect causes a crisis of

community legitimacy towards the company (Gray et al., 1995). The consequence is that the community has the potential to stop the company's operations (Deegan, 2002; O'Donovan, 2002).

Given the urgency to maintain legitimacy through CSR, the company makes CSR a key concern (Darus et al., 2009). Quite simply, CSR divides companies based on motives and performance pyramids. First, the company's motive for doing CSR is due to 5 motives, namely compliance driven, profit driven, caring, synergistic, and holistic (Marrewijk, 2003). CSR is carried out if it can provide a profitable financial contribution, which is a profit-driven orange motive. Meanwhile, compliance driven-blue means that the company provides welfare to the community but within regulatory limits so that the fulfilment of duties or obligations is classified. In contrast, surpassing obligation, duty or profit-driven where the company equates the level of importance of business, people, and protecting the planet so that not choosing one is an act of caring-green. Moreover, synergy-yellow is the motivation of CSR, that the sustainability of the triple bottom line is urgent and something that cannot be avoided. Finally, holistic-turquoise is a company that integrates and cultivates CSR as an organizational culture aimed at contributing to the quality and sustainability of both organization and living things in the present and future.

Moreover, Carroll (2004) highlight the company's pyramid in doing CSR. First, doing what is required by global capitalism and profitable gain is a representation of economic responsibility. Second, doing what is required by global stakeholders and obeying the law is a representation of legal responsibility. Third, doing what is expected by global stakeholders is a representation of ethical responsibility. The peak level is philanthropic responsibility, namely doing what is desired by global stakeholders and becoming good global corporate citizenship.

To conclude, concerning tax avoidance, profit-driven and economic responsibility stand on the left side, on the other hand, holistically driven, caring driven, ethical responsibility, and philanthropic responsibility stand on the right side, resulting in differences in CSR treatment in tax avoidance. If referring to Law No. 36 of 2008 Article 6 and clarified again with Government Regulation No. 93 of 2010, such as scholarship fees, donation and development costs for social and education are treated as income tax deductions, it is difficult not to place this phenomenon in the profit-driven and economic responsibility basket. Tax is an income instrument for the state treasury, tax avoidance causes the state treasury to decline and has an impact on declining development for developing countries (Sikka & Willmott, 2010) (including Indonesia), resulting in schools, hospitals, and the people's basic needs have been neglected. This means that taxes are also part of the company's contribution to society, so it is not surprising that taxes are one of the measures of the GRI standard in preparing sustainability reporting. Simplicity, in conclusion, CSR and taxes are triple bottom line practices, so it is unethical to treat the costs of the above regulations as tax deductions, especially when companies use them in preparing tax management.

Corporate Social Responsibility and Tax Avoidance

Acts of tax avoidance are considered less socially responsible (Avi-Yonah, 2008; Hasseldine & Morris, 2013). Taxable income is the mathematical result of profit minus expenses, if CSR is simulated as an expense it eliminates the value of social responsibility itself (Lanis & Richardson, 2014) and become a shareholder's wealth maximizer (Avi-Yonah, 2008). Moreover, it is considered as an activity to maximize

shareholder wealth, while stakeholders view tax avoidance as a socially irresponsible activity which consequently hampers economic growth due to the decline in the state treasury for community development. (Abid & Dammak, 2021; Al-Araj, 2018; Gribnau, 2015; Ibrahim et al., 2015; Musimenta et al., 2017; Night & Bananuka, 2020; Wu et al., 2012).

Some studies that use CSR as an independent variable on tax avoidance, Hoi et al (2013), Lanis & Richardson (2013), Lanis & Richardson (2014), Gunawan (2017), Cahya Dewanti & Sujana (2019), Liu & Lee (2019), Ortas & Gallego-Álvarez (2020) that they found a significant negative relationship between CSR and tax avoidance. The higher the level of CSR disclosure of a company, the lower the practice of corporate tax avoidance. Companies with good quality CSR activities realize that taxation is part of CSR itself, so they have a tendency to comply with tax payments. However, some companies use CSR as "insurance". CSR activities carried out by companies improve the company's image in the eyes of the public, on the other hand, one of the risks of practising tax avoidance is the image of the company. Companies disclose CSR activities as a hedge against negative public sentiment towards tax avoidance practices (Gulzar et al., 2018).

Other research empirics like Yuniarwati et al (2017), Utami & Tahar (2018), Mohanadas et al. (2019), Riguen & Kachouri (2019) revealed that there is no significant relationship between and tax avoidance. Moreover, Huseynov & Klamm (2012) has proven that companies with high CSR activities tend to pay taxes in small amounts, but the two have no empirical relationship. On the other hand, research of Hidayati & Fidiana (2017), Zeng (2018), Alsaadi (2020) that they found that CSR has a significant positive effect on tax avoidance. Hoi et al. (2013) found that American companies tend to be less involved in CSR activities and also practice tax avoidance.

Referring to the GRI standard where taxes are part of the concept of sustainability and the triple bottom line, and to direct CSR to be carried out based on ethics and philanthropic values, the first hypothesis is

H₁: Corporate Social Responsibility has a significant negative relationship to tax avoidance

Profitability and Tax Avoidance

A profitability that describes the company's financial performance is Return On Assets (ROA) where ROA assesses the company's ability to obtain maximum profit using its assets. Companies represented by managers try to manage their tax burden so as not to reduce their performance as a result of reduced company profits (Darmawan & Sukartha, 2014). Previous study, Damayanti & Susanto (2015), Dewanti & Sujana (2019) and Fauzan et al (2019) found a significant and negative effect ROA on tax avoidance. Meanwhile, according to Renfiana & Dewi (2018) stated that ROA does not have a significant relationship with tax avoidance. Conclusions of Renfiana & Dewi (2018) revealed that the greater the ROA, it will not affect tax avoidance actions. This is not in line with Kurniasih & Sari (2013), Darmawan & Sukartha (2014), Saputra et al (2015), Irianto et al (2017), and Adnyani & Astika (2019) who found ROA had a positive and significant effect on tax avoidance where it was due to the company's ability to manage its assets well so that it received tax incentives and concessions which resulted in the company invisibly practising tax avoidance. Furthermore, according to the analysis of Eichfelder & Hechtner (2018), profitable companies have

better and more human resources, resulting in a tendency to employ fiscal consultants to help them reduce the taxes they have to pay.

