THE EFFECT OF CSR, FIXED ASSET INTENSITY, PROFITABILITY AND LEVERAGE ON TAX AVOIDANCE WITH INSTITUTIONAL OWNERSHIP AS A MODERATING VARIABLE

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Corporate Social Responsibility, Fixed Asset Intensity, Profitability, Leverage, Institutional Ownership, Tax Avoidance

ABSTRACT
In this study, the authors are interested in examining how corporate social responsibility, fixed asset intensity, profitability, and leverage influence tax evasion with institutional ownership as a moderating variable. The population of all manufacturing companies in the property & real estate sector and the building construction sector listed on the Indonesia Stock Exchange from 2018 to 2021 totaling 110 populations, according to the criteria required in this study there are only 21 companies as samples for 2018 to with 2021. The results show that Corporate Social Responsibility has no effect on tax avoidance, while the intensity of fixed assets, profitability, leverage, has a positive effect on tax avoidance partially. For the moderating variable institutional ownership is not able to strengthen the effect of Corporate Social Responsibility on tax avoidance, and institutional ownership is not able to weaken the positive effect of profitability on tax avoidance, but institutional ownership can weaken the positive effect of fixed asset intensity and leverage on tax avoidance.

INTRODUCTION
Taxes have a very important role in state life, especially in the implementation of development because taxes are the main source of state revenue to finance all state spending activities including expenditures on development. Tax can be interpreted as a payment or compulsory contribution of a citizen to the state that can be counted as a debt and can be made by coercion as prescribed by the Act.

The COVID-19 pandemic that occurred in early 2020 has caused a contraction in the Indonesian economy, the government's policy on limiting community activities to stop the spread of the COVID-19 virus has affected supply chain conditions in the market. This condition has a significant impact on the Indonesian economy, the state revenue target is not achieved and government spending activities are focused on the National Economic Recovery Program. The National Economic Recovery Program is carried out by the government to protect, maintain and improve the economic capabilities of business actors from the real sector and the financial sector in running their businesses during the Covid-19 pandemic.

The performance of the property and real estate sector as well as building construction as one of the largest contributors to state revenue during the Covid-19 pandemic experienced a significant decline. The property and real estate sector as well as building construction are one of the government's focuses and have an important role in efforts to encourage national economic growth. The development in this sector is certainly able to absorb a fairly large number of workers and is able to encourage economic activity in other sectors. The Large-Scale Social Restrictions policy has made people's activities...
outside the home very limited and has an impact on the financial performance of property and real estate subsector companies as well as building construction is declining.

In dealing with the Covid-19 pandemic situation, the government has issued policies in several sectors, one of which is the taxation sector. This government policy in the form of tax incentives is expected to help reduce the burden on companies and increase cash flow during the Covid-19 pandemic period, but this incentive can be misused by company management by utilizing the loophole of the tax regulation. Payment of taxes in accordance with the provisions will certainly be contrary to the company's main goal of maximizing profits, so the company strives to minimize the tax costs it bears, one of the ways that the company does is tax avoidance practices.

THEORETICAL FOUNDATIONS AND HYPOTHESIS DEVELOPMENT

Theoretical Framework

Agency Theory

Agency theory is an agency contractual relationship that arises between two parties, namely the principal and the agent. In corporate agency theory, this is done by transferring management tasks from the owner (shareholder) to the manager. The owner has limitations to monitor the agent in some situations, agency theory assumes that all parties act in their own interests, in which case the owner wants the management to manage his wealth well whereas the management wants to increase the company's profits (Jensen & Meckling, 2019).

The main principle of this theory states that there is a working relationship between the authorized party (principal), namely the shareholder, and the party who receives the authority (agency), namely the management of the company. In this study, the principal is the fiscus or Directorate General of Taxes, while the one who acts as an agency is the management of the company. The Directorate General of Taxes authorizes the management of the company to calculate and report its tax payments with reference to the applicable tax laws. On the other hand, company management that has an interest in optimizing the company's profits will try to minimize expenses, including tax burdens by doing tax avoidance.

Tax Avoidance

Tax avoidance is an effort to reduce taxes, but still comply with the provisions of tax regulations such as taking advantage of permissible exemptions and deductions or delaying taxes that have not been regulated in the applicable tax regulations. Tax Avoidance is an effort to avoid taxes legally and safely for taxpayers without conflicting with applicable tax provisions (not contrary to the law) where the methods and techniques used tend to take advantage of the weaknesses (gray areas) contained in the Tax Law and Regulations themselves to reduce the amount of tax owed”.

