The Effect of Good Corporate Governance, Profitability, Capital Intensity, and Leverage on Tax Avoidance During the Covid-19 Pandemic

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Abstract
This study aims to test and analyze the influence of good corporate governance proxied by indicators of independent commissioners (KI), institutional ownership (INST), Profitability (ROA), Capital Intensity (CI), and Leverage (DER) on Tax Avoidance during the Covid-19 pandemic. The dependent variable of this study is Tax Avoidance measured using ETR. This type of research is quantitative by using secondary data on annual financial statements. The population in the study amounted to 53 enterprises. Sampling using purposive sampling technique. Data analysis in this study uses quantitative analysis. The object of this study is a manufacturing company in the consumer goods industry sector listed on the Indonesia Stock Exchange in 2020-2021. Data analysis was carried out by classical assumption testing and hypothesis testing with multiple regression methods using the help of SPSS 25 software. The purpose of conducting this research is based on increasing competition from each company which requires companies to compete in improving achievements in the company. What distinguishes the study from the previous study is that this study uses data during the pandemic in 2020-2021. Where during the pandemic it has an influence on the Indonesian economic sector. There are several limitations experienced by researchers during the research process, namely in the data tabulation process and during the data processing process. Suggestions for similar research are recommended to test the Variable Tax Avoidance, with CETR (Cash Effective Tax Rate). The goal is to show the difference in results between the measurement of ETR (Effective Tax Rate) and the measurement of CETR (Cash Effective Tax Rate) and needs to add other variables that can allow it to provide results that are more influential on Tax Avoidance actions during a pandemic, for example Corporate Social Responsibility.
Keywords:Independent Board of Commissioners, Institutional Ownership, Profitability, Capital Intensity, Leverage, and Tax Avoidance, price earning ratio, profitability,Dividend Payout Ratio captital structure, company value, moderated
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1. INTRODUCTION

Tax avoidance is a transaction scheme carried out to reduce the amount of tax by taking advantage of tax loopholes in a country (Waluyo, 2017). Tax Avoidance is still the center of attention for all countries (Dr. Titi Muswati Putranti et al., 2015). The purpose of carrying out tax avoidance practices in companies is to reduce and ease the tax burden of a company by following the rules of the Tax Law. This can lead to a tax burden to be paid between a compliant taxpayer and a non-compliant taxpayer. Thus, the act of tax avoidance has an impact on reducing state tax revenues.

The industrial world in Indonesia is inseparable from the issue of tax avoidance. One of the phenomena carried out by one of the industrial consumer goods sector companies in the food and beverage sub-sector is PT Coca Cola Indonesia (CCI). PT CCI is alleged to have embezzled tax payments worth IDR 49.24 billion. From the search results of the Directorate General of Taxes (DGT), the Ministry of Finance found that in 2002-2006 there was a cost overrun, a large cost burden could cause taxable income to decrease so that tax payments shrank. The cost was used to create advertisements with a total cost of Rp 566.84 billion. Therefore, with the creation of such advertisements, it can be seen that there is a reduction in taxable income. According to the DGT, PT CCI's total taxable income in the period amounted to IDR 603.48 billion. Meanwhile, the calculation from PT CCI of taxable income is only IDR 492.59 billion. Judging from the difference, the DGT calculated that there was a shortage of income tax (PPh) from PT CCI of IDR 49.24 billion (www.ekonomi.kompas.com).

The manufacturing industry is one of the highest contributions in the midst of the Covid-19 pandemic. In 2021, the manufacturing sector still recorded a growth of 6.91% despite experiencing pressure from the Covid-19 pandemic. The Ministry of Industry also took part in coordinating local governments to monitor the operations of the industrial sector amid the Covid-19 (www.kemenperin.go.id) pandemic. The goal is to maintain economic conditions and ensure that companies continue to comply with health protocols. Viewed from the company's point of view, if the company implements health protocols, then in carrying out activities the company does not experience problems. Therefore, companies that want to increase and maintain the company's profits can run optimally. this is very unlikely that the company will experience a decrease in company performance if it implements health protocols in the company.

Judging from the current Covid-19 pandemic, the revenue generated by some companies has decreased and some have increased. There are many factors that influence the occurrence of tax avoidance practices, including the variables in this study, namely Good Corporate Governance which is proxied with the Independent Board of Commissioners and Institutional Ownership, Profitability, Capital Intensity, and Leverage. This research was conducted on the basis of increasing competition from each company which requires companies to compete and increase achievements in the company. The achievement that must be done by the company is to take tax avoidance actions with the aim of minimizing the company's tax burden. The gap between this study and the previous study is that there are differences from the results of the research on the variables of independent board of commissioners, fundamental ownership, profitability, capital intensity, and leverage on tax avoidance. The thing that distinguishes this research from several previous studies is in the company's sub-sector and in the year of its research which focuses on the Covid-19 pandemic. So the purpose of conducting this study is to find out whether the effect is on tax avoidance. Will this research have a positive or negative impact on the Industrial Sector Manufacturing Company during the Covid-19 pandemic.

