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The Phenomenon of Tax Aggressiveness is Associated with Capital Intensity, Inventory Intensity, profitability, and Leverage

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Abstract: Tax aggressiveness is an activity or reconstruction effort carried out with the aim of maximizing contributions to the company through tax management strategies. This study aims to analyze the effect of capital intensity, inventory intensity, profitability, and leverage on tax aggressiveness. The population studied was property and real estate companies listed on the Indonesia Stock Exchange from 2019 to 2022. Sampling using a purposive sampling method. The number of samples as many as 61 companies. Data collection techniques through documentation techniques using secondary data sources. Data analysis using multiple linear regression using statistical Application Program tools: Statistical Product and Service Solutions (SPSS). The results of this study showed that capital intensity, and profitability affect tax aggressiveness, while inventory intensity, and leverage did not affect tax aggressiveness.

Keyword: Tax Aggressiveness, Capital Intensity, Inventory Intensity, Leverage, Profitability

INTRODUCTION

Taxes are one of the sources of State Revenue of the Republic of Indonesia to achieve a balance between state revenues and expenditures (Allo et al., 2021). Tax has a coercive aspect because it has been regulated in law No. 36 of 2008. Therefore, various socializations carried out by the government to encourage taxpayers, both personal and corporate taxpayers, to have the obligation to pay and report taxes in accordance with applicable regulations as a form of participation in state development. Taxpayers are divided into two categories, namely individual taxpayers and corporate taxpayers. According to (Fahriani, 2016), for individual taxpayers taxes are considered as a form of role to help national progress. Companies include corporate taxpayers who fulfill tax payment obligations in accordance with tax regulations that will reduce net profit (Nesa Apriliana, 2022). Taxes are considered as a burden to reduce company profits so companies tend to look for ways to reduce the tax burden. Therefore, it is possible for companies to become aggressive towards taxation (Suyanto & Supramono, 2012).

Tax aggressiveness is one to see the extent to which taxpayers avoid paying taxes. According to (Simamora & Rahayu, 2020), tax aggressiveness is a tax planning strategy that can be done legally (tax avoidance) or illegally (tax evasion) with a view to reducing the tax burden. According to (Augustpaosa Nariman, 2021), Tax avoidance is considered a legal tax management strategy because it more utilizes the gaps that exist in the applicable tax regulations. Meanwhile, tax evasion tends to involve criminal acts of taxation that are beyond the limits of tax provisions. There is a gray area that is an opportunity for companies to carry out tax aggressiveness. These gray areas serve as a reason for reducing the tax burden, both legal and illegal (Zuber & Sanders, 2013).

Companies that have gone public have a regular responsibility to submit annual financial statements. The financial statements are a form of accountability to investors, employees, suppliers, creditors, customers, as well as the general public and the environment (Yuliana & Wahyudi, 2018). Tax revenues are significantly dependent on the property and real estate sectors. This is due to several aspects of taxes contained in the property and real estate sector, including Income Tax (PPh) according to Government Regulation No. 34 of 2016, VAT (Value Added Tax) according to law No. 7 of 2021, and PPnBM (sales tax on luxury goods) according to Government Regulation No. 61 of 2020. In addition, there is also the UN (land and Building Tax) according to law No. 12 of 1994, and Customs acquisition of land and building rights according to law No. 5 and no. 16 of 1960 (Permatasari et al., 2022).

In 2016, tax aggressiveness in the property and real estate sector was revealed in the Panama Papers. Property entrepreneurs are considered to commit tax evasion of 40%. This assumption comes from the tax payment system that depends on the selling value of the tax object (NJOP). According to (Megawati et al., 2015), tax object selling value (NJOP) is the determination of land and building tax which has a crucial role in calculating the amount of tax to be paid by taxpayers in the future. News from the internet (majalahpajak.net) tax evasion in Indonesia seen from the case of SIM simulator. In court it was revealed that the sale of luxury homes to the defendant for Rp 7.1 billion in Semarang. But in the notarial deed only written Rp 940 million, which means a price difference of Rp 6.1 billion. Potential value added tax (VAT) must be deposited 10% multiplied by Rp 6.1 billion or Rp 610 million on this transaction. The shortfall in Income Tax (PPh) of Rp 900 million is generated from 5% multiplied by Rp 6.1 billion or Rp 300 million (Adnyani & Astika, 2019). Another phenomenon is tax evasion in Indonesia which is estimated at Rp 110 trillion every year, most of which is carried out by business entities around 80% while the rest is carried out by individual taxpayers (Himawan, 2017). According to (judith freedman, 2003) corporate tax payments have a major impact on the funding of public services such as Education, National Defense, Public Health, and security. The company's actions to reduce tax payments are not in line with people's expectations and will cause harm to the state.

