IRJEMS International Research Journal of Economics and Management Studies
Published by Eternal Scientific Publications
ISSN: 2583 – 5238 / Volume 3 Issue 10 October 2024 / Pg. No: 94-102
Paper Id: IRJEMS-V3I10P111, Doi: 10.56472/25835238/IRJEMS-V3I10P111

Original Article

Analysis of the Causes of Tax Avoidance in Financial Statements in Companies Registered on the IDX in 2020-2022

[1]Mauliza, [2]Ayu Puspita Sari, [3]Muhammad Fahmi
[1,2,3]Faculty of Economics and Business, Tanjungpura University, Accounting, Indonesia.

Received Date: 19 September 2024 Revised Date: 04 October 2024 Accepted Date: 10 October 2024 Published Date: 15 October 2024

Abstract: *Tax Avoidance is an effort to legally and safely reduce tax obligations for taxpayers in accordance with applicable tax law. The strategies and tactics take advantage of holes and flaws in tax laws and regulations. This study examines the effects of profitability, leverage, audit committees, and company size on tax evasion in real estate and property firms listed on the IDX between 2020 and 2022. Secondary data is used in this study. Purposive sampling was the method used for the sampling procedure. Just 22 businesses were selected as samples out of 96 property and real estate firms. The analysis technique applied is multiple linear regression, using SPSS version 28. The results of this research show that profitability has an effect on Tax Avoidance, while Leverage, Audit Committee and Company Size have no effect on Tax Avoidance.*

Keywords: *Tax Avoidance, Profitability, Leverage, Audit Committee, Company Size*.

I. INTRODUCTION

Currently, Indonesia's largest source of income comes from taxes. This is proven by the 2023 State Revenue Budget tax revenue target, which is IDR 1,869.23 trillion or has reached 102.80 percent of the target (Ministry of Finance, 2023). Law No. 28 of 2007 concerning General Provisions and Tax Procedures (KUP) states that taxes are necessary contributions to the state owed by individuals or entities under coercive legal requirements. They are paid to the state without any form of compensation and are used to the greatest extent possible to meet the needs and prosperity of the populace.

Taxes are income that can be used to finance all government programs aimed at improving the country and improving people's welfare. Tax revenues are very important to support sustainable government systems and development financing. The issue of taxes is a serious problem because many parties view taxes as a burden that must be paid and do not take direct benefit from it. On the other hand, the government needs funds to be used for government administration, most of which comes from government taxes.

Due to this conflict of interest, individuals or organizations that must pay taxes have a tendency to pay less in taxes, both legitimately and illegally. This occurs as a result of the fact that many taxpayers still do not comprehend the fundamentals of tax collection or the different rates and levies they must pay. The phenomenon of violations of tax laws and regulations is one of the problems that the government continues to highlight because it often occurs in Indonesia.

Basically, there are two forms of tax violations: tax evasion and tax avoidance. Even though tax avoidance is part of tax planning, tax avoidance is a technical effort that must be carried out within the corridors of tax regulations. This is considered a legal remedy in Indonesia because tax avoidance can occur if general tax regulations are complied with, so it can be considered a legal remedy in Indonesia. Tax avoidance schemes are demonstrated by exploiting weaknesses (loopholes) in tax regulations or regulations to minimize the tax burden.

Tax avoidance is an attempt to legally and safely reduce taxpayers' tax obligations in accordance with applicable tax law. The methods and techniques used exploit gaps and weaknesses in tax regulations and laws. Tax avoidance practices carried out by taxpayers are considered to cause state tax revenues to be less than optimal, which can occur due to differences in interests between taxpayers and the government. Tax avoidance is an action that is legal and does not violate tax regulations because reducing the tax burden is carried out by exploiting weaknesses contained in tax regulations (Puspita & Febrianti, 2018).

According to Prihadi (Nasirudin & Trisnawati, 2023), profitability is a description of the company's financial performance ability to increase company profits from asset management, while Harahap stated that ROA is a description of the company's ability to earn profits through all existing capabilities and resources such as sales activities, cash, capital, as well as management of other assets (Devi dkk., 2022). Earning high profits is one of the company's goals, and it shows that the company can survive and develop its business by generating profits. This means that the more profitable a company is, the higher the company's net profit will be.

