

Factors Analysis of Influencing Tax Management with Indicators Effective Tax Rates for Food Companies Beverage Listed on the Indonesian Stock Exchange

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ABSTRACT

This research aims to investigate the influence of profitability, leverage, company size, and sales growth on tax management using the Effective Tax Rate (ETR) indicator in Food and Beverages companies listed on the Indonesia Stock Exchange during the 2018-2022 period. This research uses an associative approach in data analysis and multiple regression test methods with secondary data originating from company annual reports. The research results show that profitability as measured by Return on Assets (ROA) has a negative influence on tax management as measured by the Cash Effective Tax Rate (CETR). Leverage also has a negative influence on tax management, while company size has a positive influence on tax management. In addition, sales growth has a negative influence on tax management. These findings highlight the importance of these factors in determining the tax management policies of Food and Beverages companies in Indonesia. This research implies that company management can consider profitability, leverage, company size, and sales growth in planning their tax strategies.

INTRODUCTION

Indonesia is one of the countries with a large population, ranking fourth in the world. With more than 275 million inhabitants, this country also has abundant natural resources. The large population and rich nature encourage the development process to continue in Indonesia. To finance the large expenditure resulting from development that continues to be carried out by the government. The government optimizes state revenue from the tax sector. One of them is because companies in Indonesia continue to increase from year to year, companies are becoming targets for the government to impose corporate taxes.

Tax is a contribution that is given compulsorily to the state which is used as personal or corporate debt with a coercive nature based on the law, without receiving direct compensation but being used together for several state needs whose aim is for the prosperity of the Indonesian people. Tax is the highest contributor to state income as proven by data from the Ministry of Finance that state revenue reached IDR 1,845.5 trillion in July 2022, of which IDR 1,510.0 trillion was obtained from tax revenues.

In taxation, there are of course special rates, including for entities that experience several rate changes from time to time. In accordance with DJP regulation number PER-08/PJ/2020, the existing tax rate adjustment on PKP (Taxable Income) in 2020 and 2021 is 22%, then this year 2022 applies 20%.

Companies are tax subjects listed in Law Number 36 of 2008 concerning Income Tax. Companies are corporate taxpayers so companies compete to obtain maximum profits so they can contribute to the country by obediently paying taxes. For companies, tax is a burden that will reduce the net profit received by the company, so every company can of course carry out tax management with the aim of reducing the tax obligations that it needs to pay as low as possible.

Many Indonesian companies still practice tax avoidance. One of them is companies in the food and beverage sector in the manufacturing industry which make a significant contribution to government tax revenues (<https://www.kompas.com>). One example of an industry in the food and beverages sector that is trying to avoid taxes is PT. Indofood Sukses Makmur Tbk. In 2002, Indofood plans to buy back bonds issued by its subsidiary in Mauritius, namely Indofood International Finance (IIF) with an interest rate of 10.37% if the double tax avoidance agreement with Mauritius ends. The Indonesian government ended its agreement with Mauritius in 2004. Then in 2005, the amount of tax imposed on interest payments by PT. Indofood to its subsidiary (IIF) experienced an increase from 10% to 20%, so various financing schemes were implemented to avoid the imposition of the 20% income tax. The bond issuer notifies the trustee of its intention to redeem all bonds. The bond issuer said there was no other way to avoid being charged the 20% income tax. The initial tax charge of 0% to 20% will certainly reduce the attractiveness of the PT company. Indofood Sukses Makmur against foreign companies that invest their money domestically (<https://www.tempo.co>).

The next tax avoidance phenomenon occurred at PT. Coca-Cola Indonesia. PT. Coca-Cola Indonesia is suspected of committing IDR 49.24 billion in tax evasion. This case occurred in the 2002-2006 tax year. The Ministry of Finance, Directorate General of Taxes, conducted an investigation and found that the expenditure records for that year were excessive. Excessive costs can result in reduced taxable income. These costs are predicted to be used to pay for product advertising with a total of IDR 566.84 billion during the 2002-2006 period. The company succeeded in reducing taxable income due to these costs (<https://nasional.kompas.com/>).

The Directorate General of Taxes stated that the total taxable income of PT Coca-Cola Indonesia during that period reached IDR 603.48 billion, while the taxable income calculated by PT. Coca Cola Indonesia is IDR 492.59 billion. Due to the difference in taxable income from the DJP's calculation of IDR 49.24 billion, the DJP stated that this expenditure was unreasonable and indicated the existence of transfer pricing practices. It is known that goods produced by PT. CCI is not a beverage product, but rather a concentrate (raw product), so it is not in accordance with PT's business practices. Coca-Cola Indonesia. Representatives from the DJP have stated that the advertising costs charged by PT Coca-Cola Indonesia are not directly related to the products produced, so the advertising costs are borne by other Coca-Cola companies (<https://nasional.kompas.com/>).