Problem :

1. Does the GCG Proxied by the Independent Board of Commissioners Have a Significant Effect on Tax Avoidance During the Covid-19 Pandemic?
2. Does GCG Proxied for Institutional Ownership Have a Significant Effect on Tax Avoidance During the Covid-19 Pandemic?
3. Does Profitability Have a Significant Effect on Tax Avoidance During the Covid-19 Pandemic?
4. Does Capital Intensity Have a Significant Effect on Tax Avoidance During the Covid-19 Pandemic?
5. Does Leverage Have a Significant Effect on Tax Avoidance During the Covid-19 Pandemic?

2. LITERATURE REVIEW

1. *Stakeholder Theory*

According to (Chariri & Ghozali, 2007:409) states that the stakeholder theory is a theory that states that a company is not an entity that only operates for its own interests, but must provide benefits to all its stakeholders (shareholders, creditors, consumers, suppliers, government, society, analysis, and other parties). (Freeman & McVea, 2001) states that a stakeholder is any group or individual that can influence or be influenced by the achievement of the company's goals. Meanwhile, according to (Clarkson, 1995) stakeholders are classified into two, namely first, primary stakeholders are parties who have an economic interest in the company and bear risks. Examples: investors, creditors, employees, government, local communities.

The main purpose of the stakeholder theory is to assist companies in increasing the value of creation as a result of the activities carried out and minimize losses that may arise for stakeholders. Stakeholder theory will explain the relationship between the company and its stakeholders. The company needs to disclose information about the environment within the company, with the aim that stakeholders' views on the company have good assumptions. The survival of the company depends on the support of stakeholders. From this explanation, the essence of the relationship between the variables in this study and the theory of stakeholders is that the increasing value of profits and company assets, the more stakeholders (shareholders) look at the company to invest and invest in the company.

2. *Tax Avoidance*

According to (Chairil Anwar, 2017) *Tax avoidance* is a legal and safe remedy for taxpayers, because this action is in line with tax rules that allow that the weaknesses of tax laws are used as loopholes by taxpayers to reduce their amount. Meanwhile, according to (Mardiasmo, 2018) said that *tax avoidance* is an effort made to ease the tax burden by not violating tax laws. Based on the understandingabove, it can be concluded that *tax avoidance* is an effort to manipulate income that is carried out legally, where the actions carried out are still in accordance with the provisions of tax laws with the aim of taking advantage of the weaknesses of tax regulations in order to reduce the tax burden as long as they do not violate applicable regulations.

3. Good Corporate Governance (GCG)

According to (Effendi, 2016) in his book *"The Power of Good Corporate Governance"* explained that the definition of GCG is a corporate governance system as a form of internal control and aims to manage the risks that occur in the company, so that this can meet the objectives of the company, this system is carried out by securing assets and increasing the value of investments in shareholders in a period of time long.

a.) Independent Board of Commissioners

According to (Financial Services Authority, 2017) Number 57/POJK.04/2017, an Independent

Commissioner is a member of the Board of Commissioners who comes from outside a Securities Company and meets the requirements as an independent commissioner as explained in the financial services authority regulations. Independent commissioners make up the proportion of the board of commissioners. In this case, the independent board of commissioners has a number of more than 2 (two) people, then the presentation of the number of independent commissioners must be at least 30% (thirty percent) of the total number of members of the board of commissioners.

b.) Institutional Ownership

(Enhardt and Brigham, 2011) states that institutional ownership has more power than individual investors who have few shares in the company, making it difficult to influence the company's operations and cannot monitor the company in depth. Meanwhile, according to (Thesarani, 2017) in his research explained that institutional ownership includes shares in companies owned by institutions or organizations.

4. Profitability

According to (Hery, 2018) the profitability ratio is a measure of an enterprise's ability to make a profit from normal business processes. Meanwhile, according to (Sutrisno, 2012) profitability is the company's ability to invest all its capital and make a profit. The result of profits in the company's financial performance is obtained from asset management, commonly known as Return On Assets (ROA).

5. Capital Intensity

Ross and Westerfield, (2010) in Corporate Finance show that capital intensity is what describes the extent to which a company's capital as an asset, whether current or non-current, is reflected in a ratio that shows the comparison between operating assets and the amount of income earned in a given period. According to (Wiguna & Jati, 2017) in his research explained that capital intensity is part of a company that invests its wealth in fixed assets. The ratio used in capital intensity is the ratio of total fixed assets to sales.

6. Leverage

According to (Hery, 2015 : 190) states that the solvency or leverage ratio is a ratio used to measure the extent to which a company's assets are covered by its liabilities. In other words, the solvency ratio is a ratio used to measure how much debt a company has to bear with the aim of meeting the value of the company's assets. Accordingto (Brigham & Houston, 2001) leverage can be defined as the extent to which fixed income in a company can be covered by the company's fixed costs used in a company's capital structure.

