EDUCORETAX
Volume 4 No.8, 2024

INFLUENCE OF COMPANY SIZE, CAPITAL INTENSITY, SALES GROWTH AND PROFIT MANAGEMENT AGAINST TAX AVOIDANCE

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Abstract
This study aims to explore the influence of Company Size, Capital Intensity, Sales Growth, and Profit Management on Tax Avoidance in Consumer Non Cyclicals companies with food and beverage sub-sectors listed on the Indonesia Stock Exchange during the 2018-2022 period. This study uses a quantitative approach with purposive sampling techniques, and involves 14 companies as a sample. The analysis method used is multiple regression with F test and T test using Eviews 12. The results show that Company Size has an effect on Tax Avoidance, while Capital Intensity, Sales Growth, and Profit Management have no effect on tax avoidance. However, simultaneously, all of these independent variables have a significant influence on Tax Avoidance. This research contributes to the Directorate General of Taxes in an effort to increase tax collection from companies, as well as provide insights for companies to comply with tax regulations and reduce tax avoidance practices. For the author, this study adds to the understanding of the variables that affect tax avoidance.
Keywords: Capital Intensity, Company Size, Profit Management, Sales Growth, Tax Avoidance

INTRODUCTION

Taxes are mandatory contributions to the state that are owed by individuals or entities and are coercive based on the law and do not receive direct rewards and are used for state purposes and as much as possible for the prosperity of the people (Law Number 16 of 2009 concerning the Determination of Government Regulations). Taxes are the largest source of revenue for the state. Revenue from taxes is used for national development, as a means of achieving state goals in the social, political, and economic fields, as well as for the welfare of society in general (Putri & Pratiwi, 2022).

Taxes have an important role in budget planning and state management strategies, because taxes are the main source of state revenue that is used to finance various expenditures needed, one of which is related to development. Therefore, sufficient tax revenue is highly expected to achieve community welfare (Ashari et al., 2020).

The government's efforts to obtain optimal tax revenue certainly face various challenges. This is due to the practice of taxpayers who try to minimize tax payments through tax evasion and tax avoidance. Tanjaya & Nazir (2021) revealed that tax evasion is a deliberate act to reduce tax obligations in a dishonest way or violate tax law (illegal). Meanwhile, tax avoidance is an effort to legally reduce or minimize tax liabilities by regulating strategies to take advantage of loopholes in tax regulations.

A tax avoidance case that occurred in Indonesia at a Consumer Non-Cyclicals company was in 2013, PT Indofood Sukses Makmur Tbk was involved in tax avoidance practices amounting to 1.3 billion rupiah. Initially, PT. Indofood Sukses Makmur Tbk established a new company and transferred assets and liabilities. However, the business expansion carried out by PT. Indofood was subject to a decision by the Directorate General of Taxes (DGT) that they still had to pay the tax owed of 1.3 billion rupiah (Hariseno & Pujiono, 2021)

Based on this phenomenon, there are several factors that affect tax avoidance, such as company size, capital intensity, sales growth, and profit management. Large companies tend to be better able to plan for taxes and take advantage of amortization and depreciation to reduce the tax burden (Josafat & Febrianti, 2023). Capital intensity is related to investment in the company's fixed assets (Rifai & Atiningsih, 2019) fixed assets that have depreciated will result in depreciation costs which later the depreciation costs can reduce taxes payable (Malik et al.,

2022). Sales growth encourages companies to look for ways to reduce tax burdens such as taking advantage of tax incentives or creating fiscal losses (Zufar & Arianti, 2023), and profit management is carried out to manipulate financial statements by increasing or decreasing company profits to reduce tax liabilities (Ningsih & Purwasih, 2023).

This research is a development of research conducted by Christili Tanjaya and Nazmel Nazir (2021) entitled The Influence of Profitability, Leverage, Sales Growth and Company Size on Tax Avoidance. Likewise, research conducted by Abdul Malik, Ariyanti Pratiwi, Nana Umdiana (2022) with the title The Influence of Company Size, Sales Growth and Capital Intensity, on Tax Avoidance. And the same research was also conducted by Ahmad Rifai and Suci Atiningsih (2019) with the title The Effect of Leverage, Profitability, Capital Intensity, Profit Management on Tax Avoidance.

