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ANALYSIS OF THE EFFECT OF LEVERAGE, PROFITABILITY, COMPANY SIZE, SALES GROWTH AND INSTITUTIONAL OWNERSHIP ON TAX AVOIDANCE

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ABSTRACT
This study aims to examine the Analysis of the Effect of Leverage, Profitability, Firm Size, Sales Growth and Institutional Ownership on Tax Avoidance. The object of this research is a manufacturing company in the consumer goods industry sector (goods consumer industry). The sample used in this study was 115 samples consisting of 23 companies for 5 years. With purposive sampling technique, the method used is multiple regression analysis, classical assumption test and descriptive statistics. The results showed that Leverage had no effect on tax avoidance, Profitability had a positive effect on tax avoidance, Firm size had no effect on tax avoidance, Sales Growth had a negative effect on tax avoidance, Institutional ownership had no effect on tax avoidance.

Keywords: Tax Avoidance, Leverage, Profitability, Company Size, Sales Growth, Institutional

INTRODUCTION

Indonesia is a country that collects taxes where every taxpayer deposits their taxes into the state treasury. Taxes are a source of state income originating from the people's mandatory contributions to individuals and entities which are mandatory in nature. Without direct reciprocity, taxes are used by the government to carry out state responsibilities in various sectors of life to achieve general welfare. Taxes make a very large contribution to state treasury revenues from the company's point of view. Taxes are a sector that plays an important role in the economy because in the revenue post of the state income and expenditure budget or APBN, tax contributions have a larger portion compared to other sources of revenue (non-tax). .

Companies are one of the taxpayers who have the obligation to pay taxes, the amount of which can be calculated from the net profit obtained. The greater the tax paid by the company, the greater the state treasury income. But on the other hand, for companies tax is a burden that will reduce net profit. The government's goal of maximizing revenue for the tax sector is in conflict with the goals of companies as taxpayers, where companies try to streamline their tax burden so as to obtain greater profits in order to improve the welfare of owners and continue the company's survival.

Tax collection by the government is not always well received by companies. Companies try to pay taxes as low as possible because taxes will reduce revenue or net profit, while the government wants taxes as high as possible in order to finance government administration (Darmawan, IGH, & Sukartha, 2014). Apart from that, the company also does not receive direct reciprocity from the tax payments that have been made. For this reason, many companies practice tax avoidance.

Tax avoidance is a form of company effort to minimize tax debt or legal tax burden. Tax evasion can create risks for the company in the form of fines or tax witnesses and the emergence of a bad reputation for the company in the eyes of the wider community.

Tax evasion or tax avoidance is said to not violate the rules of the tax system because in fact tax avoidance or tax avoidance is mainly using gaps in the legal rules of the tax system which will control state income from a tax perspective as a comparison of the level of desire to carry out tax avoidance between family and non-family companies. Family-owned companies can be seen from the high influence of profits and expenses or costs that arise due to the effects of steps or actions taken on tax transfer.

The tax avoidance phenomenon in Indonesia occurred in the consumer goods industry manufacturing company PT CocaCola Indonesia in 2014, which was suspected of committing fraud by exaggerating the amount of advertising costs, resulting in losses borne by the state. Funds were found to be inflated by IDR 566.84 billion over the period 2002, 2003, 2004 and 2006 which leads to tax avoidance (https://www.kompas.com).

Manufacturing companies in the consumer goods industry sector are one sector that has the potential to carry out tax avoidance. This is because companies in the consumer goods industry sector usually depend on market desires (market trend). Apart from the business environment having to be competitive, companies also have to fight so that their company can survive and continue to compete in the era of digitalization, such as by innovating, developing products, purchasing new technology or expanding business areas.

In this case, companies can carry out tax planning, one of which is tax avoidance.

The phenomenon of tax avoidance that occurs in the world, namely IKEA. IKEA is a household furniture company originating from Sweden. IKEA is accused of evading taxes with a value of up to 1 billion euros or the equivalent of 1.1 billion US dollars in a period of 6 years from 2009 to 2014. IKEA deliberately moved funds from its outlets throughout Europe to its subsidiary in the Netherlands with the intention of being free from tax in Linhtenstein or Luxembourg. Germany allegedly lost 35 million euros or 39 million US dollars in taxes, 24 million euros or 26 million US dollars in France, and 11.6 billion euros or 13 million US dollars in the UK. A number of countries such as Sweden, Spain and Belgium are predicted to lose tax revenues ranging from 7.5 million euros to 10 million euros (8.5 million US dollars to 11.2 million US dollars (kompas, 2016).