Factors that affect corporate tax aggressiveness are capital intensity, profitability, leverage, and inventory intensity. The first factor is capital intensity is the extent to which the company allocates its assets in fixed assets and inventories, this shows how much of the company's wealth is invested in investments (Siregar, 2016). According to (Mustika, 2017), capital intensity is also known as the extent to which a company sacrifices funds for operational activities and asset funding to achieve company profits. The second factor is inventory intensity is an aspect of wealth, especially in inventory, which is measured based on the company's total assets. Meanwhile, the company's inventory which is part of current assets is used to meet demand and long-term operations of the company (Anggriantari & Purwantini, 2020). Storage and maintenance expenses can break down the company's profits so that it will reduce the amount of tax that must be paid by the company. The third factor, namely profitability, affects the amount of tax that must be paid by the company, because companies with higher profits will pay higher taxes as well. Conversely, companies with lower profits tend to pay lower taxes or even not pay taxes when they experience losses

(Mustika, 2017). According to (Zagita & Mujiyati, 2023) the profitability of a company can be measured in various ways such as operating profit, net profit, return on investment/assets, and return on owner's equity. Leverage is a measure that shows how much external capital is used by a company to fund its operations. Leverage is calculated to show how much of a company's assets are derived from loans or the amount of debt held by the company (Savitri & Rahmawati, 2017).

Research on tax aggressiveness has been done before, according to (Herlinda & Rahmawati, 2021) with the research title “the effect of profitability, liquidity, Leverage and Company Size on tax aggressiveness”. The results showed that profitability has a positive and significant effect on tax aggressiveness, liquidity and Leverage have a negative but significant effect on tax aggressiveness, the size of the company has a positive but not significant effect on tax aggressiveness.

Research by (Nadhifah, 2023) with the research title “the effect of Capital intensity, profitability, and Inventory Intensity on tax aggressiveness”. Based on the results and discussion, it can be concluded that the variable capital intensity significantly affects the aggressiveness of corporate tax. Profitability significantly affects the aggressiveness of corporate tax and inventory intensity significantly affects the aggressiveness of corporate tax.

Previous research from (A. Hidayat & Muliasari, 2020) with the research title “the effect of profitability, liquidity, Leverage and Company Size on tax aggressiveness”. This study resulted in the finding that liquidity using quick ratio has no effect on tax aggressiveness, then leverage has an effect on tax aggressiveness and for independent commissioners also has an effect on tax aggressiveness, leverage and independent commissioners have an effect on corporate tax aggressiveness simultaneously.

Research from (Dinar et al., 2020) with the research title “the effect of profitability, liquidity and Leverage on tax aggressiveness in IDX-listed manufacturing companies”. This study resulted in profitability negatively affect the aggressiveness of the tax on manufacturing companies listed on the Indonesia Stock Exchange period 2016-2018. Liquidity has a positive effect on tax aggressiveness in manufacturing companies listed on the Indonesia Stock Exchange for the period 2016-2018. Leverage negatively affects tax aggressiveness in manufacturing companies listed on the Indonesia Stock Exchange for the period 2016-2018.

Research results from (Savitri & Rahmawati, 2017) with the research title “the effect of Leverage, inventory intensity, fixed asset intensity, and profitability on tax aggressiveness”. The results showed that Leverage has a negative effect on tax aggressiveness. Inventory intensity has no effect on the level of tax aggressiveness. Fixed asset intensity has no effect on tax aggressiveness.

Further research (Mujiyati et al., 2022) with the research title “Tax amnesty and company value: Testing tax avoidance as an intervening variable”. The results showed that tax amnesty increased the company's efforts to commit tax evasion. Tax amnesty granted by the government can increase the value of a company. Success in tax avoidance efforts has an impact on increasing the value of a company. Tax avoidance mediates the relationship between tax amnesty and corporate value.

