THE DETERMINANTS OF TAX AGGRESSIVENESS: FIRM SIZE ROLE OF MODERATION

Erviana Vilka Natania
Faculty of Economics and Business, Stikubank University, Semarang
ervianavilkanatania@mhs.unisbank.ac.id,

Achmad Badjuri
Faculty of Economics and Business, Stikubank University, Semarang
badjuri@edu.unisbank.ac.id

ABSTRACT

This research reviews the factors that encourage tax aggressiveness. Given the large role of taxes for the state, understanding the factors that encourage tax aggressiveness is very important in developing more effective tax policies. Tax aggressiveness is an interesting topic for the government and society because a lot of companies have to look out for the challenge that can be able to optimize increasing profits while minimizing the burden of taxes by taking aggressive tax planning actions. The research objective is to analyze whether profitability, leverage, capital intensity, and managerial ownership could affect tax aggressiveness by considering the firm size role of moderation. The novelty of this research lies in selecting the period under research and in utilizing variables unexamined simultaneously in previous research on the topic of aggressiveness in taxes. By using the firm size for moderating variable, the present research provides a new approach to analyzing whether firm size can be moderating independent variables that could affect tax aggressiveness. This research applies a quantitative approach and takes data secondary of financial and annual reports from sub-sector food and beverage manufacturing companies listed on the Indonesia Stock Exchange (IDX) in 2021-2023. Sample of 57 observations were obtained through purposive sampling method. The data were analyzed through descriptive statistics, classic assumption tests, coefficient of determination (R^2), goodness of fit test (F-test), t-test, and moderation regression (MRA) using SPSS 29. Testing results from the research indicate that profitability is not significantly influential on tax aggressiveness. However, capital intensity and leverage are negatively and significantly influential on tax aggressiveness, while managerial ownership is positively and significantly influential on tax aggressiveness. Firm size is not capable of moderating profitability influential on tax aggressiveness. However, firm size weakens capital intensity and leverage influential on tax aggressiveness and strengthens managerial ownership influential on tax aggressiveness.

***Keywords**:* Tax Aggressiveness, Profitability, Leverage, Capital Intensity, Managerial Ownership, Firm Size.

INTRODUCTION

The state's largest revenue comes from the tax sector, with contributions as of August 2024 reaching 60.16% of the 2024 APBN target (Kementerian Keuangan, 2024). One of the taxpayers who have a crucial role in contributing taxes to the state is companies. Policies and regulations have been developed by the government aimed at increasing revenue from the tax sector. One of the efforts made by the government is to provide incentives to reduce corporate tax rates (Wijaya and Saebani, 2019). However, in reality, these policies and regulations are often misused. The government perceives taxes as the source of revenue, while companies view taxes as burdens that may decrease the net profit of the company (Mariana et al., 2021). This encourages companies to take aggressive actions in taxation.

Sulistyana et al. (2023) argue that tax aggressiveness was the action that companies undertook to minimize their tax obligations. Tax aggressiveness is measured through the

Effective Tax Rate (ETR) ratio, where the lower value of ETR indicates that there is a tax-aggressive action by companies. This action is related to the existence of loopholes in tax regulations that encourage companies to manipulate data to minimize the burden of taxes (Maulana et al., 2022).

Tax aggressiveness often occurs in large companies in Indonesia (Fransiska and Diarsyad, 2024). PT. Coca-Cola Indonesia (CCI) and PT. Adaro Energy Tbk are large companies that have carried out tax-aggressive actions. PT. Coca-Cola Indonesia is suspected of carrying out transfer pricing practices on advertising costs for Coca-Cola brand finished beverage products amounting to IDR 566.84 billion for 2002-2006, resulting in a tax underpayment of IDR 49.24 billion (Kompas, 2014). PT. Adaro Energy Tbk also practiced transfer pricing by transferring several profits obtained from coal sales to its overseas company network from 2009 to 2017 so that the tax paid was US$ 125 million (equivalent to IDR 1.75 trillion), which was lower than what should have been in Indonesia paid (CNBC Indonesia, 2019).

A factor that is influential on the company's tax aggressiveness is profitability. Rahmawati and Jaeni (2022) explain that profitability is the capability of companies to produce profits efficiently and effectively in a specific period. The total of tax expenses to be paid increases alongside the increase in profit for the company. One of the ratios utilized for measuring the capability of companies to produce profits is Return on Assets (ROA). Research conducted by Wirasasti and Aryani (2024), Fitriani and Indrati (2023), as well as Kartika and Nurhayati (2020) indicated that profitability is positively influential on tax aggressiveness. In contrast, research conducted by Rahmawati and Jaeni (2022), Tampubolon (2021), as well as Yauris and Agoes (2019) revealed that profitability is negatively influential on tax aggressiveness. Other research argued that profitability is not significantly influential on tax aggressiveness, as stated by Kusuma and Maryono (2022), Sumiati and Ainniyya (2021), as well as Utomo and Fitria (2020).

Leverage is one aspect of company performance that is influential on tax aggressiveness. One ratio that measures how big assets the company is funded by debt is leverage (Kartika and Nurhayati, 2020). A company's reliance on debt increases with the increase in the degree of leverage. One often-used metric for measuring the degree of leverage is the Debt to Assets Ratio (DAR). Research conducted by Wirasasti and Aryani (2024), Maulana et al. (2022), as well as Ramdhania and Kinasih (2021) indicated that leverage is positively influential on tax aggressiveness. In contrast, research conducted by Kusuma and Maryono (2022), Herlinda and Rahmawati (2021), as well as Kartika and Nurhayati (2020) revealed that leverage is negatively influential on tax aggressiveness. However, research conducted by Susanto (2024), Tampubolon (2021), as well as Wijaya and Saebani (2019) stated that leverage is not significantly influential on tax aggressiveness.