One of the cases of tax avoidance in Indonesia involves PT Bentoel Internasional Investama. PT. Bentoel Internasional Investama is the second largest cigarette company after HM Sampoerna in Indonesia. According to a report from the Tax Justice Network Institute on Wednesday, May 8 2019, the tobacco company owned by British American Tobacco (BAT) evaded taxes through PT Bentoel Internasional Investama by taking on a lot of debt between 2013 and 2015 from an affiliated company in the Netherlands, namely Rothmans Far East BV to refinance bank loans and pay for machinery and equipment. The interest payments paid will reduce taxable income in Indonesia, so that the tax paid will be less, as a result the country could suffer a loss of US$ 14 million per year (Kontan.co.id, 2019).

The phenomenon of tax avoidance in Indonesia occurred in 2019, the Directorate General of Taxes (DJP) investigated allegations of tax avoidance by the coal company PT Adaro Energy Tbk. In the report, it was indicated that Adaro was stealing income and suppressing taxes paid to the Indonesian government. According to Global Witnes, this method is done by selling coal at a low price to Adaro's subsidiary in Singapore, Coaltrade Services International, to sell it again at a high price. Through this company, Global Witnes discovered the potential for paying taxes that were lower than they should have been with a value of 125 million US dollars to the Indonesian government. Apart from that, Global Witnes also pointed to the role of the tax-loving state which enabled Adaro to reduce its tax bill by 14 million US dollars per year (tirto.id, 2019).

The practice of tax avoidance is influenced by various factors. These factors include Leverage, Profitability, Company Size, Sales Growth and Institutional Ownership. Another factor in external funding policies by corporations, namely where companies prioritize external corporate funding, is Leverage. The policies taken by the company have a significant role in the level of corporate tax avoidance, such as in determining company financing in the form of debt or leverage. (Kurniasih & Ratna Sari, 2013). Leverage is an increase in the amount of debt which results in the emergence of additional expense items in the form of interest and a reduction in the corporate taxpayer's income tax burden. One of the company's strategies is to utilize debt debt policies to (Fitriani & Sulistyawati, 2020) reduce the tax burden

Profitability consists of several ratios, one of which is Return on Assets (ROA), which is an indicator that reflects a corporation's financial performance. The higher the ROA value, the better the corporate financial performance is. ROA is seen from the company's net profit and the imposition of Income Tax (PPh) for Corporate Taxpayers (Moeljono, 2020). Based on research conducted by (Arianandini & Ramantha, 2018), ROA is one of the factors that influences companies to take tax avoidance actions. So this allows companies to take advantage of existing opportunities to carry out tax avoidance actions from every transaction.

Another factor is company size. Company size will play a role in tax avoidance practices, because the larger the company size as measured by assets, the greater the company's burden, one of these burdens is the company's tax burden. Company size can also influence tax avoidance activities. There are many factors that can cause companies to criticize tax avoidance. Based on previous research conducted by (Dewinta & Setiawan, 2016) one of the factors that can influence tax avoidance practices by companies is company size. According to research (Irawati et al., 2020), sales growth has an influence on tax avoidance.

Sales growth reflects investment success in the past period and can be used as a prediction of future growth. According to Brigham and Houston in (Andriyanto, 2015), companies with relatively stable sales can more safely obtain more loans and bear higher fixed expenses compared to companies whose sales are unstable. The company's sales growth can be seen from the business opportunities available in the market that the company must take. Sales growth shows that the greater the sales, the greater the profits the company will earn so that the profits charged by the company will be greater (Dewinta & Setiawan, 2016). Based on previous research, the relationship between sales growth and tax avoidance (Calvin & Flipse, 2016) shows that there is a negative influence of sales growth on tax avoidance, meaning that the higher the sales growth, the lower the company's tax avoidance will be.

Share ownership owned by parties or institutions outside the company is institutional ownership, this share ownership can be owned by government institutions, financial institutions, legal institutions, private institutions and other institutions (Diantari & Ulupui, 2016). According to research (Merslythalia, 2016) shows that institutional ownership has a significant effect on tax avoidance.

Another research entitled "The Influence of Return On Assets and Institutional Ownership on Tax Avoidance in Consumer Goods Industry Companies Listed on the Indonesian Stock Exchange in 2017-2019" by Yan Christin Br Sembiring and Agustina Fransiska (2021) discusses the relationship between Return On Assets (ROA) and Institutional Ownership of Tax Avoidance in consumer goods industrial companies listed on the Indonesia Stock Exchange during 2017-2019. In this research, ROA (X1), Institutional Ownership (X2), and Tax Avoidance (Y) are the observed variables. The research results show that Return On Assets has a positive but not significant influence on Tax Avoidance. Meanwhile, Institutional Ownership has a negative but not significant effect on Tax Avoidance. This research provides insight into the factors that influence tax avoidance practices in consumer goods industry companies in Indonesia in the time period studied.