Taxpayers in Indonesia are given sufficient trust to carry out calculations, then make payers and report themselves on their tax obligations. In Indonesia, the implementation of a self-assessment system implemented by the government will provide benefits to individual or corporate taxpayers by making tax management so that the tax payments issued by the company become small or do not issue tax payments at all (Sarah, Lisman, Gribbin, Murphy, & Deuster, 2019). Tax avoidance can be measured by the effective tax rate.
The Effective Tax Rate is a comparison between the tax burden paid by the company and the income before tax. Effective tax rates are very useful for measuring the actual tax burden. The effective tax rate is used to reflect the difference between the calculation of book profit and fiscal profit. The low effective tax rate indicates that the company is getting better at controlling its tax rate level and this also indicates that the company has been optimal in carrying out tax management without violating applicable tax regulations in Indonesia (Wulandari & Septiari, 2015).

Corporate Social Responsibility

Corporate Social Responsibility is one of the obligations that must be carried out by the company in accordance with the contents of article 74 of Law Number 40 of 2007 concerning Limited Liability Companies. Through this Act, the industry or corporations are obliged to carry it out, but this obligation is not a burdensome burden. The concept of CSR itself was first proposed by (Bowen, 1953) who stated that, "it refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desireable in terms of the objectives and values of our society".

Corporate Social Responsibility is a form of corporate responsibility to its environment in the form of social care and environmental responsibility by not neglecting the capabilities of the company. One form of corporate responsibility is to pay taxes in accordance with applicable regulations without tax avoidance activities. Companies with good Corporate Social Responsibility disclosures, will carry out sustainable Corporate Social Responsibility activities as a deduction from gross income, so that profits become smaller and ultimately lower tax payments. Companies with low Corporate Social Responsibility disclosures can avoid taxes by increasing the unplanned costs of Corporate Social Responsibility so that the costs that can be deducted from gross income become greater and ultimately lower tax deductions (Widuri, Kusumawardhani, & Mangoting, 2018).

Fixed Asset Intensity

Positing that companies with a large number of assets will have a lower tax burden when compared to companies that have a smaller number of assets. The company will benefit from the depreciation expense borne by the company so that it can be concluded that the intensity of fixed assets has a positive effect on tax avoidance (Anggriantari & Purwantini, 2020).

Companies that have high fixed assets bear a high tax burden. This is because some companies have fixed assets that have exhausted their economic benefits but are not stopped from being recognized. The intensity of fixed assets shows the proportion of fixed assets within the company compared to the total assets held (Afifah & Hasymi, 2020).

Profitability

Rasio profitability is a measure of the level to value the profitability of the company in a certain period of time (Alim & Sihombing, 2019). A company with a high level of profitability will tend to commit tax avoidance. This is because companies with high profitability are considered to have good performance so that the amount of profit obtained is also large which results in a high tax burden that will be imposed. With a high tax burden, the company will do various ways that are considered non-contrary to applicable tax provisions and are legal to reduce the amount of tax burden charged by the
company, so it can be said that companies with a high level of profitability will tend to do tax avoidance.

**Leverage**

*Leverage* is a ratio used to measure the extent to which a company's assets are financed with debt (Mohammadabadi & Tohidinejad, 2017). The *leverage* ratio is a ratio used to measure how much assets owned by the company come from debt or capital, so that with this ratio it can be known the position of the company and its fixed liabilities to other parties as well as the balance of the value of fixed assets with existing capital.

**Institutional ownership**

Institutional ownership has a very important role in minimizing agency conflicts that occur between managers and shareholders. The existence of institutional investors is said to be an effective monitoring procedure on every decision taken by the institutional manager who has the authority with the number of share ownership which includes companies engaged in banking, insurance, investment and so on (Fuadi, 2021).

**Hypothesis Development**

**The Effect of Corporate Social Responsibility on Tax Avoidance**

Based on agency theory, referring to the influence of the COVID-19 pandemic which has made Indonesia experience an economic slowdown, companies that receive low supervision costs and contract costs, tend to incur costs that can improve the company's reputation in the eyes of the public, as a form of accountability, management will try to fulfill all shareholders' wishes by taking Corporate Social Responsibility Disclosure actions which are a signal that may distract shareholders from oversight of profit manipulation whose results make the share price in the capital market increase as shareholders trust in the transparency of information disclosed by the company.

The Company in its operating activities must consider the interests of all parties who will be affected by the company's operations. The company has a responsibility, one of the company's efforts is to obediently pay taxes to the government without committing acts of tax aggressiveness. This shows that companies with high corporate social responsibility activities tend to involve very aggressive tax avoidance policies. Because the higher the level of disclosure of corporate social responsibility, the higher the aggressiveness of taxes carried out by the company, it is done so that it seems as if the company has fulfilled its obligations.