The object of the research used is companies in the consumer non-cyclicals sector with the food and beverage sub-sector. The consumer goods industry remains the first choice for investors in investing their capital. This is because the company's shares in this sector tend to be stable and have the potential to increase, because all of its sub-sectors produce products for basic consumer needs such as food and beverages which are the primary needs of the community.

This study aims to (1) test and analyze the simultaneous influence of the influence of company size, capital intensity, sales growth and profit management on tax avoidance, (2) test and analyze the influence of company size on tax avoidance, (3) test and analyze the influence of capital intensity on tax avoidance, (4) testing and analyzing the influence of sales growth on tax avoidance, (5) testing and analyzing the influence of profit management on tax avoidance.

LITERATURE REVIEW

Agency theory

Putri & Pratiwi (2022) explained that the agency theory is a contract between the authorized party (principal) to the authorized party (agent) by delegating several authorities in agent decision-making. Agency theory aims to explain the contractual relationship to be able to minimize the cost of asymmetric information and a state of uncertainty between the manager as an agent and the owner as the principal. Agency theory is seen more broadly because it reflects existing reality. In agency theory, agency conflict is a conflict that arises between the owner, employee, and manager of a company that tends to prioritize individual goals over company goals (Ningsih & Purwasih, 2023).

Malik et al., (2022) explained that agency relationships arise when one or more principals hire another person (agent) to provide a service and then delegate decision-making authority to the agent. The relationship between principal and agent can lead to a condition of asymmetrical information because agents are in a position to have more information about the company than principals. The agency theory in this study explains that there are problems that will arise between stakeholders as principals and company management. Related to tax avoidance, agency problems can occur between companies and the government (Widagdo et al., 2020).

Tax Avoidance

Tax avoidance as a form of tax planning to avoid the burden of taxes that must be paid based on the Law on Taxation using the gray area (Safitri & Wahyudi, 2022). Tax avoidance is an effort made to reduce tax debts legally or not violate tax rules carried out by taxpayers. The methods and techniques carried out are by taking advantage of weaknesses in tax laws and regulations to reduce the amount of tax payable (Marta & Nofryanti, 2023).

Company Size

The size of the company shows the size of the company, which can be seen from the level of sales, the number of workers, or the number of assets owned by the company (Mulyani & Agustinus, 2022). The larger the company, the better tax planning will be so that the tax burden that must be paid can be incurred as little as possible by managing the company's total assets to reduce the tax burden by taking advantage of the amortization and depreciation expense that occurs as a result of the purchase of these assets because both of these things can be used as a deduction for the company's taxable income (Josafat & Febrianti, 2023).

Capital Intensity

Capital Intensity describes the amount of capital a company needs in its efforts to obtain income from a decrease or increase in fixed assets (Josafat & Febrianti, 2023). Almost all fixed assets can experience depreciation which will later become a cost for the company itself. These fees can later reduce the amount of tax that will be paid by the company by way of tax avoidance (Marta & Nofryanti, 2023).

Sales Growth

Sales Growth shows the change in a company's sales from one year to the next. Growth in sales can affect tax avoidance practices because high sales can cause companies to earn high income, so it will cause tax payments to also increase (Safitri & Wahyudi, 2022).

Profit Management

Profit management is a step taken if managers want to manipulate financial statements by adding or subtracting profits owned by companies that are in accordance with their wishes in achieving a goal (Ningsih & Purwasih, 2023). The company uses accounting options to reduce reported income (income decreasing) to lower the savings on tax burden. The larger the company conducts profit management with the income decreasing method , the more likely it is to take tax avoidance measures (Wardani et al., 2019).

Hypothesis

Research hypothesis is a provisional conjecture to research questions. Hypotheses can be explained from various points of view, for example etymologically, technically, statistically, and so on. In quantitative research, the hypothesis is a provisional conjecture of the answer to the research problem formulation (Sugiyono, 2017).