A previous study conducted by (Maulana, 2020) with the research title “factors that affect tax aggressiveness in property and Real Estate Companies”. The results showed that partially Capital intensity, profitability, Leverage, company size and Inventory Intensity had no effect on tax aggressiveness. Capital intensity, profitability, and Inventory Intensity have a positive effect on tax aggressiveness. While Leverage and Company Size negatively affect tax aggressiveness.

Research conducted by (Prasetyo & Wulandari, 2021) with the research title “Capital intensity, Leverage, Return on assets, and Company Size against tax aggressiveness”. The results showed that Capital intensity, Leverage, ROA and Company Size had no influence on tax aggressiveness. The results of this study have implications for the Directorate General of

taxes (DGT) in its efforts to detect the practice of tax aggressiveness activities carried out by companies.

Research from (A. T. Hidayat & Fitria, 2018), with the title “effect of Capital intensity, Inventory Intensity, profitability and Leverage on tax aggressiveness”. The results of the study explain that Capital Intensity and Leverage are proven to affect the tax aggressiveness of manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange in 2013-2017. While Inventory Intensity and profitability proved to have no effect on corporate tax aggressiveness.

Research (Permatasari et al., 2022), under the research title “effect of liquidity and capital intensity on tax aggressiveness”. The results showed that tax aggressiveness was positively influenced by liquidity but not influenced by capital intensity.

Agency Theory

According to (Jensen & Meckling, 1976) states that the principal authorizes the agent to act on his behalf, while the manager as an agent acts for the benefit of shareholders with the aim to maximize their wealth. Managers implement a variety of strategies to reduce corporate tax burdens that are not aligned with the long-term interests of the company or its shareholders. Therefore, shareholders may have long-term interests and managers looking to improve financial performance may have conflicts of interest that lead to tax aggressiveness.

Effect Capital intensity on Tax Aggressiveness

Capital intensity or capital intensity is the extent to which a company allocates investments into fixed assets (Prasetyo & Wulandari, 2021). If the company has a high amount of fixed assets, it will result in high depreciation costs, which will automatically lead to a decrease in the company's profit (A. T. Hidayat & Fitria, 2018). Law No. 36 of 2008 on income tax states that depreciation on expenditure to acquire tangible property and amortization on expenditure to acquire rights and on other expenses having a useful life of more than one year are expenses that may be deducted from gross income. In line with research by (A. T. Hidayat & Fitria, 2018), proved that Capital intensity has a positive effect on corporate tax aggressiveness. The results of the study are consistent with research (Maulana, 2020), in this study it was proven that Capital intensity has a positive effect on tax aggressiveness. Based on the description above, the first hypothesis of this study is :

H1: Capital intensity affects tax aggressiveness

Effect Inventory Intensity on Tax Aggressiveness

Inventory intensity is a measure of how much inventory is invested by a company (Maulana, 2020). Tax aggressiveness may occur in companies that have a high level of inventory intensity (Andhari & Sukartha, 2017). This can occur due to several factors, such as the desire to lower reported profits to reduce tax liabilities, as high inventories may indicate a large investment in assets that have significant tax advantages (Andhari & Sukartha, 2017). Therefore, companies with higher inventories tend to undertake more aggressive tax strategies. Research (Maulana, 2020), in this study it was proven that Inventory Intensity has a positive effect on tax aggressiveness. In line with research (Nadhifah, 2023), explains that inventory intensity has a significant effect on corporate tax aggressiveness. Based on the description above, the second hypothesis of this study is :

H2: Inventory Intensity effect on tax aggressiveness

Effect Profitability on Tax Aggressiveness

According to (Kasmir, 2016), profitability reflects the capacity of a company to generate profits in a given period of time. Profitability is an indicator of a manager's ability to manage company assets and generate optimal profits, measured through ROA (Return on

assets) which calculates Net Profit after tax divided by total assets (Herlinda & Rahmawati, 2021). Companies that have higher levels of profitability tend to implement more aggressive tax strategies. This is due to the urge of companies to maximize profits by reducing their tax liabilities, especially if they have large profit margins allowing them to assume the risks of such aggressive actions. Conversely, low-profit firms tend to have also low tax liabilities, even if the loss-making firm may not pay taxes at all (Putri et al., 2016). Research (Herlinda & Rahmawati, 2021) that profitability has a positive effect on tax aggressiveness. In line with research (Maulana, 2020), which also says that profitability has a positive effect on tax aggressiveness. Based on the description above, the third hypothesis of this study is :