Another company affected by a tax evasion case is PT. Ade Alfin. Tax evasion case at PT. Ades Alfindo was revealed when the new management team of PT. Ades Alfindo discovered discrepancies in sales records in 2001-2004. In 2004 PT. Ades Alfindo made management changes following the joining of the investor with the largest share ownership of 65.07%, namely Water Partners Bottling Co. This new stakeholder was the one who managed to discover discrepancies in the recording of the 2001-2004 financial reports carried out by the old management. The results of the investigation showed that quarterly sales reached 0.6 - 3.9 million gallons higher than usual production figures. The new management team of PT. Ades Alfindo also reported that real sales in 2001 were estimated to be IDR 13 billion less than reported, whereas in 2002 they reached IDR 45 billion and IDR 55 billion in 2003. This error was caused by a lack of public supervision where PT. Ades Alfindo does not include sales volume in the audited financial report so the financial report presented by PT. Ades Alfindo in 2001-2004 was higher than what should be reported.

According to Savitra (2017), the factors that encourage companies to take tax avoidance are:

1. The amount of tax to be paid. The greater the amount of tax that must be paid, the greater the taxpayer's tendency to commit fraud.
2. The amount of sanctions. The lighter the sanctions for tax evasion, the greater the taxpayer's tendency to commit fraud.

In an effort to reduce tax avoidance, the government provides incentives to reduce corporate taxes for companies as stated in Law no. 36 of 2008 article 17 paragraph 2(b) concerning tax simplification. The income tax rate for corporate taxpayers, which was previously 28%, has decreased to 25%, this

provision has been in effect since 2010. Then based on PP No. 30 of 2020, the corporate income tax rate has decreased again to 22%. This 3% compensation is intended for corporate taxpayers to anticipate the impact of the COVID-19 system which applies for 2020 and 2021. This reduction in tax rates is considered to benefit taxpayers and increase corporate taxpayer revenues. The government hopes this can be a solution for entrepreneurs so they don't avoid taxes. This is nothing more than a form of motivation so that entrepreneurs do not view taxes as a burden and can be more active in carrying out their business activities (Susilawaty, 2020).

This tariff reduction is also part of the tax cut policy made by the government in order to increase the attractiveness of foreign investment so that it can compete with several neighboring countries (Prasetyo, Andinur, 2016). Apart from increasing the country's economic growth, this is also considered to benefit domestic corporate taxpayers. The tax rates contained in the law are tax rates that have been determined by the tax authority based on the taxpayer's economic income. These rates are usually called statutory tax rates. Meanwhile, the effective tax rate (ETR) is a percentage that describes the actual amount of tax burden that the company must bear compared to profit before tax.

In an effort to legally save taxes, this can be done through tax management. Therefore, companies strive for effective and efficient tax management in order to pay the lowest possible taxes. Through the effective tax rate, taxpayers can calculate how much the company must spend to pay taxes. The effective tax rate can be calculated using the ratio of the amount of tax payable to income before tax. This can help companies calculate the actual tax burden. A low effective tax rate percentage shows the company's effectiveness in managing its tax management. Therefore, the effective tax rate is often used as a reference by interested parties as a basis for consideration for making decisions and establishing conclusions regarding the company's taxation system (Ria, 2017).

It is hoped that this research can help the government overcome tax avoidance efforts and maximize state revenues by identifying what factors can influence the effective tax rate (ETR) in food and beverage companies listed on the Indonesia Stock Exchange. Companies should be able to reduce their tax burden by applying the tax incentives provided, but if the percentage of the company's effective tax rate is still high, then this shows that the company is still not able to maximize existing incentives. Effective tax rates are a tax management policy that can help corporate taxpayers in calculating the amount of tax paid. By knowing the effective tax rate of a company, you will get an idea of how tax management in a company can reduce its tax figures. Effective tax rates are useful for companies to see the extent of managers' effectiveness in carrying out tax management in the company (Rahmawati, 2019). The effective tax rate is very useful for measuring the actual tax burden. The effective tax rate is calculated from the amount of income tax payable compared to income before tax.

There are factors that can influence tax management in a company. The first factor in this research is company size, where companies that are large-

scale companies pay lower taxes than small-scale companies because large-scale companies have more resources that can be used to carry out tax management. Previous research on factors influencing corporate tax management conducted by Steven et al. (2018) is similar to research conducted by Hati et al. (2019) which shows that the company size variable has a negative influence on tax management. However, the results of this research are different from the results of research conducted by Asra (2018) where the company size variable has a significant positive influence on tax management actions.

Meanwhile, the second factor is Leverage (Debt Ratio) which is an indicator to see a company's ability to fulfill its obligations. In this case, debt usually incurs interest costs which can reduce the tax burden that the company must pay. Based on research by Noviandini (2018) is in line with research conducted by Dianti & Hasymi (2020) which shows that the debt ratio variable has a positive effect on company tax management. Meanwhile, the results of research conducted by Gumilang (2022) show that the leverage variable has no effect on tax management.

