New Applied Studies in Management, Economics & Accounting
Vol. 6, No. 4(24), 2023, pp. 83-97

New Applied Studies in Management, Economics & Accounting E-ISSN: 2783-3119 nasme-journal.ir

The effect of company size, corporate social responsibility and corporate governance on tax aggressiveness during the Covid 19 pandemic

Indah Susilawati[1], Sekar Mayangsari[2]*
1. M.A. Student of Accounting, Trisakti University, Jakarta, Indonesia
2. Associate Professor of Accounting, Trisakti University, Jakarta, Indonesia

Abstract
This study aims to determine and analyze the effect of company size, corporate social responsibility, and corporate governance on tax aggressiveness. This study includes five independent variables, namely company size, corporate social responsibility, corporate governance which is proxied using independent commissioner, audit committee, and concentrated ownership, with one dependent variable, namely tax aggressiveness. The population in this study were property and real estate subsector companies with a total of 53 companies listed on the Indonesia Stock Exchange in 2019-2021. The sampling method used is purposive sampling. The information used in this study was obtained from financial information published on the Indonesia Stock Exchange. Tax aggressiveness is proxied using ETR, corporate social responsibility is measured using CSR disclosure indicators based on the Global Reporting Initiative (GRI) guidelines. The results showed that company size has no effect on tax aggressiveness, corporate social responsibility has a positive effect on tax aggressiveness, corporate governance proxied using independent commissioners and audit committees has no effect on tax aggressiveness; While corporate governance proxied using concentrated ownership has a positive effect on tax aggressiveness.
Keywords: Company size, Corporate social responsibility, Corporate governance, Tax aggressiveness, Indonesia Stock Exchange.

*Corresponding author: Sekar Mayangsari, sekar_mayangsari@trisakti.ac.id

1. Introduction

Indonesia relies heavily on taxes as the main source of state budget revenue. Therefore, the government has implemented various strategies to optimize tax revenue. In Indonesia, the tax collection system operates on a self-assessment basis, where individuals who have met the subjective and objective requirements are given the responsibility to voluntarily register, calculate, pay, and report their tax obligations (Tandayu et al., 2023). One of the sources of state finance is taxes, where taxes are one of the most important supports for state financing. The contribution of taxes to state revenue reaches 80%. Although every year tax revenue increases, there is always a shortage so that the tax target is not achieved, such as the current Covid-19 pandemic. According to data (www.bps.go.id, 2022) state tax revenues have declined. In 2019-2021 there was a Covid-19 pandemic which caused many companies to go bankrupt, so the amount of company income will affect income tax payments to companies. To reduce the income tax paid to the government, companies usually carry out tax aggressiveness by reducing the profits earned by the company. Therefore, people's economic activities are also very limited during the Covid-19 pandemic (Fitriani & Indrati, 2023). This is evidenced by the data on the realization of state revenue from tax revenue in 2020 recorded at IDR 1,404.50 trillion or a decrease of around IDR 141.64 trillion compared to the realization of tax revenue in 2019 (bps.go.id). From this data, it means that there was a decrease in tax revenue during the Covid 19 pandemic that hit the country of Indonesia. The pandemic had a negative impact on the economic sector when the Composite Stock Price Index fell by 21.13% compared to the end of the previous year accompanied by all sectoral indices experiencing a decline, and the *property* and *real estate* sector which experienced the deepest decline during 2020, namely - 36.09% (Agung & Susilawati, 2021).

The Ministry of Finance announced that there are six main sectors of tax revenue in 2020 experiencing contraction, one of which is the *property* and *real estate* sector minus 22.56% *year on year* (yoy). Then in 2019, there was a phenomenon of declining tax revenue performance in the *property* sector until October 2019. It was recorded a slight decrease of 0.1 percent compared to the same period last year, which was IDR 64.8 trillion or 6.9 percent of the total national tax revenue. (national.kontan.co.id, News on January 6, 2021). *The* case of tax aggressiveness that occurred in *property* and *real estate* companies in Indonesia is a *property* transaction carried out by the developer (depelover) of Bukit Semarang Baru Housing developed by PT Karyadeka Alam Lestari, namely a transaction selling a luxury house worth IDR 7.1 billion in Semarang. However, the notarial deed of the sale is only written as IDR 940 million. It can be interpreted that there is a price difference of Rp 6.1 billion. So, in this transaction, there is a potential unpaid VAT (Value Added Tax) of IDR 610 million and another unpaid shortfall, namely the final Income Tax (PPh) of IDR 300 million. So, the total tax underpaid by the developer is IDR 910 million. It can be concluded in this case that if the developer of Bukit Semarang Housing sells hundreds of luxury housing units, this causes state losses if thousands of houses are sold in this way (Awaloedin, 2020).

Tax aggressiveness can be influenced by various factors such as company size, corporate social responsibility, and corporate social responsibility. Responsibility, and corporate governance, namely independent commissioners, audit committees, concentrated ownership. Company size is a business classification based on the amount of assets it owns. Total assets which include current and non-current assets are used to determine company size (Honggo & Marlinah, 2019). The larger and more assets the company has, the greater the size of the company. The lack of assets has an impact on the company's productivity, which in turn has an impact on revenue. Companies with many assets will have a lot of profits, which will affect their tax payments. According to (Darmayanti & Lely Aryani Merkusiawati, 2019), the amount of assets owned by the company

will make the company have a large profit and result in the taxes paid by the company will also be large. Another factor that can affect the level of tax aggressiveness carried out by the company is the proportion of independent commissioners and the audit committee. The function of this independent commissioner is to oversee and ensure the running of the company that this company has implemented transparency, disclosure, independence, accountability, and fairness practices in accordance with applicable regulations (Delita & Murtanto, 2021).