Research by (Handayani, 2019) and (Yunisitiyani & Tahar, 2017) states that *corporate social responsibility* has a positive effect on tax avoidance. Meanwhile, research by (PRAMADHANTY, Mukhtaruddin, & Kalsum, 2022), (Apriyani & Harnovinsah, 2019), (Elok Kurniawati, 2019), (Fitri & Munandar, 2018), (Harjito & Sari, 2017) and (Sari & Tjen, 2017) stated that *corporate social responsibility* negatively affects tax avoidance. In addition, Study (Setyoningrum & Zulaikha, 2019) stated that *corporate social responsibility* has no effect on tax avoidance:

**Hypothesis 1:** *Corporate Social Responsibility* negatively affects tax avoidance.

**Effect of Fixed Asset Intensity on Tax Avoidance**
In PSAK No. 16 of 2007, fixed assets are tangible assets acquired in ready-made form or by being built in advance, which are used in the company's operations, are not intended for sale in the framework of the normal activities of the company and have a useful life of more than one year. Companies that have fixed assets will bear the burden of depreciation so that it will reduce the company's profit. The smaller the profit indicates that the tax liability borne by the company is also getting smaller. The greater the intensity of fixed assets, the lower the company's tax avoidance rate. Companies with large fixed assets will pay their taxes lower because the depreciation inherent in those fixed assets can reduce the tax burden of the company.

Research by (Sjahril, Yasa, & Dewi, 2020) states that the intensity of fixed assets negatively affects tax avoidance. Based on the description, the author formulates the hypothesis as follows:

**Hypothesis 2**: The intensity of fixed assets positively affects tax avoidance.

### The Effect of Fixed Profitability On Tax Avoidance

Profitability is the ability of an enterprise to make a profit from the activities that the company carries out. Companies need to pay attention to cost management so that the expenses made are deductible expenses which will ultimately affect the company's profit. Companies with a high profit rate can pay higher taxes than companies with low profits. The reason for this is because companies that receive income or make a profit from their business activities are obliged to pay taxes on profits from income received. The intended income is fiscal profit. Fiscal profit is a profit derived from the sale or transfer of property, a profit on debt relief, and a currency exchange difference profit calculated under applicable taxation provisions.

Research by (PRAMADHANTY et al., 2022), (Tampubolon, 2021), (Sjahril et al., 2020), (Sormin, 2020), (Ulfah, Amril Jaharadak, & Khatibi, 2019) and (Damayanti, Gazali, Fadjriana, Ariani, & Hasyim, 2018) shows that profitability has a positive effect on Tax Avoidance. Meanwhile, Study (Alfina, Nurlaela, & Wijayanti, 2018) showed that profitability has no effect on tax avoidance. Based on the description, the author formulates the hypothesis as follows:

**Hypothesis 3**: Profitability has a positive effect on tax avoidance.

### The Effect of Leverage on Tax Avoidance

The debt to equity ratio shows the amount of debt that a company has to finance its operating activities. The funding system in the company can cause conflicts between principals and agents. It is possible that the principal did not approve additional funding for the company's activities, so the agent needed other funding to cover the lack of funds. One way is to make a loan or debt. The proportion of the comparison between debt and company capital is said to be ideal if it has a ratio of 4:1 in accordance with the provisions of the Director General of Taxes Number PER-25 / PJ / 2017 Article 2 paragraph (3).

If it is not limited, the company will be more likely to use debt than capital. When companies have a high tax burden, they take advantage of debt more to benefit from interest deductions on the debt, the tax burden paid will be smaller. A company that deliberately minimizes the tax burden by increasing debt in large quantities is considered to be committing tax aggressiveness.

Research by (Lia Kurniawati, 2021), (Alfina et al., 2018) and (Damayanti et al., 2018) stated that leverage has a positive effect on tax avoidance. Meanwhile, Study
Hypothesis 4: Leverage Positively Affects Tax Avoidance.

Institutional Ownership can Moderate the Effect of Corporate Social Responsibility on Tax Avoidance

The application of corporate governance principles is able to reduce tax avoidance actions and supervise and limit management's wiggle room, supervision of company management can be carried out through institutional ownership. Institutional shareholding provides an impetus for more optimal oversight. Large shareholdings by international investors give rise to higher scrutiny, thus hindering the opportunistic behavior of managers. The size of shares by institutional investors has a role in supervising, disciplining and monitoring management behavior so that the size of institutional ownership in the company will affect company policy. Positive accounting theory assumes that the existence of institutional ownership can strengthen the negative influence of corporate social responsibility on tax avoidance. Based on this description, the author hypothesized the following hypothesis:

Hypothesis 5: Institutional Ownership can amplify the negative influence of Corporate Social Responsibility on Tax Avoidance.