Next, the third factor is Profitability which is a ratio to assess the company's ability to make a profit. When a company achieves high profitability, the company becomes stricter in managing taxes with a low Return on Assets (ROA) value. Based on research conducted by Faradila et al. (2022) which is similar to research conducted by Noviatna et al. (2021) which shows that the Profitability variable has a significant effect on tax management. However, in contrast to the results of research conducted by Asra (2018), the Profitability variable does not have a significant influence on tax management.

The final factor is Sales Growth, namely when sales growth is higher, it shows that the company is running well and has large profits. This large profit will result in a greater tax burden being borne, which will then be accompanied by the company's ability to manage taxes to reduce the amount of tax the company must pay. Based on research conducted by Suryani (2021), the Sales Growth variable has a significant effect on the effective tax rate.

The independent variables in this research are profitability, leverage, company size, and sales growth, and then tax management with the effective tax rate indicator as the dependent variable. This research aims to analyze the relationship between variables to see whether they can produce new results or be the same as the results of previous research, coupled with government policies regarding simplification and incentives for reducing tax rates which are expected to help reduce the burden on corporate taxpayers. Previous research has been carried out several times, including research conducted by Damayanti & Gazali (2018) and Putri & Lautania (2016). The variables and years used in this research are different from previous research, and the research sample was taken from food and beverage companies that listed their shares on the Indonesia Stock Exchange.

The author chose the food and beverage industry sector as the sample in this research because the Indonesian food and beverage industry continues to grow rapidly. Judging from the prospects, food and beverage companies will be very profitable because they will definitely be needed now and in the future.

This is proven by an investment of IDR 293.2 trillion or IDR 21.4 billion, with a total investment presentation of 21.7% (Talisa, Tina, 2020). According to investment realization data from the Investment Coordinating Board, the food sector has experienced fluctuations over the last five years but on average it has grown by 3% each year and remains at the forefront of total investment realization in the secondary sector. In 2017, the food industry reached its highest peak with a total investment of IDR 64.8 trillion or US\$ 4.86 billion.

Apart from that, foreign demand for food and beverage products remains high. This can be seen from the positive export growth over the last year. According to data from the Central Statistics Agency, the food and beverage industry was able to export up to \$31.2 billion in 2020. This value increased 13.94% compared to 2019 which only reached \$27.4 billion. This increase is also the first since 2017. The export value of the food and beverage industry previously continued to decline in 2018 and 2019. However, in 2020, the food industry was only able to export up to 39.9 million tons. Based on the data, we can see that shares in this industry are quite stable compared to other sectors even in the economic crisis because, after all, some food and beverage products remain the main needs of society.

LITERATURE REVIEW

Agency Theory

Agency theory is defined as a contract that occurs between one or several principals which gives authority to another person (agent) to make the best decisions in running the company. In practice, this will of course incur agency costs. Agency problems will arise with tax management, due to differences in interests between the contracting parties. Company managers (agents) want increased compensation while shareholders (principals) want reduced tax costs (Masri & Martani, 2012).

In agency relationships, problems often occur between managers and shareholders. The conflict that is often experienced is because humans are economic creatures whose basic nature is to prioritize their own interests. Shareholders and managers have goals in achieving what they plan. The result is that there is a conflict that arises as a result of interests. Shareholders want greater and quicker returns on the investments they provide, while managers want their interests to be accommodated by providing the maximum possible compensation or incentives for their performance in running a company (Stephanus, 2018).

Profitability

The research (Meylinda, 2022) explains that what is meant by profitability aims to measure the company's ability to generate profits and also to determine the effectiveness of company management in managing the assets owned by the company.

According to (Rodriguez, 2012) Profitability is one of the factors determining the tax burden because companies that have large profits will pay taxes every year. Meanwhile, companies that have low profits or even experience losses will pay less or no tax. In addition, by using loss

compensation, companies can reduce their obligation to pay taxes for the previous or next financial year. All of this is a tax burden benefit for companies experiencing losses.

Based on this concept, a company's ability to generate profits can directly influence the company's effective tax rate. The profitability ratio is a ratio to assess the company's ability and seek profits (profit). Maharani & Suardana in Ahmad (2018) explain that companies that make a profit (profit) are assumed not to practice tax avoidance because they are able to manage their income and tax payments, in this case carrying out tax management.

Leverage

Debt is all financial obligations to other parties that have not been paid. Debt is one of the company's sources of external funding that the company can use to finance all its expenses. The task of company management in this case is to ensure that losses are avoided due to the debt. Debt Ratio or Leverage is usually used to describe how much of a company's total assets are financed by debt.

Leverage is an indicator used to see how a company is able to manage and pay off its obligations. Leverage is measured using the Debt to Equity Ratio (DER), by comparing total liabilities with total equity. The higher the DER value, the more risky the company's condition is. In leverage, there are interest costs that arise due to debt. According to taxation, interest costs include deductible expenses, namely costs that can reduce the amount of Taxable Income (PKP). This makes a company's effective tax rate low.