In the research that has been done before, there are still differences for each of them. Variables, therefore the researcher wants to research again by including some differences with previous research. Some of the differences contained in this study are that this study uses the period during the co-19 pandemic. In addition, the companies used as sample objects are property and real estate sector companies. The selection of property and real estate sector companies as sample objects is because property and real estate sector companies are companies that experience extraordinary contractions compared to other sectors.

The purpose of this study was to determine the effect of company size, corporate social responsibility, and corporate governance which is proxied using independent commissioners, audit committees, concentrated ownership on tax aggressiveness, for the Property and Real Estate company index from 2019 to 2021. This research has benefits for companies to contribute thoughts and references for company owners, managers, regulators, and investors in decision-making actions related to tax aggressiveness.

2. Literature Review

2.1. Agency Theory

Tax aggressiveness in this study is influenced by corporate governance, the main theory of which is agency theory. Agency theory was first recognized after Jensen et al. (1976) published research results on managerial behavior, agency costs, and ownership structure. Agency theory is a theory that explains the relationship between management (agent) and shareholders (principal), where shareholders appoint and pay management to manage the company. Agency conflicts arise when company managers take advantage to maximize their profits. This can occur because company managers know more about the condition of the company and internal information than company owners (Gunawan, 2018). Agency conflicts can affect aggressive tax treatment. Agency problems can occur when there are differences in the interests of agents and principals to have aggressive tax avoidance behavior. This condition occurs because management wants to increase compensation through higher profits, while other shareholders want to reduce the tax burden through lower profits. (Zemzem & Ftouhi, 2019).

2.2. Positive Accounting Theory

Positive accounting theory is to provide an overview of the accounting process that runs from the beginning to the present and the accounting information that will be presented so that it can be communicated to relevant parties. This theory is based on the fact that stakeholders, shareholders, and tax authorities strive to be persistent in maximizing their activities, which over time can also affect the compensation and welfare received. According to Watts & Zimmerman (1986) there are 3 hypotheses that can be a reference to explain and predict events in accounting. Of the three existing hypotheses, this study uses the positive cost hypothesis.

If the conditions do not change, then the profits are relatively large, so it is tantamount to the company returning current profits to the future. Regarding tax aggressiveness, companies with higher profits in the current period will pay higher tax payments. The larger the company, the more resources are needed, and the company will carry out tax planning with the aim of saving

tax payments. To reduce the number of current profit periods, company management has prepared to move the current profit period to the next period (Fitriani & Indrati, 2023).

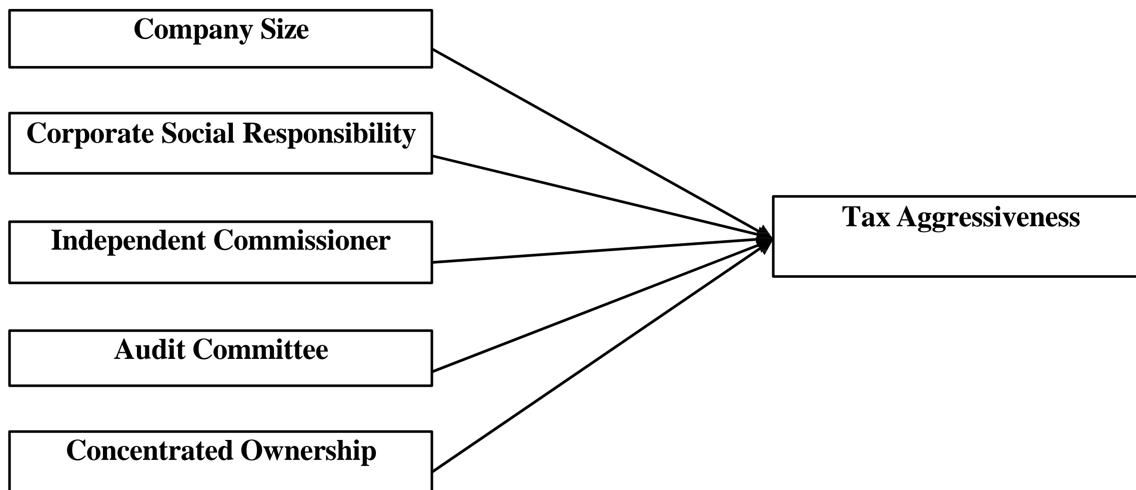

Figure 1. Research Framework

2.3. Hypothesis Development

Company size can be defined as a scale where the size of the company can be classified in various ways, including expressed in total assets, stock market value, and others. The larger the size of the company, the more it will definitely try to do tax avoidance or aggressiveness. Agency theory states that the *agent* and *principal* have different interests, where the *agent* tries to be aggressive in taxes, but the *principal* demands that the company comply with regulations, especially complying with taxation provisions. This is done because the bigger a company is, the more it will be in the spotlight of the community, government, and other *stakeholders*.
According to research Migang & Dina (2020), it shows that company size has a positive effect on tax aggressiveness variables. In line with research conducted Gupta & Newberry (1997) that company size has a positive effect on tax aggressiveness variables. The results of this study do not support research conducted by Leksono et al. (2019), which states that company size has a negative effect on tax aggressiveness. However, the results of this study support the results of research conducted by Selviani et al. (2019), which states that company size has a positive effect on tax aggressiveness. Based on the description above, the hypotheses proposed in this study are:
H_1: Company size has a positive effect on tax aggressiveness.

