



THE INFLUENCE OF SALES GROWTH AND CAPITAL INTENSITY ON TAX AGGRESSIVENESS WITH INVENTORY INTENSITY AS A MODERATING VARIABLE

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Abstract

This research aims to empirically prove the influence of sales growth and capital intensity on tax aggressiveness, with inventory intensity as a moderating variable. The independent variables used in this research are sales growth and capital intensity, while the dependent variable is tax aggressiveness, and inventory intensity serves as the moderating variable. The population of this research consists of Consumers Non-Cyclicals sector companies listed on the Indonesia Stock Exchange from 2018 to 2022. The sample selection method is purposive sampling, yielding 12 companies or 60 observation samples. The data used are secondary data in the form of audited annual financial statements of each company. This research use Quantitative data analysis methods and associative problem formulation methods with causal relationships are used with the aid of E-views 12 software. The results indicate that sales growth and capital intensity simultaneously effect on tax aggressiveness. Partially, sales growth has a effect on tax aggressiveness, while capital intensity does not have a effect on tax aggressiveness. Additionally, the results indicate that inventory intensity does not moderate (weaken) the effect of sales growth on tax aggressiveness, nor does it moderate (weaken) the effect of capital intensity on tax aggressiveness.

Keywords: Capital intensity, Inventory intensity, Sales growth, Tax aggressiveness.

INTRODUCTION

Indonesia has many sources of income to support the development and progress of the country, one source of income is from the tax sector. According to Rista et al. (2022), taxes are a source of income for the State to support various financing including State development. Taxes remitted from taxpayers are used by the Government in implementing the State's responsibilities for many sectors of life in order to achieve prosperity for Indonesia (Neno & Irawati, 2022).

According to Law no. 7 of 2021 concerning Harmonization of Tax Regulations "tax is a mandatory contribution to the State that is owed by an individual or entity that is coercive based on the law, without receiving direct compensation and is used for State needs for the greatest prosperity of the people." From this explanation, it is known that tax is a coercive contribution, because of its coercive nature, no obligee is willing to pay the tax, plus there is no immediate reward received by them. Apart from its coercive nature which causes taxpayers to be reluctant to pay taxes, taxes are also considered a burden which can reduce net profit. This causes taxpayers to tend to take advantage of tax loopholes to minimize tax payments, namely by tax planning or tax aggressiveness (Febriana & Pratiwi, 2023).

The practice of tax aggressiveness is certainly detrimental to the State, where the State experiences obstacles in tax collection which are triggered by taxpayers who carry out acts of tax aggressiveness, plus the Covid-19 pandemic attacks Indonesia which causes restrictions on community activities. So the Government is trying to support the country's economic growth by providing tax incentives to business actors. One of the industrial sectors that takes advantage of the tax incentive program is non-cyclical consumer industrial companies (hereinafter referred to as primary consumer goods) which provide basic needs products, whether food, drinks or household products so that they will always be needed in people's daily lives.

The significant contribution of household consumption is a factor in increasing economic growth, where household consumption comes from the products of industrial companies in the primary consumer goods sector. This indicates a trend of improvement in



industrial companies in the primary consumer goods sector as an engine for domestic economic growth. Behind the large growth of industrial companies in the primary consumer goods sector, there is a large potential for state tax revenues, considering the large number of taxes collected from companies, including PPh, VAT and regional taxes. So there is a greater indication that companies are taking tax aggressive steps. Tax aggressiveness has an impact on achieving the State tax revenue targets set by the Ministry of Finance.

Companies as taxpayers have the aim of achieving maximum profits, so that the imposition of taxes on companies is considered as one of the burdens in company operations which affects the growth of profits or profits obtained by company management. According to Fanny & Hidayati (2022), the tax burden borne by companies requires good planning, so tax planning is needed so that company goals are achieved in obtaining optimal company profits. Fatkhurrozi dan Kurnia (2021), explain that tax aggressiveness is part of tax planning, which can be done legally through tax avoidance or illegally through tax evasion.

Several researchers state that tax aggressiveness is influenced by several factors. However, the author will only explain several factors which will be illustrated through the following table which shows the development of average ratios including tax aggressiveness, sales growth, capital intensity, and inventory intensity in primary consumer goods industry companies listed on the Indonesia Stock Exchange (BEI) in 2018-2022.