Referring that the company is burdened with a fundamental responsibility, namely maximizing shareholder value, the second hypothesis is

H₂: Profitability size has a significant positive to tax avoidance

Firm Size and Tax Avoidance

Generally, Friedman (1970) argue that companies are founded with only one obligation where they must maximize shareholder wealth, including the value of the company itself, whereas we are more subtle where it is a fundamental obligation. Furthermore, company size is a scale to determine the size of a company that describes the state of a company that the higher the firm size, the better the company's condition, vice versa. Large companies would try to comply with applicable tax regulations, namely by paying taxes as required where it aims to gain stakeholder legitimacy. For this purpose, both legitimacy and legal compliance, the company also does not escape from its fundamental obligation, namely maximizing shareholder wealth, these three conditions result in the practice of legal tax avoidance (tax avoidance management). Legal action using the loose legal umbrella of regulation in regulating costs that can be treated as a deduction from taxable income, the result is that the company carries out tax management that directs the maximization of net profit after tax.

Research results from (Kurniasih & Sari, 2013), Darmawan & Sukartha (2014), Swingly & Sukartha (2015), Irianto et al (2017), and Adnyani & Astika (2019) found a positive and significant relationship to tax avoidance. The results of the same study were shown by Dyreng et al. (2010), Richardson et al. (2014), and Richardson & Lanis (2007) where they found the same result. The first reason is the implications for the political field where larger companies have greater power and resources than smaller companies where the implication is that they are able to influence the political process (Stickney & McGee, 1982) by lobbying and negotiating power and resources to reduce the amount of the tax burden or influence tax regulations (Gupta & Newberry, 1997; Mocanu et al., 2020; Stickney & McGee, 1982). The second reason is that large companies tend to have human resources who have good knowledge and understanding to practice tax avoidance (Fauzan et al., 2019). In contrast, Utami & Tahar (2018) found that there is a negative and significant relationship to tax avoidance. Meanwhile, Dewanti & Sujana (2019) dan Sugeng et al. (2020) did not find a significant relationship to tax avoidance.

Referring that the company is burdened with a fundamental responsibility, namely maximizing shareholder value, the third hypothesis is

H₃: Firm size has a significant positive relationship to tax avoidance

Leverage and Tax Avoidance

Leverage is a description of the company's financial performance that shows how much debt is used by the company in carrying out operational financing. The more liabilities a company has, the more interest the company has to pay off. Interest expense has implications for reducing the company's profit before tax, which results in a reduced tax burden to be paid by the company. This is following the tax regulations in Indonesia, namely Law No. 36 of 2008 article 6 paragraph 1. Therefore, several researchers such as: (Allen et al., 2016; Chyz et al., 2013; Majeed & Yan, 2019; Mills

et al., 2005; Mocanu et al., 2020) suggest that the leverage hypothesis is negatively related to tax avoidance.

Empirically, Swingly & Sukartha (2015) and Irianto et al. (2017) found a negative and significant relationship between leverage and tax avoidance. In contrast, Fauzan et al. (2019) and Sinaga & Suardhika (2019) found a significant positive relationship to tax avoidance. Meanwhile, Darmawan & Sukartha (2014), Tiaras & Wijaya (2017), Dewanti & Sujana (2019), and Ariska et al (2020) did not find a significant relationship between leverage and tax avoidance.

Referring that the company is burdened with a fundamental responsibility, namely maximizing shareholder value, the fourth hypothesis is

H₄: Leverage has a significant positive to tax avoidance.

Capital Intensity and Tax Avoidance

In general, capital intensity indicates ownership of the company's fixed assets which are useful for carrying out company operations such as manufacturing and machinery. Furthermore, there are differences in interests between managers and the government regarding fixed assets that are the object of taxation. The government wants to maximize tax revenue while managers want to minimize tax payments through the capital intensity. (Fernández-Rodríguez & Martínez-Arias, 2012) states that the fixed assets owned by the company generate depreciation expense which is treated as an argument for minimizing the tax payable. It is an indication that the greater the depreciation cost, so the tax that must be paid by the company may be smaller. This is following the tax regulations in Indonesia, namely Law No. 36 of 2008 article 6 paragraph 1.

Result of Sinaga & Suardikha (2019) and Utami & Mahpudin (2021) revealed that capital intensity has a negative effect on tax avoidance. Meanwhile, Utami & Tahar (2018) dan Pratiwi & Siregar (2019) did not find a significant relationship. In contrast, Irianto et al (2017), (Nugraha & Mulyani, 2019), Adnyani & Astika (2019), and Sugeng et al (2020) states that capital intensity has a significant positive effect on tax avoidance. Companies that invest capital in the form of fixed assets allow companies to have the opportunity to increase depreciation costs so that these costs can be managed which results in reducing the amount of tax. Moreover, the storage of large assets by a company is not only for tax avoidance practices but also for the company's operations, so that the company gets two advantages at the same time, namely investment in fixed assets and reducing taxes.

Referring that the company is burdened with a fundamental responsibility, namely maximizing shareholder value, the fifth hypothesis is

H₅: Capital intensity has a significant positive relationship to tax avoidance.

RESEARCH METHOD

Population and Sample

The population of this study are companies listed as issuers on the Indonesia Stock Exchange. Furthermore, purposive sampling was used to obtain a sample with criteria for companies that publish fully audited financial statements from 2016 to 2020, companies that consistently record profits, companies that publish sustainability reporting with global reporting initiative (GRI) guidelines. GRI was chosen because it

covers economic, social, and environmental aspects(Wilburn & Wilburn, 2013), so it engage the triple bottom line concept.

Variables Measurement

Tax Avoidance is the dependent variable in this study where we use 3 tax avoidance approaches, namely the book tax difference (BTD), the current effective tax rate (CUETR), and the cash effective tax rate (CAETR) which are useful for showing the consistency of the effect. BTD shows the difference between accounting profit and taxable profit which is subject to income tax due to temporary differences and fiscal permanent differences. The greater the value of BTD indicates the company is tax aggressive by taking advantage of temporary and fixed differences. BTD is usually the most commonly used measuring tool in understanding tax avoidance (Gulzar et al., 2018). Meanwhile, ETR is generally a comparison between the amount of tax payment and profit before tax. Cash ETR reflects actual tax payments (cash tax paid) on a cash basis, while Current ETR compares current tax with profit before tax which represents tax regardless of deferred tax and final tax. Referring to Law No. 36 of 2008 Article 17 paragraph 2a, the lowest corporate income tax rate is 25% so that if the ETR is below this provision, the company is suspected of practising tax avoidance. That is, ETR is the opposite of BTD where if the value of ETR is smaller, the company is suspected of carrying out tax aggressive practices (Gulzar et al., 2018).