Leverage is a measurement of the extent to which a company is financed by debt, or in other words. It is a benchmark that compares funds prepared from within the company by the owner with funds originating from outside parties by creditors and includes long-term debt and short-term debt for financing company assets (R. Anggraeni & Febrianti, 2019). In other words, leverage measures the extent to which a company is financed by debt. This leverage can be explained by a ratio that can be used to measure the size of the assets acquired by a company and the amount of capital obtained for financing from the use of debt.

According to (Julianti & Kanti, 2022), the audit committee is a committee created by the Board of Commissioners. It has responsibility for carrying out the duties and functions of the Board of Commissioners. The audit committee is also one of a group of general components in corporate governance. The audit committee functions to supervise the preparation of the company's financial reports, carry out internal supervision, and help carry out the duties and functions of the board of commissioners.

The age of a company shows that the company's inefficiency increases over time. Aging companies must reduce corporate operating and tax costs because the experience and knowledge the company has accumulated outweighs other influences. According to research by (Putri & Putra, 2017), company size influences tax avoidance. Companies with a large scale tend to always earn high profits and have abundant resources that can be used for certain purposes. Large-scale companies tend to take advantage of loopholes to implement tax avoidance practices because they generally have complex transactions.

This research uses a sample of property and real estate companies because this sector is the sector that carries out the most tax avoidance. Based on research conducted by (Devi dkk., 2022), property and real estate companies were the companies that carried out the greatest tax avoidance during the 5 year research period. According to the Tax Planned Behavior (TPB) theory, tax avoidance behavior is motivated by the desire of managers and shareholders to reduce their tax burden, increase profits, and increase profits from their shares so that the dividends distributed are stable or increase.

This research is a replication of previous research, namely research conducted by (Devi dkk., 2022), which both used the variables profitability, leverage, liquidity and audit committee, which conducted research on manufacturing companies in various industrial sectors listed on the Stock Exchange. Indonesian Effects for the 2016-2019 period. However, there are differences, namely reducing the liquidity variable and adding one variable, namely company size and using a research sample for the 2020-2022 period. This research uses research objects in Property and Real Estate companies.

In the 2019 tax avoidance case, PT. Adaro Energy Tbk is suspected of engaging in tax avoidance activities. PT. Adaro Energy Tbk is suspected of engaging in transfer pricing, which involves transferring substantial profits from Indonesia to businesses in nations with tax exemptions or with tax rates that are IDR 1.75 trillion lower than required for taxes. In this instance, transfer pricing is used to evade taxes.

II. LITERATURE REVIEW

A) Agency Theory

Agency theory considers the formation of a contract where the agent works or serves on behalf of the principal when the agent's desires and goals conflict, giving rise to conflict. The contract under which the agent operates is a set of rules that regulate the agreed-upon mechanism between the agent and the principal. This agreement can be implemented if both parties are able to carry out their respective obligations satisfactorily. From the agency theory perspective, tax avoidance behavior is influenced by a conflict of interest between the agent (company management) and the tax authority resulting from the company's desire to reduce its tax burden.

As the person who manages the company, the agent has more information about the company than the principal. Incomplete information transfer between agent information and principal information gives rise to a condition called information asymmetry. If they have more information than the principal, the agent is encouraged to take action solely to pursue interests (Wijaya, 2020).

B) Tax

Because it is the main source of income from the State Revenue and Expenditure Budget (APBN), taxes are mandatory contributions paid by the public to the state based on applicable laws, without receiving direct compensation and are used to finance state expenditure. Taxes play a very important role in national development.

Tax collection in Indonesia is regulated in Law No. 28 of 2007 concerning General Provisions and Tax Procedures. Two types of taxes are imposed in Indonesia, namely Income Tax (PPh) and Value Added Tax (VAT). In the corporate context, tax is one of the expenses that must be incurred and can reduce the company's net profit. Therefore, many companies try to minimize the tax burden that must be paid, both by legal means (tax avoidance) and illegally (tax evasion).

C) Tax Avoidance

Tax evasion, also known as "tax evasion", is an attempt to legally avoid taxes by reducing or eliminating the amount of tax that a taxpayer should pay. This is usually done by using loopholes in applicable tax regulations.