H3: profitability effect on tax aggressiveness

Effect Leverage on Tax Aggressiveness

According to (Dinar et al., 2020), the leverage ratio describes the situation of the company in fulfilling the responsibilities of long-term obligations. Companies that have a high degree of leverage, which indicates a high level of debt in their financial structure, tend to implement more aggressive tax practices with the aim of reducing tax liabilities and increasing net profit after tax (Herlinda & Rahmawati, 2021). Law No. 36 of 2008 is an expense that can be deducted against taxable income so that it will reduce the tax burden that must be paid. Therefore, companies will use the regulation as an incentive to increase debt levels as a way of reducing tax liabilities (A. T. Hidayat & Fitria, 2018). Research (A. T. Hidayat & Fitria, 2018) that has a positive effect on tax aggressiveness. In line with research (A. Hidayat & Muliasari, 2020) that positively affect tax aggressiveness. Based on the description above, the fourth hypothesis of this study is :

H4: Leverage effect on tax aggressiveness

METHOD

This study is a quantitative research, the data obtained in the form of component data from the financial statements in accordance with the needs and processed using statistical methods. The population studied was property and real estate companies listed on the Indonesia Stock Exchange from 2019 to 2022. In this study, purposive sampling method is used to select samples based on certain criteria in accordance with the objectives of the study. Data collection techniques in this study through documentation techniques using secondary data sources.

Table 1. Sampling Process

Description	Total
Property and real estate companies listed on the Indonesia Stock Exchange for the period 2019-2022	80
Property and real estate companies that do not publish a complete annual report during the 2019-2022 period	(23)
Companies that suffered losses in the period 2019-2022	(37)
Companies that do not present the full data needed in the 2019-2022 study	(4)
Samples that meet the criteria for one year	16
Total units of analysis over four years	64
Outlier	(3)
Total units of analysis for four years processed	61

Source: Data Analysis Results, 2024

Table 2. Variable Measurement

Variable	Indicator	Referencessources
Dependent Variable		

Tax Aggressiveness	$ETR = \frac{\text{Income Tax Expense}}{\text{Income Before Tax}}$	(Maulana, 2020)
Independent Varabel		
Capital intensity	$CINT = \frac{\text{Total Fixed Assets}}{\text{Total Assets}}$	(A. T. Hidayat & Fitria, 2018)
Inventory Intensity	$INVINT = \frac{\text{Total Inventory}}{\text{Total Assets}}$	(A. T. Hidayat & Fitria, 2018)
Profitability	$ROA = \frac{\text{Profit After Tax}}{\text{Total Assets}}$	(Herlinda & Rahmawati, 2021)
Leverage	$DAR = \frac{\text{Total Debt}}{\text{Total Assets}}$	(A. T. Hidayat & Fitria, 2018)

RESULTS AND DISCUSSION

Table 3. Descriptive Statistical Analysis Test Results

	N	Minimum	Maximum	Mean	Std. Deviation
<i>Capital Intensity</i>	61	0,00	0,65	0,1034	0,15474
Inventory Intensity	61	0,00	0,79	0,2551	0,17978
Profitability	61	0,00	0,20	0,0515	0,04273
Leverage	61	0,02	0,79	0,3693	0,17334
Agresivitas Pajak	61	0,00	0,27	0,0470	0,06344
Valid N (listwise)	61				

Source: Data Analysis Results, 2024

Capital intensity has a minimum value of 0.003 the maximum value of 0.65, the average (mean) of 0.1034 and the standard deviation of 0.15474 which means that the data varies because the value of the standard deviation is greater than the average value (mean). This shows that on average a company invests about 10.34% of its total assets or income in fixed assets.

Inventory intensity has a minimum value of 0.000 maximum value of 0.79, has an average (mean) of 0.2551 and a standard deviation of 0.17978 which means that the data shows less variation because the value of the standard deviation is smaller than the average value (mean).