Corporate social responsibility is a way for companies to manage their business activities both partially and as a whole, which also has a positive impact on the company and the environment. According to agency theory, this difference of interest can occur due to the assignment of responsibilities from the *principal* and *agent*. *Agents* who are given responsibility from the *principal* can certainly play an important role in influencing their tax disclosure information. The *agent* tries to maximize performance in order to reduce its tax burden through various means, while the *principal* wants the company to run properly without harming other parties.
López-González et al. (2019) examined the effect of corporate social responsibility performance on tax avoidance in 956 international companies from 28 countries from 2006 to 2014. This study uses effective tax rate (ETR) and cash effective tax rate (CashETR) as proxies for tax avoidance and uses data provided by Ethical Investment Research Service (EIRIS) to measure

social responsibility performance. The test results explain that social responsibility performance tends to reduce tax avoidance so that companies with higher social responsibility performance show lower tax saving practices. In research conducted by Lestari & Marlina (2022) shows that Corporate Social Responsibility (CSR) has a negative effect on tax aggressiveness. In line with research conducted by Kurniawati (2019), shows that Corporate Social Responsibility (CSR) has a negative effect on tax aggressiveness. However, the results of this study do not support the results of research conducted by Junensie et al. (2020), showing that the Corporate Social Responsibility (CSR) variable has a positive effect on income tax aggressiveness. In line with research conducted by Chouaibi et al. (2022), it states that the Corporate Social Responsibility (CSR) variable has a positive effect on tax aggressiveness. Therefore, they found that companies with higher CSR commitment will be less likely to avoid taxes than companies with lower CSR commitment. Likewise, these results are in line with the results of (Richardson et al., 2013), they predict that companies with higher levels of CSR activity have lower levels of tax aggressiveness. Based on the theoretical basis and the results of previous research, the proposed hypothesis is:
H_2: Corporate Social Responsibility (CSR) has a positive effect on tax aggressiveness.

The greater the number of independent commissioners in a company, the less likely the company will carry out tax aggressiveness. Likewise, on the contrary, the fewer the number of independent commissioners in a company, the more likely the company will take tax aggressiveness. Tax aggressiveness can be influenced by independent commissioners who function to oversee the running of the company by ensuring that the company has carried out the principles of good corporate governance in accordance with applicable laws and regulations so that it will reduce actions taken by management to avoid taxes that can benefit management.
From the perspective of agency theory, members of the Board of Commissioners who come from outside the company (Independent Commissioners) have a role to oversee the role of other executives. There is a possibility that other executives commit fraud in order to maintain their positions to the detriment of shareholders, so supervision from the Independent Commissioner is needed.
The results of research conducted by Junensie et al. (2020), that the independent commissioner variable has no positive effect on income tax aggressiveness. So, companies that have good or bad independent commissioners do not affect the company's tax aggressiveness. The results of this study are in line with research conducted by Migang & Dina (2020), showing that independent commissioners have a negative effect on tax aggressiveness. The above statement is also supported by Kotler (2018) a board of commissioners that is reliable in financial or financial matters, especially for independent commissioners, is expected to minimize agency conflicts, one example of which is the practice of tax avoidance.
H_3: Independent commissioners have a negative effect on tax aggressiveness.

The audit committee has become a component in the *corporate governance* structure that has a supervisory function on financial reports. According to Putriningsih et al. (2019) the higher the proportion of the audit committee in a company, the more it will hinder the company from being able to carry out tax avoidance activities, therefore if the proportion of the audit committee is small, the company will be able to carry out tax avoidance. The committee's responsibility in the field of corporate governance is to ensure that the company is running in accordance with statutory regulations. The formation of the audit committee makes the auditor's performance more independent. Collusion between management and auditors is increasingly difficult to do which will reduce tax avoidance (Watts & Zimmerman, 1983).

According to Zheng et al. (2019), skills, independence, and audit committee size have a negative influence on tax aggressiveness, along with the audit committee being more successful in preventing tax evasion proportional to the number of audit committees. The results of this study are in line with research conducted by Salhi et al. (2020), there is an influence between the audit committee and tax avoidance due to an increase in the credibility and integrity of the financial statements if the industry has a supervisory audit committee. So that industrial governance is negatively and significantly related to tax avoidance. However, the results of this study do not support the results of research conducted by Hasan (2022) showing that the Audit Committee has a positive effect on tax aggressiveness. In line with research Deslandes et al. (2020). The higher the presence of an audit committee in the company, the better the quality of *corporate governance* so that it will reduce the company's tax aggressiveness. Based on the description above, the hypotheses proposed in this study are:
H_4: The audit committee has a negative effect on tax avoidance.