3. Conceptual Framework

1. Effect of Proportion of Independent Board of Commissioners on Tax Avoidance Action

The Independent Board of Commissioners is one of the most important parts of the company. The proportion of the board of commissioners in the management section is the highest level after shareholders. An independent board of commissioners also has an important role in implementing corporate governance, when the company has a legal responsibility to focus on corporate affairs in setting goals, developing comprehensive policies, and selecting top-level personalities. The presence of this independent board of commissioners can increase supervision on the company's performance. The more independent commissioners in the company, the more supervision in management will increase. Management in carrying out its duties has a motive to increase the net profit of the company. With the increase in net profit, it can cause bonuses for management. One of the ways carried out by management is by reducing tax costs, so that management will try to minimize the tax burden that must be paid by the company or what is commonly called tax avoidance (Tax Avoidance).

According to (Gunawan et al., 2021) in his research explained that the proportion of independent commissioners has a positive effect on *tax avoidance*. (Waluyo, 2017) in his research explained that the proportion of the board of commissioners negatively affects *tax avoidance*. Meanwhile, according to research (Tarmidi et al., 2020) explained that the board of commissioners has no effect on *tax avoidance*.

H_1 : The Board of Commissioners has a positive effect on *Tax Avoidance.*

2. The Effect of Institutional Ownership on Tax Avoidance Measures

Institutional ownership is the ownership of shares in companies owned by institutions and institutions at the end of the year measured by presentations. Institutional ownership can encourage a more optimal level of supervision, so that institutional ownership of the company can encourage the course of a company in minimizing conflicts between agencies and shareholders. In the presence of institutional investors can be considered as an effective mechanism of course of the company in any decision-making of managers. The presence of institutional ownership in the company greatly affects the course of the company, by having institutional ownership can optimize the supervision of company activities. The greater the institutional ownership owned by the company, it can minimize the occurrence of conflicts between the agency and shareholders, so that the utilization of company assets is expected to act as a prevention of waste and manipulation of profits to be carried out by management. This can affect management's actions in carrying out tax avoidance to take advantage of the company's profits.

According to (Widuri et al., 2019) explained in his research that institutional ownership negatively affects *tax avoidance*. Meanwhile, in the study (Ariawan & Setiawan, 2017) explained that institutional ownership has a positive effect on *tax avoidance*. According to research (Sari et al., 2020) explained that institutional ownership has no effect on *tax avoidance*.

H_2 : Institutional Ownership has a significant positive effect on *Tax Avoidance*.

3. The Effect of Profitability on Tax Avoidance Measures

According to (Cashmere, 2017:196) is a profitability ratio is a ratio used to assess a company's ability to seek profit from the company. The profitability ratio also gives the form of a measure at the level of effectiveness of management on the enterprise. According to (Dwiyanti & Jati, 2019) profitability is a performance measurement tool for management in managing company wealth which can be seen from the profit of a company. So that the higher the profitability of a company, the higher the company's profit that will be generated by the company. Companies that have high profitability will cause the company's desire to do tax avoidance, with the company having a high profit, the tax costs that will be paid are even greater. Thus, this can minimize the company's tax burden. The actions that will be taken are to maintain the stability of the company's profits and for the principal will be satisfied with the performance of the agent.

It can be seen from the results of the study (Sari et al., 2020) states that profitability has a positive effect on *tax avoidance*. However, in research (Budianti & Curry, 2018) has an explanation that profitability has a significant negative effect on *tax avoidance*. Meanwhile, according to research (Sunarto et al., 2021) the profitability variable does not affect *tax avoidance*.

H_3 : Profitability has a significant positive effect on *Tax Avoidance.*

4. The Effect of Capital Intensity on Tax Avoidance Measures

According to (Jusman & Nosita, 2020) capital intensity is an activity carried out by a company that will be associated with investment in the form of fixed assets. This capital intensity ratio can show the level of efficiency of the company in using assets to get sales results. Ownership of the company's fixed assets if there is a depreciation fee every year will be used by the company to make a reduction in tax payments. This depreciation fee will be used by management to minimize the company's tax burden. From this, it can be understood that, if the company's capital intensity is getting higher, it is possible for the company to carry out tax avoidance.

It can be seen from the research (Dwiyanti & Jati, 2019) states that capital intensity has a positive effect on tax avoidance. However, according to research (Rahmawati et al., 2021) states that the capital intensity variable does not affect tax avoidance. Meanwhile, according to (Wiguna & Jati, 2017) states that the capital intensity variable negatively affects tax avaoidance.