Institutional Ownership can Moderate the Effect of Fixed Asset Intensity On Tax Avoidance

Institutional ownership is a condition that indicates that foreign institutions, financial institutions, legal entities, funds, governments and other institutions own shares of the company. Agency seeks to control the tax burden in such a way that they do not reduce the agent's efficiency bonus by allowing the tax burden to reduce the company's profits. Therefore, agents tend to engage in aggressive tax avoidance activities. When institutional ownership becomes part of the corporate governance system, the company is expected to balance shareholder capital and capital investment in the capital structure. The existence of institutional ownership as a form of good corporate governance is one element that can undo the manager's intention to make aggressive efforts in managing the company's tax burden, meaning that a well-managed company reduces the manager's chances of evading taxes.

Agency theory concludes that the existence of differences in interests between principals and agents leads to asymmetry of informasi (Jensen & Meckling, 1976), in which institutional ownership of the company is responsible for monitoring all actions of the company's management in order to avoid improper regulation and a means to control the management of opportunistic actions carried out by managers like doing tax avoidance.

This research is in line with research that has been carried out by (Noviyani & Muid, 2019) and (Vina et al, 2022) found that institutional ownership can weaken the
positive influence of fixed asset intensity on tax avoidance, based on theoretical explanations and the results of previous research are as follows:

**Hypothesis 6:** Institutional ownership weakens the positive influence of fixed asset intensity on tax avoidance.

**Institutional Ownership can Moderate the Effect of Profitability On Tax Avoidance**

The greater the profit the company gets, the more the tax burden that must be paid by the company will increase. With the existence of institutional ownership itself as part of the *corporate governance* element, it is able to prevent agents from carrying out aggressive corporate tax actions (Olivia & Dwimulyani, 2019).

Research according to Olivia & Dwimulyani (2019) states that institutional ownership as a moderation variable can weaken the influence of profitability on tax avoidance. Management performance will experience a more optimal improvement if the company has institutional ownership. One of the elements of *corporate governance*, namely institutional ownership, turns out to be able to weaken the influence of profitability on tax avoidance. Based on the description, the author formulates the hypothesis as follows:

**Hypothesis 7:** Institutional Ownership may weaken the positive effect of Profitability on Tax Avoidance

**Institutional Ownership can Moderate the Effect of Leverage On Tax Avoidance**

A company that has high profitability has the opportunity to position itself in tax planning that reduces the amount of the burden of its tax obligations. Where one way is through debt to finance the company's operational activities, where the debt that arises will result in increased interest expense, thus having an impact on reducing the company's tax burden to be paid.

According to (Aprianto & Dwimulyani, 2019), the more companies get loans from third parties, it will increase interest costs caused by debts that must be paid by the company and the profit that has been generated by the company will decrease because the profit that should be given to investors in the form of dividends will be allocated to pay interest on debts. As a result, there will be resistance from institutional ownership as investors in companies that want dividends on the investments they have invested.

**RESEARCH METHOD**

This type of research is a causality study that tests the relationship between variables based on previous studies. This study is intended to determine the effect of *corporate social responsibility*, fixed asset intensity, profitability and leverage on tax avoidance moderated by institutional ownership. The analysis unit used in this study is a company listed on the Indonesia Stock Exchange with a period of 2018-2021. This research is quantitative and the acquisition of secondary data obtained through financial reports, annual reports and company sustainability reports are used as samples that have gone through the *purposive sampling* stage.

**Free Variables (Dependents)**

Tax avoidance here is calculated using *Effective Tax Rates* (ETR). The independent Variabel owned shows the value of the negative coefficient to ETR, it can be interpreted as having a positive relationship with tax avoidance and vice versa (Puspita & Febrianti, 2020) which is formulated as follows:
ETR = \( \frac{\text{Income Tax Burden}}{\text{Profit Before Tax}} \times 100\% \)

**Bound Variables (Independent)**

**Corporate Social Responsibility**

This measurement is carried out using a score, through content analysis. If item \( i \) is disclosed then a score of 1 is given, if item \( i \) is not disclosed then it is given a score of 0. The total score is calculated to get the number of items that the company discloses. Each company's disclosure index is then calculated by the number of items expected to be disclosed as follows:

\[ \text{Corporate Social Responsibility (CSR)} = \left( \frac{\sum X_i}{n} \right) \times 100\% \]

**Fixed Asset Intensity**

Return on Assets measurement is measured using a ratio scale formulated as follows:

\[ \text{Fixed Asset Intensity} = \frac{\text{Total Fixed Assets}}{\text{Total Assets}} \times 100\% \]

**Profitability**

Profitability is one of the measurements for the performance of a company as measured by Return on Assets (ROA) which is formulated as follows:

\[ \text{Return on Aset} = \frac{\text{Profit After Tax}}{\text{Total Assets}} \times 100\% \]

**Leverage**

The leverage ratio variable used in this study is the debt to equity ratio. The debt to equity ratio is measured by comparing total debt with total equity. The debt to equity ratio measurement is measured using the following ratio scale:

\[ \text{Debt to Equity Ratio} = \frac{\text{Total Debt}}{\text{Total Equity}} \times 100\% \]