In addition, independent variables include social aspects, namely corporate social responsibility and aspects of company characteristics include return on assets, firm size, leverage, and capital intensity. Putting more detail, the input data of CSR was dummy variable to score firms that disclose CSR, and 0 for those that do not disclose CSR (Taufik, 2021). Moreover, the control variables in this study are net cash from operating cash flow, intangible assets, and sales growth. Measurement of research variables is presented in table 2.

Table 2
Variable Measurement

Variables	Abbreviation	Measurement
Tax Avoidance - Book Tax Difference	BTD	$\frac{\text{Earning before interest and tax} + \text{EAT}}{\text{Total Asset}}$
Tax Avoidance - Current Effective Tax Rate	CUETR	$\frac{\text{Total tax expense} - \text{deferred tax expense}}{\text{Pretax income}}$
Tax Avoidance - Cash Effective Tax Rate	CAETR	$\frac{\text{Cash Taxes Paid}}{\text{Pretax income}}$
Corporate Social Responsibility	CSR	$\frac{\sum \text{item disclosed}}{91 \text{ item GRI}}$
Profitability	ROA	$\frac{\text{Earning After Tax}}{\text{Total Asset}}$
Firm Size	SIZE	$\text{Logaritma Natural Total Aset}$
Leverage	LEVE	$\frac{\text{Total Debt}}{\text{Total Asset}}$
Capital Intensity	CAIN	$\frac{\text{Fix Asset}}{\text{Total Asset}}$

Variables	Abbreviation	Measurement
Net Cash From Operating Activities	NCFO	$\frac{\text{Operating Cash Flow}}{\text{Total Asset}}$
Intangible Asset	INAS	$\frac{\text{Intangible Assets}}{\text{Total Asset}}$
Sales Growth	SAGR	$\frac{\text{Sales}_{i,t} - \text{Sales}_{i,t-1}}{\text{Sales}_{i,t-1}}$

These research models can be expressed in the following equation.

$$BTD = \beta_0 + \beta_1 CSR_1 + \beta_2 ROA_2 + \beta_3 SIZE_3 + \beta_4 LEVE_4 + \beta_5 CAIN_5 + \beta_6 NCFO_6 + \beta_7 INAS_7 + \beta_8 SAGR_8 + \varepsilon \dots \dots (1)$$

$$CAETR = \beta_0 + \beta_1 CSR_1 + \beta_2 ROA_2 + \beta_3 SIZE_3 + \beta_4 LEVE_4 + \beta_5 CAIN_5 + \beta_6 NCFO_6 + \beta_7 INAS_7 + \beta_8 SAGR_8 + \varepsilon \dots \dots (2)$$

$$CUETR = \beta_0 + \beta_1 CSR_1 + \beta_2 ROA_2 + \beta_3 SIZE_3 + \beta_4 LEVE_4 + \beta_5 CAIN_5 + \beta_6 NCFO_6 + \beta_7 INAS_7 + \beta_8 SAGR_8 + \varepsilon \dots \dots (3)$$

RESULT AND DISCUSSION

Descriptive Analysis

Table 3, 4, and 5 show descriptive statistics. Table 3 describes the dependent variables, namely CUETR, CAETR, and BTD. Overall, the average value of BTD is 0.1735 or 17.35%. When referring to the discussion of the methodology, the greater the value of BTD, the more likely it is that the company will take advantage of temporary and fiscal differences, thus representing tax avoidance. Putting more details, Table 4 details the trend of BTD. BTD in Indonesia decreased gradually and its figure showed nadir point eventually, showing from 19.99% to 12.48%. In conclusion, companies in Indonesia reduce the intensity of tax aggressiveness by not exploiting the gap between temporary and fiscal differences.

Furthermore, the lower ETR, below 25%, represents tax aggressiveness. Referring to table 3, CUETR showed a point below 25%, accounting for 19.61%, meaning that it exploited the tax burden and deferred tax as a tax aggressiveness tool. The actions of these companies are detailed in more detail in table 4, where the number of companies that practice tax aggressiveness is higher than those that comply, namely 146 compared to 109 companies.

On the other hand, the CAETR in table 3 showed a higher than 25% figure, showing 44.27% where its figure represents a company that does not practice tax avoidance with a tax scheme that is paid in one accounting period. Although some practice tax avoidance in table 5, the number of companies that do not use the CAETR scheme is more, namely 133 compared to 122.

In general terms, BTD and CAETR are representations of companies avoiding tax aggressiveness, although there are but not the majority use these two schemes. Companies prefer to use the CUETR formula in carrying out tax avoidance practices. To relate to the research problem, back to table 1 that the state treasury from corporate income tax revenues decreased from 81.61% to 64.75%, probably due to the company implementing the CUETR scheme. This happens because BTD and CAETR show a scheme that is not used as tax aggressiveness.

The independent variable, the average value of CSR publications using the GRI standard is low, showing 19.35% of 100% disclosure. In contrast, companies in

Indonesia recorded a high average ROA, showing 7.46%. Company size recorded a high average value, accounting for 30.92 with natural log units. Furthermore, companies in Indonesia are more likely to use debt as an instrument for financing the company's operations than the owner's capital, showing 56.31%. Finally, fixed assets are still the main support in running the business, that is supporting the high average value of fixed assets, showing 35.63%.