Table 1 Development of Average Ratio of Industrial Companies in the Consumer Non-Cyclicals Sector Listed on the Indonesian Stock Exchange (BEI) 2018-2022 (in%)

Description	Year				
	2018	2019	2020	2021	2022
<i>Tax aggressiveness (Y)</i>	20,5	18,77	17,18	18,14	19,42
<i>Sales growth (X1)</i>	7,61	5,48	0,83	17,41	13,89
<i>Intensitas Modal (X2)</i>	36,28	37,24	35,15	34,18	33,27
<i>Inventory intensity (Z)</i>	25,2	29,55	22,93	22,23	28,12

Source: Financial report data processed by the Author, 2024

From this table, it is explained that tax aggressiveness in industrial companies in the primary consumer goods sector in 2019 decreased compared to 2018 from 20.50% to 18.77% or decreased by 1.73%. In 2020 there was a significant decrease compared to 2019 from 18.77% to 17.18% or a decrease of 1.58%. In 2021 there has been an increase compared to 2020, from 17.18% to 18.14% or an increase of 0.95%. In 2022 it will increase again compared to 2021 from 18.14% to 19.42% or an increase of 1.28%,

Sales growth decreased in 2019 compared to 2018 from 7.61%, increasing to 5.48% or decreasing by 2.12%. In 2020 there was another decline compared to 2019, from 5.48% to 0.83% or a decrease of 4.66%. However, in 2021 there was a significant increase compared to 2020, from 0.83% to 17.41% or an increase of 16.59%. Then in 2022 there will be a slight decrease compared to 2021 from 7.41% down to 19.42% or a decrease of 3.52%. If it is related to the tax aggressiveness variable, it can be seen that if sales growth increases then tax aggressiveness decreases except in 2022, where sales growth decreases but tax aggressiveness increases. This could be due to other factors, one of which is an adjustment to last year due to the opening of restrictions on community activities so that sales growth increases significantly in 2021.

Then capital intensity in 2019 increased compared to 2018 from 36.28% to 37.24% or an increase of 0.96%. In 2020 there was a decrease compared to 2019 from 37.24% down to 35.15% or a decrease of 2.09%. In 2021, it again experienced a slight decrease compared to 2020, namely from 35.15% to 34.18% or a decrease of 0.96%. In 2022, it will again experience a decline compared to 2021 from 34.18% down to 33.27% or a decrease of 0.92%. If it is related to the tax aggressiveness variable, there appears to be an inconsistency between capital intensity



and tax aggressiveness, this could be because the company's capital must be managed well due to the pressure of the Covid-19 pandemic in 2019, especially in terms of the use of fixed assets.

Lastly, inventory intensity where in 2019 increased compared to 2018 from 25.20% to 29.55% or an increase of 4.35%. However, in 2020 it decreased compared to 2019 from 29.55% to 22.93% or a decrease of 6.62%. In 2021 there was another decline, although not significant compared to 2020, from 22.93% to 22.23% or a decrease of 0.70%. Then in 2022 there will be a significant increase compared to 2021 from 22.23% to 28.12% or an increase of 5.89%. If it is related to the tax aggressiveness variable, it can be seen that if inventory intensity decreases then tax aggressiveness increases, and vice versa, except in 2022 where inventory intensity increases and tax aggressiveness increases too. This increase was due to increased management of inventory by management, where in 2018 to 2019 there were inconsistent comparison results between inventory and tax payments. So that in 2022 the company will utilize this inventory, where increasing inventory creates expenses that can be used to increase ETR.

Factors that can influence tax aggressiveness include sales growth, capital intensity and inventory intensity. The first factor that influences tax aggressiveness is sales growth, where the results of research conducted by Suhendi & Samara (2023) namely that sales growth has a significant influence on tax aggressiveness. Likewise, the results of research by Permatasary & Setiawan (2023), Christina & Wahyudi (2022) and Fatkhurrozi & Kurnia (2021) show that sales growth has a negative influence on tax aggressiveness. However, these results are not in line with research by Fanny & Hidayati (2022) and Rista et al. (2022) with the results that sales growth is not affected by tax aggressiveness.

Capital intensity is the second factor, where this variable can explain how the company manages the amount of capital invested in fixed assets (Prayogi & Yudawirawan. 2021). Where research conducted by Rohman dan Safi'i (2022), Rista et al. (2022) and Prayogi dan Yudawirawan (2021) show results that capital intensity influences tax aggressiveness. Likewise, research conducted by Fatkhurrozi dan Kurnia (2021), shows that capital intensity has a negative effect on tax aggressiveness. Meanwhile, research conducted by Suhendi dan Samara (2023), Fanny dan Hidayati (2022), Christina dan Wahyudi (2022) and Neno dan Irawati (2022) shows different results, namely that tax aggressiveness is not influenced by capital intensity.

The final factor is inventory intensity which also plays a role in tax aggressiveness. The results of research by Suhendi dan Samara (2023), Febriana dan Pratiwi (2023), Permatasary dan Setiawan (2023) and Rohman dan Safi'i (2022) show that there is an influence of inventory intensity on tax aggressiveness. Likewise research by Christina dan Wahyudi (2022), where the results are that capital intensity has a negative effect on tax aggressiveness. But on the other hand, research by Rista et al. (2022) and Prayogi dan Yudawirawan (2021) show different results, where there is no influence between capital intensity and tax aggressiveness.

The research that will be carried out is different from previous research, namely that the author changes inventory intensity into a moderating variable to see whether the inventory held by the primary consumer goods industry can strengthen or weaken the relationship between practices that trigger tax aggressiveness. Another difference is the year of research, where this research uses 2018. -2022. Based on the description of the problem formulation above, the objective of the research carried out is to test and analyze the influence of the sales growth and capital intensity variables simultaneously on tax aggressiveness, to test and analyze the influence of the sales growth variable partially on tax aggressiveness, to test and analyze the influence The capital intensity variable partially affects tax aggressiveness, to test and analyze the inventory intensity variable which can moderate the relationship between the sales growth variable and tax aggressiveness, to test and analyze the influence of the inventory



intensity variable which can moderate the relationship between the capital intensity variable and tax aggressiveness.