A different factor that is influential on tax aggressiveness in the company is capital intensity. Capital intensity is the investment that is made on fixed assets by the company (Haloho and Saragih, 2023). Calculating the percentage of investment in fixed assets to the company's total investment is used to measure capital intensity. Companies that rely on capital intensity have more opportunities to engage in aggressive taxation because they have more assets that can be used for tax purposes (Fransiska and Diarsyad, 2024). Several researches, such as those conducted by Fitriani and Indrati (2023) as well as Yusuf et al. (2022) indicated that capital intensity is positively influential on tax aggressiveness. However, research conducted by Haloho and Saragih (2023) as well as Utomo and Fitria (2020) revealed that capital intensity is negatively influential on tax aggressiveness. In addition, other research argued that capital intensity is not significantly influential on tax aggressiveness, as stated by Wirasasti and Aryani (2024), Martin and Afa (2022), as well as Hafizh and Asalam (2022).

Managerial ownership is also one of the factors that is influential on tax aggressiveness in the company. Susanto (2024) argues that managerial ownership refers to.

The ownership of common stock owned by a company's management. Management that has common stock ownership in the company would try to maximize profits and take tax-aggressive actions to minimize the burden of company tax. Managerial ownership is measured through the percentage of common stock that management owns of the total shares outstanding (Hafizh and Asalam, 2022). Several researches, such as those conducted by Harsana and

Susanty (2023) as well as Wijaya and Saebani (2019) indicated that managerial ownership is positively influential on tax aggressiveness. In contrast, research conducted by Nurwati et al. (2023) as well as Hafizh and Asalam (2022) revealed that managerial ownership is negatively influential on tax aggressiveness. However, research conducted by Susanto (2024) as well as Ari and Damayanti (2021) stated that managerial ownership is not significantly influential on tax aggressiveness.

An important factor that must be considered in examining the impact of tax aggressiveness is firm size. Junensie et al. (2020) argue that firm size is a metric used to categorize a company's size in several ways, including total assets, stock market value, average sales, and total sales. Large-scale companies usually have more resources that can be used for tax planning, so the taxes paid tend to be lower compared to small-scale companies.

Research conducted by Wirasasti and Aryani (2024), Ramdhania and Kinasih (2021), as well as Utomo and Fitria (2020) indicated that firm size strengthens profitability, leverage, and capital intensity influential on tax aggressiveness. Conversely, firm size weakens leverage, capital intensity, and profitability influential on tax aggressiveness, as stated by Wirasasti and Aryani (2024) as well as Utomo and Fitria (2020). In addition, research conducted by Ramdhania and Kinasih (2021) revealed that firm size is not capable of moderating capital intensity influential on tax aggressiveness.

According to earlier research, there are variations in research findings, where each researcher obtains conflicting findings. Therefore, the present research is carried out to re-analyze the effects on tax aggressiveness of profitability, leverage, capital intensity, and managerial ownership by considering the firm size role of moderation to gain an in-depth understanding of the variables that are influential on tax aggressiveness.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Literary Studies Sub

Agency Theory

Agency theory discusses the contractual relationship between the owner (principal) and management (agent). Maulana et al. (2022) argue that the relationship among the authorizing parties or the principal and the authorized parties or the agent was explained by agency theory. Management is given the freedom to carry out its duties effectively, but the owner expects management to act in the interests of the company. Thus, potential conflicts of interest can arise when the goals and interests of both parties are not in line. On the topic of tax aggressiveness, to maximize company profits, management will take various ways to achieve this goal (Susanto, 2024).

Tax Aggressiveness

Tax aggressiveness refers to actions undertaken by companies by implementing various tax planning strategies that exploit loopholes in tax regulations to minimize the burden of taxes paid. It cannot be denied that the regulations made by the government have weaknesses (Herlinda and Rahmawati, 2021). Therefore, companies tend to minimize the burden of their taxes in various ways and remain within the applicable legal framework.

Profitability
Profitability is an important indicator in reflecting how far the company may produce profits from its operational activities. According to Martin and Afa (2022), profitability was the ratio for measuring the capability of companies to manage assets to obtain profits in the current year. In addition, profitability also reflects management's ability to manage the company to achieve optimal results.

Leverage
Leverage is the metric that describes how big the assets of companies are funded through debt. Companies with high leverage levels indicate that the company depends on debt, while companies with low leverage levels can finance their assets with their capital (Haloho and Saragih, 2023). Although a high leverage level can increase potential returns, it can also carry insolvency risk when companies are unable to fulfill their debt obligations.

Capital Intensity
Capital intensity reflects how big the fixed assets the company utilizes in its operational activities. Utomo and Fitria (2020) argue that capital intensity refers to the activities' investments of companies associated with fixed assets. Companies may utilize investment in fixed assets to make a profit.

Managerial Ownership
Managerial ownership is a condition where the management holds two controls, namely as company managers and also as shareholders (Hafizh and Asalam, 2022). This encourages management to take action in the shareholders' interests, thereby reducing problems that often arise due to differences in interests between management and shareholders. If managerial ownership is higher, the greater the management's ability to take action in the shareholders' interests.

Firm Size
Firm size is the measurement utilized to describe the size the company was. Large companies have wider access to financial resources and the ability to attract investors, thereby increasing profits. Firm size may be measured in several ways, including total assets, stock market value, average sales, and total sales (Junensie et al., 2020).