This research aims to achieve several objectives in accordance with the problem formulation that has been proposed. One of the main goals is to obtain empirical data necessary to take analytical steps. The focus of the analysis is aimed at the influence of Leverage on tax avoidance practices. Thus, this

research aims to explore and understand the relationship between Leverage and tax avoidance to provide deeper insight in this context.

METHOD

The object of research in this research is tax avoidance in manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange during the 2017-2021 period. This research aims to obtain objective, valid and reliable data regarding tax avoidance, which is influenced by Leverage, Profitability, Company Size, Company Growth and Institutional Ownership.

The research stages involve preparing a proposal, seminar proposal, data collection, data processing and analysis, as well as preparing a final assignment/thesis. The research data comes from secondary data, namely the annual financial reports of manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange for the 2017-2021 period, accessed via the website www.idx.co.id/.

The research population includes all consumer goods manufacturing companies listed on the Indonesia Stock Exchange during the 2017-2021 observation period. The research sample was selected using a purposive sampling method, considering certain criteria such as audited financial reports, not experiencing losses, and publishing annual financial reports using the rupiah currency.

Data collection methods and tools involve literature study and documentation, using historical data from the company's financial reports. The research variables measured include Leverage, Profitability, Company Size, Sales Growth, Institutional Ownership, and the dependent variable, namely tax avoidance as measured by the Effective Tax Rate (ETR).

Data analysis was carried out through descriptive statistical tests, classical assumption tests (multicollinearity, normality, heteroscedasticity, autocorrelation), and multiple regression. The coefficient of determination (R2) is used to measure the model's ability to explain variations in the dependent variable. The t test is used to assess the influence of each independent variable individually, while the F test is used to assess the joint influence of all independent variables on the dependent variable.

Thus, this research aims to understand the factors that influence tax avoidance in consumer goods industry manufacturing companies, using an empirical study approach and multiple regression analysis methods.

RESULTS AND DISCUSSION

A. Data Collection Results

This research uses financial report data from manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange (BEI) which was mentioned in the previous chapter. This research uses a sample method carried out by purposive sampling, namely determining the sample by considering certain criteria that are appropriate to the research. The selection process that has been carried out is as follows:

Table 4.1 Calculation of Sample Size

NO	Criteria	Amount
1	Amount company *good cunsumer industry* Which registered on the IDX during the 2017-2021 period	68
2	Amount company *good cunsumer industry* Which report audited financial reports for the 2017-2021 period	(22)

3	Amount company *good cunsumer industry* Which experienced no losses during the research period	(14)
4	*good consumer industry* companies that do not spend report finance use eye rupiah money	(9)
	Amount sample study	23
	Year of observation	5
	Amount observation study year 2017- 2022	115

Source: processed by the author 2023

By paying attention to the existing criteria, a research sample of 23 companies was obtained. Financial data was obtained through financial reports and annual financial reports from sample companies during the 2017-2021 period, resulting in a total of 115 sample research observations.

The following is a list of the names of companies sampled in the research that are included in the sampling criteria for the 2017-2021 period:

Table 4.2 List of Sample Companies That Meet the Research Criteria

NO	Code	Company name
1	ADES	Aksha hero international Tbk
2	AISA	Budi Starch & Sweetener Tbk
3	CHECK	Wilmar Light Indonesia Tbk.
4	DLTA	Delta Djakarta Tbk.
5	DVLA	Daria Miscellany Laboratory Tbk
6	GGRM	Warehouse Salt Tbk.
7	HMSP	HM Sampoerna Tbk.
8	ICBP	Indofood CBP Success Prosperous Tbk
9	INDF	Indofood Sukses Makmur Tbk.
10	KAEF	Chemistry Pharma Tbk
11	KINO	Kino Indonesia Tbk.
12	KLBF	Kalbe Pharma Tbk
13	MLBI	Multi Star Indonesia Tbk.
14	MYOR	Mayora Beautiful Tbk.
15	PYFA	Pyridam Farma Tbk
16	BREAD	Nippon Indosari Corpindo Tbk.
17	SIDO	Industry Jamu and Pharmacy Sido Tbk
18	SKLT	Sekar Sea Tbk.
19	STTP	Siantar Top Tbk.
20	TCID	Mandom Indonesia Tbk.
21	TSPC	Tempo Scans Pacific Tbk
22	ULTJ	Ultra Jaya Milk Industry & Tra
23	UNVR	Unilever Indonesia Tbk.

Source: processed by the author 2023

The companies above are data on company names that the author managed to collect from both independent and dependent variable data for the 2017-2021 period. In this research the dependent variable is tax avoidance which is measured using ETR, and the independent variables are leverage, profitability, company size, sales growth, institutional ownership.