Company Size

Company size is a measurement that is grouped based on the size of a company. One way that can be used to classify whether a company is large or small is to see how many assets a company owns. Assets are used as a basis for determining the size or size of a company because assets are considered to have a greater level of stability compared to others and also tend to be sustainable between one period and the next (Dianti & Hasymi, 2020).

Sales Growth

Sales growth is a calculation of the increase or decrease in sales obtained by the company from year to year. To find out the value of a company's sales growth, it can be measured by reducing this year's sales by the previous year's sales and then dividing by the previous year's sales.

Sales reflect the manifestation of investment success in the past period and can be used as a prediction of future growth. Sales growth is an indicator of demand and company competitiveness in an industry (Hidayat, 2018). Good sales growth can indicate good business development in a company. According to (Ida Ayu Rosa Dewinta, 2016) high sales growth, can cause the level of profits obtained by the company to increase, which results in an increase in the tax burden that will be borne by the company, which then has the potential for the

company to carry out tax management to reduce the amount of tax that must be paid.

Effective Tax Rate

Effective Tax Rate (ETR) is a method commonly used to determine tax management in a company. Calculating the effective tax rate is done by dividing the income tax burden by profit before tax. Profit before tax is net profit before deducting tax expenses. Effective tax rates are defined by Richardson & Lanis in Nugroho (2019) as a comparison between the real taxes paid by the company and commercial profits before tax. With this effective tax rate, the company will get a real picture of how the company's tax management is trying to reduce the company's tax obligations. Because if a company has an effective tax rate percentage that is higher than the set rate, the company is not optimal in maximizing existing tax incentives, because by taking advantage of existing tax incentives, the company can reduce the percentage of tax payments from commercial profits (Nugroho, 2019).

Meanwhile, according to Vidyarto (2019), the effective tax rate is the percentage of the effective rate used to calculate the tax borne by taxpayers, where the lower the value of the effective tax rate, the lower the tax burden borne by taxpayers so that they can save on payments. corporate tax. Companies can carry out tax planning to minimize the tax burden with various policies that can be implemented to reduce the company's effective tax rate.

Hypothesis

H₁: The *Profitability* variable has a positive influence on the Tax Management variable

H₂: The *Leverage* variable has a positive influence on the Tax Management variable

H₃: The *Company Size* variable has a positive influence on the Tax Management variable

H₄: The *Sales Growth* variable has a positive influence on the Tax Management variable

METHODOLOGY

This research is an activity carried out systematically and planned to obtain problem-solving answers to certain phenomena in predetermined research, so this type of research is quantitative research with an associative approach. Associative analysis is a form of research data analysis to test whether there is a relationship between the existence of variables from two or more data groups. The method used in this research is the multiple regression test. Multiple linear regression equations are carried out in research to find out whether the independent variable has an effect on the dependent variable.

The data that will be used in this research is secondary data. Data secondary is data obtained from respondents Which become research targets. The data used is a company's annual report which consists of statements of financial position and profit and loss for the period 2016 - 2020. Data is secondary generally in the form of historical evidence, notes, or reports that have been compiled in published archives (documentation data). Secondary

data used in the study This form reports finance annual company food and beverages registered in Exchange Indonesian Effect (IDX).

Food and Beverages subsector manufacturing companies listed on the Indonesia Stock Exchange (BEI) in the 2016 to 2020 period, chosen in the 2016-2020 period because it was to research food and beverages companies with the latest year. A sample of food and beverage companies registered on the IDX was used, around 15 samples that met the criteria from a total of 30 companies. The sample model used in this research is purposive sampling which is a non-random sampling technique. Non-random sampling means that not all members of the population have the opportunity to be selected as the sample. The purposive sampling method must determine the criteria determined to obtain a representative sample.

Dependent Variable

The dependent variable described by Sekaran (2007) is the variable that is the main concern of researchers. The dependent variable used in this research is tax management as a proxy for the effective tax rate. The definition related to the effective tax rate is part of tax management, which is a means to fulfill tax obligations correctly but the amount of tax paid can be kept as low as possible to obtain the profit and liquidity that management expects. The company's effective tax rate can be measured using the formula:

$$\text{Effective Tax Rate} = \frac{\text{Tax Expense}}{\text{Profit Before Tax}}$$

Tax burden and profit before tax in calculating the effective tax rate are the tax burden listed in the company's profit/loss report. The tax burden stated in the financial statements is the total current tax plus the total deferred tax.

