**Research Paper**

# The Effect of Profitability, Leverage, Sales Growth and Executive Character on Tax Avoidance in Companies Listed On the Indonesia Stock Exchange

## Dr. Drs. Pandoyo, S.E., M.M. [1]
## Fs Bahari (BC201120017) [2]

[1](Director of the Postgraduate Program at the STIAMI Jakarta Institute of Social Sciences and Management)
[2](Graduate in Institut STIAMI, Jakarta)

**ABSTRACT:** *This research aims to examine the potential factors which are considered to influence tax avoidance. Some predictor variables used in this research include profitability, leverage, sales growth and executive character. The population of this research were companies in the LQ45 category listed on the Indonesia Stock Exchange during the period of 2016-2019, and the sampling method used was the purposive sampling method. The research method used is quantitative method. This research uses data in the form of financial statements of LQ45 companies listed on the Indonesia Stock Exchange during the period of 2016-2019. Data was analyzed using panel data regression analysis. Based on the results of panel data regression analysis with a significance level of 5% using the EViews9 software, it can be concluded that partially, profitability has an effect on tax avoidance, while leverage, sales growth and executive character partially have no effect on tax avoidance. Simultaneously, profitability, leverage, sales growth and executive character have no effect on tax avoidance.*
**KEYWORDS:** *Profitability, Leverage, Sales Growth, Executive Character, Tax Avoidance*

## I. INTRODUCTION

Taxes play a role as a source of state revenue that makes a major contribution to financing Indonesia's development. Development in various sectors of community life is always pursued by the Indonesian government in a sustainable manner for the welfare of the Indonesian people. Therefore, it is appropriate for every citizen who is a taxpayer to carry out their tax obligations obediently.

Indonesia is currently implementing self-assessment system in fulfilling taxpayers' tax obligations. Under this system, taxpayers, both individual taxpayers and corporate taxpayers, are trusted to carry out their own tax obligations by calculate, pay and report their tax payable on the income they earn to the state by themselves. The enormous trust given by the government to taxpayers can run effectively if it is balanced with efforts to foster and supervise taxpayers.

On the other hand, taxpayers have a tendency to reduce their tax payments or in other words do tax avoidance in order to make tax payment more efficient. Mardiasmo (2018) suggests that tax avoidance is an effort made to ease the tax burden in a way that does not violate the law. Tax avoidance is carried out in a manner which does not conflict with tax provisions. Tax avoidance is different from tax evasion. In tax evasion, taxpayers carry out activities that violate applicable tax regulations.

Income tax is calculated based on the net profit generated from business activities using the assets invested in the company. The company's ability to generate profits at certain levels of sales, assets and capital is called profitability or Return on Assets (Ulfa, 2017). The higher the net profit, the higher income tax payable by a company, and in the end, it can influence the company's management to do tax avoidance.

In managing its business, the company's management invests the available funds into assets that support business activities. Assets can be obtained with cash or credit. If the assets obtained with credit, the company will have a financial obligation to repay the loan along with the interest. The ability of both short-term

---

and long-term debt to finance the company's operational activities is measured by a ratio called leverage (Ariawan and Setiawan, 2017).

Acquisition of assets on credit has consequences in the form of interest expense that must be borne by the company. Since interest expense can reduce taxable profit, leverage can affect the company's efforts to avoid tax.

State revenue sourced from taxes is strongly influenced by the economic growth of the country concerned. Sales growth of companies generally reflects economic growth. Sales growth is usually measured by comparing the difference between the number of sales in a period with the number of sales of the previous period, divided with the number of sales of the previous period. Since sales growth can increase net income which will be taxed, sales growth can lead to tax avoidance tendencies.

The company's performance, both financial non-financial, is determined by the leader of the company as the controller of company resources. According to Low in Alviyani (2016), there are two types of corporate leader characters, which are risk taker and risk averse. A risk taker leader tends to be bolder in making decisions even though it carries a high risk, while a risk averse leader do not like risk. A risk taker leader will tend to make decisions which can improve performance to the maximum and as much as possible make the company tax efficient. Thus, the character of the executive can influence the company's tax avoidance decisions.

In connection with the description above, the problem formulations in this research are as follows :
1. Is the company's profitability, individually or partially, influence on the tax avoidance efforts carried out by the company's management?
2. Is the company's leverage, individually or partially, influence on the tax avoidance efforts carried out by the company's management?
3. Is the company's sales growth, individually or partially, influence on tax avoidance efforts carried out by the company's management?
4. Is the character of the company's executives, individually or partially, influence on the tax avoidance efforts carried out by the company's management?
5. Is the company's profitability, company's leverage, sales growth and executive character together or simultaneously influence on tax avoidance by company management?

The objectives of this research are as follows:
1. To find out and evaluate the influence of the company's profitability individually or partially on tax avoidance efforts carried out by the company's management.
2. To find out and evaluate the influence of the company's leverage individually or partially on tax avoidance efforts carried out by the company's management.
3. To find out and evaluate the influence of the company's sales growth individually or partially on tax avoidance efforts carried out by the company's management.
4. To find out and evaluate the influence of the character of the company's executives individually or partially on tax avoidance efforts carried out by the company's management.
5. To find out and evaluate the effect of profitability, leverage, sales growth and executive character together or simultaneously on tax avoidance efforts carried out by the company's management.

## II. LITERATURE REVIEW, FRAMEWORK AND HYPOTHESES

**Agency Theory**

Agency theory arises because of a conflict of interest that occurs between the principal and the agent. The principal provides resources for the company's operational activities. Agents are obligated to manage these resources. Agency theory is a concept that explains the relationship between the principal as the provider of the contract and the agent as the recipient of the contract. Principals contract agents to act on their behalf to achieve their goals (Supriyono, 2018).

Financial decisions made by agents should be in the interests of the principal. However, the agent may act not to maximize the prosperity of the principal but to maximize the welfare of the agent himself. This is where a conflict of interest occurs (Supriyono, 2018).

In this research, the difference in interest occurs between the tax authorities and taxpayers. Tax authorities expects a large amount of income from taxes, while the management of the company as a taxpayer believes that the company must generate a significant profit with an efficient tax expense.

**Tax Avoidance**

Butje and Tjondro (2014) stated that tax avoidance is a tool to make tax savings by diverting resources which intended for the state to company shareholders.

Tax Avoidance is an effort to avoid tax which is carried out by taxpayers legally and safely because it is carried out in a way that does not conflict with tax regulations, where the methods and techniques used

tend to take advantage of weaknesses in tax regulations, while tax evasion is an illegal behavior because it violates applicable laws or regulations (Indriyani, Nurlaela and Wahyuningsih, 2016).

**Profitability**

Profitability is the company's ability to generate profits from its business. The higher the ratio is, the more net profit obtained by the company. Net profit is the basis for the imposition of corporate taxes (Ardyansah and Zulaikha, 2014). The profitability ratio is a ratio used to measure the company's ability to generate profits within a certain period of time from its business activities (Herry, 2016).

According to Fahmi (2014), profitability is the ability of an entity to earn net profit in relation to sales turnover, total assets and own capital. Kasmir (2017) states that the profitability ratio is used to assess the company's ability to seek profit, in line with the opinion of Dendawijaya (2013) that profitability (Return on Assets/ROA) shows the company's ability to earn profits. The increase in Return on Assets indicates an increase in profit and at the same time shows that the company is improving at managing its assets.

**Leverage**

According to Fahmi (2015), leverage shows the size of the company's funding level through the company's obligations. Leverage has an impact on the interest expense charged to the company. Leverage is usually measured using the ratio of Debt-to-Equity Ratio (DER).

Kasmir (2017) states that leverage is a ratio used to measure the extent to which company assets are funded with debt, while Ariawan and Setiawan (2017) suggest that leverage is a ratio that shows the amount of debt to finance business operational activities. Thus, leverage is one of several corporate funding policies.

Leverage shows the proportion of the use of debt in the context of financing its investment (Sartono, 2015). Meanwhile Vicka (2020) states that leverage shows the company's ability to fulfill the payment of all company obligations, both short-term and long-term obligations. Thus, leverage aims to measure how much the company is financed by debt.