Mardiasmo stated that tax avoidance is different from tax evasion, which is an illegal act because you do not report part or all of your income that should be taxed. Even though it is done legally, tax avoidance can reduce state revenues from the tax sector, which is the main source of income for the State Revenue and Expenditure Budget (APBN).

D) Profitability

Profitability is a company's ability to generate profits from its normal business operating activities. Profitability shows how efficiently a company uses assets and manages its operations to generate profits. One of the financial ratios that can be used to determine the profitability of a company is the Return on Assets (ROA).

ROA is used because it can provide a reliable measurement of the company's overall effectiveness and can calculate profitability by measuring the net profit obtained from how much the company uses its assets. The higher the ROA value, the higher the level of profit that the company can achieve and the more effective and efficient the company's performance in managing company assets (R. Anggraeni & Febrianti, 2019).

E) Leverage

Leverage is a ratio that shows how much debt a company uses to finance its investments. Leverage shows the company's ability to meet short-term and long-term financial obligations if the company goes into liquidation. Leverage is measured by the debt-to-equity ratio (DER). Debt to Equity Ratio (DER) is a comparison of a company's total debt to total equity as a source of financing. Companies that use debt capital for financing are subject to interest that must be paid (Wijaya, 2020).

F) Audit Committee

The audit committee, according to its function, assists the Board of Commissioners in carrying out supervision and provides recommendations to management and the Board of Commissioners regarding ongoing controls so as to prevent information asymmetry (Diantari & Ulupui, 2016).

The tighter the supervision by management, the better the quality of information and the more effective the performance will be. If the number of audit committees in a company does not comply with IDX regulations, which require a minimum of three members, then management actions to minimize tax benefits will increase. The greater the existence of an audit committee in a company, the greater the quality of good corporate governance, thereby reducing the possibility of tax avoidance activities (Wijaya, 2020).

G) Company Size

Because companies are taxpayers, the size of the company can influence the management of the company in managing and fulfilling its tax obligations and is considered one of the factors that causes tax avoidance.

The bigger a company, the greater its total assets. When carrying out tax planning with the aim of minimizing the tax burden, managing all company assets and reducing taxable income can be done by using the depreciation costs associated with the acquisition of the assets as depreciation costs. Depreciation can be used as a deduction from a company's taxable income.

H) The Effect of Profitability on Tax Avoidance

Profitability is a measure of how well a business performs and how well it can generate profits or returns from revenue over a certain period of time. It is associated with assets, equity, and sales. According to (Hidayat & Fitria, 2018), profitability is a ratio that can measure a business's ability to gain profits or benefits from the resources it owns or the utilization of its assets. In this research, profitability is measured by Return on Assets (ROA). ROA is a profitability ratio that can measure a business's ability to gain profits or profits from the resources it owns or the utilization of its assets. Based on agency theory, agents will continue to be motivated to increase company profits. This increase in profit is measured by ROA. The higher the ROA, the higher the profit the company generates and the higher the income tax amount. (Pitaloka & Merkuriswati, 2019).

H1: Profitability influences tax avidance

I) Effect of Leverage on Tax Avoidance

The leverage ratio will compare debt to assets and debt to assets, which means comparing the amount of debt the company has with the debt it has. The leverage ratio measures the use of debt for business operations or the amount of debt a company has. This leverage can be described by a ratio that can be used to determine how large or small the assets owned by the company are and the capital used to finance them.

Based on the previous definition, leverage, or debt structure, is a measure of the extent to which a company is financed by debt. In other words, leverage is the company's ability to pay debt for company funding. This can happen because businesses that have a lot of debt will take advantage of the characteristics of debt to avoid large tax burdens. Companies that use debt as a major funding source will have lower pre-tax profits than companies that use shares as a major funding source. Interest, a fixed expense called interest, will be deducted from the company's taxable income. (Pitaloka & Merkuriswati, 2019).

H2: Leverage influences tax avoidance

J) Influence of the Audit Committee on Tax Avoidance

The audit committee is a committee formed by the board of commissioners and is responsible for carrying out the duties and functions of the board of commissioners. The audit committee is also one of a group of general components in company management. The duties of the audit committee include carrying out internal supervision, supervising the preparation of the company's financial reports, and assisting in carrying out the duties and functions of the board of commissioners.