Independent Variable

Independent variables are variables that influence other variables either positively or negatively (Sekaran, 2007). There are several independent variables tested in this research:

a. Profitability

Profitability Companies are measured using Return On Assets (ROA) because Return On Assets (ROA) can be used to measure the level of profitability of a company by showing the company's effectiveness in managing the assets it owns so that investors can see how effective a company is in managing the assets it owns. Profitability can be measured using the formula:

$$\text{ROA} = \frac{\text{Profit After Tax}}{\text{Total Assets}}$$

b. Leverage

Debt is one source of funding that a company can use to finance its expenses. Debt in this study is proxied by the debt ratio (leverage). The debt ratio is used to describe the company's total assets financed by debt. The company's debt level can be measured using the formula:

$$\text{Leverage} = \frac{\text{Total Liabilities}}{\text{Total Assets}}$$

c. *Company Size*

Company size is a classification of a company based on the number of assets owned by the company. This research uses a proxy for total company assets to determine company size. The total assets used to measure company size are the total current assets and non-current assets owned by the company which are listed in the company's financial balance sheet. Company size can be measured using the formula:

$$\text{Company Size} = \text{Ln Total Assets}$$

d. *Sales Growth*

Sales Growth is a ratio used to measure sales growth from one period to the next. Sales growth can be found by comparing the sales of the current period minus the sales of the previous period which is then divided by the sales of the current period. Sales Growth can be measured using the formula:

$$\text{Growth sales} = \frac{\text{Sales.t} - \text{sales.t-1}}{\text{sales.t}}$$

RESEARCH RESULT

Description of Research Objects

The population in this research is 87 *Food and Beverages companies* listed on the Indonesia Stock Exchange (BEI) in the 2018-2022 period. This research sample consists of 47 *Food and Beverage companies* in the 2018-2022 period, after eliminating 40 companies because the companies did not publish complete financial reports in the 2018-2022 period.

Panel Data Estimation Test

Determination of panel data estimation models between modes; *common effect, fixed effect, or random effect* is carried out by *Chow Test* and *Hausman Test*.

Test Chow

The Chow test was carried out on the results of the regression equation with fixed effects. The results of the Chow Test are presented in Table 1 as follows:

Table 1. Chow Test Results

Redundant Fixed Effects Tests			
Equation: Untitled			
Cross-section fixed effects test			
Effects Test	Statistics	df	Prob.
Cross-section F	0.864971	(46,184)	0.7139
Chi-square cross-section	46.005122	46	0.4721

Source: results processed by the author (2023)

Based on Table 1 above, it is known that the Chi-Square probability value resulting from the regression model equation with fixed effects is 0.4721. This value is greater than the significance level of 0.05, so the Common Effect Model (CEM) model was selected.

Hausman test

The Hausman test was carried out to determine the panel data regression estimation model between fixed effects and random effects. The Hausman test was carried out on the results of the regression model with random effects. The Hausman Test results are presented in Table 2 as follows:

Table 2. Hausman Test Results

Correlated Random Effects - Hausman Test			
Equation: Untitled			
Cross-section random effects test			
Test Summary	Chi-Sq. Statistics	Chi-Sq. df	Prob.
Random cross-section	3.584719	4	0.4651

Source: results processed by the author (2023)

Based on Table 2 above, it can be seen that the Random Cross-Section probability value of the Hausman Test results on the results above with random effects is 0.4651. This value is greater than the significance level of 0.05, so it can be said that the regression model results in this study use a random effect model.

Langrange Multiplier Test

The Lagrange *Multiplier test* is used to find out whether the *Random Effect model* is better than the *Common Effect model*. The *Lagrange Multiplier test* was carried out on the results of the regression model with random effects. The Hausman Test results are presented in Table 3 as follows:

Table 3. Lagrange Multiplier Test Results

Lagrange Multiplier Tests for Random Effects			
Null hypothesis: No effects			
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided (all others) alternatives			
	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	0.936123 (0.3333)	0.031230 (0.8597)	0.967353 (0.3253)
Honda	-0.967535 (0.8334)	0.176719 (0.4299)	-0.559191 (0.7120)
King-Wu	-0.967535 (0.8334)	0.176719 (0.4299)	-0.104158 (0.5415)
Standardized Honda	-0.705036 (0.7596)	0.534658 (0.2964)	-5.610947 (1.0000)
Standardized King-Wu	-0.705036 (0.7596)	0.534658 (0.2964)	-3.138400 (0.9992)
Gourieroux, et al.	--	--	0.031230 (0.6760)

Source: results processed by the author (2023)

Based on the results in Table 3 from the *Lagrange multiplier test*, *common effect model vs. random effect model* above, the *Breusch-pagan cross-section* > 0.05 is

obtained, namely $0.3333 \leq 0.05$, meaning *the Common Effect Model (CEM)* is more appropriate to use.

Based on the findings above, it can be concluded that the model used in this research is *the Common Effect Model (CEM)*. This is based on the results of the *Chow test*, *Hausman test*, and *Lagrange Multiplier test* which show that the probability value (*p-value*) for CEM is greater than 0.05, which indicates there is not sufficient evidence to reject the null hypothesis.

The common effect model approach is the simplest approach to estimating panel data. In the context of this research, CEM is considered the appropriate model to be used in the panel data analysis carried out. This conclusion shows that there is a general effect that influences the variables observed across all time units in the panel data studied. By using CEM, research can see and estimate the impact of independent variables on dependent variables by taking into account general effects that remain over time.