**Sales Growth**

Kasmir (2014) states that sales growth is a ratio which shows the company's ability from time to time to maintain its economic position in the midst of economic growth and its business sector.

Fahmi (2014) suggests that sales growth is the ratio between current year's sales minus the previous year's sales then divided by the previous year's sales. This is in line with what was expressed by Dewinta and Setiawan (2016) and Swingly and Sukartha (2015).

Brigham and Houston in Andriyanto (2015), state that companies with relatively stable sales will be safer in obtaining more loans and bear higher fixed costs than companies with unstable sales.

**Executive Character**

Company leaders can be a risk taker or risk averse character (Budiman, 2012). Kartana and Wulandari (2018) state that the executive character consists of two characters, namely risk averse and risk taker. Executives with a risk taker character will dare to make policies with high consequences while executives with a risk averse character will not dare to make policies with high consequences.

The high level of corporate risk indicates that the company's executives are more risk takers. On the other hand, a small level of risk indicates that company executives are more risk averse (Ni Nyoman Kristiana Dewi and I Ketut Jati, 2014).

The variable indicator of executive character is proxied by a company risk measure, which is the standard deviation of EBITDA divided by total assets (Oktamawati, 2017).

**Framework**

This research is intended to show the relationship between profitability, leverage, sales growth and executive character as independent variables with tax avoidance as the dependent variable, as illustrated in Figure 1 below.
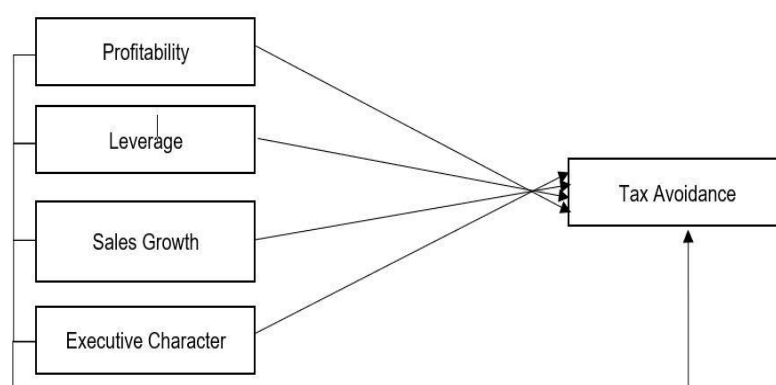
**Figure1:** Research Model

## Hypothesis Development
### Effect of Profitability on Tax Avoidance

A research conducted by Ida and Ketut (2019) on manufacturing companies listed on the Indonesia Stock Exchange from 2015 to 2017 concluded that profitability has a positive effect on tax avoidance. This conclusion is in line with the conclusions of Ulfa's research (2017) conducted on manufacturing companies listed on the Indonesia Stock Exchange from 2012 to 2014.

The results of other previous research regarding the effect of profitability on tax avoidance were concluded by Komang, Putu, Nyoman and Adnyana

(2016). Profitability has a positive effect on tax avoidance in manufacturing companies listed on the Indonesia Stock Exchange from 2011 to 2014.

Based on the framework and previous research regarding the effect of profitability on tax avoidance described above, the following research hypotheses can be formulated :

H 1: Profitability partially affects tax avoidance

### Effect of Leverage on Tax Avoidance

Previous research on the effect of leverage on tax avoidance conducted by Zaka, Elly and Diamonalisa (2019) concluded that leverage and profitability affect tax avoidance in manufacturing companies listed on the Indonesia Stock Exchange from 2015 to 2017.

Leverage has a positive effect on tax avoidance (Ni Wayan and Putu, 2020). This conclusion is the result of research conducted on manufacturing companies listed on the Indonesia Stock Exchange from 2015 to 2018. Leverage along with profitability and company size have an effect on tax avoidance efforts by companies (Vicka, 2020)

Based on the framework of thought and previous research regarding the effect of leverage on tax avoidance described above, the following research hypothesis can be formulated :

H 2: Leverage partially affects tax avoidance

### Effect of Sales Growth on Tax Avoidance

Previous research on the effect of sales growth on tax avoidance was conducted by Kevin, Pransilva and Susi (2020) on companies listed on the Indonesia Stock Exchange from 2014 to 2018. The conclusions obtained from this research are institutional ownership, the number of board members and sales growth simultaneously affect tax avoidance. However, individually, sales growth has no effect on tax avoidance.

Based on the framework and previous research regarding the effect of sales growth on tax avoidance described above, the following research hypotheses can be formulated :

H 3: Sales growth partially affects tax avoidance

### Effect of Executive Character on Tax Avoidance

Executive character influences tax avoidance through capital intensity (Edy and Ummul, 2020). The research was conducted on LQ 45 companies listed on the Indonesia Stock Exchange from 2016 to 2018.

The results of other previous research regarding the effect of executive character on tax avoidance were concluded by Ni Nyoman Kristiana Dewi and I Ketut Jati (2014). The company risk that identifies the executive character along with the quality of the audit and the audit committee has an effect on tax avoidance on companies listed on the Indonesia Stock Exchange in 2009 to 2012, with 144 respondents.

Stella and Elisa's (2014) research concludes that executive character and political connections have a significant effect on tax avoidance in non- financial companies listed on the Indonesia Stock Exchange.

Meanwhile, Mayarisa (2017) in a research conducted on executive character, concluded that executive character, company size, leverage, sales growth and profitability have an effect on tax avoidance, while the audit committee has no effect on tax avoidance. The research was conducted on companies listed on the Indonesia Stock Exchange from 2010 to 2014.

Previous research on the effect of executive character on tax avoidance, Dudi and Hervita (2021) concluded that partially, transfer pricing and executive character each have a positive effect on tax avoidance, which is controlled by profitability and leverage variables. The research was conducted on companies listed on the Indonesia Stock Exchange from 2015 to 2018.

Based on the framework of thought and previous research regarding the effect of executive character on tax avoidance described above, the following research hypotheses can be formulated :

H 4: Executive character partially affects tax avoidance

**Effect of Profitability, Leverage, Sales Growth and Executive Character on Tax Avoidance**

Based on the framework and previous research regarding the effect of profitability, leverage, sales growth and executive character on tax avoidance described above, the following research hypothesis can be formulated :

H 5: Profitability, leverage, sales growth and executive character together affect tax avoidance

### III.    RESEARCH APPROACH

This research uses a quantitative approach. Research that uses a deductive approach which aims to test hypotheses is research that uses a quantitative paradigm (Pandoyo and Sofyan, 2018). This research uses a ratio scale. The ratio scale is data which has the same difference, sequence, and distance between the sequences and has an absolute point or absolute zero so that it can be compared with one another (Pandoyo and Sofyan, 2018).

*Variable Operations*
**Tax avoidance**

Tax avoidance is measured by using the Cash Effective Tax Rate (CETR), which is the cash payment of taxes on company profits before income tax. To measure tax avoidance using the Cash Effective Tax Rate (CETR) measurement, the formula is as follows (Meiza, 2015):

$$CETR = \frac{Cash\ tax\ paid}{Pre - tax\ income}$$

**Profitability**

Profitability is the company's ability to generate profits from the management of company assets. Profitability is usually measured by Return on Assets (ROA). Return on assets (ROA) is the ratio between net income and total assets at the end of the period, which is used as an indicator of the company's ability to generate profits (Kurniasih and Sari, 2013). The ROA formula is as follows:

$$ROA = \frac{Net\ profit\ (loss)\ after\ tax}{Total\ assets}$$

**Leverage**

Leverage is a ratio that measures the ability of both long-term and short-term debt to finance company assets (Kurniasih and Sari, 2013). Leverage is measured by the total debt to equity ratio (Fahmi, 2015) with the following formula:

$$Debt\ to\ Equity\ Ratio = \frac{Total\ Liabilities}{Total\ Shareholder's\ Equity}$$

**Sales Growth**

Sales growth is the ratio between the current year's sales after deducting the previous year's sales with the previous year's sales (Fahmi, 2014). The sales growth formula is as follows:

$$Sales\ Growth = \frac{Sales\ (t) - Sales\ (t-1)}{Sales\ (t-1)}$$

**Executive Character**

Executive character is the character of a company leader characterized by risk taking or risk averse. Executive character is measured using the company's risk level formula, which is in the form of deviations or standard deviations from a company's profit. The risk of a company is measured by calculating the standard

deviation of EBITDA (Earning Before Income Tax, Depreciation, and Amortization) divided by the company's total assets (Oktamawati, 2017).