Profitability has a minimum value of 0.000, a maximum value of 0.20, an average (mean) of 0.0515 and a standard deviation of 0.04273 which means that the data shows less variation because the value of the standard deviation is smaller than the average value (mean). On average, the company experienced a profit of 5.15% of its total revenue. The company has the ability to generate a net profit of 5.15% of its total assets, with a profit contribution after tax of Rp0,0515. The likelihood of an entity making a profit increases with the entity's rate of Return on Assets (ROA).

Leverage has a minimum value of 0.02 the maximum value is 0.79, the average (mean) is 0.3693 and the standard deviation is 0.17334 which means that the data shows less variation because the standard deviation value is smaller than the average value (mean). The average leverage value of 0.3693 indicates that the company's ability to meet all its obligations amounted to 36.93% of its equity. Each rupiah of total equity is secured by a total debt of Rp0,3693. The ratio of sources of funds between liabilities and equity is 0.3693: 1 this shows that, in general, the company uses sources of funds derived from significant debt as part of the capital structure.

Tax aggressiveness has a minimum value of 0.00, a maximum value of 0.27, has an average (mean) of 0.0470, which means that the average company reduces the tax burden by 4.70% of total taxable income. Standard deviation of 0.06344 which means that indicates a significant variation because the value of the standard deviation is greater than the average value (mean). Some entities exhibit behaviors that may be aggressive, while others show almost no aggressiveness at all.

Normality Test Results

In this study, normality was tested using the Central Limit Theorem (CLT) test, which means that if the number of samples is large enough (n more than 30), then the data will be close to normal. This study used a sample of 61 larger than 30. Therefore, the data in this study can be considered normal.

Table 4. Multicollinearity Test Results

Variable	Tolerance	VIF	Description
Capital intensity	0,795	1,258	There Is No Multicollinearity
Inventory Intensity	0,729	1,371	There Is No Multicollinearity
Profitability	0,518	1,931	There Is No Multicollinearity
Leverage	0,470	2,127	There Is No Multicollinearity

Source: Data Analysis Results, 2024

Based on the results of the multicollinearity test above, it can be seen that the tolerance value is more than 0.10 and the VIF value is less than 10 for the independent variable so that the variable is stated that multicollinearity does not occur.

Table 5. Hasil Uji Heteroskedastisitas

Variable	Sig.	Description
<i>Capital intensity</i>	0,072	There is no heteroscedasticity
<i>Inventory Intensity</i>	0,605	There is no heteroscedasticity
Profitability	0,664	There is no heteroscedasticity
<i>Leverage</i>	0,910	There is no heteroscedasticity

Source: Data Analysis Results, 2024

Based on the results of heteroscesasticity test using spearman-Rho above, it can be seen that the significance value is more than 0.05 so that the independent variable, otherwise heteroscesasticity does not occur.

Table 6. Autocorrelation Test Results

dU	Durbin-Watson	4-dU	Description
1,7281	2,177	2,2719	There is no Autocorrelation

Source: Data Analysis Results, 2024

Autocorrelation test in this study using Durbin-Watson with a value of 2.177. This study has an independent variable of 4 ($k=4$) and the total sample size of 61 ($n=61$). Value $dU < d < 4-dU = 1.7281 < 2.177 < 2.2719$ then the data does not occur autocorrelation.

Table 7. Multiple Linear Regression Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		

1	(Constant)	0,081	,033		2,483	0,016
	Capital Intensity	0,166	,050	0,404	3,289	0,002
	Inventory Intensity	-0,002	,045	-0,006	-0,047	0,963
	Profitability	-0,630	,226	-0,424	-2,788	0,007
	Leverage	-0,050	,058	-0,136	-0,851	0,398

Source: Data Analysis Results, 2024

Based on the table can be made regression equation to complete the results found in the study:

$$ETR = 0,081 + 0,166CINT - 0,002INVINT - 0,630ROA - 0,050DAR + \varepsilon$$

Constant = 0.081 in a positive direction, the interpretation of this is that if the independent variables (capital intensity, inventory intensity, profitability, leverage) can be assumed to be constant, then the company is carrying out an act of tax aggressiveness (ETR).

Regression coefficient on capital intensity variable is 0.166 with positive direction. It can be interpreted that the higher the capital intensity, the tendency to tax aggressiveness increases. conversely, if the lower the capital intensity, the tendency of tax aggressiveness decreases.