Table 3
Descriptive statistics

Variables	min	max	mean	std.dev	n
CUETR (x%)	-11,9755	7,7410	0,1961	0,9514	255
CAETR (x%)	0,0000	8,6016	0,4427	0,8701	255
BTD (x%)	-0,0210	1,6801	0,1735	0,2234	255
CSR (x%)	0,0989	0,8539	0,1919	0,1935	255
ROA (x%)	0,0006	0,8172	0,0746	0,1074	255
SIZE (log)	27,2044	34,9521	30,9254	1,7569	255
LEVE (x%)	0,0386	5,2463	0,5631	0,3757	255
CAIN (x%)	-0,8454	195,6196	21,0960	35,6370	255
NCFO (x%)	-0,6165	0,7857	0,0901	0,1177	255
INAS (%)	0,0000	30,8254	15,5596	13,0379	255
SAGR (%)	-1,0000	2,6465	0,0683	0,2555	255

Notes: CUETR : Current ETR, CAETR : Cash ETR, CSR : corporate social responsibility, ROA : return on asset, SIZE: firm size, LEVE : leverage, CAIN : capital intensity, NCFO : Net Cash From Operating Activities, INAS : intangible asset, SAGR : sales growth.

Table 4
BTD Trend

Year	Min	Max	Mean	Std.Dev
2016	-0,01559	1,68012	0,19996	0,28757
2017	-0,01035	1,23814	0,19841	0,24305
2018	-0,00769	1,25311	0,18698	0,22816
2019	-0,02098	0,98402	0,15744	0,18921
2020	-0,02093	0,80910	0,12486	0,14073

Table 5
High CUETR and High CAETR

Level	Description	CUETR	CAETR
High	Over 25% *	146	122
Low	Under 25% **	109	133
Total Frequency	-	255	255

Note: Referring to Law No. 36 of 2008 Article 17

Results

The results of hypotheses testing are presented in table 6. First, it was revealed that CSR has a negative and significant effect on BTD, which amounted to -0.0435 with the error rate of 5%. Meanwhile, we need back to descriptive analysis where BTD experienced a downward trend so that which means that the company reduces tax avoidance, so this finding strengthens that the company does not use CSR issues as a tool to get a profitable tax scheme.

Second, ROA has a positive and significant effect on BTD, at 1,468 with the error rate of 1%, but this ratio also has a negative and significant effect on CAETR, showing -1,110 with the error rate of 10%. Third, firm size has no significant effect on the 3 measurements of tax avoidance, BTD, CAETR, and CUETR, showing -0.0131, 0.4034, and 0.5931 consistently. Fourth, leverage has a positive and significant effect on BTD, accounting for 0.0476 with the error rate of 1%, and it is a positive and significant effect on CAETR, showing 0.503 with the error rate of 5%. Meanwhile, leverage has a negative and significant effect on CUETR, at -0.465 with the error rate of 5%. Finally, the capital intensity does not affect either BTD, CAETR, and CUETR, accounting for 0.0006, -0.0003, and 0.0026 respectively.

Table 6
Result

Variables	BTD	CAETR	CUETR
CSR	-0.0435** (0.0172)	-0.153 (0.352)	-0.303 (0.344)
ROA	1.468*** (0.0421)	-1.110* (0.564)	0,49444444 (0.792)
SIZE	-0.0131 (0.0192)	0,40347222 (0.415)	0,59305556 (0.0919)
LEV	0.0476*** (0.0141)	0.503** (0.228)	-0.465** (0.183)
CAPINT	0.000600 (0.000453)	-0.000394 (0.00638)	0.00260 (0.00339)
OCF	0.199*** (0.0356)	0,17291667 (0.630)	-0.0291 (0.737)
PPE	0,11944444 (0.0200)	0,17708333 (0.349)	0,28541667 (0.0976)
INAS	-0.000441 (0.000682)	0,25972222 (0.0234)	-0.00168 (0.00510)
GROWTH	0.0417*** (0.00912)	-0.525* (0.306)	0,54236111 (0.237)
Constant	-0.0718 (0.448)	-18.99 (13.37)	-3.397** -1.376
Observations	255	255	255
Number of code	51	51	51

Variables	BTD	CAETR	CUETR
R-squared	0,963	0,1075	0,1691

Notes: CUETR : Current ETR, CAETR : Cash ETR, CSR : corporate social responsibility, ROA : return on asset, SIZE: firm size, LEVE : leverage, CAIN : capital intensity, NCFO : Net Cash From Operating Activities, INAS : intangible asset, SAGR : sales growth, and *, **, *** indicate significance at the 10%, 5%, and 1% levels.

Empirical Relationship of CSR and Tax Avoidance

The empirical evidence of this paper reveals that CSR has a negative and significant effect on BTD, showing -0.0435 with the error rate of 5%. As mentioned earlier, BTD in Indonesia has a downward trend every year and its peak occurred in 2020 at 12.48. This means that the company does not practice tax avoidance with the BTD scheme. The company also does not use the CAETR and CUETR schemes to take advantage of CSR as insurance from the negative effects of tax avoidance. This is confirmed by CSR which is not able to significantly influence CAETR and CUETR, showing -0.153 and -0.303 respectively. To conclude, CSR-with significant evidence of BTD-represents strongly that CSR is not used as a means of exploitation to gain benefits in terms of the obligation to pay taxes.

Referring to the discussion of the literature, 3 things would be underlined from this finding. First, this study provides different results from (Huseynov & Klamm, 2012) who found high CSR with no relationship to tax avoidance, where we found that CSR is significantly understood not as a calculation method that is recognized as a deduction from taxable income. Second, CSR is also not used as an "insurance" tool when the company maximizes tax management, this is because the company does not practice seeking profits from differences in accounting and fiscal records which is reflected in the declining BTD.

Third, we underline that the company's actions in the relationship between CSR and tax avoidance are driven by caring driven, ethical responsibility, and philanthropic responsibility (Carroll, 2004; Marrewijk, 2003). This means that the company ignores the return motive (profit-driven) or even goes beyond compliance-driven. The company understands that CSR is a contribution to society or society, so the underlying value should be a moral call.

Empirical Relationship of ROA and Tax Avoidance

Empirically, ROA has a significant positive effect on BTD, showing 1,468 with the error rate of 1%. Once again, BTD through descriptive statistics was found to continue to decline from year to year, meaning that companies reduce tax avoidance practices. So, when ROA has a significant effect in a positive direction, it means that companies that are increasingly profitable are trying to be more obedient to tax regulations. Perhaps the company uses other methods to treat earnings as a tax avoidance tool.