Risk = EBITDA Standard Deviation / Total Assets

EBITDA Standard Deviation:

$$s = \sqrt{\frac{n \sum_{i=1}^{n} x_i^2 - (\sum_{i=1}^{n} x_1)^2}{n(n-1)}}$$

**Data Collection Technique**

The data for this research uses secondary data, which are data obtained from intermediaries or data that has been collected by other parties so that researchers only need to collect it (Pandoyo and Sofyan, 2018). Secondary data in this research is in the form of financial statements from LQ 45 companies listed on the Indonesia Stock Exchange (IDX) in the period 2016 to 2019. The source of data in this research was obtained from the Indonesia Stock Exchange website (www.idx.co.id).

There are generally two types of sampling techniques: probability sampling and non-probability sampling (Pandoyo and Sofyan, 2018).

**Population**

The population in this research are companies listed on the Indonesia Stock Exchange (IDX) in the period 2016 to 2019.

**Sample**

The sample is part of the number and characteristics or properties possessed by a population (Sugiyono, 2013). The type of sampling technique in this research is Non-Probability sampling. The non-probability sampling technique used in this research is purposive sampling, which is the technique of determining the sample with certain considerations or criteria (Sugiyono, 2013). The criteria used by researcher in determining the sample are as follows:

1. Companies which are included in the LQ 45 category listed on the Indonesia Stock Exchange
2. Financial statements which are available on the Indonesia Stock Exchange website

The sampling results are presented in Table 1 below.

| No | Sampling Criteria | Number of Companies | | | |
|----|---|---|---|---|---|
| | | Year 2016 | Year 2017 | Year 2018 | Year 2019 |
| 1 | Companies listed in ISE | 522 | 559 | 613 | 665 |
| 2 | Companies listed in ISE excluded from LQ 45 | 477 | 514 | 568 | 620 |
| 3 | Financial statements not completely available in period 2016-2019 | 1 | 1 | 1 | 1 |
| 4 | Number of samples | 44 | 44 | 44 | 44 |

Table 1 Sampling Criteria

Source: https://www.invesnesia.com/daftar-perusahaan-di-bei-berdasarkan-sektor

**Data analysis technique**

Data analysis techniques used in this research is in the form of panel data regression analysis using the EViews 9 software.

**Panel Data Regression Model Selection**

Basuki & Prawoto (2016) state that the regression model estimation method using panel data can be done through three approaches: Common Effects Model, Fixed Effects Model, and Random Effect Model. To

choose the most appropriate model among the three approaches, there are several testing steps that must be carried out first, which are the F-Chow test and the Haustman test (Pandoyo and Sofyan, 2018).

**Classic assumption test**

Before performing regression analysis, it is necessary to test the classical assumptions which include:

**a. Normality test**

The purpose of the normality test is to find out whether the distribution of a data has followed or is close to the normal distribution conditions. Normality test was performed using the Jarque-Berra approach. By using a significant level of 5%, and if the Jarque-Berra value is above the significant value of 5%, it means that the residual variable is normally distributed (Pandoyo and Sofyan, 2018).

**b. Autocorrelation Test**

The autocorrelation test aims to find out whether in the regression model there is a correlation between the nuisance error which exists in period t (a certain period) and the nuisance error in period t-1 (previous period). To detect the presence or absence of autocorrelation problems in this research, researcher used the Durbin Watson (DW) method, by comparing the DW test with the DW table (Senja Pertiwi and Flourien Nurul Chusnah, 2020).

**c. Heteroscedasticity Test**

The variance of the independent variable which is constant for any given value of the independent variable indicates the condition of Homoscedasticity. In a good regression model, there will be no heteroscedasticity condition. Heteroscedasticity was tested using the Glejser test with decision making, i.e., if the independent variable is statistically significant affecting the dependent variable, then there is an indication of the occurrence of heteroscedasticity conditions. If the significant probability is above the 5% confidence level, it can be concluded that the regression model does not lead to heteroscedasticity.

**d. Multicollinearity Test**

This test aims to find out whether there is a close correlation between the independent variables in this research by looking at the correlation coefficient between each independent variable. If the correlation coefficient between each variable is less than 0.90 then there is no multicollinearity (Senja Pertiwi and Flourien Nurul Chusnah, 2020).

**Hypothesis Testing Design**

**a. Panel Data Regression Equation**

The regression equation in this research is determined as follows:

$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$

which:

Y = Tax Avoidance

X1 = Profitability

X2 = Leverage

X3 = Sales Growth

X4 = Executive Character

a = Constant

$\beta_1, \beta_2, \beta_3, \beta_4$ = Regression coefficient

e = error term

**b. Coefficient of Determination Analysis ($R^2$)**

Coefficient of Determination Analysis or $R^2$ Test is intended to measure the ability of how big the percentage of variation of the independent variable or independent variable in the multiple linear regression model in explaining the variation of the dependent variable or dependent variable. dependent. The magnitude of the effect is shown in a percentage. The value of the coefficient of determination ranges between 0 (zero) and 1 (one).

**c. Hypothesis test**

Hypothesis testing includes t-test and F-test, as follows:

1) t statistic test or Partial test

    The t-test is an individual partial regression coefficient test used to determine whether the independent variable (Xi) individually affects the dependent variable (Y).

2) F statistic test or Simultaneous Test

    The F test is a test of the significance of the equation used with the aim of knowing how much influence the independent variables or independent variables have together on the dependent variable.

# IV. DATA ANALYSIS AND DISCUSSION

Descriptive statistics

Descriptive statistical analysis provides information about the characteristics of research variables. The results of descriptive statistics in this research are presented in Table 2 below.

Date: 11/18/21
Time: 12:27
Sample: 2016 2019

| | CETR | ROA | DER | SG | RISK |
|---|---|---|---|---|---|
| Mean | 0.412739 | 0.084153 | 1.890934 | 0.116085 | 0.033732 |
| Median | 0.270249 | 0.057999 | 1.021051 | 0.077881 | 0.028229 |
| Maximum | 6.550242 | 0.446758 | 26.62099 | 1.696549 | 0.130143 |
| Minimum | -0.650130 | -0.057224 | 0.019593 | -0.359374 | 0.005135 |
| Std. Dev. | 0.676133 | 0.087836 | 2.735093 | 0.237501 | 0.024088 |
| Skewness | 6.011385 | 1.880505 | 5.150849 | 2.707265 | 1.332662 |
| Kurtosis | 47.90216 | 6.816292 | 41.25049 | 16.06523 | 4.696647 |
| | | | | | |
| Jarque-Bera | 15845.51 | 210.5347 | 11507.65 | 1466.795 | 73.20543 |
| Probability | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | | | | | |
| Sum | 72.64209 | 14.81099 | 332.8044 | 20.43093 | 5.936850 |
| Sum Sq. Dev. | 80.00219 | 1.350168 | 1309.128 | 9.871173 | 0.101544 |
| | | | | | |
| Observations | 176 | 176 | 176 | 176 | 176 |

Table 2 Descriptive Statistics
Source: Output Result EViews 9

## Panel Data Regression Model Selection

To select the best model, several tests were carried out, which are the Chow test, Haustman test and Lagrange Multiplier test if necessary.

## Chow Test

The Chow test is a test model carried out to choose the best approach between the Common Effect Model (CEM) or the Fixed Effect Model (FEM). The results of the Chow test using EViews 9 are presented in Table 3 below.