Hypothesis Development

The Profitability Influential on Tax Aggressiveness
Profitability is the capability of companies to produce profits through the effective use of their resources in the operational activities of companies. According to agency theory, management tends to take various actions that can increase profits through aggressive tax planning to meet shareholders' expectations. If the profit produced by the company is higher, the burden of taxes that need to be paid is also higher. Therefore, companies will tend to take tax-aggressive actions.

H1: Profitability is positively influential on tax aggressiveness

The Leverage Influential on Tax Aggressiveness
Leverage is the ratio for measuring how big the debt the company utilizes in its operational activities. Agency theory is relevant in explaining the effects on tax aggressiveness of leverage. Management may use interest expense on debt to minimize the taxable income. The interest expense increases with the increase in the debt companies own. Therefore, companies with a high leverage level tend to pay less taxes, so companies do not need to take tax-aggressive actions.

H2: Leverage is negatively influential on tax aggressiveness

The Capital Intensity Influential on Tax Aggressiveness

Capital intensity was the investment that companies undertaken on fixed assets utilized in their operational activities to obtain profits. According to agency theory, management may use depreciation expense on fixed assets to minimize the taxable income. The more fixed assets a company owns, the greater the depreciation expense. Therefore, companies with a high capital intensity level tend to pay less taxes, so companies do not need to take tax-aggressive actions.

H3: Capital intensity is negatively influential on tax aggressiveness

The Managerial Ownership Influential on Tax Aggressiveness

Managerial ownership is the situation in which management in the company has ownership of common stock so they may participate actively in the decisions of the company. Agency theory is very relevant in explaining the effects on tax aggressiveness of managerial ownership. Management who has significant ownership of the company tends to do aggressive tax planning to minimize the burden of taxes by exploiting loopholes in tax regulations. This is done to improve company performance and maximize net income. **H4: Managerial ownership is positively influential on tax aggressiveness**

The Profitability Influential on Tax Aggressiveness with Moderation is Firm Size

Companies with high profitability tend to do aggressive tax planning to minimize the burden of taxes to be paid. According to agency theory, management has a strong motivation to improve company performance and minimize the burden of taxes through optimal profitability management. Large companies with broader resources tend to be able to carry out more mature and effective tax planning. Therefore, large companies can not only take advantage of tax planning opportunities more strategically but can also improve operational efficiency.

H5: Firm size strengthens profitability influential on tax aggressiveness

The Leverage Influential on Tax Aggressiveness with Moderation is Firm Size

Large companies tend to be less dependent on debt because they have access to wider capital markets. A company's leverage level decreases with increasing size to build a positive image and show stable finances so that it can attract investors and increase stakeholder trust. According to agency theory, management tends to take various actions to minimize the burden of taxes that need to be paid through aggressive tax planning. In addition, large companies are likely with wider access to information and resources that may help in managing tax obligations more efficiently.

H6: Firm size weakens leverage influential on tax aggressiveness

The Capital Intensity Influential on Tax Aggressiveness with Moderation is Firm Size

Large companies own a proportion of high fixed assets. According to agency theory, management may use depreciation expense on fixed assets to minimize the taxable income. A company's depreciation expense increases in proportion to size since large companies own more fixed assets. Therefore, companies tend to pay less taxes, so there is no need to take aggressive actions.

H7: Firm size weakens capital intensity influential on tax aggressiveness

The Managerial Ownership Influential on Tax Aggressiveness with Moderation is Firm Size

Management who owns shares in the company tends to be motivated to engage in aggressive tax planning to minimize the burden of taxes that need to be paid. According to agency theory, management has the incentive to increase net income by exploiting loopholes in tax regulations to take tax-aggressive actions. Management who owns shares in large companies are not only involved in decision-making but also have access to wider resources and information. This makes it possible to design more mature and effective tax planning to maximize profits while still considering reputation risks and compliance with stricter regulations.

H_8: Firm size strengthens managerial ownership influential on tax aggressiveness

RESEARCH METHOD

Types of research

This kind of research was descriptive research using the quantitative method where the data was presented in numbers or numerical and analyzed statistically.

Population and Sample

This research includes all sub-sector food and beverage manufacturing companies listed on the Indonesia Stock Exchange (IDX) in 2021-2023 and obtained a sample of 57 observations utilizing the purposive sampling technique according to criteria as follows:
(1) Sub-sector food and beverage manufacturing companies that are listed consecutively on the Indonesia Stock Exchange (IDX) in 2021-2023; (2) Sub-sector food and beverage manufacturing companies that issue financial statements for 2021-2023; (3) Sub-sector food and beverage manufacturing companies without incurring any losses throughout the observation period; (4) Sub-sector food and beverage manufacturing companies that present financial statements denominated in rupiah; (5) Sub-sector food and beverage manufacturing companies whose shares are owned by managerial; (6) Sub-sector food and beverage manufacturing companies without outlier data.

Data Collection Techniques

The present research utilizes secondary data, so the techniques of data collection are literature review and documentation analysis. A literature review was conducted by collecting relevant data and theories regarding tax aggressiveness through articles, journals, books, and previous research, while documentation analysis was conducted by collecting annual and financial reports of sub-sector food and beverage manufacturing companies listed on the Indonesia Stock Exchange (IDX) in 2021-2023. This data may be retrieved through the IDX official website, namely www.idx.co.id.