LITERATURE REVIEW

Agency Theory

According to Jensen and Meckling (1976:5) agency theory explains that an agency relationship is a contract in which one or more people (owners) involve other people (agents) to perform a service for the owner which involves delegating decision-making authority to the agent. From this understanding, it is explained that in agency theory, there is a relationship or contract between the principal who is the shareholder and the agent or manager who manages the company with the aim of maximizing profits (Permatasary dan Setiawan, 2023). In agency theory, there is a conflict of interest between principles as shareholders and agents as management, this is because management tends to act in accordance with personal interests, such as in profit maximization strategies carried out by legal and illegal means. Including the act of tax aggressiveness is part of this conflict, where the company as an agent tries to pay as little tax as possible to increase profits, while the Government as the principal wants as much tax revenue as possible to maximize State revenue from taxes as the main source of income.

Tax aggressiveness

Tax aggressiveness is an action taken by a company to reduce the tax burden through tax planning, whether through legal or illegal methods (Suhendi dan Samara, 2023). According to Fanny dan Hidayati (2022) the tax burden borne by companies requires proper planning, therefore tax planning is needed to achieve optimal company profits. However, not all companies dare to take a tax aggressive strategy. Febriana dan Pratiwi (2023) explain that companies carry out tax aggressiveness by carrying out tax planning practices, either in ways that are classified as legal (tax avoidance) or illegal (tax evasion). Tax aggressiveness is a more specific action, which includes transactions with the main aim of reducing the company's tax burden (Prayogi dan Yudawirawan. 2021). This is because taxpayers view tax as a burden that can reduce the amount of profit generated by the company.

Sales growth

Sales growth is a change in sales volume from one year to the next which is reflected in sales trends that continue to increase or decrease from year to year (Fatkhurrozi dan Kurnia, 2021). Where sales growth is calculated by comparing sales at the end of the year minus last year's sales divided by last year's sales. Rista et al. (2022) explains that sales growth is an important factor in working capital management, where when sales growth increases, the company increases its operational capacity because with increased sales growth, the company will obtain optimal profits. However, the increase in company profits results in an increase in the company's tax burden. According to Fanny dan Hidayati (2022), companies with high profit growth tend to avoid taxes because high profits will result in a large tax burden. This will trigger companies to practice tax aggressiveness to reduce large taxes due to increased sales growth.

Capital intensity

Capital intensity is a company's investment-related activities where the investment is in the form of fixed assets (Suhendi dan Samara, 2023). Neno dan Irawati (2022) state that capital intensity is a company's investment activities carried out in the form of company fixed assets by using more funds for the company's operational activities to obtain maximum profits. Fixed assets are one of the asset categories included in the company's report of financial position. When recording financial reports, high ownership of fixed assets will also cause high depreciation expenses, because each fixed asset will be depreciated or depreciated. So if a company has fixed assets, they must recognize depreciation costs or depreciation expenses because fixed assets have a depreciation value over the period of use, where the depreciation



value is an expense account that can reduce the tax burden on the financial statements. Companies with high capital intensity tend to have low effective tax rates, encouraging them to implement tax aggressiveness strategies.

Inventory intensity

Febriana dan Pratiwi (2023) explain that inventory intensity reflects how the company allocates its investment in the form of inventory to the company's total assets. Rista et al. (2022) also states that in financial reports, inventory is part of the current assets owned by the company, where the inventory is used by the company in order to sustain the company's operations. A company's ability to manage its inventory investment is described by the number of times inventory turnover is carried out in a certain period. Inventory intensity is one of the current assets which is calculated by comparing the total value of the company's inventory with the total value of the assets it owns (Permatasary dan Setiawan, 2023). Rohman dan Safi'i (2022) explain that the more inventory a company has, the greater the maintenance and storage burden arising from that inventory. The burden of maintaining and storing inventory will cause a reduction in company profits which will in turn reduce the tax costs that must be paid by the company, thereby encouraging companies to be more aggressive (Prayogi dan Yudawirawan, 2021).