1. Descriptive statistics

Descriptive analysis is a description carried out with the maximum value, drinking, average (mean) and standard deviation of each variable. In this research, the results of descriptive statistical testing of the tax avoidance variable are leverage, profitability, company size, sales growth and institutional ownership from 2017-2021 which are presented in the table below:

Table 4.3

Descriptive statistics test results Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
leverage	115	83.0	7596.0	432.287	693.5936
profitabilitas	115	1.0	730.0	131.270	127.6497
ukuran perusahaan	115	2580.0	3282.0	2939.026	157.7670
pertumbuhan penjualan	115	-465.0	1273.0	79.904	200.9654
kepemilikan institusional	115	2.0	1000.0	669.626	286.1058
tax avoidance	115	25.0	722.0	241.661	79.0469

Source: spss 25.0 output results

Based on the table above, the results regarding descriptive statistical analysis can be explained as follows:

a) Tax Avoidance (tax avoidance)
From the results of the descriptive statistical tests above, it can be seen that the tax avoidance variable has a minimum value of 250.0 and a maximum value of 722.0 with an average value of 241.661 and a standard deviation of 79.0469.

b) Leverage

From the results of the descriptive statistics above, it can be seen that the leverage variable has a minimum value of 83.0 and a maximum value of 7596.0 with an average value (mean) of 432,287 and a standard deviation of 693,5936.

c) Profitability
From the results of the descriptive statistics above, it can be seen that the profitability variable has a minimum value of 1.0 and a maximum value of 730.0 with an average value (mean) of 131.270 and a standard deviation of 127.6497.

d) Company Size
From the results of the descriptive statistics above, it can be seen that the company size variable has a minimum value of 2580.0 and a maximum value of 3282.0 with an average (mean) value of 2939.026 and a standard deviation of 1577.7670.

e) Sales Growth
From the results of the descriptive statistics above, it can be seen that the sales growth variable has a minimum value of -465.0 and a maximum value of 127.0 with an average value (mean) of 79.904 and a standard deviation of 200.9654

f) Institutional Ownership
From the results of the descriptive statistics above, it can be seen that the institutional ownership variable has a minimum value of 2.0 and a maximum value of 1000.0 with an average value (mean) of 669.626 and a standard deviation of 286.1058.

2. Classic assumption test

Before verifying the regression model, a series of classical assumption tests need to be carried out. This was done to test that the model used in this research was fulfilled and to avoid biased interpretation results. The classic assumption test of each model is as follows:

a) Multicollinearity Test

The multicollinearity test aims to test whether this regression model finds a correlation between the independent variables. The test in this research was carried out by looking at the tolerance and vif values. Data is said to be free from multicollinearity problems if the torelance value is > 0.10 and vif < 10. So the results of the multicollinearity test in this study can be seen in table 4.4 below:

Table 4. Multicollinearity Test Results

1	leverage	,955	1,048
	profitability	,831	1,203
	company size	,934	1,071
	sales growth	,950	1,052
	ownership institutional	,853	1,173

a. Dependent Variable: tax avoidance
Source: spss 25.0 output results

Based on the table above, it shows that the tolerance value for each independent variable, namely leverage, profitability, company size, sales growth, institutional ownership is 0.955; 0.831; 0.934; 0.950; 0.853. Of the five independent variables, the values are above tolerance > 0.1. So it can be concluded that there is no multicollinearity between the variables in the regression model.

Meanwhile, the VIF value for each of these independent variables is 1.048; 1,203; 1,071; 1,052; 1,173. Of the five independent variables, the VIF value is <10. So it can be concluded that there is no multicollinearity between variables.

b) Normalist Test

The Normality Test is carried out to determine whether the variables in the regression model, namely the dependent variable or independent variable, are normally distributed or not. The basis for decision making in normality detection is that if the data spreads around the diagonal line and/or does not follow the direction of the diagonal line, then the regression meets the assumption of normality. However, if the data spreads further than the diagonal line or does not follow the direction of the diagonal line, then the regression model does not meet the assumptions of the normality test.

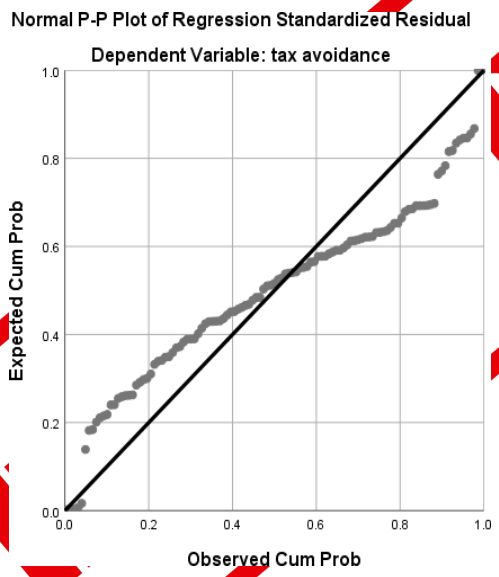


Figure 4.1 P-PLOT

Furthermore, there is also a histogram normality test, if the data is far from the diagonal line and does not follow the direction of the diagonal or histogram graph, it can be concluded that the pattern is not normally distributed, so the regression does not meet the assumption of normality. But if you follow the histogram graph, it can be concluded that the distribution pattern is normal