Measurement of Variables

Table 1. Measurement of Variables

Indicator	Variables	Formula
ETR	Tax Aggressiveness	$\frac{\text{Income Tax Expense}}{\text{Earnings Before Tax}}$
ROA	Profitability	$\frac{\text{Earnings After Tax}}{\text{Total Assets}}$
DAR	Leverage	$\frac{\text{Total Debt}}{\text{Total Assets}}$
CIR	Capital Intensity	$\frac{\text{Total Fixed Assets}}{\text{Total Assets}}$
MO	Managerial Ownership	$\frac{\text{Total Shares Owned by Management}}{\text{Total Shares Outstanding}}$
SIZE	Firm Size	Ln (Total Assets)

Data Analysis Techniques

The data were analyzed through descriptive statistics, classic assumption tests (normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test), coefficient of determination (R^2), goodness of fit test (F-test), t-test, and moderation regression (MRA) using SPSS 29.

RESULTS

Descriptive Statistical Analysis

Utilized to define the used variables' minimum value, maximum value, mean value, and standard deviation value.

Table 2. Descriptive Statistical Analysis Results

	N	Minimum	Maximum	Mean	Std. Deviation
Tax aggressiveness	57	.03226	.28784	.2121295	.03837780
Profitability	57	.01892	.71140	.3477289	.19187751
Leverage	57	.00662	.34282	.0923711	.06142264
Capital intensity	57	.02300	.66828	.3365281	.16681446
Managerial ownership	57	.00001	.76505	.1369942	.19962620
Firm size	57	25.55665	32.85992	28.8458696	1.89985106

Source: data processed with SPSS 29, 2024

Tax Aggressiveness

The tax aggressiveness, which measures by the Effective Tax Rate (ETR) from the sample companies studied, has a mean value of 0.2121295. The tax aggressiveness minimum value of 0.03226 belongs to the Central Proteina Prima Tbk company in 2021. Meanwhile, the tax aggressiveness maximum value of 0.28784 belongs to the Indo Oil Perkasa Tbk company in 2022. As well as the tax aggressiveness standard deviation value is 0.03837780.

Profitability

The profitability, which measures by the Return on Assets (ROA) from research sample companies, has a mean value of 0.3477289. The profitability minimum value of 0.01892 belongs to the Indo Pureco Pratama Tbk company in 2021. Meanwhile, the profitability maximum value of 0.71140 belongs to the Tunas Baru Lampung Tbk company in 2022. As well as the profitability standard deviation value is 0.19187751.

Leverage

The leverage, which measures by the Debt to Asset Ratio (DAR) from sample companies studied, has a mean value of 0.0923711. The leverage minimum value of 0.00662 belongs to the Era Mandiri Cemerlang Tbk company in 2023. Meanwhile, the leverage maximum value of 0.34282 belongs to the Central Proteina Prima Tbk company in 2021. As well as the leverage standard deviation value is 0.06142264.

Capital Intensity

The capital intensity, which proxies by the Capital Intensity Ratio (CIR) from research sample companies, has a mean value of 0.3365281. The capital intensity minimum value of 0.02300 belongs to the Tigaraksa Satria Tbk company in 2021. Meanwhile, the capital intensity maximum value of 0.66828 belongs to the Indo Pureco Pratama Tbk company in 2023. As well as the capital intensity standard deviation value is 0.16681446.

Managerial Ownership

The managerial ownership, which measures by the Managerial Ownership (MO) from sample companies studied, has a mean value of 0.1369942. The managerial ownership minimum value of 0.00001 belongs to the Central Proteina Prima Tbk company in 2021. Meanwhile, the managerial ownership maximum value of 0.76505 belongs to the Cisarua Mountain Dairy Tbk company in 2022. As well as the managerial ownership standard deviation value is 0.19962620.

Firm Size

The firm size, which proxies by the SIZE from research sample companies, has a mean value of 28.8458696. The firm size minimum value of 25.55665 belongs to the Era Mandiri Cemerlang Tbk company in 2022. Meanwhile, the firm size maximum value of 32.85992 belongs to the Indofood Sukses Makmur Tbk company in 2023. As well as the firm size standard deviation value is 1.89985106.

Classic Assumption Tests Normality Test

Utilized to examine whether the value of residual in the model regression was distributed normatively or incorrectly.

Table 3. Normality Test Results

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Unstandardized Residual	57	-.090	.316	.216	.623

Source: data processed with SPSS 29, 2024

$$Zskewness = \frac{-0.090}{0.316} = -0.285 \qquad Zkurtosis = \frac{0.216}{0.623} = 0.347$$

According to Table 3, the test results of normality indicate that these data were distributed normatively and fulfilled the requirement of the normality test with the value for skewness of -0.285 and the value for kurtosis of 0.347, which are between -2 to +2.

Multicollinearity Test

Utilized to examine whether or incorrectly there was a correlation among the independent variables in the model regression research.

Table 4. Multicollinearity Test Results

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)	.464	2.156
	Profitability		
	Leverage	.508	1.969
	Capital intensity	.778	1.286
	Managerial ownership	.900	1.111
	Firm size	.552	1.813

a. Dependent Variable: Tax aggressiveness

Source: data processed with SPSS 29, 2024

According to Table 4, the multicollinearity test results indicate that the value of tolerance above 0.10 and the value of VIF below 10 are found for all independent variables. This may conclude that there were no symptoms of multicollinearity among the independent variables and fulfilled the multicollinearity test requirements.

Heteroscedasticity Test

Utilized to examine whether or incorrectly there are inequalities of variance of the residual (errors) on each observation in the model regression.