Details related to operational variables in this research consist of variable information, measurement indicators, and data scale can be seen in the following table:

Table 2 Operational Research Variables

No.	Variable	Measurement Indicator	Scale
1	<i>Tax aggressiveness (Y)</i> <i>Fatkhurrozi dan Kurnia (2021)</i>	<i>ETR</i> = $\frac{\text{Tax costs}}{\text{Income Before Tax Sales}}$	Ratio
2	<i>Sales growth (X1)</i> <i>Permatasary dan Setiawan (2023)</i>	<i>Sales growth</i> = $\frac{\text{Sales (t) - Sales (t-1)}}{\text{Sales (t-1)}}$	Ratio
3	<i>Capital Intensity (X2)</i> <i>Prayogi dan Yudawirawan (2021)</i>	<i>Capital intensity</i> = $\frac{\text{Total Fixed Assets}}{\text{Total Assets}}$	Ratio
4	<i>Inventory intensity (Z)</i> <i>Rohman dan Safi'i (2022)</i>	<i>Inventory intensity</i> = $\frac{\text{Total Inventory}}{\text{Total Assets}}$	Ratio

Source: Data processed by the Author (2024)

Hypothesis

According to Fatkhurrozi dan Kurnia (2021), if a company's sales level increases from the previous year, then the company's profits will also increase. So if the sales growth comparison value is higher, then the sales level at the company will also be better (Fatkhurrozi dan Kurnia, 2021). The more income a company earns, the greater the tax burden that must be paid (Rista et al., 2022). The large amount of income from sales owned by a company directly increases the tax burden they have to pay. Fanny dan Hidayati (2022) explain that companies with high profit growth tend to take tax avoidance actions because large profits will also cause a large tax burden. Christina dan Wahyudi (2022) state that companies with high profits will also bear a high tax burden, so they will tend to look for ways to reduce the taxes they have to pay and increase the possibility of practicing tax aggressiveness.

Suhendi dan Samara (2023) say that capital intensity shows how a company's ability to manage fixed assets efficiently to generate sales. Fixed assets are one of the company's assets which have an impact on reducing the company's income, this is because all fixed assets experience depreciation which becomes a burden for the company (Neno dan Irawati, 2022). The increase in profits resulting from the level of sales and investment in fixed assets carried out by the company will indicate that management as an agent will act to carry out tax aggressiveness (Fanny dan Hidayati, 2022). Where agency theory explains that shareholders act as principals who hope to get high profits but still follow tax laws and regulations. On the other hand, company management acts as an agent who tries to pay the minimum amount of tax possible in order to maximize profits (Rohman dan Safi'i, 2022).



One of the tax aggressive strategies carried out by companies is to utilize inventory, where inventory will incur maintenance and storage costs, which can be considered a burden and reduce company profits (Christina dan Wahyudi, 2022). This burden has an impact on reducing company profits, as well as reducing the tax burden that the company must pay (Prayogi dan Yudawirawan. 2021). So companies must maximize the intensity of their inventory so that it is not stored in the warehouse for a long time. Therefore, company management will tend to take steps to reduce the tax burden that will be paid more aggressively.

Based on previous research, the hypothesis that is the basis for this research is as follows:

- H₁: It is suspected that the Sales Growth and Capital Intensity variables simultaneously influence Tax Aggressiveness.
- H₂: It is suspected that the Sales growth variable has a partial effect on Tax aggressiveness.
- H₃: It is suspected that capital intensity has a partial effect on tax aggressiveness.
- H₄: It is suspected that Inventory intensity is able to moderate (strengthen) the influence of Sales growth on Tax aggressiveness.
- H₅: It is suspected that Inventory intensity is able to moderate (strengthen) the influence of Capital Intensity on Tax Aggressiveness.

METHODS

This research uses a quantitative method with the data analysis technique used is quantitative and uses an associative problem formulation method with causal relationships. By applying quantitative methods, this research uses scientific methods based on empirical facts. The population in this research is all industrial companies in the primary consumer goods sector listed on the Indonesia Stock Exchange (BEI) in 2018-2022. The research location was carried out at industrial companies in the primary consumer goods sector listed on the Indonesia Stock Exchange (BEI) in 2018-2022 using financial reports and annual audit reports which are available online at www.idx.co.id as well as the official websites of each. each of these companies. Where in sampling the author used a purposive sampling technique.

By using purposive sampling techniques, relevant and representative samples were selected for research. The total population was found to be 112 companies, then after using this method the author obtained a sample of 12 companies or 170 observation samples. Then from the selected sample, as many as 22 companies experienced outliers and the outlier process was assisted by Microsoft Excel 2019 software and these companies experienced outliers because they had extreme values for the research variables so that the remaining 12 companies or 60 observation samples after outliers were carried out.

The data analysis process in this research will be assisted by computer software, namely Microsoft Excel 2019 software and Econometric Views (Eviews) version 12 software. Microsoft Excel 2019 is used to tabulate data that will be analyzed by Eviews software. Meanwhile, Econometric Views (Eviews) version 12 software is multivariate data analysis and econometric software which has the ability to process various types of data such as cross-sections, time series and panel data. In this research, descriptive statistics are used to determine the effect of sales growth and capital intensity on tax aggressiveness with inventory intensity as a moderating variable. The purpose of descriptive statistical analysis is to find out a general picture of the distribution of data in research and a description of tax aggressiveness, sales growth, capital intensity and inventory intensity.



RESULTS AND DISCUSSION

Descriptive Statistical Analysis

Based on the data listed below, it can be concluded that the results of the analysis using descriptive statistics for all variables are as follows:

Tax aggressiveness variable (Y)

In Tax aggressiveness (Y), the lowest (minimum) value is 0.021011 owned by PT Smart Tbk. in 2019 and the highest (maximum) value was 219.1448 owned by PT Buyung Poetra Sembada Tbk. in 2022, with an average value (mean) of 25.60605 and a standard deviation value of 18.83480.