Panel Data Regression Analysis

This research method uses multiple linear regression analysis methods. Consisting of 47 *Food and Beverages companies* with research data for 5 (five) years, each year the data used is annual data. Analysis of the results of the research regression model uses data summarized in the following table:

$$Y = \alpha_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Table 4. Uji Regresi Data Panel *Common Effect Model (CEM)*

Dependent Variable: Y					
Method: Panel Least Squares					
Date: 07/02/23 Time: 10:59					
Sample: 2018 2022					
Periods included: 5					
Cross-sections included: 47					
Total panel (balanced) observations: 235					
Variable	Coefficient	Std. Error	t-Statistic	Prob.	Kesimpulan
C	-0.193747	0.827788	-0.234054	0.8152	
Profitabilitas	-0.102524	0.463541	-0.221176	0.8252	Negative Not significant
Leverage	-0.082397	0.135940	-0.606128	0.5450	Negative Not significant
Company Size	0.017389	0.028954	0.600573	0.5487	Positive Not significant
Sales Growth	-0.011774	0.083899	-0.140338	0.8885	Negative Not significant
MSE Root	0.664467	R-squared		0.002727	
Mean dependent var	0.261490	Adjusted R-squared		-0.014617	
SD dependent var	0.666795	SE of regression		0.671651	
Akaike info criterion	2.062891	Sum squared resid		103.7564	
Schwarz criterion	2.136499	Log-likelihood		-237.3897	
Hannan-Quinn Criter.	2.092566	F-statistic		0.157230	
Durbin-Watson stat	2.422602	Prob(F-statistic)		0.959582	

Source: results processed by the author (2023)

Based on the regression results of the research model above, the following multiple linear regression equation is obtained:

$$Y = -0.193747 - 0.102524$$

The multiple linear equation above is explained as follows:

- a. If Profitability, Leverage, Size Company, and Growth Sales are assumed to be constant, so the Effective Tax Rate is - 0.193747.
- b. The regression coefficient for Profitability is - 0.102524. This shows that the Effective Tax Rate will decrease by - 0.102524 or - 10.2524% for every increase in Profitability and vice versa. This assumes that other variables are constant.
- c. The regression coefficient for Leverage is - 0.082397. This shows that the Effective Tax Rate will increase by - 0.082397 or - 8.2397% for each increase in Leverage and vice versa. This assumes that other variables are constant.
- d. Regression coefficients for Size Company amounting to 0.017389. This shows that the Effective Tax Rate will increase by 0.017389 or 1.7389 % for each increase in the Size Company and vice versa. This assumes that other variables are constant.
- e. The regression coefficient for Growth Sales amounted to - 0.011774. This shows that the Effective Tax Rate will increase by - 0.011774 or - 1.1774% for each increase in Growth Sales and vice versa. This assumes that other variables are constant.

Hypothesis testing

Hypothesis testing is a temporary answer to the research problem formulation. It is said to be temporary because the answer given is only based on relevant theory and is not based on empirical facts obtained through collected data.

t-test

The t-test aims to determine the effect of each independent variable consisting of Profitability, Leverage, Size of Company, and Growth Sales of tax avoidance behavior.

1. Profitability has a negative effect and has no significant effect of - 0.102524, the probability value is $0.8252 > 0.05$, which means that Profitability has no effect on the Effective Tax Rate. Thus the hypothesis which states that Profitability has a positive effect on Effective Tax Rates cannot be accepted (rejected).
2. Leverage has a negative and no significant effect of - 0.082397, the probability value is $0.5450 > 0.05$, which means that Leverage has no effect on the Effective Tax Rate. Thus the hypothesis which states that Profitability has a positive effect on Effective Tax Rates cannot be accepted (rejected).
3. Size The company has a positive effect and no significant effect of 0.017389, the probability value is $0.5487 > 0.05$ which means that the size of The company has no influence on the Effective Tax Rate. Thus the

hypothesis states that the Size of The company's positive influence on the Effective Tax Rate is acceptable (acceptable).

4. Growth Sales have a negative and no significant effect of - 0.102524, the probability value is $0.8252 > 0.05$, which means that *Profitability* has no effect on the Effective Tax Rate. Thus the hypothesis states that Growth Sales having a positive effect on the Effective Tax Rate cannot be accepted (rejected).

Simultaneous F Test

The F test is used to find out whether all independent variables together (simultaneously) influence the dependent variable. The F test is used with a significance level of 0.05. According to Ghozali (2012: 98), the basis for decision-making is as follows:

1. If the probability value is < 0.05 then the independent variables simultaneously influence the dependent variable.
2. If the probability value is > 0.05 then the independent variables together (simultaneously) do not affect the dependent variable.