All companies listed on the Indonesia Stock Exchange (BEI) are required to form an audit committee consisting of a minimum of three people. The audit committee functions as a liaison between company management and the board of commissioners.

In research (Wijaya, 2020), it was found that the audit committee had an influence on tax avoidance. A company's monitoring of its operations is improved, and agency conflicts resulting from management's attempt to evade taxes are reduced when it has a larger number of audit committees. This demonstrates that businesses with audit committees will present their financial reports with greater accountability and transparency.

H3: Audit committees influence tax avoidance

K) The Influence of Company Size on Tax Avoidance

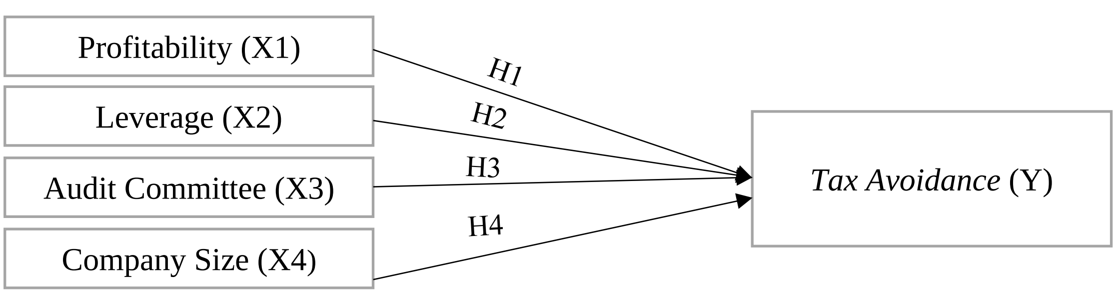
Company size is a measure of how big or small a company is based on a number of criteria, such as total assets and log size. Companies are usually categorized into large companies, medium companies, or small companies. One very important characteristic of a company is its size because companies are classified based on the number of assets they own.

In (Hapsari, 2020), it was concluded that company size has an impact on tax avoidance. A company's ability to make tax decisions is indicated by its size. The larger the size of the company, the more attention the government pays to the entity and the tendency of taxpayers to behave in compliance (compliance) or avoid taxes (tax avoidance). (T. Anggraeni & Oktaviani, 2021)

H4: Company size influences tax avoidance

L) Conceptual Framework

Based on the background and theoretical basis previously stated, a conceptual framework was created to test the influence of profitability, leverage, audit committee, and company size on tax avoidance in property and real estate companies in 2020-2022. Figure 2.1 below explains the relationship between the dependent variable (Y) and the independent variable (X). In this research, the independent variables used are Profitability (X1), Leverage (X2), Audit Committee (X3), and Company Size (X4). Meanwhile, the dependent variable used in this research is Tax Avoidance (Y). The relationship between each variable is described as follows:



Picture 1: Conceptual Framework

III. RESEARCH METHOD

A) Form of research

This research uses a descriptive quantitative approach, which collects data in the form of numbers and then describes the data in relevant sentences. Next, the data was analyzed using statistics to test the hypothesis that the researcher had previously established. Verification research is a technique that has been proven to be effective. To get proof of the previous hypothesis, test the hypothesis from descriptive research using statistical calculations.

B) Place and Time of Research

As the title of this research suggests, "The Effect of Tax Avoidance on Property and Real Estate Companies Listed on the Indonesia Stock Exchange", this research was conducted on Property and Real Estate Companies Listed on the Indonesia Stock Exchange from the website https://www.idx.co. id/ 2020-2022. This research was conducted in 2024.

C) Data

Financial reports from real estate and property firms make up the secondary data that was used. A secondary data source is one that gives data collectors information in an indirect way, such as through papers or other individuals. Books, journals, papers, and labor laws pertaining to internal control systems over payroll systems and procedures in an attempt to support labor cost efficiency provide secondary data for this study.