Regression coefficient on inventory intensity variable is 0.002 with negative direction. It can be interpreted that the lower the inventory intensity, the tendency of tax aggressiveness decreases. Conversely, the higher the inventory intensity, the tendency of tax aggressiveness increases.

The regression coefficient on the profitability variable is -0.630 in the negative direction. It can be interpreted that the higher the profitability, the tendency of tax aggressiveness decreases. Conversely, if the lower the profitability of the tendency of tax aggressiveness is increasing.

Regression coefficient on leverage variable is -0.050 with negative direction. It can be interpreted that the higher the leverage, the tendency of tax aggressiveness decreases. Conversely, if the lower the leverage, the tendency of tax aggressiveness increases.

The error value is 0.033 which means that the level of error or deviation that may not be known in the regression model is 0.033.

Table 8. F Test Results

Model		F	Sig.
1	Regression	6,830	0.000 ^b
	Residual		
	Total		

Source: Data Analysis Results, 2024

From the results of the F test above, it can be interpreted that the significance value is less than 5% ($0.000 < 0.05$). This proves that simultaneously the independent variable affects the aggressiveness of the tax/dependent variable. It can be concluded that the regression model is declared feasible or qualified.

Table 9. Coefficient Of Determination Test Results (R^2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,573 ^a	0,328	0,280	0,05383

Source: Data Analysis Results, 2024

Based on the results of the above data obtained adjusted R2 value of 0.28 or 28%. It can be concluded that the tax aggressiveness variable can be influenced by the independent

variable of 28%. While the remaining 72% was influenced by variables outside the regression.

Table 10. T Test Results

Variable	Thitung	Ttabel	Sig.	Description
Capital intensity	3,289	2,002	0,002	H ₁ Accepted
Inventory Intensity	-0.047	2,002	0,963	H ₂ Rejected
Profitability	-2,788	2,002	0,007	H ₃ Accepted
Leverage	-0,851	2,002	0,398	H ₄ Rejected

Source: Data Analysis Results, 2024

Capital intensity variable has a value of 3.289 thitung and 2.002 ttabel which means thitung greater than ttabel, with a significance value of 0.002 means smaller than 0.05 or 5%. It can be concluded that H₁ is accepted, meaning that capital intensity affects tax aggressiveness.

Inventory intensity variable has a value of -0.047 thitung and 2.002 ttabel which means thitung smaller than ttabel, with a significance value of 0.963 means greater than 0.05 or 5%. It can be concluded that H₁ is rejected, meaning that inventory intensity has no effect on tax aggressiveness.

Profitability variable has a value of -2.788 thitung and 2.002 ttabel which means thitung smaller than ttabel, with a significance value of 0.007 means greater than 0.05 or 5%. It can be concluded that H₁ is accepted, which means that profitability has an effect on tax aggressiveness.

Leverage variable has a value of thitung -0.851 and ttabel 2.002 which means thitung is smaller than ttabel, with a significance value of 0.398 means smaller than 0.05 or 5%. It can be concluded that H₁ is accepted, meaning that leverage has no effect on tax aggressiveness.

RESEARCH DISCUSSION

Capital intensity effect on tax aggressiveness

The results of data analysis that the hypothesis related to the significance value of the variable capital intensity is thitung 3.289 with a significance value of $0.002 < 0.05$ then H₁ is accepted, meaning that capital intensity has an effect on tax aggressiveness. The results of this analysis indicate that as the capital entity increases, the company will become more aggressive in dealing with its tax obligations by utilizing depreciation expenses to reduce net income. Larger fixed assets cause a higher depreciation expense, which can be used for tax deductions. With the depreciation expense, this can have an impact on the company's tax liabilities, because the depreciation expense will function as a deduction for profits, which causes the amount of tax to be paid by the company to be lower (Efrinal & Chandra, 2021).

Utilizing tax deductions from depreciation expense provides intensive for companies in increasing investment in fixed assets (A. T. Hidayat & Fitria, 2018). Increasing investments in fixed assets may result in additional tax benefits. If the company is able to reduce income by expanding the amount of fixed assets that the company owns, thereby reducing the amount of tax they have to pay.

This study provides empirical evidence that capital intensity affects tax aggressiveness. These results support the study (A. T. Hidayat & Fitria, 2018) and (Maulana, 2020) who concluded that capital intensity affects tax aggressiveness.