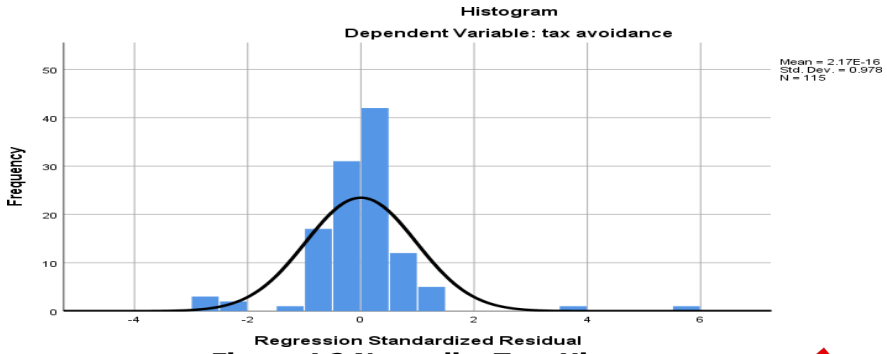
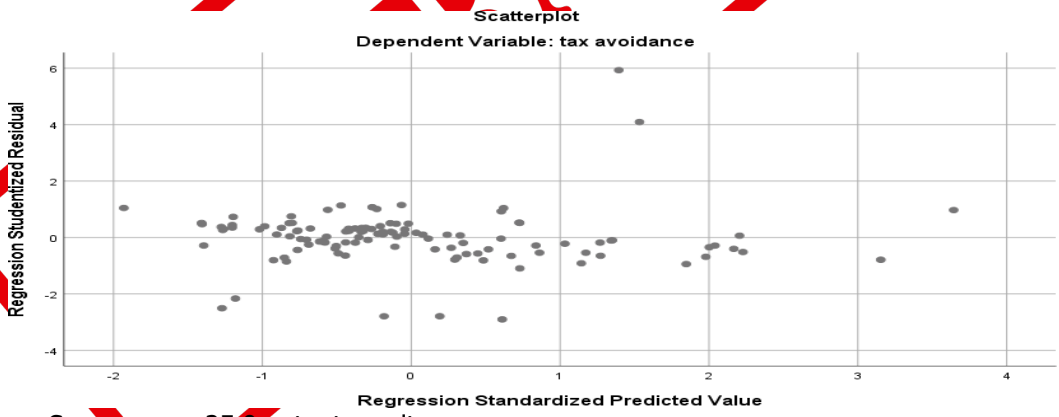


Figure 4.2 Normality Test Histogram

Based on the SPSS output results in Figure 4.1 and Figure 4.2 above, the variable graph shows leverage, profitability, company size, sales growth, institutional ownership on tax avoidance. On the graph, it is known that there are points following and approaching the diagonal line. So it can be concluded that the data shows a normal distribution and the regression model meets the assumptions of normality. And in the histogram image, it is known that the results follow the direction of the graph, so they resemble a curve, so the data shows a normal distribution pattern and the regression model meets the normality assumption.

c) Heteroscedasticity Test

The Heteroscedasticity Test is used to test whether in the regression model there is an inequality of variance from the residuals of one observation to another (Ghozali, 1). The heteroscedasticity test is carried out using a scatter plot graph. So the results of the heteroscedasticity test in this research can be seen in table 4.3 below:



Source: spss 25.0 output results

Figure 4.3 Heteroscedasticity Test

Based on Figure 4.3 above, it shows that the points are spread randomly and are spread below or above zero on the Y axis, so this regression model does not have heteroscedasticity.

d) Autocorrelation Test

The Autocorrelation Test aims to test whether in the linear regression model there is a correlation between the errors in period t and the errors in period t-1 (Ghozali, 2011). To test auto correlation, Durbin Watson is used. The Durbin Watson test is used to test whether the

residuals do not have a high correlation, if the residuals are random. The following are the results of the autocorrelation test in the regression model:

Table 5. Autocorrelation Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.405 [a]	,164	.117	74.58063	1,927

3. Hypothesis testing
   a. Multiple Regression Analysis

Multiple regression analysis is used to determine the close relationship between the dependent variable and the influencing factors (independent variables). The independent variables in this test are leverage, profitability, company size, sales growth, institutional ownership. Meanwhile, the dependent variable in this test is tax avoidance. Whether each independent variable is positively or negatively related.