Table 5. Heteroscedasticity Test Results

Model		Unstandardized B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-.034	.046		-.750	.457
	Profitability	-.004	.017	-.034	-.214	.831
	Leverage	-.028	.052	-.080	-.532	.597
	Capital intensity	.029	.017	.227	1.692	.097
	Managerial ownership	-.021	.015	-.197	-1.417	.162
	Firm size	.002	.002	.171	1.133	.263

a. Dependent Variable: ABS_RES

Source: data processed with SPSS 29, 2024

According to Table 5, the test results of heteroscedasticity by the glejser test indicate that the value of significantly was above 0.05 is found for all variables. This may conclude that the model regression is freed from symptoms of heteroscedasticity.

Autocorrelation Test

Utilized to examine whether or incorrectly there was a correlation among the values of the residual (error) of period t with those of period t-1 (previous) in the model regression.

Table 6. Autocorrelation Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.830[a]	.689	.658	.02242780	1.927

a. Dependent Variable: Tax aggressiveness

Source: data processed with SPSS 29, 2024

According to Table 6, the autocorrelation test results indicate that a value of dw = 1.927. The value in the table Durbin-Watson uses a significance rate of 5% with a sample size of 57 and several independent variables (including moderation) of 5, then the du value
= 1.767 is obtained. This may conclude that du < dw < 4-du = 1.767 < 1.927 < 2.233, which means there were no symptoms of autocorrelation in the model regression.

Hypothesis Test

Coefficient of Determination (R^2)

Utilized for measuring how far the capabilities of independent variables and moderating variable are found for explaining the dependent variable variation.

Table 7. R^2 Test Results

Model	Adjusted R Square
Without moderating variable	.651

With moderating variable	.635

Source: data processed with SPSS 29, 2024

According to Table 7, the R^2 test results indicate that the value of adjusted R square without moderating variable is 0.651, which means that the profitability, leverage, capital intensity, and managerial ownership variables can explain the variable tax aggressiveness of 65.1%, whereas the rest of 34.9% is the explanation of other variables excluded in this research. The coefficient of determination test results involving a moderating variable indicate that the value of adjusted R square is 63.5%; this result is smaller than the value of adjusted R square without a moderating variable. Thus, firm size for moderating variables weakens the effects on tax aggressiveness of profitability, leverage, capital intensity, and managerial ownership.

Goodness of Fit Test (F-test)

Utilized to define whether the model regression used was fit in explaining the data and determining whether there was a relationship that is significantly among the variables under research.

Table 8. F-Test Results

Model	F	Sig.
Without moderating variable	27.126	<.001[b]
With moderating variable	25.406	<.001[b]

Source: data processed with SPSS 29, 2024

According to Table 8, the F test results both without the moderating variable and involving the moderating variable indicate that the value of significantly was <0.001 < 0.05. This may conclude that the model regression of the research was fit for further processing and that the correlation is significant among the variables under research.

t-Test

Utilized to examine the effects of the individual independent variables on the dependent variable.

Table 9. t-Test Results

Model		Unstandardized		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.276	.013		21.904	<.001
	Profitability	-.007	.017	-.033	-.383	.703
	Leverage	-.495	.052	-.792	-9.466	<.001
	Capital intensity	-.067	.019	-.292	-3.578	<.001
	Managerial ownership	.047	.016	.243	2.877	.006

a. Dependent Variable: Tax aggressiveness

Source: data processed with SPSS 29, 2024

According to Table 9, the test results of t-test indicate that: (1) Profitability has the value of significantly was 0.703 > 0.05 and the value of coefficiently was -0.007, this may conclude that profitability is not significantly influential on tax aggressiveness; (2) Leverage has the value of significantly was <0.001 < 0.05 and the value of coefficiently was -0.495, this may conclude that leverage is negatively and significantly influential on tax aggressiveness; (3) Capital intensity has the value of significantly was <0.001 < 0.05 and the value of coefficiently was -0.067, this may conclude that capital intensity is negatively and significantly influential on tax aggressiveness; (4) Managerial ownership has the value of significantly was 0.006 < 0.05 and the value of coefficiently was 0.047, this may conclude that managerial ownership is positively and significantly influential on tax aggressiveness.

Moderated Regression Analysis (MRA)

Utilized to examine whether the moderating variable may moderate (strengthens or weakens) the effects of the independent variable on the dependent variable.

Table 10. MRA Test Results

Model	Unstandardized		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.267	.012		22.757	<.001
Profitability*Firm size	.000	.001	.035	.404	.688
Leverage*Firm size	-.016	.002	-.763	-9.067	<.001
Capital intensity*Firm size	-.002	.001	-.263	-3.190	.002

Managerial ownership*Firm size	.002	.001	.254	2.927	.005
a. Dependent Variable: Tax aggressiveness					

Source: data processed with SPSS 29, 2024

According to table 10, the test results of MRA indicate that: (1) Firm size for moderating variables among profitability on tax aggressiveness does have the value of significantly was 0.688 > 0.05 and the value of coefficient was 0.000, this may conclude that firm size is not capable of moderating profitability influential on tax aggressiveness;

(2) Firm size for moderating variables among leverage on tax aggressiveness does have the value of significantly was <0.001 < 0.05 and the value of coefficient was -0.016, this may conclude that firm size weakens leverage influential on tax aggressiveness; (3) Firm size for moderating variables among capital intensity on tax aggressiveness does have the value of significantly was 0.002 < 0.05 and the value of coefficient was -0.002, this may conclude that firm size weakens capital intensity influential on tax aggressiveness; (4) Firm size for moderating variables among managerial ownership on tax aggressiveness does have the value of significantly was 0.005 < 0.05 and the value of coefficient was 0.002, this may conclude that firm size strengthens managerial ownership influential on tax aggressiveness.