Redundant Fixed Effects Tests
Equation: MODEL_FEM
Test cross-section fixed effects

| Effects Test | Statistic | d.f. | Prob. |
|---|---|---|---|
| Cross-section F | 1.093819 | (43,128) | 0.3436 |
| Cross-section Chi-square | 55.079416 | 43 | 0.1024 |

Cross-section fixed effects test equation:
Dependent Variable: CETR
Method: Panel Least Squares
Date: 11/18/21   Time: 12:01
Sample: 2016 2019
Periods included: 4
Cross-sections included: 44
Total panel (balanced) observations: 176

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|---|---|---|---|---|
| C | 0.544927 | 0.105368 | 5.171642 | 0.0000 |
| ROA | -1.780065 | 0.665812 | -2.673523 | 0.0082 |
| DER | -0.001120 | 0.019393 | -0.057735 | 0.9540 |
| SG | -0.357004 | 0.214749 | -1.662425 | 0.0983 |
| RISK | 1.813417 | 2.416618 | 0.750394 | 0.4540 |

| | | | | |
|---|---|---|---|---|
| R-squared | 0.056289 | Mean dependent var | | 0.412739 |
| Adjusted R-squared | 0.034214 | S.D. dependent var | | 0.676133 |
| S.E. of regression | 0.664465 | Akaike info criterion | | 2.048330 |
| Sum squared resid | 75.49892 | Schwarz criterion | | 2.138400 |
| Log likelihood | -175.2530 | Hannan-Quinn criter. | | 2.084862 |
| F-statistic | 2.549902 | Durbin-Watson stat | | 1.452094 |
| Prob(F-statistic) | 0.041030 | | | |

Table 3 Chow Test Results
Source: Output Result EViews 9

Based on Table 3 above, the probability value of cross section F is 0.3436. This value is greater than the specified significance level of 0.05 so that the best model based on the results of the Chow test is the Common Effect Model (CEM). The results of the Chow test were followed by the Haustman test to choose the Fixed Effect Model (FEM) or Random Effect Model (REM) method.

**Haustman test**

Haustman test is a test model that is carried out to choose the best approach between Fixed Effect Model (FEM) or Random Effect Model (REM). The results of the Haustman test using EViews 9 are presented in Table 4 below.

Correlated Random Effects - Hausman Test
Equation: MODEL_REM
Test cross-section random effects

| Test Summary | Chi-Sq. Statistic | Chi-Sq. d.f. | Prob. |
|---|---|---|---|
| Cross-section random | 11.267443 | 4 | 0.0237 |

** WARNING: estimated cross-section random effects variance is zero.

Cross-section random effects test comparisons:

| Variable | Fixed | Random | Var(Diff.) | Prob. |
|---|---|---|---|---|
| ROA | -2.236752 | -1.780065 | 3.547581 | 0.8084 |
| DER | 0.009863 | -0.001120 | 0.000698 | 0.6777 |
| SG | -0.607138 | -0.357004 | 0.017506 | 0.0587 |
| RISK | -18.258842 | 1.813417 | 45.465254 | 0.0029 |

Cross-section random effects test equation:
Dependent Variable: CETR
Method: Panel Least Squares
Date: 11/18/21   Time: 12:02
Sample: 2016 2019
Periods included: 4
Cross-sections included: 44
Total panel (balanced) observations: 176

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|---|---|---|---|---|
| C | 1.268707 | 0.303992 | 4.173495 | 0.0001 |
| ROA | -2.236752 | 1.995162 | -1.121088 | 0.2643 |
| DER | 0.009863 | 0.032645 | 0.302137 | 0.7630 |
| SG | -0.607138 | 0.250121 | -2.427378 | 0.0166 |
| RISK | -18.25884 | 7.153369 | -2.552481 | 0.0119 |

| Effects Specification | | | |
|---|---|---|---|

Cross-section fixed (dummy variables)

| R-squared | 0.309878 | Mean dependent var | 0.412739 |
|---|---|---|---|
| Adjusted R-squared | 0.056474 | S.D. dependent var | 0.676133 |
| S.E. of regression | 0.656763 | Akaike info criterion | 2.224015 |
| Sum squared resid | 55.21127 | Schwarz criterion | 3.088692 |
| Log likelihood | -147.7133 | Hannan-Quinn criter. | 2.574724 |
| F-statistic | 1.222861 | Durbin-Watson stat | 1.941754 |
| Prob(F-statistic) | 0.189088 | | |

Table 4 Haustman Test
Source: Output Result EViews 9

Based on Table 4 above, the probability value of a random cross section is 0.0237. This value is smaller than the specified significance level of 0.05 so that the best model based on the Haustman test results is the Fixed Effect Model (FEM).

Because the results from the Chow test and the results from the Haustman test are inconsistent, the next step which must be done is the Lagrange Multiplier (LM) test.

**Lagrange Multiplier Test**

In the Lagrange Multiplier (LM) test, the following hypothesis is made:
H0 : Common Effect Model
H1 : Random Effect Model
The criteria set are if the probability of Breusch Pagan is greater than Alpha (significance level), then H0 is accepted and H1 is rejected. The results of the Lagrange Multiplier Test are presented in Table 5 below.

Lagrange Multiplier Tests for Random Effects
Null hypotheses: No effects
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided
(all others) alternatives

| | Test Hypothesis | | |
| | Cross-section | Time | Both |
| --- | --- | --- | --- |
| Breusch-Pagan | 0.406565 (0.5237) | 0.389026 (0.5328) | 0.795591 (0.3724) |
| Honda | -0.637624 -- | -0.623720 -- | -0.891905 -- |
| King-Wu | -0.637624 -- | -0.623720 -- | -0.765873 -- |
| Standardized Honda | -0.348534 -- | -0.282083 -- | -5.952326 -- |
| Standardized King-Wu | -0.348534 -- | -0.282083 -- | -3.694450 -- |
| Gourierioux, et al.* | -- | -- | 0.000000 (>= 0.10) |

*Mixed chi-square asymptotic critical values:
1%        7.289
5%        4.321
10%       2.952

Table 5 Lagrange Multiplier Test Results
Source: Output Result EViews 9

Based on Table 5 above, the p-value of Breusch Pagan is 0.5237. This value is above the 0.05 significance level, and proves that the Common Effect Model is the best model to be used in this research.

**Classic assumption test**

According to Gujarati and Porter (2015), the only regression equation that meets the classical assumptions is the regression equation which uses the Generalized Least Square (GLS) method. In the EViews model, the estimation using the Generalized Least Square (GLS) method is only a random effect model, while the fixed effect model and the common effect model use the Ordinary Least Square (OLS). According to Basuki and Prawoto (2016), OLS uses multicollinearity and heteroscedasticity test.

**Panel Data Regression Analysis**

With the help of the statistical software EViews 9, the regression results of the estimation of the common effect are obtained in Table 6 below.

Dependent Variable: CETR
Method: Panel Least Squares
Date: 11/18/21   Time: 12:25
Sample: 2016 2019
Periods included: 4
Cross-sections included: 44
Total panel (balanced) observations: 176

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
| --- | --- | --- | --- | --- |
| C | 0.544927 | 0.105368 | 5.171642 | 0.0000 |
| ROA | -1.780065 | 0.665812 | -2.673523 | 0.0082 |
| DER | -0.001120 | 0.019393 | -0.057735 | 0.9540 |
| SG | -0.357004 | 0.214749 | -1.662425 | 0.0983 |
| RISK | 1.813417 | 2.416618 | 0.750394 | 0.4540 |

| | | | |
| --- | --- | --- | --- |
| R-squared | 0.056289 | Mean dependent var | 0.412739 |
| Adjusted R-squared | 0.034214 | S.D. dependent var | 0.676133 |
| S.E. of regression | 0.664465 | Akaike info criterion | 2.048330 |
| Sum squared resid | 75.49892 | Schwarz criterion | 2.138400 |
| Log likelihood | -175.2530 | Hannan-Quinn criter. | 2.084862 |
| F-statistic | 2.549902 | Durbin-Watson stat | 1.452094 |
| Prob(F-statistic) | 0.041030 | | |

Table 6 Common Effect Estimation Regression Results
Source: Output Result EViews 9

Based on the results of the common effect estimation regression, the panel data regression equation can be formulated as follows:

CETR=0,544927-1,780065ROA-0,001120DER-0,357004SG+1,813417RISK

The results of the panel data regression model show a constant value of 0.544927. If profitability, leverage, sales growth and executive character are zero, then the amount of tax avoidance is 0.544927.