$Y = a + \beta_1 X_1 + \beta 2\ X2 + \beta 3\ X3 + \beta 4\ X4 + \beta 4\ X5 + e$

The following are the results of the multiple regression analysis test in the SPSS 25 program in table 4.6

Table 6.

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	269.662	44.700		6.033	.000
	leverag	-.005	.003	-.166	-1.671	.099
	profitabilitas	.084	.018	.494	4.633	.000
	ukuran perusahaan	-.010	.015	-.066	-.651	.517
	pertumbuhan penjualan	-.027	.013	-.204	-2.048	.044
	kepemilikan institusional	-.010	.008	-.124	-1.179	.242

The multiple linear regression equation in this research is as follows:

PP = 269.662 - 0.005 + 0.084 - 0.010 - 0.027 - 0.010 + e

From the results of the multiple linear regression equation above, it can be explained as follows:

a) The constant value above has a value of 269.662, indicating that if the independent variable is considered constant, it has a value of 269.662.

b) The leverage coefficient value above has a value of - 0.005, indicating that every additional 1 value to the leverage variable will reduce the tax avoidance value by - 0.005.

c) The profitability coefficient value above has a value of 0.084, indicating that for every additional 1 value to the profitability variable, the tax avoidance value will increase by 0.084.

d) The company size coefficient value above has a value of -0.010, indicating that for every additional 1 value to the company size variable, the tax avoidance value will decrease by -0.010.

e) The sales growth coefficient value above has a value of - 0.027, indicating that for every additional 1 value to the sales growth variable, the tax avoidance value will decrease by -0.027.

f) The institutional ownership coefficient value above has a value of -0.010, indicating that every additional 1 value to the international ownership variable will reduce the tax avoidance value by -0.010.

b. Coefficient of Determination Test (R2)

The Coefficient of Determination (R2) aims to predict how big the influence of the variables The Coefficient of Determination (R2) aims to predict how much influence the independent variables have on the dependent variable. The coefficient of determination (R2)

value is determined by the adjusted R square value. The results of the coefficient of determination (R2) are as follows:

Table 7. Coefficient of determination test results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.261 [a]	,068	,025	78.0364

a. Predictors: (Constant), , leverage, profitability, company size, sales growth, institutional ownership

b. Dependent Variable: tax avoidance Source: spss 25.0 output results

Based on table 4.7, the adjusted R square value in the model summary table above states that the adjusted R square value is 0.025 or 25%. This means that 25% of the dependent variable tax avoidance can be explained by the independent variable. The independent variables are leverage, profitability, company size, sales growth, institutional ownership. Meanwhile, the remaining 75% (100% - 25%) is explained by other variables outside the regression model in this research.

c. Model Feasibility Test (F Test)

The model feasibility test (f test) is used to assess the feasibility of the regression model that has been formed. The f test is carried out by comparing calculated F with table F. If the calculated F value > F table or the sid value < 0.05 (α = 5%) then it can be concluded that the regression model used is appropriate or appropriate. The following are the results of the f test in the SPSS version 25 program in the following table:

Table 4.8 F statistical test results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10309.353	5	2061.871	4,726	.001 [b]
	Residual	35777.636	82	436,313		
	Total	46086.989	87			

a. Dependent Variable: tax avoidance

b. Predictors: (Constant), leverage, profitability, company size, sales growth, institutional ownership

Source: spss 25.0 output

Based on the model feasibility test, it shows that there is a match between the data and the research model. If the significance value is <0.05, then the regression model value is

feasible, and if the significance value is >0.05 then the regression model is not feasible. In table 4.8, the calculated F value is 4.726 and the sig value is 0.001 <0.05, so the regression model is feasible. These results show that this research model is suitable to be used to predict leverage, profitability, company size, sales growth, institutional ownership and tax avoidance.

d. Model Significance Testing (t Test)

The t test functions to test the influence of each variable, namely leverage, profitability, company size, sales growth, institutional ownership on tax avoidance. Testing was carried out using a significance value (sig) of 5%. If the sig value <0.05 then the independent variables individually influence the dependent variable. If the calculated t value > t table, then it means that the independent variable partially influences the dependent variable. The following are the results of testing the significance of the model (t test) as follows: effect on the dependent variable. The following are the results of testing the significance of the model (t test) as follows:

Table 4.9 T test results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	269,662	44,700		6,033	,000
	leverage	- .005	,003	- .166	-1,671	,099
	profitability	,084	.018	,494	4,633	,000
	company size	- .010	,015	- .066	- ,651	,517
	sales growth	- .027	.013	- .204	-2,048	,044
	institutional ownership	- .010	,008	- .124	-1,179	,242

a. Dependent Variable: tax avoidance Source: spss 25.0 output

Based on table 4.9 above, it can be concluded that based on the t test as follows:

H1: Leverage has no significant effect on tax avoidance.