Entities with ownership by certain individuals or institutions above 50% of the total outstanding shares can be categorized as companies with a concentrated ownership structure. Major shareholders in a company with a concentrated ownership structure have the resources and ability to direct management and corporate attitudes, including corporate attitudes towards aggressive tax planning and tax avoidance.
According to Solikin & Slamet (2022) management has the potential to be offered incentives from major shareholders to take tax aggressiveness actions because doing so will provide benefits for management and major shareholders. Management will be incentivized because it is considered successful in increasing the company's *net profit after tax*. This increase in *net profit after tax* will then increase the company's value so that it also benefits major shareholders (Noviari & Suaryana, 2020).
On the other hand, more conservative major shareholders are believed to reduce tax avoidance practices. Major shareholders are more worried about damaging the company's reputation and having to pay fines if the company is found to have committed tax avoidance or evasion. Thus, companies will avoid aggressive tax planning and tax avoidance. This theory is supported by the results of research (Lee & Soetardjo, 2022). However, research conducted by Solikin & Slamet (2022) found different results. The results of both studies found that entities with concentrated ownership are more likely to increase the likelihood of *tax aggressiveness*.
H_5: Concentrated ownership has a positive effect on tax aggressiveness.

3. Methodology

This type of research is a type of quantitative research, using quantitative research, a significant relationship between the variables studied will be known so as to produce conclusions that will clarify the picture of the object under study. The data used in this research is secondary data. The secondary data used in this study are the financial statements of property and real estate sector companies listed on the Indonesia Stock Exchange which are obtained through the official website of the Indonesia Stock Exchange, namely www.idx.co.id. The data collection method used in this research is the literature study method and the documentation method.
The population used in this study are property and real estate sector companies listed on the Indonesia Stock Exchange in 2019-2021, totaling 53 companies. The samples used in this study were 53 property and real estate sector companies listed on the Indonesia Stock Exchange (IDX) with a total of 159. The sampling technique in this study used purposive sampling, namely sampling with certain considerations. The criteria for companies sampled in this study are as follows:

1. Property and real estate companies that have been listed on the IDX during the 2019-2021 period.
2. Property and real estate companies that publish and publish annual financial reports during the 2019-2021 period.
3. The company does not experience losses during the 2019-2021.

This research data analysis includes descriptive statistical tests (mean, median, maximum, minimum, and standard deviation), analysis and selection of panel data regression using the Chow and Hausman tests, and descriptive statistics (mean, median, maximum, minimum, and standard deviation). In statistical testing, Gujarati and Porter (2009) state that the Hausman test follows the Chi-square statistical distribution. Then classical assumption testing is carried out which includes multicollinearity test and heteroscedasticity test, followed by hypothesis testing which includes simultaneous significance test (F test), partial significance test (T test), and coefficient of determination (adjusted R-squared) at a significance level of 0.05 (5%).

3.1. Operational Definition and Measurement of Tax Aggressiveness Variables

In this study, tax aggressiveness is measured using the effective tax rate (ETR). Effective tax rate (ETR) is calculated by dividing income tax expense by pre-tax income. ETR reflects the actual applicable rate on taxpayer income seen based on the amount of tax paid. The higher the ETR, the lower the company's tax aggressiveness.

$$\text{ETR} = \frac{Tax\ expense}{Pre-tax\ income}$$

Company Size

The calculation of company size in this study uses Natural Log Total Assets (LnTA). By using this calculation, the number of assets can be simplified without changing the proportion of the actual number of assets. The following is the formula for calculating Log Natural Total Assets (LnTA).

$$\text{Size} = \text{Ln (Total Aset)}$$

Corporate Social Responsibility

CSR measurement uses indicators in the *Global Reporting Initiative* G.4 (GRI G.4) which uses the checklist method. There are 91 indicators, namely 9 economic indicators, 34 environmental indicators, 16 indicators of labor practices and work comfort, 12 human rights indicators, 11 community indicators, and 9 indicators of product responsibility. In addition, CSR measurements that disclose each CSR indicator are given a value of 1 and those that do not disclose CSR indicators are given a value of 0, so the CSR disclosure formula is:

$$CSRDI = \frac{\sum Xyj}{Nj}$$

Description:

CSRj	: index of the extent of disclosure of social and environmental responsibility of company j.
∑Xij	: value 1 if item i is disclosed; value 0 if item i is not disclosed.
nj	: number of items of company j, nj ≤ 91

Independent Commissioner

In this study, the calculation of independent commissioners was obtained by dividing the number of independent commissioners by the total number of board members (Tiaras & Henryanto, 2019). The following formula is used to calculate independent commissioners (KIN).

$$KIN = \frac{\text{Total Number of Independent Commissioners}}{\text{Total Number of Board Of Commissioners}} * 100\%$$

Audit Committee

The audit committee is a committee that works professionally and independently assisted by the board of commissioners (supervisory board) in carrying out the supervisory function or the financial reporting process, risk management, and implementation of corporate governance. In this study, the audit committee is the total number of audit committee members owned by the company (Kristanto, 2018). The following formula is used to determine the audit committee (KA).