The results obtained from the F test show that the F value is 0.157230 and the probability value is 0.95958 which is greater than the significance of 0.05 ($0.95958 > 0.05$). This means that at the level $\alpha = 0.05$, company size, *profitability*, *leverage*, and sales growth simultaneously have no effect on the effective tax rate, which means that the independent variables together do not affect the dependent variable.

Determination Coefficient Test (R^2)

The value of the coefficient of determination is between zero and one, the smaller the adjusted R^2 , it is said that the ability of the independent variables to explain the dependent variable is very limited and vice versa. The coefficient of determination is seen from the adjusted R^2 value which aims to measure how much the model's ability is to explain variations in the dependent variable. Based on the results in Table 4.13, the Adjusted R-squared coefficient of determination value is - 0.014617 or 1.46% while the remaining 98.54% ($100\% - 1.46\%$) is explained by other factors not included in this research model.

DISCUSSION

The Influence of Profitability on Effective Tax Rates

This research aims to examine the relationship between company profitability and effective tax rates. Based on the results of the research conducted, it was found that there is a negative relationship between company profitability and effective tax rates. However, this research also shows that this relationship does not have a significant effect.

The analysis results show that the coefficient between profitability and the effective tax rate is -0.102524. This indicates that there is a tendency that the higher the profitability of a company, the lower the effective tax rate imposed. However, the relatively small coefficient value indicates that the effect of profitability on the effective tax rate is not very significant.

In this context, the probability value of 0.8252 also needs to be considered. This probability value shows the level of significance of the relationship between profitability and effective tax rates. In this research, the probability value obtained is greater than the specified significance level (0.05). Therefore, it can be concluded that the relationship between profitability and effective tax rates does not have a statistically significant influence.

Although the results of this research show a negative relationship between profitability and effective tax rates, other factors also need to be considered in analyzing the effective tax rate imposed on a company. For example, tax regulations, fiscal policy, and industry characteristics can influence the effective tax rate.

This finding is in line with research conducted by Adnantara, KF, & Dewi, NNSRT (2016) entitled "The Influence of Company Size, Debt Level and Profitability on Tax Management with Effective Tax Rate Indicators in Property and Real Estate Companies". In their research, Adnantara & Dewi also found that Profitability has a negative and significant influence on Tax Management, with a significant value of $0.000 < 0.05$.

However, these findings contradict research conducted by Ahmad (2018) in his research entitled "The Influence of Profitability, Capital Intensity, and Inventory Intensity on Effective Tax Rate (Study of Manufacturing Companies in the Consumer Goods Industry Sector Listed on the Indonesia Stock Exchange in 2013 -2017)". Ahmad found that the profitability variable has a significant positive influence on the effective tax rate. Apart from that, other research conducted by Noviatna et al. (2021) entitled "The Influence of Profitability, Leverage, Capital Intensity Ratio and Independent Commissioners on Tax Management" also shows that the profitability variable has a positive influence on tax management.

The Influence of Leverage on Effective Tax Rates

The aim of this research is to examine the relationship between company leverage and effective tax rates. Based on the results of research conducted, it was found that there is a negative relationship between leverage and effective tax rates. Apart from that, this research also shows that this relationship does not have a statistically significant effect.

Data analysis produces a coefficient of -0.082397 between leverage and effective tax rate. A negative coefficient value indicates that the higher the level of leverage of a company, the lower the effective tax rate imposed. However, the relatively small coefficient value indicates that the effect of leverage on the effective tax rate is not significant.

Apart from that, the probability value of 0.5450 also needs to be considered in interpreting the results of this research. This probability value shows the level of significance of the relationship between leverage and the effective tax rate. In this research, the probability value obtained is greater than the specified significance level (0.05). Therefore, the hypothesis that states that leverage has a positive effect on the effective tax rate cannot be accepted (rejected).

These findings are in line with research conducted by Sjahril, RF, Yasa, NP, & Dewi, KR (2020) in their research entitled "Analysis of Factors that Influence Effective Tax Rates for Corporate Taxpayers (Study of Registered Real Estate & Property Companies on the Indonesian Stock Exchange for the 2016-2018 Period)". In their research, Sjahril, Yasa & Dewi also found that leverage had a negative effect on the effective tax rate.

However, these findings contradict research conducted by Dianti & Hasymi (2020) in their research entitled "The Influence of Profitability, Leverage, Company Size, Fixed Asset Intensity and Facilities on Tax Management with Effective Tax Rate Indicators". Dianti & Hasymi found that leverage has a positive influence on tax management with the effective tax rate indicator. Apart from that, other research conducted by Hati et al. (2019) entitled "Analysis of factors that influence tax management with the effective tax rate indicator" also shows that the leverage and fixed asset intensity variables have a significant positive influence on tax management.

The Influence of Sales Growth Regarding Effective Tax Rates

This research aims to examine the relationship between company size and effective tax rates. Based on the results of research conducted, it was found that there is a positive relationship between company size and effective tax rates. However, the research results also show that this relationship does not have a statistically significant effect.