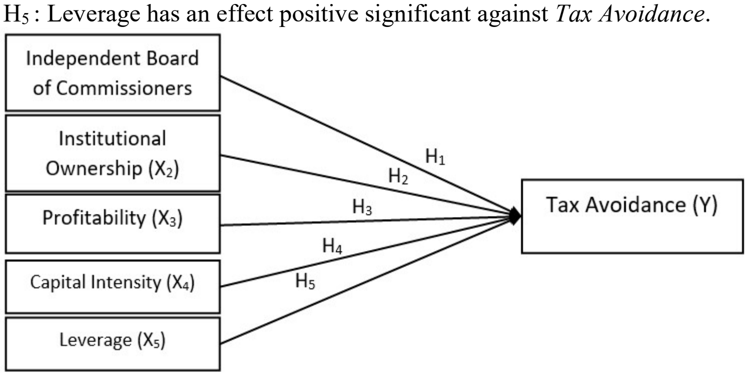
H_4 : Capital Intensity has a significant positive effect on *Tax Avoidance.*

5. The Effect of Leverage on Tax Avoidance Measures

According to (Putri & Putra, 2017) leverage is one of the measurement ratios used by companies to describe the relationship between the company's debt to capital and assets in the company. Leverage is one of the ways used by companies in financing activities sourced from company debt. This leverage ratio is used to compare the total cost of a company's debt with its capital. It is with other intentions that this ratio shows how much of the company's assets owned by shareholders will be compared with the assets of creditors. This leverage ratio is very helpful for management and investors to understand how high the risk of a company's capital structure is.

It can be seen from the research (Oktamawati, 2017) states that leverage has a positive effect on tax avoidance. But according to research (Darsani & Sukartha, 2021) states that the leverage variable has no effect on tax avoidance. Meanwhile, according to research, (Umar et al., 2021) leverage variables negatively affect tax avoidance.

H_5 : Leverage has an effect positive significant against *Tax Avoidance*.



4. RESEARCH METHODS

In this study, the type of data used was descriptive quantitative using secondary data. The design used in this study is a casual design, where in this study it aims to test hypotheses about the influence of independent variables on dependent variables. This study uses secondary data, where this research will focus on manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange (IDX) in 2020-2021. Financial statement data can be accessed through the official website, which is www.idx.co.id.

Operational variables are needed to determine the type of variables used in the study. And this process is also as determining the scale in the measurement of this study, then each of the variables using statistical aids that can be done correctly.

Variable Operational Table and Variable Measurement Methods

No.	Variable	Variable Operations	Measurement Scale
1.	Tax Avoidance (Y) *Source:* (Rist & Pizzica, 2014)	Effective Tax Rate (ETR) = $\frac{\text{Tax Burden}}{\text{Profit Before Tax}}$	Ratio
2.	Independent Board of Commissioners (X_1) *Source:* (Sari et al., 2020)	KI = $\frac{\text{Number of Independent Commissioners}}{\text{Number of All Members of the Board of Commissioners}}$	Ratio
3.	Institutional Ownership (X_2) *Source:* (Ariawan & Setiawan, 2017)	INST = $\frac{\text{Number of Institutional Shares}}{\text{Number of Shares Outstanding}}$	Ratio
4.	Profitability (X_3) *Source:* (Hery, 2016)	ROA = $\frac{\text{Net Profit}}{\text{Total Assets}}$	Ratio
5.	Capital Intensity (X_4) *Source:* (Zoebar & Miftah, 2020)	CI = $\frac{\text{Total Fixed Assets}}{\text{Total Assets}}$	Ratio
6.	Leverage (X_5) *Source:* (Cashmere, 2012)	DER = $\frac{\text{Total Liabilities}}{\text{Total Equity}}$	Ratio

Source: Processed by researcher, 2022.

$$\frac{MVE+Debt}{TA}$$

Population and Research Sample

In this study, the population is data on manufacturing companies in the consumer goods industry sector listed on the IDX, industrial sector manufacturing companies listed on the IDX at this time as many as 53 companies. The sample of this study was taken using the purposive sampling technique method. The purposive sampling technique is one of the non-random sampling techniques where in the study to determine the sample by determining specific characteristics that are in accordance with the research objectives, so as to answer what the problems of the study are. The criteria used in sampling this study are:

1. Manufacturing Company of Consumer Goods Industry Sector Listed on the Indonesia Stock Exchange.
2. Manufacturing Company of the Consumer Goods Industry Sector which has research financial report data for 2020-2021.

Research Samples

Information		Sum
Population: Consumer Goods Industry Sector Manufacturing Company Listed On Indonesia Stock Exchange		53
Sampling Based on Criteria:		
1.	Industrial Sector Manufacturing Companies Whose Financial Report Data Was Not Found.	(1)
Number of Companies That Meet the Criteria		52
Number of Samples (52 x 2 Years)		104

Source: Processed by researcher, 2022.