**Moderation Variables**

**Institutional Ownership**

The proportion of institutional ownership is measured by the percentage of shares held by institutional investors in a company. The measurement of institutional ownership is measured using a ratio scale formulated as follows:

\[ \text{Institutional Ownership} = \left( \frac{\text{Number of institutional shares}}{\text{Number of shares outstanding}} \right) \times 100\% \]

**Control Variables**

**Liquidity**

Current ratio is the simplest liquidity ratio used to measure a company's ability to pay off its current liabilities (paid in one year) with its total current assets, such as cash, receivables, and inventories formulated as follows:

\[ \text{Return on Aset} = \frac{\text{After Tax}}{\text{Total Assets}} \times 100\% \]

**Company size**

Company size can be defined as the size of a company with an overview of the number of assets owned by the company (Noviyani & Muid, 2019) formulated as follows:(Noviyani & Muid, 2019)
inventory intensity

The intensity of inventory used in this study is a measuring instrument developed by research conducted by (Suciati & Wulandari, 2022) which is formulated as follows:(Suciati & Wulandari, 2022)

"Inventory Intensity" = \( \frac{\text{Total Persediaan}}{\text{Total aset}} \times 100\% \)

RESULT AND DISCUSSION

Data Description

The population in this study is all consumer goods industry companies listed on the Indonesia Stock Exchange for the 2018-2021 period. The data analysis method in this study is panel data regression analysis. Sample in this study was obtained using the purposive sampling method during the observation period with unbalance panel data, obtained the number of samples observed as many as 84. Here are the results of the sample selection carried out:

<table>
<thead>
<tr>
<th>No</th>
<th>Information</th>
<th>Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Number of Companies in the Property &amp; Real Estate and Building Construction sector listed on the Indonesia Stock Exchange</td>
<td>110</td>
</tr>
<tr>
<td>2</td>
<td>Companies that suffered losses in the observation period from 2018 to 2021</td>
<td>-45</td>
</tr>
<tr>
<td>3</td>
<td>Companies that do not announce annual financial statements between 2018 and 2021 on the Indonesia Stock Exchange</td>
<td>-44</td>
</tr>
</tbody>
</table>

| Total Companies sampled | 21   |
| Number of years from 2018 to 2021 | 4    |
| Total Samples           | 84   |

Source: Data Processed

Descriptive Statistical Analysis

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR</td>
<td>84</td>
<td>0.333</td>
<td>0.436</td>
<td>0.37393</td>
<td>0.024675</td>
</tr>
<tr>
<td>IAT</td>
<td>84</td>
<td>0.003</td>
<td>0.650</td>
<td>0.10951</td>
<td>0.144693</td>
</tr>
<tr>
<td>ROA</td>
<td>84</td>
<td>0.000</td>
<td>0.200</td>
<td>0.04923</td>
<td>0.040446</td>
</tr>
<tr>
<td>DER</td>
<td>84</td>
<td>0.000</td>
<td>2.030</td>
<td>0.46619</td>
<td>0.518506</td>
</tr>
<tr>
<td>KI</td>
<td>84</td>
<td>0.397</td>
<td>0.966</td>
<td>0.72339</td>
<td>0.152831</td>
</tr>
<tr>
<td>Size</td>
<td>84</td>
<td>6.500</td>
<td>11.026</td>
<td>9.10743</td>
<td>1.233824</td>
</tr>
<tr>
<td>CR</td>
<td>84</td>
<td>0.940</td>
<td>12.770</td>
<td>2.23024</td>
<td>1.543285</td>
</tr>
</tbody>
</table>
Based on table 2 descriptive statistics of CSR variables that present mean data, maximum values, minimum values and standard deviations, CSR indicators have a minimum value of 0.333, namely PT Metropolitan Land Tbk in 2018 and a maximum value of 0.436, namely Puradelta Lestari Tbk in 2021. For the average value (mean) of csr variables companies in the Property & Real Estate and Building Construction sector listed on the Indonesia Stock Exchange in 2018 – 2021 is above zero or positive, meaning that the company considers CSR as something important. However, it is unfortunate that all companies do not state that they use the GRI standard 2016 in the annual report. Based on the trend, from 2016 to 2020, CSR in public companies whose Property & Real Estate and Building Construction sectors have a positive trend.

CSR standard deviation tends to be smaller than the average (mean) in each year, indicating that there is no large fluctuation of CSR variables for companies in the Property & Real Estate and Building Construction sector.

Based on table 2 descriptive statistics of the variable Intensity of Fixed Assets has a minimum value of 0.333, namely PT Metropolitan Land Tbk in 2018 and a maximum value of 0.650, namely Metropolitan Kentjana Tbk in 2021.