Looking at the regression results that ROA has a negative and significant effect on CAETR, showing -1.110 with the error rate of 10%, it shows some notes. It should be noted that BTD and CAETR are 2 opposite measures, a smaller BTD and a larger CAETR indicates a tax-compliant company. In general, the CAETR value is 44.27% which can be referred back to table 3 descriptive statistics. This figure is above the value of 25%, meaning that the company complies with taxes. Although there are companies that carry out tax avoidance, 122 companies, there are more companies that

obey, 133 companies, even in substance they must be returned to the value of 44.27%. This means that companies in Indonesia do not try to use the CAETR option as a tax avoidance tool.

However, referring to the empirical results, the negative and significant ROA results towards CAETR indicate that ROA is slowly being used as a tax avoidance tool through the CAETR scheme. This is evident from the companies that practice tax avoidance with the CAETR scheme, namely 122 companies. Thus, the government can use the results of this research to underline the company's scheme, namely CAETR, which treats ROA as tax aggressiveness.

Empirical Relationship of Firm Size and Tax Avoidance

Empirically, there is no relationship between firm size and all possible tax avoidance measurement tools, BTDR, CAETR, and CUETR, accounting for -0.0131, 0.4034, and 0.5930 consecutively. Referring back to the literature, this research is contrary to Fauzan et al. (2019) and prove that there is no guarantee that large companies use their human resources to carry out tax avoidance practices. Furthermore, this study also contradicts to Mocanu et al. (2020) who suggesting that big corporations may be using their power to lobby tax regulators and try to benefit themselves. We prove that there is no relationship, so there is no guarantee that the bigger the company, the bigger their influence in lobbying tax regulations.

Empirical Relationship of Leverage and Tax Avoidance

Referring to the descriptive analysis, the leverage of companies in Indonesia is at the level of 56.31% on average, which shows that the concentration of financing and operations is supported by debt, not shareholder capital. The undeniable consequence is the higher principal and debt, where debt is one of the costs that can be treated as a tax deduction, resulting in the possibility of being treated as an instrument of tax avoidance. However, back to the descriptive statistical values of BTDR and CAETR which reflect that companies avoid tax aggressiveness, or are more likely to comply with taxation. Empirically, leverage has a positive and significant effect on BTDR, namely 0.0476 with the error rate of 1% and the same result is 0.503 with the error rate of 5% on CAETR. That is, the high level of debt does not cause the practice of tax avoidance.

On the other hand, leverage has a negative and significant effect on CUETR, showing -0.465 with the error rate of 5%. CUETR descriptive statistic shows a number below 25% where the value is 19.61% so that it is interpreted as an act of tax aggressiveness. Empirically, the interpretation is that the higher the level of debt, the higher the tax avoidance through the CUETR scheme where CUETR means representing deferred tax. The government would consider this deferred tax to optimize income.

Empirical Relationship of Capital Intensity and tax Avoidance

The capital intensity which represents ownership of fixed assets is not able to significantly influence all types of tax avoidance schemes, namely BTDR, CAETR, and CUETR, showing 0.0006, -0.0003, and 0.0026 respectively. The company does not treat fixed assets and their depreciation expense as a tool for tax aggressiveness to overestimate expenses as objects of deduction from taxable income.

CONCLUSION, LIMITATIONS AND SUGGESTIONS

This study aims to find answers to the climb peak of tax avoidance in Indonesia between 2016 and 2020. We observe 3 schemes of tax aggressiveness, BTD, CAETR, and CUETR. BTD showed a reclining figure, and CAETR experienced a figure above the Corporate Income Tax rate (>25%) so that both of them avoid the alleged tax avoidance scheme. Meanwhile, CUETR recorded a high number above 25%, so it is considered a scheme in managing taxation. We find that CSR is not empirically affiliated with CUETR, moreover, CSR has a negative and significant effect on BTD so we conclude that the company is driven by being driven, ethical responsibility, and philanthropic responsibility, not profit-driven. We do not find a relationship between firm size and capital intensity with all tax avoidance schemes. Inconsistent results are shown by ROA where profit is not used as a tax avoidance instrument through the BTD scheme but is used in the CAETR. Finally, high leverage contributes to tax avoidance with the CUETR scheme.

The weakness of this paper is that it is unable to explain empirically how all independent variables are to companies that practice tax avoidance with high CAETR and high CUETR schemes. That is, we propose that in the future, researchers will directly select samples that do only tax avoidance. This research does not do that because the focus of the goal is to find the causes of tax avoidance, not look for companies that do tax avoidance. We already have these data and illustrate the number of companies classified as high CAETR and high CUETR in Table 5, but we doubt the empirical test if it is forced because of the small amount of data.

The practical implications of this research are aimed at the government, especially tax institutions and the ministry of finance, to underline two things, ROA and Leverage where ROA is used by tax avoidance with the CAETR scheme, while leverage is used in the CUETR scheme. The government also needs to underline the CUETR method, because the value is very low at 19.61% (far below the standard - 25%).

REFERENCES

- Abid, S., & Dammak, S. (2021). Corporate social responsibility and tax avoidance: the case of French companies. *Journal of Financial Reporting and Accounting*. <https://doi.org/10.1108/JFRA-04-2020-0119>
- Adnyani, N. K. A., & Astika, I. B. P. (2019). Pengaruh Profitabilitas , Capital Intensity , dan Ukuran Perusahaan Pada Tax Aggressive. *E-Jurnal Ekonomi dan Bisnis Universitas Udayana*, 8(6), 594-621.
- Al-Araj, R. (2018). Effectiveness of auditing in combating financial corporate corruption in Jordan from managers' perspectives. *International Journal of Business and Social Research*, 8(7), 15-24. <https://doi.org/10.18533/ijbsr.v8i7.1118>
- Allen, A., Francis, B. B., Wu, Q., & Zhao, Y. (2016). Analyst coverage and corporate tax aggressiveness. *Journal of Banking and Finance*, 73, 84-98. <https://doi.org/10.1016/j.jbankfin.2016.09.004>
- Alsaadi, A. (2020). Financial-tax reporting conformity, tax avoidance and corporate social responsibility. *Journal of Financial Reporting and Accounting*, 18(3), 639-659. <https://doi.org/10.1108/JFRA-10-2019-0133>