Framework

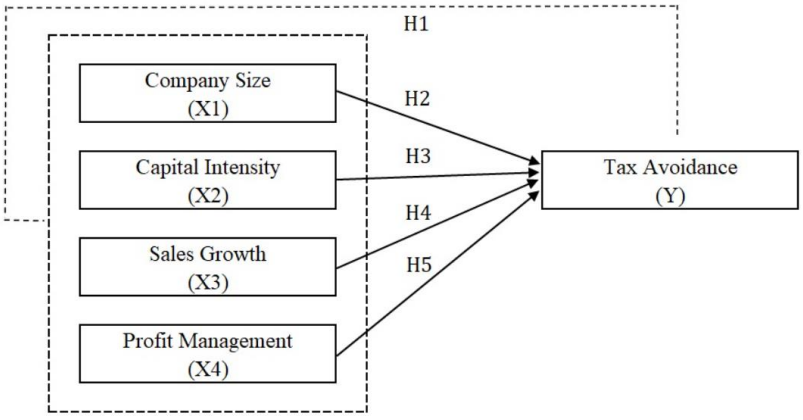

Figure 1 Research Outline

Source : processed by the author (2024)

Information:

H1= It is suspected that Company Size, Capital Intensity, Sales Growth and Profit Management Simultaneously Affect Tax Avoidance.

H2 = Suspected Company Size affects Tax Avoidance.

H3 = Suspected Capital Intensity Affects Tax Avoidance

H4 = Suspected Sales Growth Affects Tax Avoidance
H5 = Suspected Profit Management Affects Tax Avoidance

METHODS

Population and sample

This research method uses a type of quantitative research with secondary data. Quantitative research methods can be interpreted as traditional methods, because this method has been used for a long time so that it has been traditionally used as a method for research on certain populations and samples with random sample collection techniques (Sugiyono, 2017). This study aims to test and analyze "The Influence of Company Size, Capital Intensity, Sales Growth and Profit Management on Tax Avoidance". This study uses secondary data in the form of financial report data and annual report data of Consumer Non-Cyclicals companies with food and beverage sub-sectors listed on the Indonesia Stock Exchange in the 2018-2022 period. which is obtained by accessing the official website of the Indonesia Stock Exchange, namely the www.idx.co.id and the official website of the company concerned.

Based on the population of Consumer Non-Cyclicals companies with food and beverage sub-sectors listed on the Indonesia Stock Exchange in the year of observation that will be used as an observation in this study, there are 125 companies that will later be adjusted to the sample needed. This study uses a purposive sampling technique, which is determined based on certain criteria that have been determined so that the following company samples are obtained:

Table 1 Sample Selection Criteria

No	Research Criteria	Creativity Violations	Sum
1	Consumer Non-Cyclicals companies listed on the Indonesia Stock Exchange (IDX) for the 2018 – 2022 period and were not delisted during the research period.	-	125
2	Consumer Non-Cyclicals companies with food and beverage sub-sectors listed on the Indonesia Stock Exchange (IDX) for the 2018 – 2022 period and were not delisted during the research period.	(30)	95
3	Companies that use rupiah currency in their financial statements for the 2018-2022 period.	(2)	93
4	The company has complete financial report data for five consecutive years (2018-2022)	(51)	42
5	The company did not suffer any losses during the research period. Companies that suffer losses will be excluded from the sample.	(16)	26
Number of companies that meet the criteria			26
Research Year			5
Number of outlier companies			12
Number of companies that are not eliminated			14
Number of samples in 2018-2022		**(14x5)**	**70**

Source: Data processed by researchers (2024)

Variable

Tax Avoidance

Tax avoidance is an effort to avoid taxes, methods and techniques used by taking advantage of the weaknesses of the applicable tax provisions (Zufar & Arianti 2023). Tax avoidance in this study is proxied using the effective tax rates (ETR) ratio.

$$\boldsymbol{Effective\ Tax\ Rate\ (ETR) = \frac{Tax\ Burden}{Profit\ Before\ Tax}}$$

Company Size

The size of a company is a scale on which an entity can be grouped as a large entity or a small entity. Measurement of company size can be done by transforming the total assets/assets of the entity to natural logarithms (Ln) (Tanjaya & Nazir, 2021).