Based on table 2 descriptive statistics of the variable ROA has a minimum value of 0. 000 namely PT Suryamas Dutamakmur Tbk in 2020 and a maximum value of 0. 20 namely Puradelta Lestari Tbk in 2020.

Based on table 2 descriptive statistics of the variable DER has a minimum value of 0. The 000 value was obtained by several issuers and the maximum value of 2.030, namely Wijaya Karya (Persero) Tbk in 2021.

Based on table 2 descriptive statistics of the variable KI has a minimum value of 0. 397 i.e. Summarecon Agung Tbk. in 2021 and the maximum value of 0. 966 namely Suryamas Dutamakmur Tbk in 2018 to 2021.

### Panel Data Model Analysis

<table>
<thead>
<tr>
<th>Table 3</th>
<th>Chow Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effect Test</td>
<td>Statistics</td>
</tr>
<tr>
<td>Cross-section F</td>
<td>12.244898</td>
</tr>
</tbody>
</table>

Source : Data Processed

The results of the chow test in table 5 show that the probability value of cross section chi square is 0.0000 < 0.05 (alpha 5%) then Ha (fixed effect model) is accepted, so there are differences in characteristics both individually and between periods.
The Effect Of CSR, Fixed Asset Intensity, Profitability and Leverage On Tax Avoidance with Institutional Ownership As A Moderating Variable

Based on the results of the Hausman test above, the probability value (0.009) produced is smaller than 0.05 So it can be concluded that $H_0$ is accepted and $H_1$ is rejected, which means that the data owned by the Fixed Effect Model is more suitable for use in this study.

Hypothesis Testing

<table>
<thead>
<tr>
<th>Variable</th>
<th>Direction</th>
<th>Coefficient</th>
<th>Sig</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR</td>
<td>-</td>
<td>1.374916</td>
<td>0.0733</td>
<td>H1 Declined</td>
</tr>
<tr>
<td>IAT</td>
<td>+</td>
<td>2.279040</td>
<td>0.0373</td>
<td>H2 Accepted</td>
</tr>
<tr>
<td>ROA</td>
<td>+</td>
<td>2.500927</td>
<td>0.0063</td>
<td>H3 Accepted</td>
</tr>
<tr>
<td>DER</td>
<td>+</td>
<td>0.714882</td>
<td>0.0000</td>
<td>H4 Accepted</td>
</tr>
<tr>
<td>CSR * Institutional Owner-ship</td>
<td>+</td>
<td>1.082525</td>
<td>0.2838</td>
<td>H5 Rejected</td>
</tr>
<tr>
<td>Intensity of Fixed Assets * Institutional Ownership</td>
<td>-</td>
<td>2.891231</td>
<td>0.0225</td>
<td>H6 Accepted</td>
</tr>
<tr>
<td>ROA * Institutional Ownership</td>
<td>+</td>
<td>2.342937</td>
<td>0.0480</td>
<td>H7 Rejected</td>
</tr>
<tr>
<td>DER * Institutional Ownership</td>
<td>-</td>
<td>1.214277</td>
<td>0.0000</td>
<td>H8 Accepted</td>
</tr>
<tr>
<td>Control</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Size</td>
<td>+</td>
<td>0.034829</td>
<td>0.2257</td>
<td>Insignificant</td>
</tr>
<tr>
<td>CR</td>
<td>-</td>
<td>0.013676</td>
<td>0.0000</td>
<td>Negatively af-</td>
</tr>
<tr>
<td>Inventory Intensity</td>
<td>+</td>
<td>1.386337</td>
<td>0.0000</td>
<td>Positive effect</td>
</tr>
<tr>
<td>Constant</td>
<td>+</td>
<td>0.242763</td>
<td>0.6120</td>
<td></td>
</tr>
</tbody>
</table>

Source: Data Processed

Based on Table 5, the regression model obtained is:

$$ETR = 0.242763 - 1.374916CSR + 2.279040IAT + 2.500927ROA + 0.714882DER + 1.082525CSR*KI - 2.891231IAT*KI + 2.342937ROA*KI - 1.214277DER*KI + 0.034829SIZE - 0.013676CR + 1.386337IP + 0.242763$$

Coefficient of Determination Test

The results of the Determination coefficient Test are presented in Tabel 3 as follows:

| Source: Data Processed |
|-------------------------|----------------|
| Adjusted R Square       | 0.928789       |
| Test F                  | 0.000000       |
The Effect Of Corporate Social Responsibility on Tax Avoidance

Corporate Social Responsibility has a significance value of 0.0733 so that the significance value is greater than 0.05. It can be concluded that at a confidence level of 95% there is no significant effect of Corporate Social Responsibility on Tax Avoidance. These results show that Corporate Social Responsibility has no effect on tax avoidance. The results of this study are in line with research conducted by Setyoningrum & Zulaikha (2019), (Makhfudloh, Herawati, & Wulandari, 2018), (Fionasari, Savitri, & Andreas, 2017), and (Utami & Tahar, 2018) which states that CSR has no effect on tax avoidance.