4. RESULTS AND DISCUSSION

A. RESULTS

Table 1 : Descriptive Statistical Test Results

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
ETR	104	.003	5.283	.31518	.553170
KI	104	.167	.750	.40880	.118736
INST	104	.301	.999	.77730	.150766
ROA	104	-.214	.600	.05846	.113621
CI	104	.165	.949	.54739	.201394
DER	104	.122	13.551	1.08370	1.506462
Valid N (listwise)	104				

Source: secondary data processed, 2022

Based on the results of the descriptive statistical calculation data above, it shows that (N) or the number of data in this study was 104 samples, namely

1. The Tax Avoidance variable measured using (ETR) has a minimum value of 0.003 from PT. Prima Cakrawala Abadi Tbk (PCAR) and a maximum value of 5,283 from Indofarma Tbk (INAF). The average value (mean) is 0.315 while the standard deviation value (data distribution) is 0.553. Based on these data, the standard deviation value (data distribution) is greater than the average value (mean). This shows that the data used in the ETR variable has a large data distribution. So that the data deviation on this ETR variable can be said to be not good or it can also be explained that the data in this ETR variable has some data that is too extreme.
2. The Independent Board of Commissioners variable measured using (KI) has a minimum value of 0.167 from Unilever Indonesia Tbk (UNVR) and a maximum value of 0.750 from PT. FKS Food Sejahtera Tbk (AISA). The average value (mean) is 0.409 while the standard deviation value (data distribution) is 0.119. This indicates that the average value (mean) is greater than the standard deviation. So that it shows that the results of this research data are quite good or there is no considerable gap from the lowest and highest values in the Independent Board of Commissioners variable.
3. The Institutional Ownership variable measured using (INST) has a minimum value of 0.301 from PT. Prima Cakrawala Abadi Tbk (PCAR) and a maximum value of 0.999 from Bentoel International Investama Tbk (RMBA). The average value (mean) is 0.777 while the standard deviation value (data distribution) is 0.151. This indicates that the average value (mean) is greater than the standard deviation. This shows that the results of this research data are quite good or there is no considerable gap from the lowest and highest values in the Institutional Ownership variable.
4. The Profitability variable measured using (ROA) has a minimum value of - 2.14 from Bentoel International Investama Tbk (RMBA) and a maximum value of 0.600 from PT. FKS Food Sejahtera Tbk (AISA). The average value (mean) is 0.058 while the standard deviation value (data distribution) is 0.114. This shows that the data used in the ROA variable has a large data distribution. So that the data deviation on this ROA variable can be said to be not good or it can also be explained that the data in this ROA variable has some data that is too extreme.
5. The Capital Intensity variable measured using (CI) has a minimum value of 0.165 from PT. Pt. Palma Serasih Tbk (PSGO) and a maximum value of 0.949 from PT. Hartadinata Abadi Tbk (HRTA). The average value (mean) is 0.548 while the standard deviation value (data distribution) is 0.201. This indicates that the average value (mean) is greater than the standard deviation. So it shows that the results of this research data are quite good or there is no considerable gap from the lowest and highest values in the Capital Intensity variable.
6. In the variable Leverage measured using (DER) has a minimum value of 0.122 from PT. Campina Ice Cream Industry Tbk (CAMP) and a maximum value of 13,551 from Prasidha Aneka Niaga Tbk (PSDN). The average value (mean) is 1,084 while the standard deviation value (data distribution) is 1,507. This shows that the data used in the DER variable has a large data distribution. So that the data deviation in this DER variable can be said to be not good or it can also be explained that the data in this DER variable has some data that is too extreme.

Table 2 : Kolmogorov-Smirnov Test One-Sample Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		104
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.51699107
Most Extreme Differences	Absolute	.271
	Positive	.271
	Negative	-.198
Statistical Test		.271
Asymp. Sig. (2-tailed)		.000[c]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

Source: sekunder data processed, 2022

Based on the results of the calculation data above, it shows that the significant value < 0.05, the data is not distributed normally. Abnormal data results are caused by too many values beyond the average, this causes the appearance of extreme values when entering data. So to overcome abnormal data can be done in several ways, but in research to overcome abnormal data using data outliers, by eliminating some extreme data. Therefore, the number of data from 104 after an outlier to 94 data used. According to (Ghozali, 2018) data outliers are data whose unique characteristics look very different from observations and appear as extreme values. The following are the results of the normality test that has been tested with statistical analysis after outliering the data:

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		94
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.07219925
Most Extreme Differences	Absolute	.083
	Positive	.069
	Negative	-.083
Statistical Test		.083
Asymp. Sig. (2-tailed)		.109[c]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

Source : secondary data processed, 2022

So that the results obtained from the calculation of the Kolmogrov-Smirnov Test test after data deletion (Outliers) showed that a significant value of 0.109, of which the significant value > 0.05. It can be concluded that the data on the Kolmogrov-Smirnov Test have been normally distributed.