KA = Total Number of Audit Committees members

Concentrated Ownership

Concentrated ownership is a condition in which most shares are controlled by a group or individual who owns relatively dominant shares from others. Concentrated ownership is proxied as the largest number of shareholdings both from individuals themselves and from institutions with a presentation of the number of shares above 50% or more of the total number of shares outstanding.

$$\text{Concentrated Holdings} = \frac{\text{Largest Shareholdings}}{\text{Total Shares Outstanding}}$$

3.2. Data Analysis Method

In this research, panel data regression testing is carried out in order to determine the correlation between the three independent variables, namely *company size,* corporate social responsibility and corporate governance on tax aggressiveness. In the multiple linear regression equation, the variables used are:

$$\mathbf{ETR = \alpha + \beta_1 Size + \beta_2 CSR + \beta_3 KIN + \beta_4 KA + \beta_5 KT + \varepsilon}$$

Description:

ETR = Tax aggressive
α = Constant
β = Regression Coefficient
SIZE = Company size
CSR = Corporate Social Responsibility
KIN = Independent commissioner
KA = Audit committee
KT = Concentrated ownership
E = *Error*

4. Results

Using the minimum value, maximum value, average (mean), and standard deviation for each independent variable and dependent variable, descriptive statistical analysis is used to provide an overview of the distribution and behavior of the research sample data. The descriptive test results are shown in the table below:

Table 1. Descriptive Statistics

Variables	N	Mean	Median	Max	Min	Std. Deviation
ETR	159	-0.0882	-0.0235	-1.1624	-0.0002	0.1705
Size	159	27.8026	27.9292	31.7495	21.2898	2.29441
CSR	159	0.2881	0.2637	0.4835	0.1538	0.0851
KI	159	0.4144	0.4000	0.6666	0.2500	0.0877
KA	159	3.0566	3.0000	4.0000	3.0000	0.2318
KT	159	0.6184	0.6775	0.9999	0.1387	0.2050

This study has 159 data obtained from the financial statements of property and real estate companies listed on the Indonesia Stock Exchange (IDX) from 2019 to 2021. The tax aggressiveness variable proxied by ETR has the lowest value of -0.0002 owned by PT Adhi Commuter Properti Tbk (ADCP) in 2021 and the highest value of -1.1624 indicated by PT Intiland Development Tbk (DILD) in 2020, the median value is -0.0235 and the standard deviation (data distribution rate) is 0.1705. It can be assumed that the average value of tax aggressiveness in the index of property and real estate companies from 2019 to 2021 is -0.0882 or 8.82%.
The company size variable proxied by Size has the lowest value of 21.2898 owned by PT Maha Properti ndonesia Tbk (MPRO) in 2021 and the highest value of 31.7495 indicated by PT Bumi Serpong Damai Tbk (BSCE) in 2021, the median value is 27.9292 and the standard deviation (data distribution level is 2.2944.). It can be assumed that the average value of company size in the property and real estate company index from 2019 to 2021 is 27.8026 or 27.8%.
The corporate social responsibility variable proxied by CSR has the lowest value of 0.1538 owned by PT Summarecon Agung Tbk (SMRA) in 2021 and the highest value of 0.4835 indicated by PT Jababeka Industrial Estate Tbk (KIJA) in 2021, the median value is 0.2637 and the standard deviation of the data distribution level is 0.0851. It can be assumed that the average value of corporate social responsibility in the index of property and real estate companies from 2019 to 2021 is 0.2881 or 28.8%.
The independent commissioner variable proxied by KI has the lowest value of 0.2500 owned by PT Jababeka Industrial Estate Tbk (KIJA) in 2021 and the highest value of 0.6666 indicated by PT PP Property Tbk (PPRO) in 2019-2021, the median value is 0.4000 and the standard deviation of the data distribution level is 0.0877. It can be assumed that the average value of independent commissioners in the property and real estate company index from 2019 to 2021 is 0.4144 or 41.4%.

Panel Data Regression Model

First, we conduct Chow test to test which the best one among fixed and common effect. The results show that the Fixed Effect model is the best. Next, we use Hausman test of the two models that have been tested, the prob value is p = 0.6898> 0.05, meaning that the Random Effect Model is the best model. The last model test for choosing between random effect and common effect model. The result shows that the random effect model fit with the data.

The following table summarizes the results of the panel data regression model selection test conducted on each model.

Table 2. Best Panel Data Regression Model

Test	Model 1	Model 2	Results
Chow Test	CEM VS FEM	CEM VS FEM	Fixed Effect Model
Hausman Test	REM VS FEM	REM VS FEM	Random Effect Model
Lagrange Multiplier Test	CEM VS REM	CEM VS REM	Random Effect Model

Choosing the most appropriate research model between the fixed effect model (FEM) and the random effect model (REM) is based on the results of the chow test and the Hausman test. Based on the test results that have been carried out, the best model used in this study is the Random Effect Model (REM).

Classical Assumption Test Multicollinearity Test

Based on the sample data that has been tested, the results of all variables are below 0.80. It can be concluded that the independent and dependent variables in this study are free from multicollinearity.

Heteroscedasticity Test

Based on the sample data tested, the probability value is more than 0.05. It can be stated that there is no heteroscedasticity between the independent and dependent variables in this study.

Panel Data Regression Analysis

Based on the findings of the panel data regression analysis test, the equation model betweenvariables can be formed as follows:

$$ETR = 0.1555 + 0.0014*Size + 0.2306*CSR - 0.1155*KI - 0.0427*KA + 0.2525*KT + \varepsilon$$

Based on the regression equation, it shows that the constant value of 0.1555 explains that the value of Tax Aggressiveness of each Property and Real Estate Company in 2019-2021 is 15.55% by assuming the value of Company Size, CSR, Independent Commissioner, Audit Committee, and Concentrated Ownership remains or does not change.