The coefficient of profitability in the panel data regression model above is -1.780065. This means that if there is an increase of one in the profitability variable, it will increase the value of tax avoidance by -1.780065.

The leverage coefficient in the panel data regression model above is -0.001120. This means that if there is an increase of one in the leverage variable, it will increase the value of tax avoidance by -0.001120.

The coefficient of sales growth in the panel data regression model above is -0.357004. This means that if there is an increase of one in the sales growth variable it will increase the value of tax avoidance by −0.357004.

The coefficient of executive character in the panel data regression model above is 1.813417. This means that if there is an increase of one in the executive character variable, it will increase the value of tax avoidance by 1.813417.

**Coefficient of Determination Analysis**

The value of the coefficient of determination (R-squared) is 0 to 1. The closer to 1, the greater the ability of the resulting model to explain changes in the value of the dependent variable. Conversely, the closer to zero, the smaller the model's ability to explain changes in the value of the dependent variable (Pandoyo and Sofyan, 2018).

| | | | |
|---|---|---|---|
| R-squared | 0.056289 | Mean dependent var | 0.412739 |
| Adjusted R-squared | 0.034214 | S.D. dependent var | 0.676133 |
| S.E. of regression | 0.664465 | Akaike info criterion | 2.048330 |
| Sum squared resid | 75.49892 | Schwarz criterion | 2.138400 |
| Log likelihood | -175.2530 | Hannan-Quinn criter. | 2.084862 |
| F-statistic | 2.549902 | Durbin-Watson stat | 1.452094 |
| Prob(F-statistic) | 0.041030 | | |

Table 7 Determinative Coefficient
Source: Output Result EViews 9, processed by the author

From the calculation of the determinative coefficient, the value of the determinative coefficient (Adjusted R-squared) is 0.034214. This shows that the proportion of the influence of the independent variables, which are profitability (ROA), leverage (DER), sales growth (SG) and executive character (RISK), on tax avoidance as the dependent variable is 3.42%. While the remaining 96.58% is explained by other factors not included in this research.

**Hypothesis test**

Hypothesis testing in this research includes T statistical test (partial test) and F statistical test (simultaneous test).

**t-Test**

The t-test is used to determine the level of significance of the independent variables individually or individually in influencing the variation of the dependent variable (Pandoyo and Sofyan, 2018).

The t-test or partial test in this research was used to determine the individual effect of each independent variable, namely profitability (ROA), leverage (DER), sales growth (SG) and executive character (RISK) on the dependent variable of tax avoidance (CETR). The significance level in this research is 0.05 with degrees of freedom df = n – k.

    a. **First Hypothesis (H1)**

       The profitability variable as proxied by return on assets (ROA) has a t- count of 2.673523 which is greater than the t-table of 1.97393. The probability value of 0.0082 is smaller than the 0.05 significance level. From these results it can be concluded that the profitability variable in this research which is proxied by return on assets has a significant effect on the tax avoidance variable. Therefore, the first hypothesis which states that profitability has an effect on tax avoidance can be accepted.

**b. Second Hypothesis (H2)**

The leverage variable which is proxied by the debt-to-equity ratio (DER) has a t-count of 0.057735 which is smaller than the t-table of 1.97393. The probability value of 0.9540 is greater than the 0.05 significance level. From these results, it can be concluded that leverage as proxied by debt-to-equity ratio has no significant effect on tax avoidance. Therefore, the second hypothesis which states that leverage has an effect on tax avoidance cannot be accepted.

**c. Third Hypothesis (H3)**

The sales growth variable which is proxied by sales growth (SG) has a t-count of 1.662425 which is smaller than the t-table of 1.97393. The probability value of 0.0983 is greater than the 0.05 significance level. From these results, it can be concluded that sales growth as proxied by sales growth has no significant effect on tax avoidance. Therefore, the third hypothesis which states that sales growth has an effect on tax avoidance cannot be accepted.

**d. Fourth Hypothesis (H4)**

The executive character variable which is proxied by risk (RISK) has a t- count of 0.750394 which is smaller than the t-table of 1.97393. The probability value of 0.4540 is greater than the 0.05 significance level. From these results, it can be concluded that the executive character which is proxied by risk has no significant effect on tax avoidance. Therefore, the fourth hypothesis which states that the executive character has an effect on tax avoidance cannot be accepted.

**F-Test**

The F-test was conducted to determine whether all of the independent variables used in a regression model simultaneously had an effect on the dependent variable. To determine the significance, the F-test was calculated based on the comparison between the value of a certain level of significance with the probability value of the F statistic (Pandoyo and Sofyan, 2018).

The F statistical test or simultaneous test in this research was used to determine the effect of the independent variables, namely profitability (ROA), leverage (DER), sales growth (SG) and executive character (RISK) together on the dependent variable tax avoidance (CETR). The significance level in this research is 0.05 with degrees of freedom $df1 = k - 1$.

The results of this research produce a calculated F or F-statistic of 2.549902 which is smaller than the F table of 2.66. From these results it can be concluded that profitability, leverage, sales growth and executive character simultaneously have no effect on tax avoidance. Therefore, the fifth hypothesis which states that profitability, leverage, sales growth and executive character together have an effect on tax avoidance cannot be accepted.

**The Effect of Profitability on Tax Avoidance**

The first hypothesis in this research, which states that profitability has an effect on tax avoidance, is acceptable. The results of panel data regression that have been carried out show that the coefficient value for the profitability variable is -1.780065. The probability value is 0.0082. This value is smaller than the significance level of 0.05 (0.0082 < 0.05). This shows that profitability as proxied by Return on Assets (ROA) has a significant effect on tax avoidance.

The results of this research are in line with previous research conducted by Ida Ayu Intan Dwiyanti and I Ketut Jati (2019) which stated that profitability, capital intensity and inventory intensity had a positive effect on tax avoidance. Previous research similar to this research conducted by Ismiani Aulia and Endang Mahpudin (2020) states that profitability, leverage and company size together affect tax avoidance in property companies listed on the Indonesia Stock Exchange between 2013 and 2018 Similar conclusions are also drawn from research conducted by Ulfa Jasmine (2017) which states that leverage, institutional ownership, firm size and profitability affect tax avoidance in 34 respondents from manufacturing companies listed on the Indonesia Stock Exchange between the period 2012 to 2014.

The conclusion of a similar previous research conducted by Komang Subagiastra, I Putu Edy Arizona, I Nyoman Kusuma and Adnyana Mahaputra (2016) stated that profitability, institutional ownership, the proportion of independent commissioners have a positive effect on tax avoidance. Likewise, research conducted by Zhang Chen, Cheong Kee Cheok and Rajah Rasiah (2016) which used profitability variables and research conducted by Jeong Ho Kim (2017) which used data samples from 2011 to 2013 from companies listed in Korea Stock Exchange. There is a positive indirect relationship between tax avoidance and market value through growth and profitability.

Zaka Qodri Zainudin, Elly Halimatusaidah and Diamonalisa Sofianty (2019) provide a similar conclusion in terms of profitability, where profitability has an effect on tax avoidance in addition to the leverage variable.

If profitability, which is proxied by Return on Assets, increases, the taxable profit of the entity will increase and ultimately the tax burden of the entity will increase. This encourages the entity's management to

make tax burden more efficient by implementing tax avoidance techniques in order to maintain the entity's performance in a period.

**Effect of Leverage on Tax Avoidance**

The second hypothesis in this research, which states that leverage has an effect on tax avoidance, cannot be accepted. The results of panel data regression that have been carried out show that the coefficient value for the leverage variable is - 0.001120. The probability value is 0.9540. This value is greater than the significance level of 0.05 (0.9540 > 0.05). This shows that leverage as proxied by the Debt-to-Equity Ratio (DER) has no effect on tax avoidance.