Based on table 4.9, it can be seen that the leverage variable has a significance value (sig) of 0.099 > 0.05 and a calculated t value of -1.671 with a t table value of 1.982 (t 0.05: df 109.) then -1.671 < 1.982 and a significance value (sig) of 0.099 > 0.05. Thus Ha is rejected while Ho is accepted, which means leverage has no effect on tax avoidance.

H2: Profitability has a positive and significant effect on tax avoidance.

Based on table 4.9, it can be seen that the profitability variable has a significance value (sig) of 0.000 > 0.05 and a calculated t value of 4.633 with a t table value of 1.982 (t 0.05: df 109.) then 4.633 < 1.982 and a significance value (sig) of 0.000 > 0.05. Thus, Ha is rejected while Ho is accepted, which means that profitability has a positive and significant effect on tax avoidance.

H3: Company size has no significant effect on tax avoidance.

Based on table 4.9, it can be seen that the profitability variable has a significance value (sig) of 0.517 > 0.05 and a calculated t value of - 0.651 with a t table value of 1.982 (t 0.05: df 109.) then - 0.651 < 1.982 and a significance value (sig) of 0.517 > 0.05. Thus Ha is rejected while Ho is rejected, which means company size has no effect on tax avoidance.

H4: Sales growth has a negative and significant effect on tax avoidance.

Based on table 4.9, it can be seen that the profitability variable has a significance value (sig) of 0.044 > 0.05 and a calculated t value of - 2.048 with a t table value of 1.982 (t 0.05: df 109.) then - 2.048 < 1.982 and a significance value (sig) of 0.044 > 0.05. Thus, Ha is rejected while Ho is accepted, which means that sales growth has a negative and significant effect on tax avoidance.

H5: Institutional ownership has no significant effect on tax avoidance.

Based on table 4.9, it can be seen that the profitability variable has a significance value (sig) of 0.242 > 0.05 and a calculated t value of 1.179 with a t table value of 1.982 (t 0.05: df 109) so it is 1.179 < 1.982 and the significance value (sig) amounting to 0.242 > 0.05. Thus, Ha is rejected while Ho is accepted, which means that institutional ownership has no significant effect on tax avoidance.

B. Discussion

Based on the results of the data analysis obtained, it can be discussed regarding the implementation of tax avoidance in Indonesia, especially in publicly traded companies. The implementation of tax avoidance is carried out by looking at the influence of leverage, company size, sales growth, institutional ownership in manufacturing companies in the consumer goods industry sector (good consumer industry) listed on the Indonesia Stock Exchange (BEI) for the 2017-2021 period, namely as follows:

1. The effect of leverage on tax avoidance

The first hypothesis in this research is that leverage has no significant effect on tax avoidance. Based on the analysis of research data testing that has been carried out, it is known that the leverage results have a significance value (sig) of 0.099 < 0.05, so this shows that the calculated t value is smaller than the t table -1.671 < 1.982. So Ha is rejected while Ho is accepted, which means leverage has no effect on tax avoidance.

The results of this research are in line with (Susanti Eliyana, 2018) and (Masruroch, Lustina 2021) who state that leverage has no effect on tax avoidance. This happens because the higher the debt level of a company, the more conservative the management will be in reporting the company's finances or operations. Management will be more careful and will not take high risks to carry out tax avoidance activities in order to reduce the tax burden.

If debt is used in large amounts, it can cause losses for the company.

A high debt ratio causes the company to be seen as unhealthy by investors and creditors if it is unable to show good profit conditions, which will affect the funding the company will receive in the future. Therefore, due to the high debt risk that the company will face, management will act carefully and not take the risk of high debt to carry out tax avoidance actions.

2. The influence of profitability on tax avoidance

The second hypothesis in this research is that profitability has a positive and significant effect on tax avoidance. Based on the analysis of research data testing that has been carried out, it is known that the profitability results have a significance value (sig) of 0.000 < 0.05 so this shows that the calculated t value is smaller than the t table of 4.633 < 1.982 so that Ha is rejected while Ho is accepted which means This means that profitability has a positive and significant effect on tax avoidance.

The results of this research are in line with research by (Sulistiono, 2018) and (Primasari, 2018) which states that profitability has a positive and significant effect on tax avoidance. Companies that are able to earn large profits will have an impact on increasing tax payments owed. An increase in taxes owed that must be paid will trigger a high potential for companies to take tax avoidance actions. The influence of profitability on tax avoidance is in accordance with agency theory where in this theory it is explained that agents try to increase company profits, but when profits increase it will trigger companies to take tax avoidance actions to avoid increasing the amount of the tax burden. Therefore, agents try to manage the company's tax burden as best as possible so as not to reduce their performance compensation as a result of reduced profits due to increased tax burdens.