DISCUSSION

The Profitability Influential on Tax Aggressiveness

Testing results from the research indicate that profitability is not significantly influential on tax aggressiveness. This may conclude that companies with high profitability do not always engage in tax aggressiveness because they can pay taxes without feeling burdened. High profitability companies that have chosen to carry out more strategic tax planning to comply with strict regulations to maintain their reputation and avoid legal risks. Thus, a company's profitability level is not influential on tax aggressiveness.

These results provide support for previous research conducted by Kusuma and Maryono (2022), Sumiati and Ainniyya (2021), as well as Utomo and Fitria (2020) which indicated that profitability is not significantly influential on tax aggressiveness. However, it is inconsistent with research conducted by Wirasasti and Aryani (2024), Fitriani and Indrati (2023), as well as Kartika and Nurhayati (2020) which indicated that profitability is positively and significantly influential on tax aggressiveness. Therefore, H1 in this research is rejected.

The Leverage Influential on Tax Aggressiveness

Testing results from the research indicate that leverage is negatively and significantly influential on tax aggressiveness. This may conclude that the debt the company owns is higher, and the interest expense on the debt is also higher. Companies with the high leverage level tend to pay less taxes due to decreasing the taxable income due to interest expense, so companies do not need to take tax-aggressive actions. Thus, the more leverage companies own, the more companies' tax aggressiveness decreases. Conversely, the less leverage companies own, the more companies' tax aggressiveness increases.

These results provide support for previous research conducted by Kusuma and Maryono (2022), Herlinda and Rahmawati (2021), as well as Kartika and Nurhayati (2020) which indicated that leverage is negatively and significantly influential on tax aggressiveness. However, it is inconsistent with research conducted by Wirasasti and Aryani (2024), Maulana et al. (2022), as well as Ramdhania and Kinasih (2021) which indicated that leverage is positively and significantly influential on tax aggressiveness. Therefore, H2 in this research is accepted.

The Capital Intensity Influential on Tax Aggressiveness

Testing results from the research indicate that capital intensity is negatively and significantly influential on tax aggressiveness. This may conclude that if the investment that companies undertake on fixed assets is higher, the depreciation expense is also higher. Companies with many fixed assets tend to pay less tax because of the decreases in taxable income due to depreciation expenses, so companies do not need to take tax-aggressive actions. Thus, the more capital intensity companies own, the more companies' tax aggressiveness decreases. Conversely, the less capital intensity companies own, the more companies' tax aggressiveness increases.

These results provide support for previous research conducted by Haloho and Saragih (2023) as well as Utomo and Fitria (2020) which indicated that capital intensity is negatively and significantly influential on tax aggressiveness. However, it is inconsistent with research conducted by Fitriani and Indrati (2023) as well as Yusuf et al. (2022) which indicated that capital intensity is positively and significantly influential on tax aggressiveness. Therefore, H3 in this research is accepted.

The Managerial Ownership Influential on Tax Aggressiveness

Testing results from the research indicate that managerial ownership is positively and significantly influential on tax aggressiveness. This may conclude that management who has significant ownership of the company tends to do aggressive tax planning to minimize the burden of taxes by exploiting loopholes in tax regulations. This is done to improve company performance and maximize net income. Thus, the greater managerial ownership in companies, the more companies' tax aggressiveness increases. Conversely, the less managerial ownership in companies, the more companies' tax aggressiveness decreases.

These results provide support for previous research conducted by Harsana and Susanty (2023) as well as Wijaya and Saebani (2019) which indicated that managerial ownership is positively and significantly influential on tax aggressiveness. However, it is inconsistent with research conducted by Nurwati et al. (2023) as well as Hafizh and Asalam (2022) which indicated that managerial ownership is negatively and significantly influential on tax aggressiveness. Therefore, H4 in this research is accepted.

The Profitability Influential on Tax Aggressiveness with Moderation is Firm Size

Testing results from the research indicate that firm size is not capable of moderating profitability influential on tax aggressiveness. This may conclude that companies that are large and highly profitable are often under stricter public and regulatory supervision. Thus, although companies have more resources to minimize the tax burden, they also face greater reputational risks if they take tax-aggressive actions.

These results are inconsistent with research conducted by Wirasasti and Aryani (2024) which indicated that firm size strengthens profitability influential on tax aggressiveness. Therefore, H5 in this research is rejected.

The Leverage Influential on Tax Aggressiveness with Moderation is Firm Size

Testing results from the research indicate that firm size weakens leverage influential on tax aggressiveness. This may conclude that large companies have access to wider capital markets, so they are less dependent on debt to build a positive image and show stable finances to attract investors and increase stakeholder trust. Management tends to take various actions to minimize the burden of taxes that will be paid through aggressive tax planning because it has wider access to resources and information that can help manage tax obligations more efficiently.

These results provide support for previous research conducted by Wirasasti and Aryani (2024) which indicated that firm size weakens leverage influential on tax aggressiveness. However, it is inconsistent with research conducted by Ramdhania and

Kinasih (2021) which indicated that firm size strengthens leverage influential on tax aggressiveness. Therefore, H6 in this research is accepted.

The Capital Intensity Influential on Tax Aggressiveness with Moderation is Firm Size
Testing results from the research indicate that firm size weakens capital intensity influential on tax aggressiveness. This may conclude that the larger the size of a company, the more fixed assets it owns, so it can increase depreciation expenses and reduce taxable income. Large companies with high capital intensity tend to pay less tax, so they do not need to take tax-aggressive actions.