The results of this research are not in line with previous research conducted by Ardianti (2019). The results of this research are also not in line with previous research conducted by Zaka Qodri Zainudin, Elly Halimatusaidah and Diamonalisa Sofianty (2019) which stated that profitability and leverage affect tax avoidance. Similarly, the results of research by Ismiani Aulia and Endang Mahpudin (2020) which concluded that leverage has an effect on tax avoidance in property companies listed on the Indonesia Stock Exchange between 2013 and 2018.

Research conducted by Ulfa Jasmine in 2017 on manufacturing companies listed on the Indonesia Stock Exchange for the period 2012 to 2014 also gives different conclusions from this research, namely that leverage, institutional ownership, company size and profitability affect tax avoidance. Research conducted by Ni Wayan Desi Antari and Putu Ery Setiawan (2020) on 168 respondents of manufacturing companies listed on the Indonesia Stock Exchange from 2015 to 2018, states that leverage affects tax avoidance, also contradicts the results of this research. The conclusion resulting from the research conducted by Vicka Stawati (2020) which states that profitability, leverage and firm size affect tax avoidance, also contradicts the results of the author's research regarding the leverage variable.

The conclusion of a similar previous research conducted by Mayarisa Oktamawati (2017) which states that executive character, leverage, company size and sales growth and profitability affect tax avoidance are also not in line with the conclusions of this research. Likewise, the conclusions of research conducted by Jeong Ho Kim (2017) which uses the leverage variable in his research, are also not in accordance with the results of this research.

This condition indicates that the greater leverage does not necessarily lead to further tax avoidance. The decision to take credit facilities from creditors is based more on the entity's cash flow needs to finance new investments in certain sectors or to procure new fixed assets to replace old fixed assets used in company operations or to meet daily working capital needs. The motive for making the tax burden more efficient due to the interest expense does not dominate management's considerations in its decisions, except leasing with option right.

**Effect of Sales Growth on Tax Avoidance**

The third hypothesis in this research, which states that sales growth has an effect on tax avoidance, cannot be accepted. The results of panel data regression that have been carried out show that the coefficient value for the sales growth variable is – 0.357004. The 4-year sample data shows that in 2016 and 2018, around 34% and 41% of LQ45 companies experienced negative sales growth. Thus, the decline in CETR is partly due to a decrease in sales and may not reflect the degree of tax avoidance. The probability value is 0.0983. This value is greater than the significance level of 0.05 (0.0983 > 0.05). This shows that sales growth as proxied by Sales Growth (SG) has no effect on tax avoidance in LQ 45 companies listed on the Indonesia Stock Exchange.

The results of this research are in line with previous research on respondents from basic and chemical industrial companies listed on the Indonesia Stock Exchange for the period 2014 to 2018 conducted by Desy Fitri Astuti, Riana R Dewi and Rosa Nikmatul Fajri (2020) which stated that institutional ownership, the number of members of the board of commissioners and sales growth simultaneously affect tax avoidance. However, the individual sales growth variable does not affect tax avoidance.

Previous research conducted on basic chemical industry companies listed on the Indonesia Stock Exchange from 2013 to 2015 by Almaidah Mahanani, Kartika Hendra Titisari and Siti Nurlaela (2017), stated that the company age variable and the audit committee variable had an effect on the tax avoidance variable, while the company size, independent commissioners, sales growth and CSR (Corporate Social Responsibility) have no effect on tax avoidance, in line with the results of this research.

The conclusion drawn from research conducted by Kevin Muhammad Pransilva Nasution and Susi Dwi Mulyani (2020) on companies listed on the Indonesia Stock Exchange for the period 2014 to 2018 states that institutional ownership, number of commissioners and sales growth simultaneously affect tax avoidance, but individually the sales growth variable does not affect tax avoidance in the companies listed on the Indonesia Stock Exchange from 2014 to 2018.

Mayarisa Oktamawati (2017) also provides a different conclusion from this research. The research conducted on companies listed on the Indonesia Stock Exchange between 2010 and 2014 shows that executive character, company size, leverage, sales growth, profitability has an effect on tax avoidance, while the audit committee has no effect on tax avoidance. Likewise, the conclusions of research conducted by Jeong Ho Kim (2017) on small and medium sized companies listed on the Korea Stock Exchange from 2011 to 2013 which used growth rate variables and regression analysis methods in their research, are also not in accordance with the results of the research.

Sales growth from one year to the next can result in an increase in taxable profit in the following year, although the increase is not always in the same proportion as the increase in sales. This depends, among other things, on increased costs. In general, the management realizes that sales growth will inevitably increase the taxable profit and tax burden that must be borne by the entity.

**Effect of Executive Character on Tax Avoidance**

The fourth hypothesis in this research, which states that the executive character has an effect on tax avoidance, cannot be accepted. The results of panel data regression that have been carried out show that the coefficient value for the executive character variable is 1.813417. The probability value is 0.4540. This value is greater than the significance level of 0.05 (0.4540 > 0.05). This shows that the executive character as proxied by Corporate Risk (RISK) has no effect on tax avoidance in LQ 45 category companies listed on the Indonesia Stock Exchange.

The results of this research are not in line with previous research conducted by Ni Nyoman Kristiana Dewi and I Ketut Jati (2014) on 144 respondents of companies listed on the Indonesia Stock Exchange for the period 2009 to 2012 using the multiple linear regression method which states that the company's risk identify the character of the executive, audit quality and audit committee effect on tax avoidance.

Previous research conducted by Herlina (2019) is in line with this research. This research concludes that leverage and sales growth have an effect on tax avoidance, while the character of the executive, audit committee, firm size and profitability have no effect on tax avoidance.

Previous research related to this research conducted by Stella Butje and Elisa Tjondro (2014) on respondents from non-financial companies listed on the Indonesia Stock Exchange for the period 2009 to 2013, which stated that executive character and political connections have a significant effect on tax avoidance, is not in line with the results of this research. The conclusion from research conducted by Mayarisa Oktamawati (2017) on 540 respondents of companies listed on the Indonesia Stock Exchange for the period 2010 to 2014, states that executive character, company size, leverage, sales growth, profitability affect tax avoidance while the audit committee has no effect on tax avoidance, is also not in line with the results of this research. Likewise, the conclusion of the research conducted by Eriana Kartadjumena, Muhammad Mujaddid and Muntazhar (2021) which used executive character variables in their research, is also not in accordance with the results of this research.

Edy Suprianto and Ummul Aqida (2020) in their research on 28 LQ 45 companies listed on the Indonesia Stock Exchange for the period 2016 to 2018, concluded that executive characteristics affect tax avoidance through capital intensity. These results are not in line with the results in this research. Similarly, the research conducted by Dudi Pratomo and Hervita Triswidyaria (2021) on companies listed on the Indonesia Stock Exchange for the period 2015 to 2018, which concluded that transfer pricing and executive character simultaneously affect tax avoidance. Partially, the transfer pricing variable has a positive effect on tax avoidance which is controlled by profitability and leverage variables. Partially, the executive character has a positive effect on tax avoidance which is controlled by profitability variable and leverage.

This condition indicates that if the executive becomes more risk taker, it will not always lead to further tax avoidance efforts made by the entity's management. Decision making and policies by executives which based on differences in character consisting of risk takers and risk averse, are depending on the high or low risk that exists in the company (Praptidewi and Sukartha, 2016). This also applies in decision making regarding corporate tax planning, of course, with consideration of many relevant factors and applicable tax provisions.

In carrying out entity tax avoidance efforts, executives who are risk takers consider other factors such as profitability and leverage in addition to applicable tax provisions which can be utilized to reduce the tax burden.

**Effect of Profitability, Leverage, Sales Growth and Executive Character on Tax Avoidance**

The fifth hypothesis in this research which states that profitability, leverage, sales growth and executive character together or simultaneously affect tax avoidance, cannot be accepted. The results of the panel data regression which have been carried out show that the F-statistic or F count for this research is 2.549902. This value is smaller than the F table value of 2.66 (2.549902 < 2.66). This shows that all

independent variables, which are profitability, leverage, sales growth and executive character, simultaneously have no effect on tax avoidance in LQ 45 category companies listed on the Indonesia Stock Exchange.