Firm Size = Ln (Total Asset)

Capital Intensity

Capital Intensity is a big picture of a company in making investments in the form of fixed assets. The fixed asset intensity ratio is a comparison of total fixed assets to all assets owned by the company (Zufar & Arianti 2023).

$$\boldsymbol{Capital\ Intensity = \frac{Total\ Fixed\ Aset}{Total\ Aset}}$$

Sales Growth

Sales growth or commonly called sales growth is a measurement that measures sales for the current year minus sales for last year, then compared to sales for last year. Sales growth can be used as a forecast to calculate how much profit will be earned in the future (Tanjaya & Nazir, 2021).

$$\boldsymbol{Sales\ Growth = \frac{Sales_{it} - Sales_{it-1}}{Sales_{it-1}}}$$

Information:

$Sales_{it}$ = Sales of the Year Now

$Sales_{it-1}$ = Previous Year's Sales

Profit Management

Profit management is a step taken if managers want to manipulate financial statements by adding or subtracting profits owned by companies that are in line with their wishes in achieving a goal (Ningsih & Purwasih, 2023). Profit management in this study is calculated using the Modified Jones model to determine the amount of earnings management of a company with the following formula:

1. Measure Total Accruals calculated by the formula:

$$\boldsymbol{TAC_{it} = NI_{it} - CFO_{it}}$$

Information:

TAC_{it} = Total accrual of company i in year t.

NI_{it} = Total net income of the company i in the year t.

CFO_{it} = Cash Flow Operations of company i in the year t.

2. Calculating the Accruals value is estimated by the OLS (Ordinary Least Square) regression equation:

$$\boldsymbol{\frac{TAC_{it}}{A_{it-1}} = \beta_1\left(\frac{1}{A_{it-1}}\right) + \beta_2\left(\left(\frac{REV_{it} - REV_{it-1}}{A_{it-1}}\right)\right) + \beta_3\left(\frac{PPE_{it}}{A_{it-1}}\right)}$$

Information:

TAC_{it} = Total Accrual of company i in the period t.

A_{it-1} = Total assets of company i in year t-1.

REV_{it} = Company income i in the year t.

REV_{it-1} = Company income i in year t-1.

PPE_{it} = The amount of fixed assets of the company i in the year t.

3. Calculate Non-disretionary accruals with the following formula:

$$\boldsymbol{NDA_{it} = \beta_1\left(\frac{1}{A_{it-1}}\right) + \beta_2\left(\frac{[REV_{it} - REV_{it-1}] - [REC_{it} - REC_{it-1}]}{A_{it-1}}\right) + \beta_3\left(\frac{PPE_{it}}{A_{it-1}}\right)}$$

Information:
NDA_{it} = Non-disretionary accruals of the company in the year t.
A_{it-1} = Total assets of company i in year t-1.
REV_{it} = Company income i in the year t.
REV_{it-1} = Company income i in year t-1.
REC_{it} = Company receivables i in the year t.
REC_{it-1} = Company receivables i in year t-1.
PPE_{it} = The amount of fixed assets of the company i in the year t.

4. Calculate the value of Disrectionary Accruals with the formula:

$$\boldsymbol{DA_{it} = \left(\frac{TAC_{it}}{A_{it-1}}\right) - NDA_{it}}$$

Information:
DA_{it} = Disrectionary Accruals of the company i in the year t.
TAC_{it} = Total Accrual of company i in the period t.
A_{it-1} = Total assets of company i in year t-1.
NDA_{it} = Non-disretionary accruals of the company in the year t.

RESULTS AND DISCUSSION

In this study, quantitative analysis using multiple linear regression analysis tools assisted by the E-Views statistical program to obtain a better understanding of how independent variables affect dependent variables, research results and data presentation will be compared.