Sales growth variable (X1)

In Sales growth (X1), the lowest (minimum) value is -46.51597 owned by PT Multi Bintang Indonesia Tbk. in 2020 and the highest (maximum) value is 50.40257 owned by PT Sekar Bumi Tbk. in 2020, with an average value (mean) of 9.044477 with a standard deviation value (standard deviation) of 15.07979.

Intensitas Modal variable (X2)

In terms of capital intensity (X2), the lowest (minimum) value is 1.385327 owned by PT Millennium Pharmacon International Tbk. in 2022 and the highest (maximum) value is 76.22470 owned by PT Sariguna Primatirta Tbk. in 2021, with an average value (mean) of 35.22283 and a standard deviation value (standard deviation) of 18.98009.

Inventory intensity variable (Z)

In Inventory intensity, the lowest (minimum) value is 1.482261 owned by PT Nippon Indosari Corpindo Tbk. in 2018 with the highest (maximum) value of 55.80549 owned by PT Gudang Garam Tbk. in 2018. The average value (mean) is 18.80121, while the standard deviation value (standard deviation) reaches 1.482261.

Table 3 Descriptive Statistical Test Results

Date: 03/03/24 Time: 14:11
Sample: 2018 2022

	Y	X1	X2	Z
Mean	25.60605	9.044477	35.22283	18.80121
Median	22.86771	8.992990	33.82302	16.17649
Maximum	219.1448	50.40257	76.22470	55.80549
Minimum	0.021011	-46.51597	1.385327	1.482261
Std. Dev.	18.83480	15.07979	18.98009	12.41567
Skewness	7.128412	-0.046253	0.105314	0.905589
Kurtosis	69.21307	4.167995	2.194242	3.351327
Jarque-Bera	32494.28	9.723794	4.913067	24.11024
Probability	0.000000	0.007736	0.085732	0.000006
Sum	4353.029	1537.561	5987.882	3196.206
Sum Sq. Dev.	59952.67	38430.59	60881.22	26051.15
Observations	170	170	170	170

Source: Eviews-12 Output, 2024

Estimation and Selection of Panel Data Regression Models

There are three (3) panel data regression models, namely the Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (REM). So the first thing to do is choose one of the three models, with appropriate reasons and explanations. After selecting the panel data regression model, the regression model selected is the Fixed Effect Model (FEM) because it is more suitable. Following are the results of the model selection:

Table 4 Results from Selection of Panel Data Regression Model

Model selection method	Test Results (Probability)	Selected Model
Chouw Test	0,0000	Fixed Effect



Hausmant Test	0,0071	Fixed Effect
Langrange Multiplier Test	-	-

Source: Eviews-12 Output, 2024

Classic assumption test

In this research, the Jarque-Bera test method was used to test normality. Detection of multicollinearity between independent variables was carried out by referring to a standard tolerance value of 0.80. The autocorrelation test was carried out using the Dubin-Waston method (DW test). As well as the heteroscedasticity test using the Glesjer test.

Table 5 Classic Assumption Test Results

Test Type	Test Results (Probability)	Explanation of Test Results
Normality test	0,0913046 > 0,05	Data is normally distributed
Multicollinearity Test	0,249828 and 0,010851 and 0,138497 > 0,80	Data is free from multicollinearity
Autocorrelation Test	-1,6518 < 1,996423 < 2,3482	Data is free from autocorrelation
Heteroscedasticity Test	0,0824 > 0,05	Data is free from heteroscedasticity

Source: Data processed by the author, 2024

Panel Data Linear Regression Analysis

After the author carried out the Chow test and Hausman test and the results showed that the Fixed Effect Model (FEM) was the most appropriate model for analyzing panel data linear regression.

Table 6 Linear Regression Analysis of Panel Data

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	10.66338	4.298496	2.480724	0.0169
X1	0.149827	0.069943	2.142130	0.0376
X2	0.100976	0.117568	0.858870	0.3950
Z	0.308936	0.196698	1.570615	0.1233

Source: Eviews-12 Output, 2024

The regression equation is as follows:

$$\text{Tax aggressiveness} = 10,66338 + 0,149827X1 + 0,100976X2 + 0,308936Z + \varepsilon$$

The meaning of the numbers mentioned above indicates that in conditions where the coefficient value of the independent variable has a significant influence, namely it is characterized by a significance value of less than 5% (0.05), the following is an explanation regarding these numbers: (1) The coefficient value is 10.66338, meaning that if sales growth, capital intensity and inventory intensity are 0, then the value of tax aggressiveness is 10.66338. (2) The regression coefficient value of sales growth is 0.149827, so every time there is an increase in sales growth by 1 or one unit, tax aggressiveness will increase by 0.149827 units, assuming that the other independent variables have constant values. (3) The regression coefficient value of capital intensity is 0.100976, so every time there is an increase in capital intensity by 1 or unit, it will increase tax aggressiveness by 0.100976 units, assuming that the other independent variables have constant values. (4) The regression coefficient value of inventory intensity is 0.308936, so every time there is an increase in inventory intensity, it will reduce tax aggressiveness by 0.308936.