D) Population and Sample

a. Population

A population is a broad category made up of items or people with specific amounts and characteristics that the researcher chooses to examine before making inferences. Property and real estate firms registered on the Indonesia Stock Exchange between 2020 and 2022 comprise the population used in this study.

Table 1: Population of Property and Real Estate Companies 2020-2022

No	Company Code	Company Name
1	AMAN	PT Makmur Berkah Amanda Tbk
2	APLN	PT Agung Podomoro Land Tbk
3	ASRI	PT Alam Sutera Realty Tbk
4	ATAP	PT Trimitra Prawara Goldland Tbk
5	BAPA	PT Bekasi Asri Pemula Tbk
6	BAPI	PT Bhakti Agung Propertindo Tbk
7	BBSS	PT Bumi Benowo Sukses Sejahtera Tbk
8	BCIP	PT Bumi Citra Permai Tbk
9	BIKA	PT Binakarya Jaya Abadi Tbk
10	BIPP	PT Bhuwanatala Indah Permai Tbk
11	BKSL	PT Sentul City Tbk
12	BSDE	PT Bumi Serpong Damai Tbk
13	CITY	PT Natura City Developments Tbk
14	CSIS	PT Cahayasakti Investindo Sukses Tbk
15	CTRA	PT Ciputra Development Tbk
16	DART	PT Duta Anggada Realty Tbk
17	DUTI	Duta Pertiwi Tbk
18	ELTY	PT Bakrieland Development Tbk
19	EMDE	Megapolitan Developments Tbk
20	FMII	Fortune Mate Indonesia Tbk
21	GMTD	Gowa Makassar Tourism Development Tbk
22	GPRA	PT Perdana Gapuraprima Tbk
23	HOMI	PT Grand House Mulia Tbk
24	INDO	PT Royalindo Investa Wijaya Tbk
25	INPP	Indonesian Paradise Property Tbk
26	JRPT	PT Jaya Real Property Tbk
27	KBAG	PT Karya Bersama Anugerah Tbk
28	KIJA	PT Kawasan Industri Jababeka Tbk
29	LAND	PT Trimitra Propertindo Tbk
30	LPCK	PT Lippo Cikarang Tbk
31	LPKR	PT Lippo Karawaci Tbk
32	LPLI	Star Pacific Tbk
33	MDLN	PT Modernland Realty Tbk

34	MKPI	Metropolitan Kentjana Tbk
35	MMLP	PT Mega Manunggal Property Tbk
36	MPRO	PT Maha Properti Indonesia Tbk
37	MTLA	PT Metropolitan Land Tbk
38	MTSM	Metro Realty Tbk
39	NASA	PT Andalan Perkasa Abadi Tbk
40	NIRO	City Retail Developments Tbk
41	NZIA	PT Nusantara Almazia Tbk
42	OMRE	Indonesia Prima Property Tbk
43	PAMG	PT Bima Sakti Pertiwi Tbk
44	PLIN	PT Plaza Indonesia Realty Tbk
45	POLI	PT Pollux Hotels Group Tbk
46	POLL	PT Pollux Properties Indonesia Tbk
47	POSA	PT Bliss Properti Indonesia Tbk
48	PPRO	PT PP Properti Tbk
49	PUDP	PT Pudjiadi Prestige Tbk
50	PURI	PT Puri Global Sukses Tbk
51	PWON	PT Pakuwon Jati Tbk
52	RBMS	PT Ristia Bintang Mahkotsejati Tbk
53	RDTX	PT Roda Vivatex Tbk
54	REAL	PT Repower Asia Indonesia Tbk
55	RISE	PT Jaya Sukses Makmur Sentosa Tbk
56	ROCK	PT Rockfields Properti Indonesia Tbk
57	RODA	Pikko Land Development Tbk
58	SATU	PT Kota Satu Properti Tbk
59	SMDM	Suryamas Dutamakmur Tbk
60	SMRA	PT Summarecon Agung Tbk
61	TARA	PT Agung Semesta Sejahtera Tbk
62	TRIN	PT Perintis Triniti Properti Tbk
63	UANG	PT Pakuan Tbk
64	URBN	PT Urban Jakarta Propertindo Tbk

b. sample

The sampling technique in this research used a purposive sampling technique. This research is based on the population of property and real estate companies listed on the Indonesia Stock Exchange (BEI) between 2020-2022 (a total of 92 companies). Many of these companies were selected again using a predetermined purposive sampling method so that the selected samples represent the existing population in accordance with the research objectives.