Company Size has a positive coefficient value of 0.0014 percent, meaning that every decrease in the value of Company Size in Property and Real Estate Companies by 1 percent means that it will increase the value of Tax Aggressiveness by 1.4% with the assumption that the value of CSR, Independent Commissioner, Audit Committee, and Concentrated Ownership is constant.

CSR has a positive coefficient value of 0.2306 percent, meaning that every increase in the value of CSR in Property and Real Estate Companies by 1 percent means that it will increase the value of Tax Aggressiveness by 23.06% with the assumption that the value of Company Size, Independent Commissioner, Audit Committee, and Concentrated Ownership is constant.

Independent Commissioner has a negative coefficient value of 0.1155 percent, meaning that every decrease in the value of Company Size in Property and Real Estate Companies by 1 percent means that it will reduce the value of Tax Aggressiveness by 11.55% with the assumption that the value of Company Size, CSR, Audit Committee, and Concentrated Ownership is constant.

The audit committee has a negative coefficient value of 0.0427 percent, meaning that every increase in the value of CSR in Property and Real Estate Companies by 1 percent means that it will reduce the value of Tax Aggressiveness by 4.27% with the assumption that the value of Company Size, CSR, Independent Commissioner, and Concentrated Ownership is constant.
Concentrated Ownership has a positive coefficient value of 0.2525 percent, meaning that every decrease in the value of Company Size in Property and Real Estate Companies by 1 percent means that it will reduce the value of Tax Aggressiveness by 25.25% assuming the value of Company Size, CSR, Independent Commissioners, and Audit Committee, is constant.

4.1. Hypothesis Test

Table 3. Hypothesis Test Results (T Test)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.155597	0.161120	0.965722	0.3358
X1	0.001430	0.003693	0.387049	0.6993
X2	0.230638	0.099063	2.328190	0.0213
X3	-0.115533	0.095308	-1.212210	0.2274
X4	-0.042773	0.035055	-1.220164	0.2243
X5	0.252524	0.039182	2.574856	0.0463

Table 3 shows the hypothesis results. The company size variable obtained a sig value of 0.6993. This shows that Ha is rejected, the company size variable has no effect on tax aggressiveness. The CSR variable obtained a sig value of 0.0213. This shows that Ha is accepted, the CSR variable has a positive effect on tax aggressiveness. The independent commissioner variable obtained a sig value of 0.2274. This shows that Ha is rejected, the independent commissioner variable has no effect on tax aggressiveness. The audit committee variable obtained a sig value of 0.2243. This shows that Ha is rejected, the audit committee variable has no effect on tax aggressiveness. The concentrated ownership variable obtained a sig value of 0.0463. This shows that Ha is accepted, the concentrated ownership variable has a positive effect on tax aggressiveness.

Table 4. Test Results of the Coefficient of Determination

R-sguared	0.685299
Adjusted R-squared	0.664035
S.E. of regression	0.098883
Sum squared resid	1.447131
Log likelihood	147.9848
F-statistic	32.22871
Prob (F-statistic)	0.000000

The R Square value in Table 4 obtained in this study is 0.664035, which means that 66.4% of tax aggressiveness proxied by the current ETR can be explained by independent variables consisting of company size, CSR, independent commissioners, audit committee, and concentrated ownership. The remaining 33.6% is explained by other variables that are not in this research model.

5. Discussion

The results of this study indicate that company size has no effect on the tax aggressiveness variable. This study proves that the size of the company does not affect tax aggressiveness. The lack of effect of this variable is due to the fact that paying taxes is an obligation for all citizens and entities or companies in accordance with agency theory, that management wants to be considered good in its performance by shareholders. So that the size of a small or large company does not affect management not to do tax avoidance. The size of the company does not guarantee that the company has strong resources to influence the political process in tax matters, given the covid-19 pandemic that occurred, indicating that companies will be more effective and efficient in handling taxes rather than avoiding them. The results of this study support research conducted by Belz et al. (2019) which states that company size has no effect on tax aggressiveness, larger businesses are subject to more regulatory actions, pressure from the public, and inspections. However, the results of this study do not support the results of research conducted by Handayani (2018), which states that company size has an effect on tax aggressiveness.

The Effect of Corporate Social Responsibility on Tax Aggressiveness

The results of this study indicate that *Corporate Social Responsibility* (CSR) has a positive effect on tax aggressiveness. This study proves that the higher the level of CSR disclosure of a company, the lower the level of tax aggressiveness. If the company is increasingly aware of the importance of CSR, then the company will increasingly realize how important the company's contribution is in paying taxes. This is because the taxes paid by the company will later be given in the form of services and facilities for the benefit of society and the state. The results of this study are consistent with research conducted by Ortas & Gallego-Álvarez (2020), which states that CSR affects tax aggressiveness. But the results of this study are not in accordance with research conducted by (MAKHFUDLOH et al., 2018), which states that CSR has no significant effect on tax aggressiveness planning, this can occur because the CSR information disclosed in the report is not necessarily in accordance with the actual conditions.

Effect of Independent Commissioner on Tax Aggressiveness

The results of this study indicate that the Independent Commissioner proves that the independent commissioner has no effect on tax aggressiveness. This study proves that the large number of independent commissioners on the board of commissioners does not guarantee that there will be tighter supervision of management and no fraud in terms of taxation. The uneven proportion results in the supervisory function of the independent commissioner being weak so that it does not rule out the possibility of still providing opportunities for management to take aggressiveness tax.