- Ariska, M., Fahru, M., & Kusuma, J. W. (2020). Leverage, ukuran perusahaan dan profitabilitas dan pengaruhnya terhadap tax avoidance pada perusahaan sektor pertambangan di Bursa Efek Indonesia tahun 2014-2019. *Jurnal Revenue : Jurnal Ilmiah Akuntansi*, 01(01), 133–142.
- Arvidsson, S. (2014). Corporate social responsibility and stock market actors: A comprehensive study. *Social Responsibility Journal*, 10(2), 210–225. <https://doi.org/10.1108/SRJ-08-2012-0099>
- Avi-Yonah, R. S. (2008). Corporate social responsibility and strategic tax behavior. In *Springer, Berlin, Heidelb.* Springer, Berlin, Heidelb. https://doi.org/10.1007/978-3-540-77276-7_13
- Cahya Dewanti, I. G. A. D., & Sujana, I. K. (2019). Pengaruh ukuran perusahaan, corporate social responsibility, profitabilitas dan leverage pada tax avoidance. *E-Jurnal Akuntansi*, 28, 377. <https://doi.org/10.24843/eja.2019.v28.i01.p15>
- Carroll, A. B. (2004). Managing ethically with global stakeholders: A present and future challenge. *Academy of Management Executive*, 18(2), 114–120. <https://doi.org/10.5465/AME.2004.13836269>
- Chen, S., Chen, X., Cheng, Q., & Shevlin, T. (2010). Are family firms more tax aggressive than non-family firms? *Journal of Financial Economics*, 95(1), 41–61. <https://doi.org/10.1016/j.jfineco.2009.02.003>
- Chyz, J. A., Ching Leung, W. S., Zhen Li, O., & Meng Rui, O. (2013). Labor unions and tax aggressiveness. *Journal of Financial Economics*, 108(3), 675–698. <https://doi.org/10.1016/j.jfineco.2013.01.012>
- Damayanti, F., & Susanto, T. (2015). Pengaruh komite audit, kualitas audit, kepemilikan institusional, risiko perusahaan dan return on assets terhadap tax avoidance. *Esensi*, 5(2), 187–206. <https://doi.org/10.15408/ess.v5i2.2341>
- Darmawan, I. G. H., & Sukartha, I. M. (2014). Pengaruh Penerapan corporate governance, leverage, return on assets, dan ukuran perusahaan pada penghindaran pajak. *E-Jurnal AKuntansi Udayana*, 9(1), 143–161. <https://doi.org/10.26623/slsi.v18i2.2296>
- Darus, F., Arshad, R., Othman, S., & Jusoff, K. (2009). Influence of institutional pressure and ownership structure on corporate social responsibility disclosure. *Interdisciplinary Journal of Contemporary Research in Business*, 1(5), 123–150. <https://doi.org/10.5171/2015.315629>
- Davis, A. K., Guenther, D. A., Krull, L. K., & Williams, B. M. (2016). Do socially responsible firms pay more taxes? *Accounting Review*, 91(1), 47–68. <https://doi.org/10.2308/accr-51224>
- Deegan, C. (2002). Introduction: The legitimising effect of social and environmental disclosures – a theoretical foundation. *Accounting, Auditing & Accountability Journal*, 15(3), 282–311. <https://doi.org/10.1108/09513570210435852>
- Dewanti, I. G. A. D. C., & Sujana, I. ketut. (2019). Pengaruh ukuran perusahaan, corporate social responsibility, profitabilitas dan leverage pada tax avoidance. *E-Jurnal Akuntansi*, 28(1), 377–406. <https://doi.org/10.24843/eja.2019.v28.i01.p15>
- Dewinta, I. A. R., & Setiawan, P. E. (2016). Pengaruh ukuran perusahaan, umur perusahaan, profitabilitas, leverage, dan pertumbuhan penjualan terhadap tax avoidance. *E-Jurnal Akuntansi Universitas Udayana*, 14(3), 1584–1615.
- DiMaggio, P. J., & Powell, W. W. (1983). The iron cage revisited: Institutional isomorphism in organizational fields. *American Sociological Review*, 48(2), 147–160. <http://www.jstor.org/stable/2095101> .

- Dyreng, S. D., Hanlon, M., & Maydew, E. L. (2010). The effects of executives on corporate tax avoidance. *Accounting Review*, 85(4), 1163–1189. <https://doi.org/10.2308/accr.2010.85.4.1163>
- Eichfelder, S., & Hechtner, F. (2018). Tax compliance costs: Cost burden and cost reliability. *Public Finance Review*, 46(5), 764–792. <https://doi.org/10.1177/1091142117691603>
- 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. <https://doi.org/10.23917/reaksi.v4i3.9338>
- Fernández-Rodríguez, E., & Martínez-Arias, A. (2012). Do business characteristics determine an effective tax rate? *Chinese Economy*, 45(6), 60–83. <https://doi.org/10.2753/CES1097-1475450604>
- Friedman, M. (1970). A theoretical framework for monetary analysis. *Journal of Political Economy*, 78(6), 1385–1386. <https://doi.org/10.1086/259720>
- Godfrey, P. C., Merrill, C. B., & Hansen, J. M. (2009). The relationship between corporate social responsibility and shareholder value: An empirical test of the risk management hypothesis. *Strategic Management Journal*, 30, 425–445. <https://doi.org/10.1002/smj>
- Goerke, L. (2019). Corporate social responsibility and tax avoidance. *Journal of Public Economic Theory*, 21(2), 310–331. <https://doi.org/10.1111/jpet.12341>
- Gray, R., Kouhy, R., Lavers, S., Gray, R., Kouhy, R., & Lavers, S. (1995). Corporate social and longitudinal study of UK disclosure. *Accounting, Auditing & Accountability Journal*, 8(2), 47–77. <https://doi.org/10.1108/09513579510146996>
- Gribnau, H. (2015). Corporate social responsibility and tax planning: Not by rules alone. *Social and Legal Studies*, 24(2), 225–250. <https://doi.org/10.1177/0964663915575053>
- Gulzar, M. A., Cherian, J., Sial, M. S., Badulescu, A., Thu, P. A., Badulescu, D., & Khuong, N. V. (2018). Does corporate social responsibility influence corporate tax avoidance of chinese listed companies? *Sustainability (Switzerland)*, 10(12). <https://doi.org/10.3390/su10124549>
- Gunawan, J. (2017). Pengaruh corporate social responsibility dan corporate governance terhadap agresivitas pajak. *Jurnal Akuntansi*, 21(3), 425–436. <https://doi.org/10.24912/ja.v21i3.246>
- Gupta, S., & Newberry, K. (1997). Determinants of the variability in corporate effective tax rates: Evidence from longitudinal data. *Journal of Accounting and Public Policy*, 16, 1–34. <https://doi.org/10.2753/REE1540-496X5004S4007>
- Hasseldine, J., & Morris, G. (2013). Corporate social responsibility and tax avoidance: A comment and reflection. *Accounting Forum*, 37(1), 1–14. <https://doi.org/10.1016/j.accfor.2012.05.001>
- Hidayati, N., & Fidiana. (2017). Pengaruh corporate governance social responsibility dan good corporate governance terhadap pengindaran pajak. *Jurnal Ilmu Dan Riset Akuntansi*, 6(3), 1053–1070.
- Hoi, C. K., Wu, Q., & Zhang, H. (2013). Is corporate social responsibility (CSR) associated with tax avoidance? Evidence from irresponsible CSR activities. *Accounting Review*, 88(6), 2025–2059. <https://doi.org/10.2308/accr-50544>