This can happen because the CSR information disclosed in the form of a report is not
necessarily in accordance with the circumstances that occur in the field. Thus, the level of disclosure of CSR activities cannot be used as a guarantee of the low level of a company committing tax avoidance actions (Makhfudloh et al., 2018). Based on Law No. 93 of 2010 article 3 states that the amount of contribution value or the cost of social infrastructure development that can reduce gross income for 1 year is limited to not exceeding 5% (five percent) of the net fiscal income of the previous tax year. So that the costs incurred by the company for CSR activities will not affect tax avoidance actions.

In addition, the company is not willing to reduce its profits just to show its social responsibility to society (Fionasari et al., 2017). CSR activities carried out by the company are a corporate social responsibility to stakeholders for operational activities carried out by the company. These activities are carried out so that the company's situation can be accepted by stakeholders and provide a good image for the company. Thus, the company can run operational activities smoothly and the company can maximize the profits obtained. Thus Hypothesis 1: Corporate Social Responsibility Negatively Affects Tax Avoidance is rejected.

**Effect of Fixed Asset Intensity on Tax Avoidance**

The intensity of Fixed Assets has a significance value of 0.0373 so that the significance value is less than 0.05 and has a coefficient value of 2.279040. The value of the coefficient means that there is a positive influence, meaning that the higher the Intensity value of Fixed Assets, the higher the Tax Avoidance rate will be. Every increase in one-unit Fixed Asset Intensity then Tax Avoidance (ETR) akan increase by 2.279040 units. The results of this study are in line with the research conducted by (Dharma & Ardiana, 2016), Derashid and Zhang (2003), (Gupta & Newberry, 1997), Noor et al. (2010), (Richardson & Lanis, 2007). which states that the Intensity of Fixed Assets has a positive effect on tax avoidance.

The ownership of the company's fixed assets will incur depreciation costs which are expenses that can reduce fiscal profit, resulting in a decrease in corporate tax payments. The higher the level of fixed assets owned, the lower the taxes paid. Thus, companies that have a higher level of fixed assets make management aggressively tax-reporting. Thus Hypothesis 2: Fixed Asset Intensity Positively Affects Tax Avoidance received.

**Effect of Profitability on Tax Avoidance**

Profitability (ROA) has a significance value of 0.0063 so that the significance value is less than 0.05 and has a coefficient value of 2.500927. The value of the coefficient means that there is a positive influence, meaning that the higher the Profitability (ROA) value, the higher the Tax Avoidance rate will be. Every increase in one-unit Profitability then Tax Avoidance (ETR) will increase by 2.500927 units. The results of this study are in line with research conducted by Ananggadipa & Sari (2021), Irianto et al., (2017), Arinda & Dwimulyani (2018) and Mahdiana & Amin (2020) stated that profitability has a positive effect on tax avoidance.

The managerial party is led by shareholders to increase profits in the company in order to achieve the company's goals. The higher the company's profit, the higher the ROA value. Increased profits cause the tax burden paid by the company to increase even more. This gives rise to the company's desire to do tax avoidance in order to minimize the tax burden paid. Thus Hypothesis 3 : Profitability Positively Affects Tax Avoidance is accepted.
The Effect of Leverage on Tax Avoidance

Leverage (DER) has a significance value of 0.0000 so that the significance value is less than 0.05 and has a coefficient value of 0.714882. The value of the coefficient means that there is a positive influence, meaning that the higher the Leverage (DER) value, the higher the Tax Avoidance rate will be. Every increase in one-unit Leverage (DER) then Tax Avoidance (ETR) will increase by 0.714882 units. The results of this study are in line with research conducted by Kurniawati (2019), Alfina, Nurlaela & Wijayanti (2018) and Ariani & Hasyim (2018) stated that leverage has a positive effect on tax avoidance.

Leverage is the company's ability to meet the payment of all its obligations, both short-term and long-term obligations. The larger the debt, the smaller the taxable profit will be because the tax incentive on debt interest is greater. This has implications for the increasing use of debt by companies. Companies that have high tax liabilities will be accepted, choosing to go into debt in order to reduce taxes. By deliberately indebtedness to reduce the tax burden, it can be mentioned that the company is aggressive towards taxes. Thus Hypothesis 4: Leverage Positively Affects Tax Avoidance is accepted.