These results provide support for previous research conducted by Wirasasti and Aryani (2024) which indicated that firm size weakens capital intensity influential on tax aggressiveness. However, it is inconsistent with research conducted by Utomo and Fitria (2020) which indicated that firm size strengthens capital intensity influential on tax aggressiveness. Therefore, H7 in this research is accepted.

The Managerial Ownership Influential on Tax Aggressiveness with Moderation is Firm Size
Testing results from the research indicate that firm size strengthens managerial ownership influential on tax aggressiveness. This may conclude that management who owns shares in large companies has wider access to company resources and information, thus enabling management to design more mature and effective tax planning so that it can maximize profits and still consider reputational risk and compliance with stricter regulations. Therefore, H8 in this research is accepted.

CONCLUSION, LIMITATION, SUGGESTION

Conclusion

It is the aim of the present research to analyze the effects on tax aggressiveness of profitability, leverage, capital intensity, and managerial ownership with the firm size for moderating variables. The company that is the object of research is sub-sector food and beverage manufacturing companies listed on the Indonesia Stock Exchange (IDX) in 2021- 2023. The sample data utilized is 57 observations. According to the testing and analysis results that have been done, the following conclusions may be made: (1) Profitability is not significantly influential on tax aggressiveness; (2) Leverage is negatively and significantly influential on tax aggressiveness; (3) Capital intensity is negatively and significantly influential on tax aggressiveness; (4) Managerial ownership is positively and significantly influential on tax aggressiveness; (5) Firm size is not capable of moderating profitability influential on tax aggressiveness; (6) Firm size weakens leverage influential on tax aggressiveness; (7) Firm size weakens capital intensity influential on tax aggressiveness;
(8) Firm size strengthens managerial ownership influential on tax aggressiveness.

Limitation

According to the conclusions that have been presented, this research is only limited to sub-sector food and beverage manufacturing companies with a period of research for 3 years, so the samples that fulfill the criteria and may be utilized in this research are quite small.

Suggestion

There are limitations in this research. Future researchers are hoped to broaden the object of research and increase the research period to 4-5 years to get more research samples and add or use other variables that encourage tax aggressiveness.

REFERENCES

Ari, I. R. H. dan Damayanti, T. W. 2021. Pengaruh Kepemilikan Manajerial Terhadap Agresivitas Pajak: Corporate Governance Sebagai Variabel Moderasi. *Jurnal Proaksi*, 8 (2): 329-343

CNBC Indonesia. 2019. Soal Pajak Adaro, Sri Mulyani: Selama Ini Sudah Transparan, https://www.cnbcindonesia.com/market/20190708190803-17-83487/soal-pajak-adaro-sri-mulyani-selama-ini-sudah-transparan, Diakses 25 September, 2024

Fitriani, R. A. and Indrati, M. 2023. The Influence of Capital Intensity, Inventory Intensity, and Profitability on Tax Aggressiveness with Debt Levels as a Moderating Variable. *Ilomata International Journal of Tax and Accounting*, 4 (2): 145-163

Fransiska, C. dan Diarsyad, M. I. 2024. Determinan Agresivitas Pajak: Pengaruh Corporate Social Responsibility Sebagai Variabel Moderating pada Perusahaan di Indonesia. *Jurnal Akuntansi Dan Pajak*, 24 (2): 1-18

Hafizh, F. R. dan Asalam, A. G. 2022. Pengaruh Capital Intensity, Kepemilikan Manajerial, dan Koneksi Politk Terhadap Agresivitas Pajak (Studi pada Perusahaan Manufaktur Sektor Aneka Industri yang Terdaftar di Bursa Efek Indonesia Periode 2017-2020)". *E-Proceeding of Management*, 9 (2): 459-467

Haloho, F. M. dan Saragih, A. E. 2023. Pengaruh Ukuran Perusahaan, Leverage, Capital Intensity dan Profitabilitas Terhadap Agresivitas Pajak. *Jurnal Ilmiah Akuntansi (JIMAT)*, 2 (2): 125-140

Harsana, E. dan Susanty, M. 2023. Pengaruh Kepemilikan Saham dan Faktor-Faktor Lain Terhadap Agresivitas Pajak. E-JURNAL AKUNTANSI TSM, 3 (1): 61-72

Herlinda, A. R. dan Rahmawati, M. I. 2021. Pengaruh Profitabilitas, Likuiditas, Leverage dan Ukuran Perusahaan Terhadap Agresivitas Pajak. *Jurnal Ilmu Dan Riset Akuntansi*, 10 (1): 1-18

Junensie, P. R., Trisnadewi, A. A. A. E. dan Rini, I. G. A. I. S. 2020. Pengaruh Ukuran Perusahaan, Corporate Social Responsibility, Capital Intensity, Leverage dan Komisaris Independen Terhadap Agresivitas Pajak Penghasilan Wajib Pajak Badan pada Perusahaan Industri Konsumsi di Bursa Efek Indonesia Tahun 2015-2017. *Wacana Ekonomi (Jurnal Ekonomi, Bisnis dan Akuntansi)*, 19 (1): 67-77

Kartika, A. dan Nurhayati, I. 2020. Likuiditas, Leverage, Profitabilitas dan Ukuran Perusahaan Sebagai Predictor Agresivitas Pajak (Studi Empiris Perusahaan Manufaktur Subsektor Barang Konsumsi yang Terdaftar di Bursa Efek Indonesia Periode 2015-2018)". *Al Tijarah*, 6 (3): 121-129