The existence of a policy on the number of independent commissioners from the entire board of commissioners is possible only as a fulfillment of regulatory compliance requirements. The decrease in the level of tax aggressiveness is not influenced by the independent board of commissioners. The research results are also reinforced through previous research where researched by Junensie et al. (2020) independent commissioners have no influence on tax aggressiveness.

Effect of Audit Committee on Tax Aggressiveness

The test results show that the audit committee has no effect on the tax aggressiveness variable. This study proves that the audit committee in a company will not guarantee the company to practice tax avoidance, because management can still influence the independence of auditors in

carrying out their duties. The audit committee helps the board of commissioners to provide advice on accounting policies and internal controls. However, the large number of audit committees still does not guarantee the presence or absence of fraud in terms of taxation, namely tax aggressiveness, this is possible because there are still limits to the authority of the board of commissioners. The existence of a regulation on the number of audit committees of at least 3 people may only be used to comply with government regulations. It can be concluded that in this study the number of audit committees does not affect decision making regarding corporate tax policy. The results of this study are in line with research conducted by Gunawan & Kris Resitarini (2019), stating that the audit committee cannot affect tax aggressiveness.

The Effect of Concentrated Ownership on Tax Aggressiveness

The test results show that concentrated ownership has a positive effect on tax aggressiveness. This study proves that the more concentrated ownership in a company, the greater it is to take aggressive tax actions. Concentrated ownership is able to be concentrated in institutional ownership, where institutional ownership has a considerable portion of shares in the capital structure. In addition, it can also be concentrated in family ownership if the family share portion is the largest. This happens because in agency theory shareholders and managers have different interests, especially shareholders have controlling rights in the company, so a conflict will arise called agency conflict. Concentrated ownership or majority shareholders of the company should be able to play an important role in supervising disciplining and influencing managers so as to force management to avoid selfish behavior. And also, the majority shareholder who acts as a party monitoring the company is not necessarily able to provide good control over management's opportunistic actions in practicing tax aggressiveness. The results of this study contradict the results of research from Badertscher et al. (2018), namely Concentrated Ownership has a significant negative effect on tax aggressiveness.

6. Conclusions

Based on the research results, it can be stated that the purpose of this study is to determine whether the independent variables in this study affect the dependent variable. The independent variables in the study are company size, Corporate Social Responsibility (CSR), independent commissioners, audit committee and concentrated ownership with the dependent variable Tax Aggressiveness, for property and real estate companies listed on the Indonesia Stock Exchange (IDX) from 2019 to 2021. Based on the results of the analysis that has been carried out, the results show that the company size variable has no effect on tax aggressiveness, the corporate social responsibility variable has a positive effect on tax aggressiveness, the independent commissioner variable has no effect on tax aggressiveness. the audit committee variable has no effect on tax aggressiveness. the concentrated ownership variable has a positive effect on tax aggressiveness.

The government needs to develop strict tax policies to address tax avoidance practices, especially by financially sound companies. Investors and the public also need to consider tax avoidance practices and the implementation of CSR disclosures by companies and their long-term implications that may affect their performance and reputation. The public may choose not to use products or services from companies suspected of tax avoidance or not fulfilling their CSR responsibilities. Meanwhile, companies need to consider financial factors that influence tax policy and transparency in CSR disclosure to maintain long-term financial health and build a good reputation. There are several limitations to this study, including the time period of the observation period of only three years from 2019-2021 so that the sample used is very limited, in

addition, the limited sample is also due to the object that only uses property and real estate companies, so that only 159 samples of companies can be used for research.

Suggestions for further research can increase the scope of the sample and not only company's property and real estate only listed on the IDX, so it is hoped that future researchers can conduct research on other companies that also have high tax avoidance listed on the IDX. In addition, further research should use a longer period of time in measuring tax avoidance activities. Future research can also use sustainability reports or primary data for CSR data which aims to reduce the level of subjectivity of CSR data. Future research is expected to add several component variables that have not been studied.

References

Agung, J. S., & Susilawati, C. E. (2021). The Impact of the Covid-19 Pandemic on the Index of 9 Industrial Sectors on the Indonesia Stock Exchange. JMBI UNSRAT (Scientific Journal of Business Management and Innovation, Sam Ratulangi University), 8(2), 581-592.

Badertscher, B., Katz, S., Rego, S., & Wilson, R. (2018). Conforming Tax Avoidance and Capital Market Pressure. 1-23.

Belz, T., von Hagen, D., & Steffens, C. (2019). Taxes and firm size: Political cost or political power? Journal of Accounting Literature, 42, 1-28.

Chouaibi, J., Rossi, M., & Abdessamed, N. (2022). The effect of corporate social responsibility practices on tax avoidance: an empirical study in the French context. Competitiveness Review, 32(3), 326-349.

Darmayanti, P. P. B., & Lely Aryani Merkusiawati, N. K. (2019). The Effect of Company Size, Profitability, Political Connections and Corporate Social Responsibility Disclosure on Tax Avoidance. E-Journal of Accounting, 26, 1992.