The Effect of Institutional Ownership in moderating Corporate Social Responsibility on Tax Avoidance

Institutional Ownership*Fixed Asset Intensity (IAT*KI) has a significance value of 0.0225 and has a coefficient value of -2.891231. The negative value of the coefficient indicates that institutional ownership weakens the effect of Fixed Asset Intensity on Tax Avoidance. It shows that Institutional Ownership is not able to amplify the negative influence of Corporate Social Responsibility on Tax Avoidance. These results are in accordance with the research of Wirakusuma (2019), and Windarni et al (2018) which stated that institutional ownership is not able to weaken the influence of corporate social responsibility on tax avoidance. The existence of these institutional shareholders cannot reduce corporate tax avoidance measures. Although, institutional ownership has an important role in influencing and supervising management to avoid aggressive behavior and that puts one's own interests first. However, institutional shareholders are not necessarily able to properly control any management policies over opportunistic behavior in carrying out tax enforcement actions (Windarni, 2018). Thus Hypothesis 5: Institutional Ownership can amplify the negative influence of Corporate Social Responsibility on Tax Avoidance is rejected.

The Effect of Institutional Ownership in moderating the Intensity of Fixed Assets on Tax Avoidance

Institutional Ownership*Profitability (ROA*KI) has a significance value of 0.2838. Since the significance value is greater than 0.05, it can be concluded that the 95% confidence level of Institutional Ownership does not weaken the positive effect of Profitability on Tax Avoidance. The results suggest that Institutional ownership can weaken the positive influence of Fixed Asset Intensity On Tax Avoidance. These results are in accordance with Novitasari's research (2017) which states that institutional ownership is able to weaken the influence of fixed asset intensity on tax aggressiveness. Companies with high ownership of fixed assets will still result in higher depreciation expenses, resulting in lower profits that will result in lower tax burdens. The existence of institutional ownership supports management to carry out tax aggressiveness measures, since institutional
investors have handed over their trust to the board of commissioners to supervise all actions carried out and planned by management. Institutional shareholders also put pressure on management to make decisions that can maximize the company’s profits, so as to prosper the legitimate holders of the institution for their investments. Thus Hypothesis 6: Institutional Ownership can weaken the positive influence of Fixed Asset Intensity On Tax Avoidance received.

The Effect of Profitability in moderating the Intensity of Fixed Assets on Tax Avoidance

Institutional Ownership*Leverage (DER*KI) has a significance value of 0.0000 and has a coefficient value of -1.214277. The negative coefficient value indicates institutional ownership weakens the effect of Leverage on Tax Avoidance. The results show that Institutional Ownership does not weaken the positive effect of Profitability on Tax Avoidance. These results are in accordance with the research of Ramadhani & Azmi (2019), Prasetyo et al. (2018) and Sonia & Suparmun (2019) which stated that institutional ownership has a positive effect on tax avoidance.

Tax avoidance can be carried out either by companies with a high or low share of institutional ownership. So if the company has a high profit, then the tax burden will also be higher, with this condition the company tends to avoid the tax burden that is burdened. Thus Hypothesis 7: Institutional Ownership can weaken the positive effect of Profitability on Tax Avoidance is rejected.

Effect of Leverage in moderating Te tap Asset Intensity on Tax Avoidance

Institutional Ownership*Leverage (DER*KI) has a significance value of 0.0000 and has a coefficient value of -1.214277. The negative coefficient value indicates institutional ownership weakens the effect of Leverage on Tax Avoidance. The results suggest that Institutional Ownership can weaken the positive effect of Leverage on Tax Avoidance. These results are in accordance with the research of Aprianto and Dwimulyani (2019) and Fitria (2018) which stated that institutional ownership can weaken the effect of leverage on Tax Avoidance. This can happen because institutional shareholders will want the highest returns on the funds they invest. As a result, there will be conflicts over management's policy in obtaining loans from third parties with the interests of institutional shareholders. With high institutional ownership, it indicates that the Tax Avoidance rate is low. Because institutional holders do not want to take risks for tax avoidance actions and institutional holders expect maximum returns on their investments. Thus Hypothesis 8: Institutional Ownership can weaken the positive effect of Leverage on Tax avoidance received.

CONCLUSION

Based on the results of the analysis and discussion, it can be concluded that Corporate Social Responsibility does not affect tax avoidance, while the intensity of fixed assets, profitability, leverage, has a positive effect on partial tax avoidance. For the moderation variable institutional ownership is not able to strengthen the influence of Corporate Social Responsibility on tax avoidance, and institutional ownership is not able to weaken the positive influence of profitability on tax avoidance, but institutional ownership can weaken the positive influence of asset intensity fixed and leveraged against tax avoidance.
of public companies in the property & real estate sector as well as building construction listed on the Indonesia Stock Exchange in 2018-2021

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The Effect Of CSR, Fixed Asset Intensity, Profitability and Leverage On Tax Avoidance with Institutional Ownership As A Moderating Variable

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