Table 3 : Multicollinearity Test Results

Coefficients[a]

Type		Collinearity Statistics Tolerance	VIF
1	KI	.967	1.034
	INST	.911	1.097
	ROA	.933	1.071
	CI	.891	1.123
	DER	.916	1.091

a. Dependent Variable: ETR

Source : secondary data processed, 2022

It can be explained that from each free variable (X) for the tolerance value of Good Corporate Governance (GCG) proxied by the Independent Board of Commissioners (KI) is valued at 0.967 which means tolerance > 0.1 and VIF value is 1,034 which means VIF < 10 and for the institutional ownership (INST) tolerance value is 0.911 which means tolerance > 0.1 and VIF value 1,097 which means VIF < 10. The tolerance value for Profitability (ROA) is 0.933 which means the tolerance > 0.1 and the VIF value is 1.071 which means the VIF < 10. For Capital Intensity (CI) the tolerance value is 0.891 which means the tolerance > 0.1 and the VIF value is 1.123 which means the VIF < 10. The tolerance leverage (DER) value is 0.916 which means the tolerance > 0.1

and the VIF value is 1.091 which means the VIF < 10. It can be concluded that all free variables (X) show a tolerance value of > of 0.1 (tolerance > 0.1) and a vatiance inflanation value (VIF) of less than 10 (VIF < 10) then from these results it shows that there are no symptoms of multicholinearity between free variables (X) in this study.

Table 4 : Autocorrelation Test Results

Model Summary[b]

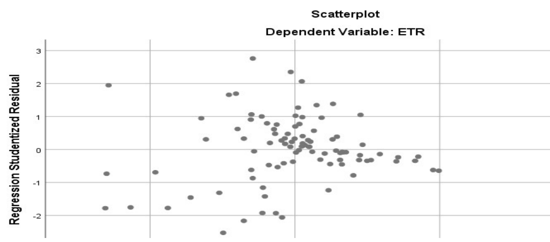
Type	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.391[a]	.153	.105	.074238	1.984

a. Predictors: (Constant), DER, KI, INST, ROA, CI
b. Dependent Variable: ETR

Source : secondary data processed, 2022

From the data above, the Durbin-Watson value was obtained at 1,984. To obtain the DU value can be seen in the durbin-watson table, with the number of samples (n) which is 94 and the number of variables (k) is 5. So that the DU value was obtained by 1.7776 and DL by 1.5542. So that after knowing the DU value, it can be obtained that 1.7776 < 1.984 < 2.224, it can be concluded that there are no symptoms of autocorrelation in independent variables and dependent variables in this study.

Table 5 : Heteroskedasticity Test Results



Source : secondary data processed, 2022

Based on theel tab , it can be seen that the Scatter Plot chart above does not have a certain pattern and the dots spread above or below the number 0 (zero) on the Y axis, it can be concluded that there are no symptoms of heteroskedasticity in the regression model because the scatter plot chart shows an unclear or irregular pattern.

Table 6 : Coefficient of Determination Test Results (R Test^2)

Model Summary[b]

Type	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.391[a]	.153	.105	.074238

a. Predictors: (Constant), DER, KI, INST, ROA, CI

b. Dependent Variable: ETR

Source : secondary data processed, 2022

Based on the table above, it can be concluded that the figure obtained from *R Square* (R^2) is 0.153 or 15.3%. This shows that the magnitude of the influence on the dependent variables *of Tax Avoidance* which can be explained by independent variables, namely *the Independent Board of Commissioners, Institutional Ownership, Profitability, Capital Intensity, and Leverage*. While the remaining 84.7% was influenced by other factors that were not included in the object of study.

Table 7 : Simultaneous Significant Test Results (Statistical Test F)

ANOVA[a]

Type		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.088	5	.018	3.178	.011[b]
	Residual	.485	88	.006		
	Total	.573	93			

a. Dependent Variable: ETR
b. Predictors: (Constant), DER, KI, INST, ROA, CI

Source : secondary data processed, 2022

Based on the tabel above, it can be concluded that the results of the F statistical test show $a_{calculated}$ F value of 3.178 and f_{table} of 2.47 this shows that F calculates > F_{table} with a significance value of 0.011 this shows that the probability value < 0.05 then the model in this study can be used. If inferred from independent variables, namely the Independent Board of Commissioners, Institutional Ownership, Profitability, Capital Intensity, and

Leverage simultaneously affect the dependent variables, namely, Tax Avoidance.