Descriptive Statistics

The descriptive statistics of the variables used in this study are shown in table 2 as follows:

Table 2 Descriptive Statistics

	ETR	SIZE	CI	SG	DAIT
Mean	0.228348	29.24274	0.282275	0.088137	-0.029682
Median	0.221476	28.86349	0.253555	0.097056	-0.028700
Maximum	0.284405	32.40184	0.762247	0.497874	0.237750
Minimum	0.171952	27.43546	0.015385	-0.339485	-0.207908
Std. Dev.	0.026788	1.354480	0.197462	0.156501	0.067986
Skewness	0.265012	0.502333	0.721415	0.201079	0.944476
Kurtosis	2.485670	2.189901	2.903283	3.372151	5.968369
Jarque-Bera	1.590925	4.858041	6.099078	0.875662	36.10646
Probability	0.451372	0.088123	0.047381	0.645435	0.000000
Sum	15.98434	2046.992	19.75928	6.169576	-2.077772
Sum Sq. Dev.	0.049513	126.5884	2.690401	1.689987	0.318926
Observations	70	70	70	70	70

Source: Results Output eviews 12 (2024)

Tax Avoidance (ETR)

The amount of tax avoidance in the Consumer Non-Cyclicals sector with the food and beverage sub-sector ranges from 0.171952 to 0.284405 with a mean value of 0.228348 with a standard deviation of 0.026788 or equivalent to 23%.

Company Size

The size of the company in the Consumer Non-Cyclicals sector with the food and beverage sub-sector ranges from 27.43546 to 32.40184 with an average value (mean) of 29.24274 with a standard deviation of 1.354480 or equivalent to 29%.

Capital Intensity (CI)

The amount of capital intensity in the Consumer Non-Cyclicals sector with the food and beverage sub-sector ranged from 0.015383 to 0.762247 with a mean value of 0.282275 with a standard deviation of 0.197462 or equivalent to 28%.

Sales Growth (SG)

The amount of sales growth in the Consumer Non-Cyclicals sector with the food and beverage sub-sector ranged from -0.339485 to 0.497874 with a mean value of 0.088137 at a standard deviation of 0.156501 or equivalent to 9%.

Profit Management (DA_{it})

The amount of profit management in the Consumer Non-Cyclicals sector with the food and beverage sub-sector ranged from -0.207908 to 0.237750 with a mean value of -0.029682 at a standard deviation of 0.067986 or equivalent to 3%.

Panel Data Regression Model

The regression model of panel data can be determined using three approaches that can be carried out: the Common Effect Model (CEM), the Fixed Effect Model (FEM), and the Random Effect Model (REM) (Iqbal et al., 2022). To choose one of the models that is considered the most appropriate of the three models, it is necessary to carry out a series of tests including the chow test, hausman test, and langrange multiplier test. The following are the results of regression tests conducted using the Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (REM) approaches. The following are the results of the selection of the panel data regression model:

Tabel 3 Model Selection Conclusion

No	Test Methods	Result	Results
1	Uji Chow	Prob. < 0.5 (0.0004)	FEM
2	Uji Hausman	Prob. < 0.5 (0.0003)	FEM

Source: Data processed by researchers (2024)

Uji Normalitas

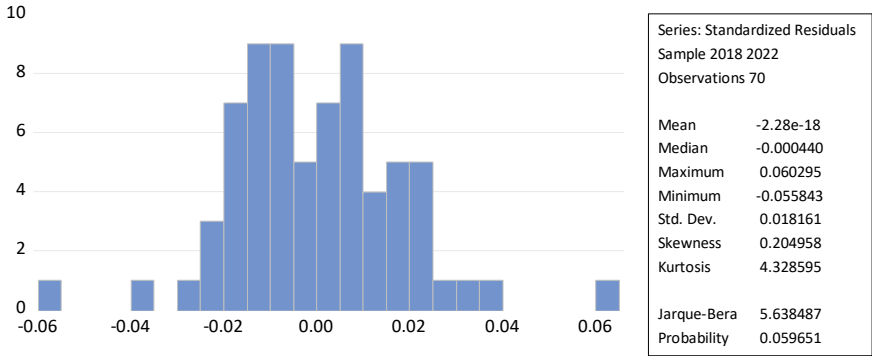

Figure 2 Results of the normality test

Source: Results Output eviews 12 (2024)

Based on figure 2, the normality test graph shows a Jarque-Bera value of 5.638487 with a probability value of 0.059651 greater than 0.05 which means that the data is normally distributed.