The results of the data analysis show that the coefficient between company size and the effective tax rate is 0.017389. A positive coefficient value indicates that the larger the company size, the higher the tax rate charged tends to be. Even though there is this positive relationship, the relatively small coefficient value indicates that the effect of company size on the effective tax rate is not significant.

Furthermore, the probability value of 0.5487 also needs to be considered in interpreting the results of this study. This probability value shows the significance level of the relationship between company size and the effective tax rate. In this research, the probability value obtained is greater than the specified significance level (0.05). Therefore, the hypothesis which states that company size has a positive effect on the effective tax rate can be accepted.

This finding is in line with research conducted by Dianti & Hasymi (2020) in their research entitled "The Influence of Profitability, Leverage, Company Size, Fixed Asset Intensity and Facilities on Tax Management with Effective Tax Rate Indicators". Dianti & Hasymi found that leverage has a positive influence on tax management with the effective tax rate indicator.

However, these findings contradict research conducted by Afifah, MD, & Hasymi, M. (2020) in their research entitled "The influence of profitability, leverage, company size, fixed asset intensity and facilities on tax management with the effective tax rate Indicator". In their research, Afifah, MD, & Hasymi, M. found that company size has a negative influence on tax management with the effective tax rate indicator. Apart from that, other research was conducted by Erawati, T., & Jega, BY (2019) entitled "The Influence of Company Size, Debt

Level, Return on Assets (ROA) and Managerial Ownership on Effective Tax Rates in Manufacturing Companies Listed on the Indonesia Stock Exchange (BEI)(Case Study of BEI Manufacturing Companies in the 2016-2018 Period)." also shows that the company size variable has a negative effect on the effective tax rate.

Influence of Company Size Regarding Effective Tax Rates

This research aims to examine the relationship between sales growth and effective tax rates. Based on the results of research conducted, it was found that there is a negative relationship between sales growth and effective tax rates. However, this research also shows that this relationship does not have a statistically significant effect.

The results of the data analysis show that the coefficient between sales growth and the effective tax rate is -0.102524. A negative coefficient value indicates that the higher the sales growth rate of a company, the lower the effective tax rate imposed. However, the relatively small coefficient value indicates that the effect of sales growth on the effective tax rate is not significant.

Furthermore, the probability value of 0.8252 needs to be considered in interpreting the results of this study. This probability value shows the level of significance of the relationship between sales growth and the effective tax rate. In this research, the probability value obtained is greater than the specified significance level (0.05). Therefore, the hypothesis that states that sales growth has a positive effect on the effective tax rate cannot be accepted (rejected).

This finding is in line with research conducted by Fajarwati, PAN, & Ramadhanti, W. (2021) in their research entitled "The Effect of Accounting Information (ROA, Leverage, Sales Growth, Capital Intensity, and Company Size) and Company Age on Tax Avoidance". Fajarwati, PAN, & Ramadhanti, W. found that company size (SIZE) showed that the negative coefficient value was -0.047 with a significance level above 0.05 or $0.349 > 0.05$ so that the company size variable (SIZE) had a negative effect on tax avoidance. proxied by ETR.

However, these findings contradict research conducted by Sarwoasih, S., & Indarto, I. (2018) in their research entitled "Analysis of the Influence of Profitability, Liquidity and Company Growth on Debt Policy and Its Impact on Effective Tax Rates". In their research, Sarwoasih, S., & Indarto, I. found that Sales Growth (SG) had a significant positive effect on the Effective Tax Rate (ETR), meaning that the higher a company's sales growth, the higher the company's ability to pay taxes.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

Based on the analysis and discussion above that was carried out in the previous chapter, the results of the research that has been carried out can be concluded as follows:

1. Profitability variable which is proxied by ROA shows that profitability results have a negative effect on tax management which is proxied by the cash effective tax rate (CETR) in food and beverages companies listed on the Indonesia Stock Exchange for the 2018-2022 period.
2. Leverage variable shows that leverage has a negative effect on tax management as proxied by the cash effective tax rate (CETR) in food and beverages companies listed on the Indonesia Stock Exchange for the 2018-2022 period.
3. The company size variable shows that company size has a positive effect on tax management as proxied by the cash effective tax rate (CETR) in food and beverages companies listed on the Indonesia Stock Exchange for the 2018-2022 period.
4. The sales growth variable shows that sales growth has a negative effect on tax management as proxied by the cash effective tax rate (CETR) in food and beverages companies listed on the Indonesia Stock Exchange for the 2018-2022 period.

Suggestion

1. It is hoped that companies can carry out better tax planning so that they can control the efficiency of the amount of tax that will be given to the government, such as avoiding taxes both in terms of income and costs that can be reduced as a tax burden such as depreciation.
2. Companies should be able to provide training to human resources in the company regarding the latest tax laws so that employees can carry out tax planning well.
3. It is hoped that future research can increase the number of samples and variables so that the research results obtained will be more valid. Such as corporate governance, sales growth, and liquidity variables.

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