Coefficient of Determination Test (R2)

According to Ghozali and Ratmono (2018:55), the coefficient of determination is used to measure the extent to which the model's ability is able to explain variations in the dependent variable. Where the R2 value has an interval between 0 (zero) to 1 (one) ($0 \leq R2 \leq 1$). If the R2 value has the largest value (close to 1), it shows that the independent variable has a large ability to explain variations in the dependent variable.



Table 7 Coefficient of Determination Test Results (R2)

Source: Eviews-12 Output, 2024

It can be seen that the Adjusted R2 value obtained from this test is 0.686752. Which means that it shows the ability of the independent variables in this research, namely sales growth and capital intensity, as well as the moderating variable, namely inventory intensity, which is able to clarify its influence on the dependent variable, namely tax aggressiveness, which is worth 68.6742%, the remaining percentage value of Adjusted R2 is 31.3258 %, indicating that

R-squared	0.761082	Mean dependent var	21.76284
Adjusted R-squared	0.686752	S.D. dependent var	5.761288
S.E. of regression	3.224509	Akaike info criterion	5.391756
Sum squared resid	467.8856	Schwarz criterion	5.915342
Log likelihood	-146.7527	Hannan-Quinn criter.	5.596560
F-statistic	10.23924	Durbin-Watson stat	1.162607
Prob(F-statistic)	0.000000		

it can be explained by other variables not used in the study.

Hypothesis testing

F Test (Simultaneous Test)

The requirements for the F test are if the F-statistic prob value is < 0.05 , the conclusion is that the selected panel data regression model is suitable for use, which means that the independent variables jointly influence the dependent variable and if the F-statistic prob value is > 0.05 , the conclusion is that the regression model is not feasible to estimate, which means that together there is no significant influence of the independent variables on the dependent variable. From these criteria, a basis for decision making is used which relies on a comparison of F-count with F-table. If $F\text{-count} < F\text{-table}$, it means H_0 is accepted and H_a is rejected, conversely if $F\text{-count} > F\text{-table}$, it means H_0 is rejected and H_a is accepted.

Table 8 F Test Results (Simultaneous Test)

R-squared	0.761082	Mean dependent var	21.76284
Adjusted R-squared	0.686752	S.D. dependent var	5.761288
S.E. of regression	3.224509	Akaike info criterion	5.391756
Sum squared resid	467.8856	Schwarz criterion	5.915342
Log likelihood	-146.7527	Hannan-Quinn criter.	5.596560
F-statistic	10.23924	Durbin-Watson stat	1.162607
Prob(F-statistic)	0.000000		

Source: Eviews-12 Output, 2024

H1: It is suspected that the Sales Growth and Capital Intensity variables imultaneously influence Tax Aggressiveness.

These results show the prob value (F-statistic) which is 0.0000, which is less than 0.05 ($0.0000 < 0.05$) and the F-statistic value is 10.23924 which is higher than the F-table value which is 3.16 or ($10.23924 > 3.16$), so that H1 is accepted and H0 is rejected, which means that the variables sales growth (X1) and capital intensity (X2) together simultaneously influence tax aggressiveness.

In agency theory, Permatasary dan Setiawan (2023) say that, in maximizing profits, managers as agents make it possible to use various methods to achieve this goal, both by legal means and by illegal means which can harm many parties. This indicates that the increase in profits resulting from the level of sales and investment in fixed assets carried out by the company will indicate that management as an agent will act to carry out tax aggressiveness (Fanny dan Hidayati, 2022). So management as a company agent will tend to take aggressive action regarding the tax burden that must be paid, due to increasing profits from sales activities and investment in fixed assets.



t Test (Partial Test)

The conditions for the t test are if the t-calculated prob value is less than 0.05 (Prob < 0.05), meaning that the independent variable has a significant effect on the dependent variable and if the t-calculated prob value exceeds 0.05 (Prob > 0.05), meaning that the independent variable does not have a significant influence on the dependent variable. The basis for making decisions regarding these criteria is that if the t-count is smaller than the t-table, then Ho is accepted and Ha is rejected and if the t-count is greater than the t-table then Ho is rejected and Ha is accepted.

Table 9 Results of the t test (partial test)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	10.66338	4.298496	2.480724	0.0169
X1	0.149827	0.069943	2.142130	0.0376
X2	0.100976	0.117568	0.858870	0.3950
Z	0.308936	0.196698	1.570615	0.1233

Source: Eviews-12 Output, 2024

H2: It is suspected that the Sales growth variable has a partial effect on Tax aggressiveness.

The t-calculated result of Sales growth (X1) is 2.142130, this value exceeds the t-table value (2.142130 > 1.67203) with a probability value also less than 0.05 (0.0376 < 0.05), so that H0 is rejected and H2 is accepted. In conclusion, the sales growth variable partially has a significant influence on tax aggressiveness.