Multicollinearity Test

Table 4 Multicollinearity Test Results

	SIZE	CI	SG	DAIT
SIZE	1.000000	0.037002	0.092946	0.101476
CI	0.037002	1.000000	0.074424	-0.069205
SG	0.092946	0.074424	1.000000	1.000000
DAIT	0.101476	-0.069205	0.053274	1.000000

Source: Results Output eviews 12 (2024)

Based on table 4, the results of the multicollinearity test show that the value of the correlation coefficient of each dependent variable (tax avoidance) and independent variable (company size, capital intensity, sales growth and profit management) < 0.80, which means that there is no multicollinearity problem in the data.

Heterokedasticity Test

Table 5 Heterokedasticity Test Results

Dependent Variable: RESABS
Method: Panel Least Squares
Date: 06/15/24 Time: 19:16
Sample: 2018 2022
Periods included: 5
Cross-sections included: 14
Total panel (balanced) observations: 70

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.254914	0.238937	1.066870	0.2910
SIZE	-0.008495	0.008133	-1.044411	0.3011
CI	0.052574	0.026346	1.995540	0.0512
SG	-0.011521	0.011148	-1.033437	0.3062
DAIT	0.003741	0.024491	0.152741	0.8792

Source: Results Output eviews 12 (2024)

Based on table 5, the results of the heterokedasticity test > 0.05 for each variable, namely company size of 0.3011, capital intensity of 0.0512, sales growth of 0.3062 and profit management of 0.8792 which means that there is no heterokedasticity problem.

Uji Autokorelasi

Table 6 Autocorrelation Test Results

Breusch-Godfrey Serial Correlation LM Test:
Null hypothesis: No serial correlation at up to 2 lags

F-statistic	1.354983	Prob. F(2,63)	0.2654
Obs*R-squared	2.886893	Prob. Chi-Square(2)	0.2361

Source: Results Output eviews 12 (2024)

Based on table 6, the results of the autocorrelation test conducted by the Breusch-Godfrey Serial Correlation LM Test method are 0.2361 > 0.05, which means that the assumption of the autocorrelation test has been fulfilled or there is no autocorrelation problem.

Hypotesis Test

Test Result F (Simultaneous)

Table 7 Test Results F (Simultaneous)

R-squared	0.540356
Adjusted R-squared	0.390088
S.E. of regression	0.020920
Sum squared resid	0.022759
Log likelihood	181.7702
F-statistic	3.595944
Prob(F-statistic)	0.000190

Source: Results Output eviews 12 (2024)

Based on table 7, the results of the F test show an F-statistic value of 3.595944 with a significant level or a probability value of 0.000190 which means < 0.05, so it can be concluded

that independent variables (company size, capital intensity, sales growth and profit management) have a significant effect simultaneously (simultaneously) with the dependent variable (tax avoidance).

Test Results t (Partial)

Table 8 t-Test Results (Partial)

Dependent Variable: ETR
Method: Panel Least Squares
Date: 06/15/24 Time: 20:25
Sample: 2018 2022
Periods included: 5
Cross-sections included: 14
Total panel (balanced) observations: 70

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.737557	0.384524	4.518721	0.0000
SIZE	-0.051735	0.013089	-3.952528	0.0002
CI	0.018177	0.042399	0.428724	0.6699
SG	-0.015102	0.017941	-0.841762	0.4038
DAIT	0.004598	0.039413	0.116649	0.9076

Source: Results Output eviews 12 (2024)

Company size (X1)

The t-Statistic value is -3.952528 with a probability value of 0.0002 which means this value < 0.05, so it can be concluded that the size of the company has an effect on tax avoidance.

Capital intensity (X2)

The t-Statistic value is 0.428724 with a probability value of 0.6699 which means that this value > 0.05, so it can be concluded that capital intensity has no effect on tax avoidance.

Sales growth (X3)

The t-Statistic value is -0.841762 with a probability value of 0.4038 which means this value > 0.05, so it can be concluded that sales growth has no effect on tax avoidance.