This indicates that the variables of leverage, sales growth and executive character individually have no significant effect on tax avoidance, while the profitability variable alone affects tax avoidance. However, all of these independent variables together cannot affect tax avoidance. Thus, the tax avoidance efforts carried out by the management are not only influenced by one or two factors but the considerations involve many factors together such as profitability, leverage, sales growth and executive character and other factors outside this research.

## V.    CONCLUSIONS AND SUGGESTIONS

Based on the results of data analysis and discussion above, the conclusions generated from this research are as follows:
1. Partially, profitability as proxied by Return on Assets (ROA) has an effect on tax avoidance in LQ 45 category companies listed on the Indonesia Stock Exchange for the period 2016 to 2019.
2. Partially, the leverage as proxied by the Debt-to-Equity Ratio (DER) has no effect on tax avoidance in LQ 45 category companies listed on the Indonesia Stock Exchange for the period 2016 to 2019.
3. Partially, sales growth as proxied by Sales Growth (SG) has no effect on tax avoidance in LQ 45 category companies listed on the Indonesia Stock Exchange for the period 2016 to 2019.
4. Partially, the executive character as proxied by Corporate Risk (RISK) has no effect on tax avoidance in LQ 45 category companies listed on the Indonesia Stock Exchange for the period 2016 to 2019.
5. Simultaneously, profitability, leverage, sales growth and executive character have no effect on tax avoidance in LQ 45 category companies listed on the Indonesia Stock Exchange for the period 2016 to 2019.

The suggestions submitted by the author for further similar research are as follows:
1. Profitability variable should be proxied by taxable profit.
2. The leverage variable should be replaced with a lease installment with option rights variable since this variable is a component of negative fiscal adjustments.
3. The sales growth variable should be defined operationally as the sales growth of the entity's superior product.
4. The executive character variable should still be used as a research variable but accompanied by the audit committee variable or independent commissioner as the party responsible for corporate governance.
5. The influence of independent variables simultaneously can be in the form of profitability, lease installments with option rights, sales growth, executive character and the audit committee simultaneously on tax avoidance.

## REFERENCES

[1].    Asra, A dan Prasetyo, A. 2015. Pengambilan Sampel dalam Penelitian Survei. Jakarta : PT Rineka Cipta.
[2].    Basuki, AT dan Prawoto, N. 2016. Analisis Regresi dalam Penelitian Ekonomi dan Bisnis. Jakarta : PT Raja Grafindo Persada.
[3].    Dendawijaya, Lukman. 2013. Manajemen Perbankan. Jakarta: Ghalia Indonesia
[4].    Fahmi, Irhan.  2015.  Pengantar Manajemen Keuangan Teori dan Soal Jawab. Bandung: Alfabeta
[5].    Fahmi, I . 2014. Analisis Kinerja Keuangan. Bandung : Alfabeta
[6].    Ghozali, Imam. 2016. Aplikasi Analisis Multivariate dengan Program IBM SPSS 20. Semarang: Badan Penerbit Universitas Diponegoro
[7].    Gujarati, Damodar N dan Dawn C, Porter. 2015. Dasar-Dasar Ekonometrika Edisi  3 Buku 2. Jakarta : Salemba Empat
[8].    Herry. 2016. Analisis Laporan Keuangan. Jakarta : Grasindo
[9].    Kasmir. 2017. Analisis Laporan Keuangan. Jakarta : Raja Grafindo Persada
[10].    Mardiasmo. 2016. Perpajakan Edisi Revisi 2016. Yogyakarta : Andi Publisher
[11].    Mardiasmo. 2018. Perpajakan Edisi Terbaru 2018. Yogyakarta :Andi Publisher
[12].    Pandoyo dan Sofyan, Moh. 2018. Metodologi Penelitian Keuangan dan Bisnis. Teori dan Aplikasi Menggunakan Software Olah Data Eviews 9. Jakarta : IN MEDIA
[13].    Sartono, A. 2015. Manajemen Keuangan Teori dan Aplikasi Edisi 4. Yogyakarta : BPFE
[14].    Suandy, E. 2013. Perencanaan Pajak. Jakarta: Salemba Empat.
[15].    Sugiyono. 2013. Metode Penelitian Kuantitatif Kualitatif dan R&D. Bandung: Alfabeta. Suharsaputra, U.  2012.  Metode Penelitian : Kuantitatif, Kualitatif dan Tindakan. Bandung : PT Refika Aditama.
[16].    Supriyono, R.A. 2018. Akuntansi Keperilakuan. Yogyakarta : UGM Press.
[17].    Abdullah, Ikhsan. 2020. Pengaruh Likuiditas dan Leverage terhadap Penghindaran Pajak pada Perusahaan Makanan dan Minuman. Jurnal Riset Akuntansi dan Bisnis Vol. 20 No.1 hal. 16-22 ISSN : 1693-7597 (Print), 2623-2650 (online)
[18].    Almaidah Maharani, Kartika Hendra Titisari, Siti Nurlaela. 2017. Pengaruh Karakteristik Perusahaan, Sales Growth dan CSR Terhadap Tax Avoidance. SEMINAR NASIONAL IENACO. 2017. ISSN 2337-4349
[19].    Alviyani, Khoirunnisa. Pengaruh Corporate Governance, Karakter Eksekutif, Ukuran Perusahaan dan Leverage Terhadap Penghindaran Pajak (Tax Avoidance) (Studi pada Perusahaan Pertanian dan Pertambangan yang Terdaftar di BEI tahun 2011-2014). JOM Fekon Volume 3 No. 1 Februari 2016
[20].    Andriyanto, H.N. 2015. Pengaruh Return On Assets, Leverage, Corporate Governance dan Sales Growth terhadap Tax Efficience Pada Perusahaan Manufaktur yang Terdaftar di BEI tahun 2007-2012, Semarang.
[21].    Ardiansyah, D. dan Zulaikha. 2014. Pengaruh  Size, Leverage, Profitabilitas Capital Intensity Ratio dan Komisaris Independen t erhadap Effective Tax Rate (ETR). Diponegoro Journal of Accounting. Volume 3 No. 2 Hal. 1 -9

[22]. Ardianti, Putu Novia Hapsari. 2019. Profitabilitas, Leverage dan Komite Audit pada Tax Avoidance. E-Jurnal Akuntansi Universitas Udayana Volume 26.3 Maret (2019) : 2020-2040. 2019. ISSN 2302-8556.

[23]. Ariawan, I.M.A.R., dan Setiawan, P.E. 2017. Pengaruh Dewan Komisaris Independen, Kepemilikan Institusional, Profitabilitas dan Leverage Terhadap Tax Avoidance. E-Jurnal Akuntansi Universitas Udayana 18 (3) 1831-1859 ISSN:2302-8556. https://ojs.unnud.ac.id/index.php/Akuntansi/article/view/23975

[24]. Budiman, J. dan Setiyono. 2012. Pengaruh Karakteristik Eksekutif Terhadap Penghindaran Pajak (Tax Avoidance). Artikel Universitas Islam Sultan Agung Semarang

[25]. Darmayanti, P.P.B, dan Merkusiawati, N.K.L.A. 2019. Pengaruh Ukuran Perusahaan, Profitabilitas, Koneksi Politik dan Pengungkapan Corporate Social Responsibility Pada Tax Avoidance. E-Jurnal Akuntansi Universitas Udayana, 26 (3), 1992-2019. https://doi.org/10-24843/eja.2019.v26.iq3.p12

[26]. Desy Fitri Astuti, Riana R Dewi dan Rosa Nikmatul Fajri. 2020. Pengaruh Corporate Governance dan Sales Growth terhadap Tax Avoidance di Bursa Efek Indonesia 2014-2018. Journal of Economics and Business 4 (1), Maret 2020: 210-215. 2020. ISSN 2597-8829 Online

[27]. Dewinta, I.A., dan Setiawan, P.E. 2016. Pengaruh Ukuran Perusahaan, Umur Perusahaan, Profitabilitas, Leverage dan Pertumbuhan Penjualan Terhadap Tax Avoidance. E-Jurnal Akuntansi Universitas Udayana ISSN: 2303-8556 Volume 14.3 1584-1613

[28]. Dudi Pratomo dan Hervita Triswidyaria. 2021. Pengaruh Transfer Pricing dan Karakter Eksekutif Terhadap Tax Avoidance. Jurnal Akuntansi Aktual, Volume 8 Nomor 1, Februari. 2021. p-ISSN 2087-9695 e-ISSN 2580-1015

[29]. Edy Suprianto dan Ummul Aqida. 2020. Karakteristik Eksekutif, Intensitas Modal dan Tax Avoidance. Jurnal Akuntansi Indonesia, Volume 9 Nomor 1, Januari 2020, Hal. 11-18. 2020

[30]. Herlina Ayudya Wibowo. 2019. Pengaruh Karakter Eksekutif, Komite Audit, Leverage, Ukuran Perusahaan, Pertumbuhan Penjualan dan Profitabilitas terhadap Tax Avoidance. Universitas Semarang. http://repository.usm.ac.id

[31]. Hidayat, Wastam Wahyu. 2018. Pengaruh Profitabilitas, Leverage, dan Pertumbuhan Penjualan terhadap Penghindaran Pajak.