Sample selection results using target sampling. The sample is a portion of the population and represents the characteristics of the population for research purposes. The criteria that must be met in this research are as follows:

1. Financial reports of all industrial sector companies listed on the IDX for 2020-2022
2. Financial reports of the property and real estate sub-sector listed on the IDX for 2020-2022
3. Financial reports are presented in Rupiah currency
4. Businesses with positive profits and no tax compensation for losses from prior years make up the samples. This occurs since the significance of the book tax discrepancy can be muddled by compensating losses in the future to lower deferred tax expenses and record them as deferred tax assets.
5. Companies that have an ETR value between 0-1, this is because the lower the ETR value (closer to 0), the higher the company's tax avoidance, and the higher the ETR value (closer to 1), the company is considered to have a lower level of tax avoidance.

E) Analysis Method

The data collection method in this research is through indirect data collection. This research uses secondary data. Secondary data used in this research was collected indirectly. Through an intermediary source or the yearly financial reports of industrial companies listed on the Indonesia Stock Exchange for 2020–2022, researchers were able to indirectly get this secondary data.

IV. RESULT AND DISCUSSION

A) Test Multiple Linear Regression Analysis

The impact of the independent variables—profitability, leverage, audit committee, and firm size—on the dependent variable—tax avoidance—is assessed using multiple linear regression analysis. The table below displays the findings of the multiple regression analysis.

	Tabel 2. Hasil Uji Parsial (Uji t)					
	Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig
		B	Std.Error	Beta		
1	(Constant)	.359	.312		1.150	.255
	Profitabilitas	-4.624	.971	-.534	-4.763	<,001
	Leverage	.075	.029	.274	2.546	.013
	Komite Audit	.132	.089	.158	1.477	.145
	Ukuran Perusahaan	-.018	.009	-.228	-2.041	.046

Source: *Secondary data processed by SPSS 28, 2024*

From Table 2, a multiple linear regression equation model can be prepared based on column B. The multiple linear regression equation model resulting from this research is as follows:

$$\mathbf{Y = 0{,}359 - 4{,}624X1 + 0{,}75X2 + 1{,}32X3 - 0{,}18X4 + e}$$

From the linear regression equation above it can be explained as follows:

1. A constant of 0.359 indicates that if the independent variables (Profitability, Leverage, Audit Committee and Company Size) are assumed to be 0 percent or have not changed, then the Tax Avoidance value is 0.359.
2. The profitability variable (X1) obtained a regression coefficient value of -4.624. This value shows the negative influence between the Profitability and Tax Avoidance variables. This means that if the profitability variable experiences an increase of 1%, then on the other hand, the tax avoidance variable will experience a decrease of 4.359. Assuming that other variables remain constant.
3. The Leverage variable (X2) obtained a regression coefficient value in a positive direction of 0.75. This means that every time there is an increase in leverage by 1 unit, it will increase tax avoidance by 0.75, assuming the other independent variables have a fixed value.
4. The audit committee variable (X3) obtained a regression coefficient value with a positive direction of 1.32. This means that every time there is an increase in the audit committee by 1 unit, it will increase tax avoidance by 1.32, assuming the other independent variables have a fixed value.
5. The company size variable (X4) obtained a regression coefficient value in the negative direction of 0.18. This means that every time there is an increase in company size by 1 unit, it will reduce tax avoidance by 0.18, assuming the other independent variables have a fixed value.

B) Hypothesis testing

a. Partial test (t-test)

In essence, the t-test illustrates the degree to which each independent variable contributes to the explanation of the dependent variable. Significance values can be used for partial influence testing. The suggested hypothesis is accepted or deemed significant if the significance value is less than 0.05 or 5%. On the other hand, the hypothesis is rejected or deemed not significant if the significance value exceeds 0.05 or 5%. The following are the t-test results from this study.