Kementerian Keuangan. 2024. APBN KITA, https://www.djppr.kemenkeu.go.id/apbnkita, Diakses 25 September, 2024

Kompas. 2014. Coca-Cola Diduga Akali Setoran Pajak, https://money.kompas.com/read/2014/06/13/1135319/Coca-Cola.Diduga.Akali.Setoran.Pajak, Diakses 25 September, 2024

Kusuma, A. S. dan Maryono. 2022. Faktor-Faktor yang Berpengaruh Terhadap Agresivitas Pajak (Studi Kasus pada Perusahaan Manufaktur yang Terdaftar di BEI pada Tahun 2018-2020). *Owner: Riset & Jurnal Akuntansi*, xx (xx): 1-13

Mariana, C., Subing, H. J. T. and Mulyati, Y. 2021. Does Capital Intensity and Profitability Affect Tax Aggressiveness?". *Turkish Journal of Computer and Mathematics Education*, 12 (8): 1050-1056

Martin, A. dan Afa, S. 2022. Pengaruh Leverage, Profitabilitas, dan Capital Intensity Terhadap Agresivitas Pajak (Studi Empiris pada Perusahaan Subsektor Property dan Real Estate yang Terdaftar di Bursa Efek Indonesia Tahun 2017-2020). *Prosiding: Ekonomi Dan Bisnis*, 1 (2): 1-10

Maulana, T., Putri, A. A. dan Marlina, E. 2022. Pengaruh Capital Intensity, Inventory Intensity, dan Leverage Terhadap Agresivitas Pajak. *Jurnal Akuntansi*, 17 (1): 48-60

Nurwati, Husnayetti dan Cusyana, S. R. 2023. Pengaruh Corporate Governance dan Kepemilikan Manajerial Terhadap Agresivitas Pajak pada Perusahaan Jasa Sub Sektor Perbankan yang Terdaftar di Bursa Efek Indonesai (BEI) Periode 2016-2020.

JISAMAR : Journal of Information System, Applied, Management, Accounting and Research, 7 (1): 89-102

Rahmawati, N. T. dan Jaeni. 2022. Pengaruh Capital Intensity, Leverage, Profitabilitas, Ukuran Perusahaan dan Kepemilikan Manajerial Terhadap Agresivitas Pajak. *JIMAT (Jurnal Ilmiah Mahasiswa Akuntansi)*, 13 (2): 628-636

Ramdhania, D. Z. dan Kinasih, H. W. 2021. Pengaruh Likuiditas, Leverage, dan Intensitas Modal Terhadap Agresivitas Pajak dengan Ukuran Perusahaan Sebagai Variabel Moderasi. *Dinamika Akuntansi Keuangan Dan Perbankan*, 10 (2): 93-106

Sulistyana, D., Regiananda, I., Wirnarni, R. T., Aulia, S. dan Effriyanti. 2023. Faktor Determinan Agresivitas Pajak pada Perusahaan Sektor Non-Cyclicals yang Terdaftar di Bursa Efek Indonesia 2018-2022. *Prosiding Pekan Ilmiah Mahasiswa (PIM)*, 4 (1): 13-27

Sumiati, A. and Ainniyya, S. M. 2021. Effect of Profitability, Leverage, Size, Capital Intensity, and Inventory Intensity toward Tax Aggressiveness. *Journal of International Conference Proceedings (JICP)*, 4 (3): 245-255

Susanto, S. M. 2024. Pengaruh Profitabilitas, Leverage, dan Kepemilikan Manajerial Terhadap Agresivitas Pajak pada Perusahaan Industri Sektor Pertambangan yang Terdaftar di Bursa Efek Indonesia Tahun 2019-2021". *Soetomo Accounting Review*, 2 (4): 592-607

Tampubolon, L. DR. 2021. The Effect of Liquidity, Leverage and Profitability on the Tax Aggressiveness of Manufacturing Companies. *Atestasi : Jurnal Ilmiah Akuntansi*, 4 (2): 246-256

Utomo, A. B. dan Fitria, G. N. 2020. Ukuran Perusahaan Memoderasi Pengaruh Capital Intensity dan Profitabilitas Terhadap Agresivitas Pajak. *Esensi: Jurnal Bisnis Dan Manajemen*, 10 (2): 231-246

Wijaya, D. dan Saebani, A. 2019. Pengaruh Pengungkapan Corporate Social Responsibility, Leverage, dan Kepemilikan Manajerial Terhadap Agresivitas Pajak. *Widyakala Journal*, 6 (1): 55-76

Wirasasti, P. W. P. dan Aryani, N. K. L. 2024. Pengaruh Likuiditas, Leverage, Profitabilitas, dan Capital Intensity, Terhadap Agresivitas Pajak dengan Ukuran Perusahaan Sebagai Variabel Moderasi (Studi Empiris Pada Perusahaan Manufaktur Sektor Industri Dasar dan Kimia Yang Terdaftar di BEI pada Tahun 2020-2022). *Jurnal Review Pendidikan dan Pengajaran*, 7 (3): 10474-10484

Yauris, A. P. dan Agoes, S. 2019. Faktor yang Mempengaruhi Agresivitas Pajak Perusahaan Manufaktur yang Terdaftar di BEI. *Jurnal Multiparadigma Akuntansi*, 1 (3): 979-987

Yusuf, M., Manurung, L., Faisal, A. R. and Murtanto, M. (2022). Effect of Profitability, Leverage and Capital Intensity on Tax Aggressiveness Moderated Market Performance. *Budapest International Research and Critics Institute-Journal (BIRCI-Journal)*, 5 (1): 2883-2895