



THE EFFECT OF PROFITABILITY, LEVERAGE, AND CAPITAL INTENSITY ON TAX AVOIDANCE WITH COMPANY SIZE AS A MODERATING VARIABLE IN MANUFACTURING COMPANIES LISTED ON THE IDX IN 2019-2023

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Abstract

Companies often use tax avoidance to take advantage of tax weaknesses. This study aims to examine the effect of profitability, leverage and capital intensity on tax avoidance and company size that moderates profitability, leverage and capital intensity on tax avoidance in manufacturing companies listed on the IDX in 2019-2023. The research method used is an associative method with a quantitative approach. The population in this study are manufacturing companies listed on the IDX in 2019-2023. The sampling technique uses purposive sampling so that the samples obtained are nine companies and 5 years of observation. The analysis used is the classical assumption test, Moderate Regression Analysis (MRA) and hypothesis testing.

The results of this study state that the profitability variable (X1) obtained a calculated t value = -1.351 < t table 2.6216 with a significance level of 0.185 > 0.05, so H0 is accepted, and H1 is rejected, the leverage variable (X2) obtained a calculated t value = -3.879 < t table 2.6216 with a significance level of 0.000 < 0.05, so H0 is rejected, and H2 is accepted, the capital insensitivity variable (X3) obtained a calculated t value = -4.848 < t table 2.6216 with a significance level of 0.000 < 0.05, so H0 is rejected, and H3 is accepted, the capital insensitivity variable (X3) obtained a calculated t value = -4.848 < t table 2.6216 with a significance level of 0.000 < 0.05, so H0 is rejected, and H3 is accepted. Accepted, the interaction between profitability and company size variables (X1*Z) obtained a t-value of 1.266 < t table 2.03452 with a significance level of 0.213 > 0.05, then H0 is accepted, and H-4 is rejected, the interaction between leverage and company size variables (X2*Z) obtained a t-value of -3.901 < t table 2.03452 with a significance level of 0.000 > 0.05, then H0 is rejected, and H₅ is accepted, the interaction between capital insensitivity and company size variables (X2*Z) obtained a t-value of -4.798 < t table 2.03452 with a significance level of 0.000 > 0.05, then H0 is rejected and H₆ is accepted. The conclusion of this study shows that profitability does not partially affect tax avoidance, and leverage and capital intensity affect it. The company size does not moderate the effect of profitability on tax avoidance, while it moderates the effect of leverage and capital intensity on tax avoidance.

Keywords: Profitability, Leverage, Capital Insensitivity, Company Size, Tax Avoidance

INTRODUCTION

The primary source of state income for a nation is taxation, intended to guarantee its citizens' well-being. Tax serves as a regulator and implementer of policies in the economic and social sectors and a funding source for government activities. One of the challenges in financing development is the creation of a regulation that can optimize the potential for tax revenue, as is the case in Indonesia, where national development is perpetually present and ongoing. (Prastya and Handayani 2024). State revenues in the APBN can come from taxes, non-tax revenues, and grants, while expenditures include

central government spending, regional transfers, and village funds. The following are the state budget revenues and expenditures.

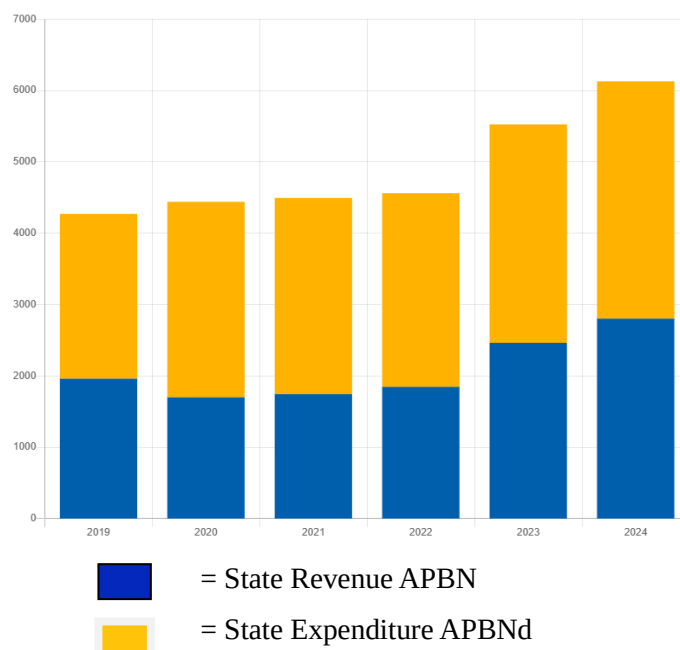


Figure 1 Tax realization graph image for 2019-2023
Source: <https://www.kemenkeu.go.id>