Inventory Intensity no effect on tax aggressiveness

The results of data analysis that the hypothesis related to the significance value of the variable inventory intensity is $t_{hitung} -0.047$ with a significance value of $0.963 < 0.05$ then H2 rejected, Inventory Intensity does not affect the tax aggressiveness actions undertaken by the sample company, which refers to the company's assets invested in the form of inventory. Positive accounting theory does not support the increase in inventory, because it does not benefit the company in storing inventory for too long which will result in a decrease in accounting value known as impairment asset (Susanti & Satyawan, 2020). This is not related to the company's strategy or efforts to reduce the amount of tax that must be paid through various methods of tax aggressiveness. Companies have contributed to the welfare of society by paying taxes without committing acts of tax aggressiveness. It is also considered proof of Corporate Social Responsibility.

This study provides empirical evidence that inventory intensity has an effect on tax aggressiveness. The results of this study support the research (A. T. Hidayat & Fitria, 2018) which concludes that inventory intensity has no effect on tax aggressiveness.

Profitability effect on tax aggressiveness

The results of data analysis that the hypothesis related to the significance value of the profitability variable is $t_{hitung} -2.788$ with a significance value of $0.007 < 0.05$ then H3 is accepted, profitability has an effect on tax aggressiveness carried out by the sample company, this shows that the higher the profit obtained by a company, the smaller the indication of the company to take tax aggressiveness measures because the tax burden imposed is relatively small (Dinar et al., 2020). Companies with high profitability are likely not to carry out tax aggressiveness because high profitability can finance their activities without the need to evade taxes (Nesa Apriliana, 2022).

Companies have the ability to regulate their income and tax payments, companies that make profits are considered not to carry out tax aggressiveness (Suprpti, 2017). The profitability of the enterprise, as measured by the profitability ratio, reflects the performance of management. If the profitability ratio is high, this indicates that management has made efficiencies that reduce the effective value of the tax rate (Prasetyo & Wulandari, 2021).

This study provides empirical evidence that profitability has no effect on tax aggressiveness. This is consistent with research (Savitri & Rahmawati, 2017) and (Prasetyo & Wulandari, 2021) which concluded that profitability does not affect tax aggressiveness.

Leverage no effect on tax aggressiveness

The results of data analysis that the hypothesis related to the significance value of the profitability variable is $t_{hitung} -0.851$ with a significance value of $0.938 < 0.05$ then H4 rejected, Leverage has no effect on tax aggressiveness shows that the greater the company's debt, the smaller the taxable profit due to tax incentives on increased debt interest, where high interest costs will reduce the company's tax burden (Dinar et al., 2020). Leverage refers to the use of debt to increase the potential return of an investment, usually measured through the ratio of debt to total assets. Leverage shows the company's capital structure and reflects the company's financing decisions.

Companies with high leverage are less likely to influence management to tax aggressiveness. Management understands the procedures for managing leverage and treating the cost of debt against deductions against profits in accordance with law No.7 of 2021 (deductible).

This study provides empirical evidence that leverage has an effect on tax aggressiveness. These results are consistent with the study (Dinar et al., 2020) and (Herlinda & Rahmawati, 2021) who concluded that leverage had no effect on tax aggressiveness.

CONCLUSION

Based on the test results and the discussion obtained, it can be concluded that capital intensity and profitability affect tax aggressiveness, while inventory intensity and leverage do not affect tax aggressiveness.

Based on the test results obtained in the previous chapter, there are some limitations, namely this study only covers property and real estate companies listed on the Indonesia Stock Exchange for a four-year period, namely 2019-2022, the dependent variable in this study is tax aggressiveness only measured using ETR, so that corporate tax aggressiveness can only be analyzed from one point of view, and the test results of the coefficient of determination (Adjusted R square) show the dependent variable is tax aggressiveness of 0.28 or 28 %. While the remaining 72% were explained by other variables that were not included in this study.

Based on the conclusions and limitations of this study, the researcher gives suggestions that this study uses samples of property and real estate companies listed on the Indonesia Stock Exchange in the period 2019-2022. Subsequent research to expand the time span of the study, for example five to eight years, so that the results are more accurate and reflect long-term conditions, further research is recommended to use other variables that also affect tax aggressiveness such as adding control variables related to tax aggressiveness such as using tax aggressiveness proxies other than the Effective Tax Rate (ETR).

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