3. The influence of company size on tax avoidance

The third hypothesis in this research is that company size has no significant effect on tax avoidance. Based on the analysis of research data testing that has been carried out, it is known that the company size results have a significance value (sig) of 0.517 > 0.05 so this shows that the calculated t value is smaller than the t table - 0.651 < 1.982 so that Ha is rejected while Ho rejected, which means company size has no effect on tax avoidance.

The results of this research are in line with research by (Rosyada, 2018) and (Maria Qibti, 2020) which states that company size has no effect on tax avoidance. This is because large companies with large total assets will tend to be more stable and able to generate profits, so they are able to pay their obligations compared to companies with small total assets. So the greater the total assets and the better use of resources in managing tax planning activities, the larger companies have better prospects in the relatively long term, therefore there is no need to carry out tax avoidance.

Apart from that, large companies will be in the government's spotlight regarding the taxes they have to pay so that large companies will tend to comply with tax regulations and be careful in making decisions regarding tax payments. Because if you are not careful, it will result in losses for the company in the form of a bad reputation in the eyes of the government and the public as well as being subject to sanctions.

4. The effect of sales growth on tax avoidance

The fourth hypothesis in this research is that sales growth has a negative effect on tax avoidance. Based on the analysis of research data testing that has been carried out, it is known that the company size results have a significance value (sig) of 0.044 > 0.05 so this shows that the calculated t value is greater than the t table - 2.048 < 1.982 in a negative direction so that Ha in rejected while Ho was accepted, which means that sales growth has a negative effect on tax avoidance.

The results of this research are in line with research by (Winda and Nariman, 2021) and (Afiati Nur Jannah, 2019) which states that sales growth has an effect on tax avoidance. The higher the sales growth, the higher the level of tax avoidance carried out by the company. If sales growth increases, the company's profits are assumed to increase. Increased sales growth allows the company to be able to increase the company's operational capacity and the company's performance will also get better so that the profits generated can also increase. An increase in profits causes the tax that the company has to pay to be greater so that the company will tend to avoid large taxes by carrying out optimal tax planning or (tax avoidance)

5. The influence of institutional ownership on tax avoidance

The fifth hypothesis in this research is that institutional ownership has no effect on tax avoidance. Based on the analysis of research data testing that has been carried out, it is known that the company size results have a significance value (sig) of 0.242 > 0.05 so this shows that the calculated t value is smaller than the t table of 1.179 < 1.982 so Ha is rejected while Ho is accepted which means that company size has no effect on tax avoidance.

The results of this research are in line with research by (Faizah, SN & Adhivinna, 2017) and (Anes Yunita, 2021) which means that ownership has no influence on tax avoidance. So if the value of ownership increases, it will not affect the increase in the value of tax avoidance. The greater the institutional ownership that the institution has, the greater the pressure that company management will have to carry out tax avoidance so that it can maximize company profits.

Based on the results of this research, this is because the increasing value of institutional ownership has an impact on the possibility of tax avoidance practices carried out by companies. Institutional owners have an incentive to ensure that management can make decisions that maximize the welfare of institutional shareholders so they will only focus on profits. Meanwhile, the benefits gained if companies can control institutional ownership, namely based on the size and voting rights they have, can force managers to focus only on economic performance so they can avoid opportunities for tax avoidance.

CONCLUSION

Based on the results that have been carried out, it is found that the significance value (sig) of the leverage variable is 0.099, where this value is greater than the significance level of 0.05 (5%). This means that the leverage variable has no effect on tax avoidance so that the hypothesis (H1) in this research is rejected.

Based on the results that have been carried out, it is found that the significance value (sig) of the profitability variable is 0.000, where this value is lower than the significance level of 0.05 (5%). This means that the profitability variable has a positive effect on tax avoidance so that hypothesis (H2) in this research is accepted.

Based on the results that have been carried out, it is found that the significance value (sig) of the company size variable is 0.517, where this value is higher than the significance level of 0.05 (5%). This means that the company size variable has no effect on tax avoidance so that hypothesis (H3) in this research is rejected.

Based on the results that have been carried out, it is found that the significance value (sig) of the sales growth variable is 0.044, where this value is lower than the significance level of 0.05 (5%). This means that the sales growth variable has an effect on tax avoidance with the direction of influence which can be seen from the beta value, namely -204, so it can be concluded that sales growth has a negative and significant effect. The hypothesis (H4) in this study is accepted.

Based on the results that have been carried out, the significance value (sig) of the institutional ownership variable is 0.242, where this value is higher than the significance level of 0.05 (5%). This means that the institutional ownership variable has no effect on tax avoidance so that hypothesis (H5) in this research is rejected.

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