State revenues in the Budget in 2019 were 1960.6 trillion; in 2020, they were 1699.9 trillion; in 2021, they were 1743.6 trillion; in 2022, they were 1846 trillion; and in 2023 they were 2463 trillion. State revenues increase yearly, as seen in the tax revenue graph in 2019-2023. However, these revenues are still far from state expenditures or spending, where these expenditures are greater than state revenues. Therefore, the tax collection process in Indonesia must be re-emphasized. In our APBN report, the manufacturing industry, trade, financial services and insurance, construction and real estate, mining, information and communication, transportation and warehousing, and corporate services are among the sectors that are the primary contributors to state taxes. A manufacturing company is one of the most significant contributors to state revenue.

Quoted from Kompas In 2020, the manufacturing sector's tax contribution was 28.9%, where seen from all industries in 2020, it still experienced a decline, while in 2021, it contributed 29.9% with this increase due to the Purchasing Managers' Index (PMI) in October as an indicator of manufacturing sector growth. In 2022, the manufacturing company's tax contribution was 29.1%; this was because, in that year, there was a slowdown in monthly growth. The slowdown was due to the effect of soaring levies during this period, and even the manufacturing sector experienced a decline during this period. Meanwhile, tax revenues from 2023 until September were still at 27.30%; it was stated that this year, the percentage of national revenue experienced positive performance, while in September, there was a contraction.

The tax contribution of the manufacturing sector has decreased; this is thought to be due to symptoms of early deindustrialization and the provision of tax facilities that have not achieved the desired results. Based on the State Budget Realization Report for the first semester of 2023 by the Ministry of Finance, the manufacturing industry still contributes the highest tax revenue compared to other sectors. Throughout January to June, the manufacturing industry contributed 27.4%. However, compared to conditions before the Pandemic, the contribution of the manufacturing sector to tax revenue has weakened. In the first semester of 2019, the manufacturing industry contributed 28.7%, while in the first semester of 2018 it contributed 30.3%. The inconsistency or decline in tax revenue in the manufacturing sector is inseparable from tax avoidance carried out by companies. (www.kompas.id).

Tax avoidance is done to fulfil tax obligations still included in tax provisions (lawful), while tax evasion is done by violating applicable tax provisions (unlawful). Tax Avoidance is taking advantage of legal weaknesses and loopholes in tax regulations to reduce a company's tax payable. *Tax avoidance* can occur in Indonesian manufacturing companies.

One of the manufacturing companies in Indonesia that carries out tax avoidance is the case of corporate tax avoidance in Indonesia, which the Directorate General of Taxes processed and was carried out by PT. Astra International Tbk (Toyota Manufacturing Indonesia) in 2016 by selling a thousand cars made by Toyota Indonesia to a Toyota subsidiary in Singapore by reducing its tax burden by 2.8 trillion. In addition, PT. Indofood Sukses Makmur Tbk 2015 avoided tax by establishing a new business entity and transferring assets, debts, capital and instant noodle factories to its branch, namely PT. Indofood CBP Sukses Makmur amounting to 1.3 billion.

The phenomenon of companies that carry out tax avoidance is PT Coca-Cola Indonesia (CCI). PT Coca-Cola Indonesia is suspected of committing tax evasion, which resulted in tax evasion of Rp49.24 billion. This cost includes advertising from 2002-2006, amounting to Rp566.84 billion. It is advertising for Coca-Cola ready-to-drink products. This reduces tax revenue. According to the Directorate General of Taxes, PT Coca-Cola Indonesia's gross taxable income for this period was Rp603.48 billion. In the calculation, PT Coca-Cola Indonesia's taxable income was Rp492.59 billion. With this difference, the Directorate General of Taxes calculated the income tax (PPh) deficiency of PT Coca-Cola Indonesia of Rp49.24 billion.

The existence of tax avoidance in 2020 caused Indonesia to experience an estimated loss of Rp 68.7 trillion at the close of the spot market. The Tax Justice Network, in a report entitled "The tax of tax justice 2020: Tax justice in the time of COVID-19," stated that corporations in Indonesia that carried out tax avoidance actions caused the loss of 4.78 billion US dollars or Rp. 67.6 trillion. Individuals caused a loss of Rp. 1.1 trillion, which is equivalent to 78.83 million US dollars.

According to the Global Witness website, PT Adaro Energy Tbk's tax avoidance efforts involve transferring large amounts of income to a subsidiary abroad, namely Singapore. As a result, PT Adaro

Energy Tbk's tax payments in Indonesia are Rp 1.75 trillion smaller than they should be. Many companies in Indonesia are engaging in tax avoidance. For example, Ciputra Development Tbk did tax avoidance in 2016 by hiding assets of USD 2.6 billion, equivalent to IDR 21.6 trillion (exchange rate of IDR 13,538), with the aim of avoiding state taxes. In addition, in 2018, the new Semarang hill housing complex developed by Karyadeka Alam Lestari, Tbk, sold a luxury house for IDR 7.1 billion. However, the notary deed only stated IDR 940 million.