Coefficients[a]

Type		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.104	.054		1.936	.056
	KI	.053	.069	.076	.762	.448
	INST	.061	.053	.119	1.158	.250
	ROA	.220	.068	.329	3.240	.002
	CI	.025	.040	.065	.630	.531
	DER	.004	.005	.078	.761	.449

a. Dependent Variable: ETR

Source : secondary data processed, 2022

Based on the table above, it can be concluded about the influence of each independent variable on the dependent variable. From the t statistical test table above, it can be seen that:

1. The results of the analysis of the proportion of the Independent Board of Commissioners obtained a significance value of 0.448, which means that the significance value of the > 0.05. For the calculated t value of 0.762 and the table t value of 1.662 which means that the calculated t value < the table t is (0.762 < 1.662). So that it can be concluded that H0 is accepted and Ha is rejected, it can be interpreted that partially variable X1 of the Independent Board of Commissioners does not have a significant effect on the variable Y Tax Avoidance.
2. The results of the analysis of the proportion of Institutional Ownership obtained a significance value of 0.250 which means that the significance value > 0.05. For the calculated t value of 1.158 and the table t value of 1.662 which means that the calculated t value < the table t is (1.158 < 1.662). So it can be concluded that H0 is accepted and Ha is rejected, it can be interpreted that partially variable X2 Institutional Ownership has no significant effect on the variable Y Tax Avoidance.
3. The results of the analysis of return on assets (ROA) obtained a significance value of 0.002, which means that the significance value < 0.05. For the calculated t value of 3.240 and the table t value of - 1.662 which means that the calculated t value > the table t i.e. (3.240 > 1.662). So it can be concluded that the value of Ha is accepted and H0 is rejected, it can be interpreted that partially the variable X3 Return On Asset (ROA) has a significant positive effect on the variable Y Tax Avoidance.
4. The results of the analysis from Capital Intensity obtained a significance value of 0.531 which means that the significance value of the > 0.05. For the calculated t value of 0.630 and the table t value of 1.662 which means that the calculated t value < the table t is (0.630 < 1.662). So it can be concluded that H0 is accepted and Ha is rejected, it can be interpreted that partially the variable X4 Capital Intensity does not have a significant effect on the variable Y Tax Avoidance.
5. The results of the analysis of Leverage obtained a significance value of 0.449 which means that the significance value > 0.05. For the calculated t value of 0.761 and the table t value of 1.662 which means that the calculated t value < the table t is (0.761 < 1.662). So it can be concluded that H0 is accepted and Ha is rejected, it can be interpreted that partially the variable X5 Leverage does not have a significant effect on the variable Y Tax Avoidance.

B. Discussion

1. The effect of Good Corporate Governance proxied by the Proportion of independent boards of commissioners on Tax Avoidance.

The Variable good corporate governance promoted by the Independent Board of Commissioners, from the results of research on the regression test shows that the proportion of independent boards of commissioners does not have a significant effect on Tax Avoidance. It can be concluded that many or at least members of the independent board of commissioners in the company have no relationship to the course of the company's operations to carry out tax avoidance actions with the aim of minimizing the company's tax costs. So, this will provide benefits for both parties, namely the company and stakeholders.

The presence of an independent board of commissioners at the company is only to carry out supervision in the operational process of the company. Supervision carried out by an independent board of commissioners does not have an important role for the company when making tax decisions. And the ability of the independent board of commissioners to supervise the process of disclosure and provision of information regarding the company environment is not an obligation for the independent board of commissioners to convey to stakeholders. The absence of an independent board of commissioners on tax avoidance can also be influenced by the company's lack of responsiveness to maximize the role of the independent board of commissioners to supervise the company's tax decision making.

Thus, the first hypothesis that states that the independent board of commissioners variable has a significant positive effect on Tax Avoidance is not accepted (rejected). The results of this study are in line with research conducted by (Tarmidi et al., 2020) and (Sunarto et al., 2021) which stated that the Independent Board of Commissioners had no significant effect on Tax Avoidance.

2. The Effect of Good Corporate Governance proxied by Institutional Ownership on Tax Avoidance.

The variables of Good Corporate Governance proxied by Institutional Ownership in this study were measured by (INST). From the results of research on regression tests, it shows that Institutional Ownership has no significant effect on Tax Avoidance. It can be concluded that the high level of institutional ownership owned by the company during the observation year will cause an effort for shareholders to supervise the company's activities, this can hinder management behavior that is only concerned with itself and in the end can harm the company. Therefore, the existence of institutional ownership in the company can make one of the efforts to minimize conflicts between managers and shareholders.

In accordance with the stakeholder theory that the company will provide benefits to all stakeholders so that the company's share ownership feels not harmed by the company. Likewise, the objectives of the institutional side, conducting supervision aims to provide benefits to the company's activities. The existence of institutional ownership as a party that supervises management to carry out aggressive tax policies to obtain high corporate profits.

Thus, the second hypothesis that states that the variable Institutional Ownership has a significant effect on Tax Avoidance is not accepted (rejected), so the results of this study are in line with the research conducted by (Sari et al., 2020) and (Waluyo, 2017) which states that Institutional Ownership has no significant effect on Tax Avoidance.