- Huseynov, F., & Klamm, B. K. (2012). Tax avoidance, tax management and corporate social responsibility. *Journal of Corporate Finance*, 18(4), 804–827. <https://doi.org/10.1016/j.jcorpfin.2012.06.005>
- Ibrahim, M., Musah, A., & Abdul-Hanan, A. (2015). Beyond enforcement: what drives tax morale in Ghana. *Humanomics*, 31(4), 399–414. <https://doi.org/10.1108/17538391111144515>
- Irianto, B. S., Sudibyoy, Y. A., & Wafirli, A. (2017). The Influence of profitability, leverage, firm size and capital intensity towards tax avoidance. *International Journal of Accounting and Taxation*, 5(2), 33–41. <https://doi.org/10.15640/ijat.v5n2a3>
- Kurniasih, T., & Sari, M. M. R. (2013). Pengaruh return on assets, leverage, corporate governance, ukuran perusahaan dan kompensasi rugi fiskal pada tax avoidance. *Buletin Studi Ekonomi*, 18(1), 58–66.
- Lanis, R., & Richardson, G. (2011). The effect of board of director composition on corporate tax aggressiveness. *Journal of Accounting and Public Policy*, 30(1), 50–70. <https://doi.org/10.1016/j.jaccpubpol.2010.09.003>
- Lanis, R., & Richardson, G. (2013). Corporate social responsibility and tax aggressiveness: A test of legitimacy theory. *Accounting, Auditing and Accountability Journal*, 26(1), 75–100. <https://doi.org/10.1108/09513571311285621>
- Lanis, R., & Richardson, G. (2014). Is corporate social responsibility performance associated with tax avoidance? *Journal of Business Ethics*, 127(2), 439–457. <https://doi.org/10.1007/s10551-014-2052-8>
- Liu, H., & Lee, H. A. (2019). The effect of corporate social responsibility on earnings management and tax avoidance in Chinese listed companies. *International Journal of Accounting and Information Management*, 27(4), 632–652. <https://doi.org/10.1108/IJAIM-08-2018-0095>
- Maharani, I. G. A. C., & Suardana, K. A. (2014). Pengaruh corporate governance, profitabilitas dan karakteristik eksekutif pada tax avoidance perusahaan manufaktur. *E-Jurnal Akuntansi Universitas Udayana*, 9(2), 525–539.
- Majeed, M. A., & Yan, C. (2019). Financial statement comparability and corporate tax avoidance: evidence from China. *Economic Research-Ekonomiska Istrazivanja*, 32(1), 1813–1843. <https://doi.org/10.1080/1331677X.2019.1640627>
- Marrewijk, M. Van. (2003). Concepts and definitions of CSR and corporate sustainability: Between agency and communion. *Journal of Business Ethics*, 44, 95–105.
- Maula, H., Saifullah, M., Nurudin, & Zakiy, F. S. (2019). The Influence of return on assets, leverage, size and capital intensity on tax avoidance. *International Journal of Accounting and Taxation*, 4(1). <https://doi.org/10.15640/ijat.v5n2a3>
- Mills, L. F., Newberry, K. J., & Maydew, E. (2005). Firms' off-balance sheet and hybrid debt financing: Evidence from their book-tax reporting differences. *Journal of Accounting Research*, 43(2), 251–282. <https://doi.org/10.1111/j.1475-679x.2005.00170.x>
- Minor, D., & Morgan, J. (2011). CSR as reputation insurance: Primum non nocere. *California Management Review*, 53(3), 40–59. <https://doi.org/10.1525/cmr.2011.53.3.40>
- Mocanu, M., Constantin, S. B., & Răileanu, V. (2020). Determinants of tax avoidance—evidence on profit tax-paying companies in Romania. *Economic Research-*