The positive sign of the sales growth variable indicates that there is a directly proportional correlation between the sales growth variable and tax aggressiveness. Where if sales growth increases then tax aggressiveness increases, conversely if sales growth decreases then tax aggressiveness decreases. This also indicates that industrial companies in the primary consumer goods sector are a strong and good sector, because if the comparative sales growth value is higher, then the sales level at that company will also be better (Fatkhurrozi dan Kurnia, 2021).

These results indicate that companies with high sales growth tend to take tax aggressiveness. This finding is also supported by agency theory which explains that aggressive actions by managers as company management regarding taxes are considered as actions or steps to avoid tax. tax burden to be paid. Christina dan Wahyudi (2022) state that companies with high profits will also bear a high tax burden, so they will tend to look for ways to reduce the taxes they have to pay and increase the possibility of practicing tax aggressiveness. Therefore, management can decide to take tax aggressive action to minimize the tax burden incurred or paid by the company (Suhendi dan Samara, 2023).

This result is directly proportional to the results of research by Suhendi dan Samara (2023), where it is explained that sales growth has a significant effect on tax aggressiveness. In line with the results of research conducted by Permatasary dan Setiawan (2023), Christina dan Wahyudi (2022) and Fatkhurrozi dan Kurnia (2021) which show that sales growth has a negative influence on tax aggressiveness.

H3: It is suspected that Capital Intensity has a parisional effect on Tax aggressiveness.

The t-calculation results show that capital intensity (X2) is 0.858870, this value is less than the t-table value (0.858870 < 1.67203) with a probability value exceeding the significance value of 0.05 (0.3950 > 0.05), so that H0 is accepted and H3 is rejected. In conclusion, partially the capital intensity variable has no effect on tax aggressiveness.

These results indicate that capital intensity is a predictor that cannot influence tax aggressiveness. Where Suhendi dan Samara (2023) say that capital intensity shows how the company's ability to manage fixed assets efficiently to generate sales. So that the use of fixed



assets in industrial companies in the primary consumer goods sector is carried out efficiently, because having a lot of fixed assets will also result in high maintenance costs and financial risks which will result in company profits being low due to the emergence of these expenses. Although in tax calculations the depreciation expense can be a cost that can reduce the company's income (Christina dan Wahyudi, 2022). However, the size of a company's fixed asset intensity value will not influence management to take aggressive action on taxes (Suhendi dan Samara, 2023).

Agency theory explains that the burdens that arise as a result of the company's investment in fixed assets trigger management as agents to tend to minimize profits by carrying out tax aggressiveness. However, there are differences in recording fixed assets and their depreciation, these differences are related to how fixed assets are treated by management. Where in commercial accounting there are many depreciation methods that cannot be recognized fiscally, resulting in calculation differences that cause fiscal corrections (Neno dan Irawati, 2022). So that when commercial accounting records depreciation costs can be recognized as a deduction from profits, they cannot be recognized fiscally so that this has an impact on the payment of tax burdens paid by management.

From the research results, it was concluded that primary consumer sector industrial companies listed on the Indonesia Stock Exchange (BEI) in 2018-2022 did not carry out tax aggressiveness in their financial reports. These results are in line with research by Suhendi dan Samara (2023), Christina dan Wahyudi (2022) and Neno dan Irawati (2022) which shows different results, namely that tax aggressiveness is not influenced by fixed asset intensity.

Moderated Regression Analysis (MRA) Test

The MRA test is a test with the aim of finding out the effect of Sales growth and Capital Intensity on Tax aggressiveness with Inventory intensity as a moderating variable, so linear analysis of panel data is needed on each of these variables.

Table 10 Results of Moderated Regression Analysis (MRA)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	10.12262	6.753604	1.498847	0.1412
X1	0.171723	0.135400	1.268266	0.2115
X2	0.106101	0.193539	0.548217	0.5864
Z	0.345376	0.523407	0.659862	0.5129
X1Z	-0.001266	0.006945	-0.182233	0.8563
X2Z	-0.000518	0.014825	-0.034947	0.9723

Source: Eviews-12 Output, 2024

$$Y = 10,12262 + 0,171723X1 + 0,106101X2 + 0,345376Z - 0,001266X1Z - 0,000518X2Z$$

The explanation of the data above is:

Coefficient value X1 (a2) = 0,171723 → not significant because > 0,05

Coefficient value X1Z (a2 second) = -0,001266 → significant because < 0,05

Coefficient value X2 (a3) = 0,106101 → not significant because > 0,05

Coefficient value X2Z (a3 second) = -0,000518 → significant because < 0,05

Based on table 10, the two moderators mentioned above are included in pure moderator (pure moderation), meaning that these variables are pure variables as moderating variables. According to Farid and Rahadi (2021), a pure moderator is a moderating variable that moderates the relationship between the independent variable and the dependent variable, where this moderating variable interacts with the independent variable directly, but is not part of the independent variable itself, so it is said to be pure variable.