[32]. Ida Ayu Intan Dwiyanti dan I Ketut Jati. 2019. Pengaruh Profitabilitas, Capital Intensity dan Inventory Intensity pada Penghindaran Pajak. E-Jurnal Akuntansi Universitas Udayana, Volume 27, 3 Juni 2019 : 2293-2321. 2019. ISSN 2302-8556

[33]. Indriyani, M., Nurlaela, S., dan Wahyuningsih, E.M. 2016. Pengaruh Keadilan, Sistem Perpajakan, Diskriminasi dan Kemungkinan Terdeteksi Kecurangan Terhadap Persepsi Wajib Pajak Orang Pribadi mengenai Tax Evasion. Seminar Nasional IENACO-2016 ISSN : 2337-4349, 818-825

[34]. Ismiani Aulia dan Endang Mahpudin. 2020. Pengaruh Profitabilitas, Leverage dan Ukuran Perusahaan terhadap Tax Avoidance. Jurnal FEB Unmul Akuntabel 17 (2) 289-300. 2020. p-ISSN 0216-7743 e-ISSN 2528-1135

[35]. Kantana, I.W. dan Wulandari, N.G.A. 2018. Pengaruh Karakter Eksekutif, Karakteristik Perusahaan dan Corporate Governance pada Tax Avoidance. Jurnal KRISNA : Kumpulan Riset Akuntansi, 10 (1), 1-13. doi : 10.22225/kr.10.1.708.1-13

[36]. Kevin Muhammad, Pransilva Nasution dan Susi Dwi Mulyani. 2020. Pengaruh Intensitas Aset Tetap dan Intensitas Persediaan terhadap Penghindaran Pajak dengan Pertumbuhan Penjualan sebagai Variabel Moderasi. Prosiding Seminar Nasional Pakar ke-3 Buku 2: Sosial dan Humaniora. 2020. ISSN (P) 2615-2584 ISSN (E) 2615-3343

[37]. Komang Subagiastra, I Putu Edy Arizona, I Nyoman Kusuma dan Adnyana Mahaputra. 2016. Pengaruh Profitabilitas, Kepemilikan Keluarga dan Good Corporate Governance terhadap Penghindaran Pajak (Studi pada Perusahaan Manufaktur di Bursa Efek Indonesia). Jurnal Ilmiah Akuntansi, Volume 1 No. 2 Hal. 167-193, Desember. 2016.

[38]. Kurniasih, T. dan Sari, M.M.R. 2013. Pengaruh Return on Assets, Leverage, Corporate Governance, Ukuran Perusahaan dan Kompensasi Rugi Fiskal pada Tax Amnesty. Buletin Studi Ekonomi Universitas Udayana Bali, Volume 18 No. 1 Hal. 18-66. ISSN 1410-4628

[39]. Mayarisa Oktamawati. 2017. Pengaruh Karakter Eksekutif, Komite Audit, Ukuran Perusahaan, Leverage, Pertumbuhan Penjualan dan Profitabilitas terhadap Tax Avoidance. Jurnal Akuntansi Bisnis, Volume 15 No. 1, Maret. 2017. ISSN 1412775X (media cetak) 2541-5204 (media online)

[40]. Meiza, R. 2015. Pengaruh Karakteristik Good Corporate Governance dan Deferred Tax Expense terhadap Tax Avoidance (Studi Empiris pada Perusahaan Manufaktur yang Listing di BEI tahun 2010-2013). Artikel Universitas Negeri Padang

[41]. Ni Nyoman Kristiana Dewi dan I Ketut Jati. 2014. Pengaruh Karakter Eksekutif, Karakteristik Perusahaan dan Dimensi Tata Kelola Perusahaan yang Baik pada Tax Avoidance di Bursa Efek Indonesia. Jurnal Akuntansi Universitas Udayana, 6.2(2014):249-260. 2014. ISSN 2302-8556 E

[42]. Ni Wayan Desi Antari dan Putu Ery Setiawan. 2020. Pengaruh Profitabilitas. Leverage dan Komiter Audit terhadap Tax Avoidance. Jurnal Akuntansi, Volume 30 No. 10, Denpasar, Oktober 2020, Hal. 2591-2603. 2020. ISSN 2302-8556

[43]. Oktamawati, M. 2017. Pengaruh Karakter Eksekutif, Komite Audit, Ukuran Perusahaan, Leverage, Pertumbuhan Penjualan dan Profitabilitas Terhadap Tax Avoidance. Jurnal Akuntansi Bisnis, 15(1), 23-40,doi:10.24167/JAB.V15I1.1349

[44]. Praptidewi, L., dan Sukartha, I. 2016. Pengaruh Karakteristik Eksekutif dan Kepemilikan Keluarga Pada Tax Avoidance Perusahaan. E-Jurnal Akuntansi, 17 (1), 426-452

[45]. Senja Pertiwi dan Flourien Nurul Chusnah. 2020. Pengaruh Kinerja Keuangan terhadap Nilai Perusahaan dengan Corporate Social Responsibility sebagai Variabel Moderasi. Artikel Sekolah Tinggi Ilmu Ekonomi Indonesia

[46]. Stella Butje dan Elisa Tjondro.2014.Pengaruh Karakter Eksekutif dan Koneksi Politik terhadap Tax Avoidance. Tax and Accounting Review, Volume 4 No. 2.2014

[47]. Swingly, C., dan Sukartha, I.M.2015.Pengaruh Karakter Eksekutif, Komite Audit, Ukuran Perusahaan, Leverage dan Sales Growth pada Tax Avoidance. ISSN: 2302-8556 E-Jurnal Akuntansi Universitas Udayana 10.1, 47-62

[48]. Ulfa Jasmine. 2017. Pengaruh Leverage, Kepemilikan Institusional, Ukuran Perusahaan dan Profitabilitas terhadap Penghindaran Pajak. JOM Fekon, Volume 4 No. 1, Februari. 2017

[49]. Vicka Stawati. 2020. Pengaruh Profitabilitas, Leverage dan Ukuran Perusahaan terhadap Penghindaran Pajak. Jurnal Akuntansi dan Bisnis: Jurnal Program Studi Akuntansi 6(2), November. 2020. ISSN 2443-3071 (Print) ISSN 2503-0337 (online)

[50]. Zaka Qodri Zainudin, Elly Halimatusadiah dan Diamonalisa Sofianty. 2017. Pengaruh Profitabilitas dan Leverage terhadap Tax Avoidance (Pada Perusahaan Manufaktur Sektor Aneka Industri di Bursa Efek Indonesia Tahun 2015 – 2017). Prosiding Akuntansi Unisba, Volume 9 Nomor 2 Agustus. 2019. ISSN 2460-6561

[51]. https://www.invesnesia.com/daftar-perusahaan-di-bei-berdasarkan-sektor

[52]. https://www.idx.co.id

[53]. https://lokadata.beritagar.id/chart/preview/target-dan-realisasi-pajak-2007-2021 1603086339