Profit Management (X4)

The t-Statistic value is 0.116649 with a probability value of 0.9076 which means that this value > 0.05, so it can be concluded that profit management has no effect on tax avoidance.

Coefficient of Determination (R2)

Table 9 Determination Coefficient Test Results (R2)

R-squared	0.540356
Adjusted R-squared	0.390088
S.E. of regression	0.020920
Sum squared resid	0.022759
Log likelihood	181.7702
F-statistic	3.595944
Prob(F-statistic)	0.000190

Source: Results Output eviews 12 (2024)

Based on table 9 of the results of the determination coefficient test (R^2), it can be seen that the Adjusted R-squared value is 0.390088 or equivalent to 39%. This shows that the influence of independent variables (company size, capital intensity, sales growth and profit management) on the dependent variable (tax avoidance) is 39% while the remaining 61% (100% - 39%) is explained or influenced by other variables that are not included in the regression model.

Simultaneous Effects of Company Size, Capital Intensity, Sales Growth and Profit Management on Tax Avoidance

Based on the tests that have been carried out, it is known that the F-statistic value is 3.595944 with a significant level or probability value of 0.000190 which means < 0.05, so it can be concluded that the independent variables (company size, capital intensity, sales growth and profit management) have a significant effect simultaneously (simultaneously) with the dependent variable (tax avoidance).

The Effect of Company Size on Tax Avoidance

Based on the results of the hypothesis test, the size of the company has an effect on tax avoidance. This can be seen from the t-Statistic value of -3.952528 with a probability value of 0.0002 which means that this value is less than 0.05. The results of this study are in line with research conducted by Marta & Nofryanti (2023) stating that company size affects tax avoidance, but the results of this study are not in line with research conducted by Safitri & Wahyudi (2022) which states that company size has no effect on tax avoidance.

The Effect of Capital Intensity on Tax Avoidance

Based on the results of the hypothesis test, capital intensity has no effect on tax avoidance. This can be seen from the t-Statistic value of 0.428724 with a probability value of 0.6699 which means that this value is above 0.05. The results of this study are in line with research conducted by Safitri & Wahyudi (2022) states that capital intensity has no effect on tax avoidance, but this study is not in line with research conducted by Zufar & Arianti (2023) which states that capital intensity has a positive effect on tax avoidance.

The Effect of Sales Growth on Tax Avoidance

Based on the results of the hypothesis test, sales growth has no effect on tax avoidance. This can be seen from the t-Statistic value of -0.841762 with a probability value of 0.4038 which means that this value is greater than 0.05. The results of this study are in line with the research conducted by Tanjaya & Nazir (2021) stating that sales growth has no effect on tax avoidance, but this study is not in line with the research conducted by Marta & Nofryanti (2023) which states that sales growth has an effect on tax avoidance.

The Effect of Profit Management on Tax Avoidance

Based on the results of the hypothesis test, profit management has no effect on tax avoidance. This can be seen from the t-Statistic value of 0.116649 with a probability value of 0.9076 which means that this value is greater than 0.05. The results of this study are in line with research conducted by Ningsih & Purwasih (2023) which states that profit management has no effect on tax avoidance, but this study is not in line with research conducted by Wardani et al., (2019) which states that profit management has a positive effect on tax avoidance.

CONCLUSION

This study generally aims to obtain empirical evidence related to the Influence of Company Size, Capital Intensity, Sales Growth and Profit Management on Tax Avoidance practices in Consumer Non-Cyclicals companies with food and beverage sub-sectors listed on the Indonesia Stock Exchange (IDX) for the 2018 – 2022 period. Based on the research that has been conducted, it is concluded that company size, capital intensity, sales growth and profit management have a significant effect simultaneously (simultaneously) on tax avoidance, company size has an effect on tax avoidance, while capital intensity, sales growth and profit management have no effect on tax avoidance.

Suggestion

The author hopes that companies will not commit tax evasion because the largest state revenue comes from taxes which will also be used for the prosperity of the people, and

researchers are then expected to use different sectors from researchers and look for other factors that can affect tax avoidance.

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