Deslandes, M., Fortin, A., & Landry, S. (2020). Audit committee characteristics and tax aggressiveness. Managerial Auditing Journal, 35(2), 272-293.

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

Gunawan, B., & Kris Resitarini, F. (2019). The Influence of Corporate Governance Mechanisms, Profitability, Leverage, and Earnings Management on Tax Aggressiveness (An Empirical Study on Mining Sector Companies Listed on the Indonesia Stock Exchange in 2014-2017). 102(Icaf), 13-19.

Gupta, S., & Newberry, K. (1997). Determinants of the variability in corporate effective tax rates and tax reform: Evidence from Australia. Journal of Accounting and Public Policy, 26(6), 689-704.

Handayani, M. F. (2018). The effect of probability, leverage, and company size on tax avoidance. Journal of Accounting Science and Research, Volume 7 (2), 1-16.

Hasan, H. (2022). YUME: Journal of Management the Effect of Extent of Corporate Social Responsibility disclosure, Executive Characteristics, Family Ownership, Profitability, and Corporate Governance Against Tax Aggressiveness. YUME: Journal of Management, 5(3), 433-440.

Honggo, K., & Marlinah, A. (2019). The Effect of Company Size, Company Age, Independent Board of Commissioners, Audit Committee, Sales Growth, and Leverage on Tax Avoidance. Journal of Business and Accounting, 21(1), 9-26.

Junensie, P. R., Trisnadewi, A. A. A. E., & Intan Saputra Rini, I. G. A. (2020). The Effect of Company Size, Corporate Social Responsibility, Capital Intensity, Leverage and Independent Commissioners on Corporate Taxpayer Income Tax Aggressiveness in Consumer Industry Companies on the Indonesia Stock Exchange 2015-2017. Journal of Economics, Business and Accounting, 19(1), 67-77.

Kotler, P. (2018). Why broadened marketing has enriched marketing. AMS Review, 8(1-2), 20-22.

Kurniawati, E. (2019). The Effect of Corporate Social Responsibility, Liquidity, and Leverage on Tax Aggressiveness. Profita Journal, 12(3), 408.

Lee, D., & Soetardjo, M. (2022). The effect of political connections and concentrated ownership structure on tax avoidance. 3(2), 155-169.

Leksono, A. W., Albertus, S. S., & Vhalery, R. (2019). The Effect of Company Size and Profitability on Tax Aggressiveness in Manufacturing Companies Listed on the IDX for the Period 2013-2017. JABE (Journal of Applied Business and Economic), 5(4), 301.

Lestari, E., & Marlina, A. (2022). The Effect of Good Corporate Governance and Company Characteristics on Corporate Social Responsibility Disclosure. Journal of Business Accounting, 16(2), 130.

Makhfudloh, F., Herawati, N., & Wulandari, A. (2018). The Effect of Corporate Social Responsibility on Tax Aggressiveness Planning. Journal Accounting and Business, 18(1), 48.

Migang, S., & Dina, W. R. (2020). The Effect of Corporate Governance and Corporate Social Responsibility Disclosure on. Journal of GeoEconomics, 11(1), 42-55.

Noviari, & Suaryana. (2020). Tax Planning to Increase the Value of The Company. 1-23.

Ortas, E., & Gallego-Álvarez, I. (2020). Bridging the gap between corporate social responsibility performance and tax aggressiveness: The moderating role of national culture. Accounting, Auditing and Accountability Journal, 33(4), 825-855.

Putriningsih, D., Suyono, E., & Eliada, H. (2019). Profitability, Leverage, Composition of the Board of Commissioners, Audit Committee, and Fiscal Loss Compensation on Tax Avoidance in Banking Companies. Journal of Business and Accounting, 20(2), 77-92.

Richardson, G., Taylor, G., & Lanis, R. (2013). The Impact of Risk Management and Audit Characteristics on Corporate Tax Aggressiveness: An Empirical. In Journal of Chemical Information and Modeling, 53(9).

Salhi, B., Ben Ahmed, F., & Jarboui, A. (2020). Corporate governance and earnings forecast accuracy in IPO prospectuses: an empirical analysis. Journal of Financial Reporting and Accounting, 19(1), 109-132.

Selviani, R., Supriyanto, J., & Fadillah, H. (2019). The Effect of Company Size and Leverage on Tax Avoidance Empirical Case Study on Chemical Sub-Sector Companies on the Indonesia Stock Exchange for the Period 2013 - 2017. Online Journal of Students in Accounting, 2(5), 1-15.

Solikin, A., & Slamet, K. (2022). The Effect of Political Connection, Ownership Structure, and Dividend Policy on Tax Aggressiveness. Journal of Tax and State Finance (PKN), 3(2), 270-283.

Tandayu, B., Kalangi, L., & Tangkuman, S. (2023). Uncovering Tax Avoidance Drivers in IDX Mining Firms 2019-2021: Financial Distress, Thin Capitalization, and CSR Disclosure Effects. Ilomata International Journal of Tax and Accounting, 4(2), 97-112.

Watts, R. L., & Zimmerman, J. L. (1983). Agency Problems, Auditing, and the Theory of the Firm: Some Evidence. The Journal of Law and Economics, 26(3), 613-633.

Zemzem, A., & Ftouhi, K. (2013). The Effects of Board of Directors' Characteristics on Tax Aggressiveness. Research Journal in Finance and Accounting, 4(4), 140-148.