- Ekonomika Istrazivanja*, 0(0), 1–20.
<https://doi.org/10.1080/1331677X.2020.1860794>
- Mohanadas, N. D., Abdullah Salim, A. S., & Pheng, L. K. (2019). CSR and tax aggressiveness of Malaysian listed companies: evidence from an emerging economy. *Social Responsibility Journal*, 16(5), 597–612.
<https://doi.org/10.1108/SRJ-01-2019-0021>
- Musimenta, D., Nkundabanyanga, S. K., Muhwezi, M., Akankunda, B., & Nalukenge, I. (2017). Tax compliance of small and medium enterprises: A developing country perspective. *Journal of Financial Regulation and Compliance*, 25(2), 149–175.
- Night, S., & Bananuka, J. (2020). The mediating role of adoption of an electronic tax system in the relationship between attitude towards electronic tax system and tax compliance. *Journal of Economics, Finance and Administrative Science*, 25(49), 73–88. <https://doi.org/10.1108/JEFAS-07-2018-0066>
- Nugraha, M. I., & Mulyani, S. D. (2019). Peran leverage sebagai pemediasi pengaruh karakter eksekutif, kompensasi eksekutif, capital intensity, dan sales growth terhadap tax avoidance. *Jurnal Akuntansi Trisakti*, 6(2), 301–324.
<https://doi.org/10.25105/jat.v6i2.5575>
- O'Donovan, G. (2002). Environmental disclosures in the annual report: Extending the applicability and predictive power of legitimacy theory. *Accounting, Auditing & Accountability Journal*, 15(3), 344–371.
<https://doi.org/10.1108/09513570210435870>
- Ortas, E., & Gallego-Álvarez, I. (2020). Bridging the gap between corporate social responsibility performance and tax aggressiveness: The moderating role of national culture. *Accounting, Auditing and Accountability Journal*, 33(4), 825–855. <https://doi.org/10.1108/AAAJ-03-2017-2896>
- Pratiwi, I. S., & Siregar, S. V. (2019). The effect of corporate social responsibility on tax avoidance and earnings management: The moderating role of political connections. *International Journal of Business*, 24(3), 229–248.
- Renfiana, L., & Dewi, S. C. (2018). The effect of company's performance on tax avoidance. *Journal of Business and Management Review*, 1(2), 76–89.
<https://doi.org/10.47153/jbmr12.172020>
- 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>
- Richardson, G., Lanis, R., & Leung, S. C. M. (2014). Corporate tax aggressiveness, outside directors, and debt policy: An empirical analysis. *Journal of Corporate Finance*, 25, 107–121. <https://doi.org/10.1016/j.jcorpfin.2013.11.010>
- Riguen, R., & Kachouri, M. (2019). Corporate social responsibility, tax avoidance and board gender diversity: Evidence from UK Firms. *International Journal of Management and Applied Science*, 5(4), 34–40.
- Saputra, M. F., Rifa, D., & Rahmawati, N. (2015). Pengaruh corporate governance, profitabilitas dan karakter eksekutif terhadap tax avoidance pada perusahaan yang terdaftar di BEI. *Jurnal Akuntansi & Auditing Indonesia*, 19(1), 1–12.
<https://doi.org/10.20885/jaai.vol19.iss1.art1>

- Sikka, P., & Willmott, H. (2010). The dark side of transfer pricing: Its role in tax avoidance and wealth retentiveness. *Critical Perspectives on Accounting*, 21(4), 342–356. <https://doi.org/10.1016/j.cpa.2010.02.004>
- Sinaga, C. H., & Suardhika, I. M. S. (2019). Pengaruh leverage dan capital intensity pada tax avoidance dengan proporsi komisaris independen sebagai variabel pemoderasi. *E-Jurnal Akuntansi*, 27(1), 1–32. <https://doi.org/10.24843/eja.2019.v27.i01.p01>
- Sinaga, C. H., & Suardikha, I. M. S. (2019). Pengaruh leverage dan capital intensity pada tax avoidance dengan proporsi komisaris independen sebagai variabel pemoderasi. *E-Jurnal Akuntansi*, 27, 1. <https://doi.org/10.24843/eja.2019.v27.i01.p01>
- Stickney, C. P., & McGee, V. E. (1982). Effective corporate tax rates the effect of size, capital intensity, leverage, and other factors. *Journal of Accounting and Public Policy*, 1(2), 125–152. [https://doi.org/10.1016/S0278-4254\(82\)80004-5](https://doi.org/10.1016/S0278-4254(82)80004-5)
- Sugeng, 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>
- Swingly, C., & Sukartha, I. M. (2015). Pengaruh karakter eksekutif, komite audit, ukuran perusahaan, leverage, dan sales growth pada tax avoidance. *E-Jurnal Akuntansi Universitas Udayana*, 1, 47–62.
- Taufik, M. (2021). The Influence of the BOD`s characteristics toward corporate social responsibility: Study non financial and financial firms in Indonesia. *Jurnal Akuntansi dan Auditing Indonesia*, 25(2), 194–208.
- Tiaras, I., & Wijaya, H. (2017). Pengaruh likuiditas, leverage, manajemen laba, komisaris independen dan ukuran perusahaan terhadap agresivitas pajak. *Jurnal Akuntansi*, 19(3), 380. <https://doi.org/10.24912/ja.v19i3.87>
- Utami, C. T., & Tahar, A. (2018). Pengaruh corporate social responsibility, kepemilikan manajerial, capital intensity dan ukuran perusahaan terhadap tax aggressiveness : Studi pada perusahaan jasa sektor property dan real estate yang terdaftar di Bursa Efek Indonesia tahun 2015-2017. *Reviu Akuntansi Dan Bisnis Indonesia*, 2(1), 39–50. <https://doi.org/10.18196/rab.020119>
- Utami, R., & Mahpudin, E. (2021). The effect of leverage, capital intensity, and inventory intensity on effective tax rate. *E-Jurnal Ekonomi Dan Bisnis Universitas Udayana*, 10(01), 1. <https://doi.org/10.24843/eeb.2021.v10.i01.p01>
- Wahyuni, L., Fahada, R., & Atmaja, B. (2019). The effect of business strategy, leverage, profitability and sales growth on tax avoidance. *Indonesian Management and Accounting Research*, 16(2), 66. <https://doi.org/10.25105/imar.v16i2.4686>
- Watson, L. (2015). Corporate social responsibility, tax avoidance, and earnings performance. *Journal of the American Taxation Association*, 37(2), 1–21. <https://doi.org/10.2308/atax-51022>
- Wilburn, K., & Wilburn, R. (2013). Using Global Reporting Initiative indicators for CSR programs. *Journal of Global Responsibility*, 4(1), 62–75. <https://doi.org/10.1108/20412561311324078>
- Wu, W., Wu, C., Zhou, C., & Wu, J. (2012). Political connections, tax benefits and firm performance: Evidence from China. *Journal of Accounting and Public Policy*, 31(3), 277–300. <https://doi.org/10.1016/j.jaccpubpol.2011.10.005>

- Yuniarwati, I Cenik Ardana, Sofia Prima Dewi, & Caroline Lin. (2017). Factors that influence tax avoidance in Indonesia Stock Exchange. *Chinese Business Review*, 16(10), 510–517. <https://doi.org/10.17265/1537-1506/2017.10.005>
- Zeng, T. (2019). Relationship between corporate social responsibility and tax avoidance: international evidence. *Social Responsibility Journal*, 15(2), 244–257. <https://doi.org/10.1108/SRJ-03-2018-0056>