3. The Effect of Profitability on Tax Avoidance.

Profitability variables in this study are measured by Return On Asset (ROA). From the results of this study on the regression test, it shows that Profitability has a significant effect on Tax Avoidance. The influence that Profitability exerts on Tax Avoidance is positive. It can be concluded that Profitability has a very important role. A company that has a high profitability will guarantee the future of the company. This is related to the theory of stakeholders, where the higher the company's profit, the more stakeholders look at the company to invest in the company. Because for stakeholders, companies that have a high profit value make stakeholders think that it is very unlikely that the company will suffer losses.

With the company having a high value to profitability, it will show that the size of the company's profit can be seen from the total value of assets and profits presented in the company's financial statements. Companies that have high profitability will cause the company's desire to do tax avoidance, with the company having a high profit, the tax costs that will be paid are even greater. This is a loophole for companies to minimize the company's tax burden. The actions that will be taken are to maintain the stability of the company's profits and for stakeholders will feel satisfied with the company's performance.

Thus, the third hypothesis stating that the Profitability variable has a significant positive effect on Tax Avoidance is accepted. This is in line with research conducted by (Darsani & Sukartha, 2021) and (Dwiyanti & Jati, 2019) which states that Profitability has a significant positive effect on Tax Avoidance.

4. Effect of Capital Intensity on Tax Avoidance.

The Capital Intensity variable in this study was measured by (CI). From the results of this study on the regression test, it showed that Capital Intensity did not have a significant effect on Tax Avoidance. It can be concluded during the year of observation of companies that have a high value of fixed assets will be used for the benefit of the company's operations and investments. Companies that have a high capital intensity value will be used for company operational purposes, not as an opportunity for the company to carry out tax avoidance actions with the aim of emphasizing the company's tax burden.

Thus, the fourth hypothesis stating that the Capital Intensity variable has a significant effect on Tax Avoidance is not accepted (rejected). This is in line with research conducted by (Rahmawati et al., 2021) and (Jusman & Nosita, 2020) which states that Capital Intensity has no significant effect on Tax Avoidance.

5. The Effect of Leverage on Tax Avoidance.

The Leverage variable in this study was measured by (DER). From the results of this study on regression tests, it shows that Leverage does not have a significant effect on Tax Avoidance. It can be concluded that during the observation year the company did not take advantage of the cost of debt to emphasize the cost of taxes. Because management is more careful in making decisions so that the company does not experience large losses and management does not want to take risks to take tax avoidance actions. Therefore, companies that have high debt levels can incur interest costs so that management will focus more on paying company debts. It can be concluded that the amount of debt owned by the company will not affect the practice of tax avoidance.

Thus, the fifth hypothesis that states that the leverage variable has an effect on Tax Avoidance is not accepted (rejected). This is in line with research conducted by (Dewi & Noviari, 2017) and (Irianto et al., 2017) which states that Leverage has no effect on Tax Avoidance.

CONCLUSIONS AND SUGGESTIONS

A. Conclusion

Based on the experience of researchers in the process of completing this research, there are several limitations experienced. The following explained some of the limitations of researchers during the research process, namely:

1. In the process of tabulating data, the data used is secondary data. This does not rule out the possibility for researchers to occur errors ininputting data from each variable.
2. During the data processing process, researchers experienced difficulties when testing using SPSS software. V25. Where researchers must focus and understand what steps must be taken to obtain the results of this research test.

The results of the research data that have beentested, can be concluded as follows:

1. Good Corporate Governance proxied by the Independent Board of Commissioners does not have a significant effect on Tax Avoidance.
2. Good Corporate Governance proxied by Institutional Ownership has no significant effect on Tax Avoidance.
3. Profitability has a significant effect on Tax Avoidance, the effect that Profitability produces on Tax Avoidance is positive.
4. Capital Intensity has no significant effect on Tax Avoidance.
5. Leverage has no significant effect on Tax Avoidance.

B. Suggestion

Based on the results of this study, researchers expect future researchers to be able to present even more qualified researcher results. The suggestions that can be given to future researchers include:

1. For the theoretical side, researchers who are interested in testing this research are expected to be able to add several theories related to the variables of good corporate governance. Examples include agency theory, stewardship theory, and transaction cost theory. It is hoped that for the next research that wants to test the variables Of good corporate governance can try by linking some of these theories.
2. For practicing parties, those interested in conducting similar research issues are advised to conduct a variable test of Tax Avoidance, with CETR (Cash Effective Tax Rate). The purpose is to show the comparison of the results between the measurement of ETR (Effective Tax Rate) and the measurement of CETR (Cash Effective Tax Rate). Furthermore, it is necessary to add other variables that can allow it to provide results that are more influential on Tax Avoidance actions during a pandemic, for example *Corporate Social Responsibility*.
3. For policy parties, especially parties related to tax rules in Indonesia, including taxpayers, they must pay more attention to supervision of tax regulations so that taxpayers, especially corporate taxpayers, can fulfill their tax obligations properly in accordance with existing regulations.

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