	Table 3. Partial Test Results (T-Test)					
	Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig
		B	Std.Error	Beta		
1	(Constant)	.359	.312		1.150	.255
	Profitabilitas	-4.624	.971	-.534	-4.763	<,001
	Leverage	.075	.029	.274	2.546	.013
	Komite Audit	.132	.089	.158	1.477	.145
	Ukuran Perusahaan	-.018	.009	-.228	-2.041	.046

Source: *Secondary data processed by SPSS 28, 2024*

Using the SPSS program, compare the significance level (= 0.05) with the t significance level and compare the calculated t with the t table. Research was conducted to determine the influence of profitability, leverage, audit committee and company size on tax avoidance. The sample used in this research was 66 data. Obtained (df) n-k-1 or 66 – 4 – 1 = 61. Obtained t table = 1.999, so it can be concluded as follows:

1. Profitability (X1)

The decision of whether the hypothesis is accepted or rejected is based on the significance value. The hypothesis is accepted if the significance value is less than or equal to 0.05 (≤ 0.05). Profitability has an influence on tax avoidance. This can be seen in the results of the t-test, which shows the calculated t is -4.763 < t table 1.999 and the significance value is 0.01 < 0.05, so hypothesis 1, which states "profitability has an effect on tax avoidance", is accepted.

2. Leverage (X2)

Leverage has no effect on tax avoidance. This can be seen from the results of the t-test, which show a calculated t value of 2.564 > 1.999 and a significance value of 0.13 > 0.05, so hypothesis 2, which states "leverage has an effect on tax avoidance" is rejected.

3. Audit Committee (X3)

The audit committee has no influence on tax avoidance. This can be seen from the results of the t-test, which shows a calculated t value of 1.477 < 1.999 and a significance value of 1.45 > 0.05, so hypothesis 3, which states "audit committees have an influence on tax avoidance" is rejected.

4. Company size (X4)

Company size has no influence on tax avoidance. This can be seen from the results of the t-test, which shows a calculated t value of -2.041 > 1.999 and a significance value of 0.46 > 0.05, so hypothesis 4, which reads "company size has an effect on tax avoidance" is rejected.

b. Coefficient of Determination Test (R2)

The coefficient of determination is used to calculate the closeness of the relationship between the dependent variable and the independent variable. The R2 value ranges between 0 and 1 ($0 \leq R2 \leq 1$). This research uses the SPSS 28 statistical program.

Table 4. Coefficient of Determination Test Results (R2)

Model Summary[b]				
Model	**R**	**R Square**	**Adjusted R Square**	**Std.Error of the Estimate**
1	.621[a]	.386	.345	.16258137457

Source: *Secondary data processed by SPSS 28, 2024*

Based on Table 3, the results show that the Adjusted R Square is 0.345%; this means that Profitability, Leverage, Audit Committee and Company Size are able to explain Tax Avoidance of 34.5% after adjusting for the sample and independent variables. Meanwhile, the remaining 65.5% is explained by other variables outside the research.

V. CONCLUSION

Based on the research results and discussion in this research, a conclusion can be drawn regarding the influence of Profitability, Leverage, Audit Committee, and Company Size on Tax Avoidance that the profitability variable (X1) has an influence on tax avoidance (Y). It can be seen from the significant probability value of the Profitability variable of 0.01 < 0.05, which shows that profitability has an effect on tax avoidance in property and real estate companies listed on the IDX in 2020-2022; it can be concluded that H1 is accepted. The Leverage variable (X2) has no influence on Tax Avoidance (Y). It can be seen from the significant probability value of the Leverage variable of 0.13 > 0.05 shows that leverage has no effect on tax avoidance in property and real estate companies listed on the IDX in 2020-2022, and it can be concluded that H1 is rejected. The Audit Committee variable (X3) has no influence on tax avoidance (Y). It can be seen from the significant probability value of the audit committee variable of 1.45 > 0.05 shows that the audit committee has no effect on tax avoidance in property and real estate companies listed on the IDX in 2020-2022; it can be concluded that H1 is rejected. The company size variable (X4) has no influence on tax avoidance (Y). It can be seen from the significant probability value of the company size variable of 0.46 > 0.05 shows that company size has no effect on tax avoidance in property and real estate companies listed on the IDX in 2020-2022; it can be concluded that H1 is rejected.

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