Table 11 Moderation Test Results for Equation 1

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	12.36275	4.057132	3.047164	0.0039
X1	0.137399	0.118684	1.157693	0.2531
Z	0.403131	0.204881	1.967635	0.0553
X1Z	-0.001173	0.005781	-0.202844	0.8402

Source: Eviews-12 Output, 2024

H4: It is suspected that Inventory intensity strengthens the influence of Sales growth on Tax aggressiveness.

The results of the MRA moderation 1 test from the product of sales growth and inventory intensity show a significance value of 0.8402 exceeding 0.05 ($0.8402 > 0.05$) with a coefficient value of -0.001173. Where the t-count value is -0.202844 and the t-table value is 1.67203, which means the t-count is less than the t-table ($-0.202844 < 1.67203$). So that H0 is accepted and H4 is rejected, the conclusion is that the inventory intensity variable cannot moderate (weaken) the relationship between sales growth and tax aggressiveness.

These results indicate that industrial companies in the primary consumer goods sector have high sales levels so that the more inventory there is, the greater the expense incurred for maintenance and storage of that inventory. This burden has an impact on reducing company profits, as well as reducing the tax burden that the company must pay (Prayogi dan Yudawirawan. 2021). So the decrease in profits obtained by the company causes the tax burden that should be paid to be small.

Management as an agent in the company avoids aggressive actions regarding taxes due to the small tax burden, but there is a conflict because the principal accepts that the company's profits are small due to the burden of maintaining and storing inventory in the warehouse. These results are directly proportional to research related to inventory intensity and tax aggressiveness conducted by Rista et al. (2022), where the result is that there is no influence of inventory intensity on tax aggressiveness.

Table 11 Moderation Test Results for Equation 2

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	11.60033	5.429165	2.136670	0.0381
X2	0.012036	0.176114	0.068344	0.9458
Z	0.616115	0.373310	1.650412	0.1058
X2Z	-0.004464	0.012556	-0.355560	0.7238

Source: Eviews-12 Output, 2024

H5: It is suspected that Inventory intensity strengthens the influence of Sales growth on Tax aggressiveness.

The results of the MRA moderation 2 test from multiplying capital intensity and inventory intensity show a significance value of 0.7238 exceeding 0.05 ($0.7238 > 0.05$) with a coefficient value of -0.355560. Where the t-count value is -0.355560 and the t-table value is 1.67203, meaning the t-count is less than the t-table ($-0.355560 < 1.67203$). So that H0 is accepted and H5 is rejected, the conclusion is that the inventory intensity variable cannot moderate (weaken) the relationship between capital intensity and tax aggressiveness.

In agency theory, management chooses aggressive steps to reduce the tax burden, but in reality in companies there is limited capital provided by the principal. Management must choose options related to tax aggressiveness, one of which is having high fixed assets and high inventory purchases. According to Neno dan Irawati (2022), fixed assets are one of the assets that have an impact on reducing company income, this is because the company's fixed assets depreciate which can become a burden for the company.



The depreciation value arising from the company's fixed assets can reduce the tax burden on the financial statements. However, industrial companies in the primary consumer goods sector listed on the Indonesia Stock Exchange (BEI) in 2018-2022 in recognizing their fixed assets apply provisions based on tax regulations, which later do not carry out fiscal corrections to the recognition of fixed assets and their depreciation in annual tax calculations (SPT). So capital intensity has no effect on inventory intensity in implementing tax aggressiveness by the company. This statement is directly proportional to the research carried out (Prayogi dan Yudawirawan. 2021), where the result is that inventory intensity has no effect on tax aggressiveness.

CLOSING

Conclusion

The aim of the research carried out by the author is to examine the influence of Sales growth and Capital Intensity on Tax aggressiveness with Inventory intensity as a moderating variable, in industrial companies in the primary consumer goods sector on the Indonesia Stock Exchange (BEI) in 2018-2022. Where with the help of purposive sampling techniques, selected samples were obtained that met the criteria, namely 12 companies with a total data sample of 60 data. The conclusion from the results of this research is that sales growth and capital intensity simultaneously have a significant effect on tax aggressiveness. Sales growth partially has a significant effect on tax aggressiveness. Partial capital intensity has no effect on tax aggressiveness. Inventory intensity is unable to moderate (weaken) the influence of sales growth on tax aggressiveness. And inventory intensity is unable to moderate (weaken) the influence of capital intensity on tax aggressiveness.

Suggestion

It is hoped that the results of the research that has been carried out will provide an illustration of research regarding the influence of Sales Growth and Capital Intensity on Tax Aggressivity with Inventory Intensity as a Moderating Variable. The following are several suggestions that can be considered by future authors, namely that the next author hopes to expand the scope of research so that it is not focused only on primary consumer goods industrial companies on the Indonesia Stock Exchange (BEI), because there are still 12 other classifications of industrial companies that can be used in research. Apart from that, it can increase the observation period (years), so that the results obtained from the research are more optimal and able to describe current conditions. And the scientific research that has been carried out is able to provide benefits in science in the fields of Accounting, Tax or Finance.

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