Tax avoidance minimises the tax burden by exploiting loopholes in tax regulations in force in a country (Lathifa, 2019). Taxes are only seen as a burden by business actors. Thus, this is what causes taxpayers and business actors to be reluctant to pay taxes according to existing regulations and these business actors to carry out effective tax planning. Assess whether a company is suspected of carrying out tax avoidance by examining the funding policy used. Profitability can assess the condition of the company because it describes the company's financial performance capability in generating profits Marini and Safira (2023). The tax payment will be higher if the company makes a more significant profit. Profitability can reduce a company's tax burden. Leverage is one of the ratios to calculate how much debt funding the company uses to finance operational activities. The amount of leverage will affect the interest expense so that profit before tax can be reduced, and the company's tax payments will also be lower.

Capital intensity factor affecting *tax avoidance*, where the company invests its assets in fixed assets. The company can reduce the tax burden by utilizing fixed asset ownership because there is depreciation in fixed assets. Increasing investment in fixed assets will also increase depreciation costs Zoebar and Miftah (2023). This study adds a moderating company size variable to see whether the company size can weaken or strengthen the relationship between profitability, leverage, capital intensity and tax avoidance. Company size is one of the critical factors for investors in determining whether to invest their capital in a particular company.(Yehezkiel and Gultom 2024).

According to the results of previous research, research conducted by (Adia & Ririn, 2021) shows that profitability affects tax avoidance. This study's results align with (Yuni and Setiawan, 2019) that profitability affects tax avoidance. According to research (Hermanto & Puspita, 2022), leverage has an effect on tax avoidance. Moreover, According to research (Muh & Yohanes, 2023), leverage positively affects tax avoidance. Meanwhile, research conducted by (Sari and Kinasih, 2021) shows that leverage does not affect tax avoidance. Research by (Accounting, Economics, and Telkom 2018) shows that capital intensity affects tax avoidance. Research by (Hermanto and Puspita (2022) shows that capital intensity does not affect tax avoidance. Research (Sinaga & Malau, 2021) shows that capital intensity does not affect tax avoidance.

LITERATURE REVIEW

Agency Theory

Jensen and Mckling (1976) stated the relationship that arises between management (agent) and the owner (principal). In order for the relationship to run smoothly, the owner delegates decision-making power to the manager, and proper contract planning to balance the interests of the manager and the owner about these interests is the core of agency theory, according to Aulia and Purwasih (2022)

Anthony & Govindarajan (2005) stated that in the scope of corporations or companies, shareholders are principals, and the company's CEO is an agent. A key element in agency theory is that principals and agents have different preferences or goals. Agency theory assumes that principals and agents act in their interests. (Prasetya and Muid, 2023). Scott (2003:305) said that agency theory is the development of a theory that studies how to design work agreements to motivate agents to work according to the principal's wishes. Agency theory also implies the existence of information asymmetry between managers as agents and owners as principals. As the company manager, management knows more internal information, so there is a gap in the breadth of information owned by management and owners. Karina (2017), in agency theory, there is a case called Adverse Selection, where the manager as an agent has Karina (2017), in agency theory, there is a case called Adverse Selection Karina (2017), in agency theory, there is a case called Adverse Selection, where the manager as an agent has more knowledge about performance, information and future fate.

Tax avoidance

Hanlon and Heitzman (2010) explained that tax avoidance is any activity that affects tax obligations, whether the activity is permitted by tax or a particular activity to reduce tax. Usually, tax avoidance is achieved by exploiting the weaknesses of tax law.(Junaldi and MT Samosir 2022). According to researchers (Roslita & Safitri, 2022), tax avoidance is a strategy to reduce tax payment obligations legally and safely for someone to do without violating applicable government regulations.

In the research of Hoque et al. (2011), it was revealed that companies engage in tax avoidance by showing profits from operational activities as profits from capital, thereby reducing the company's net profit and tax debt. Recording excessive disposal of raw materials in the manufacturing industry reduces taxable profit. (Safira, 2023). Tax avoidance is an effort to reduce the tax burden without violating the law (Mardiasmo, 2013).

Profitability

Profitability is often a benchmark for creditors and investors to assess an entity's performance and health. On the other hand, profitability represents the decisions and policies of managers (Brigham & Houston, 2014). Profitability stability ensures creditors and investors believe in the entity's ability to fulfil debt obligations and profit-sharing rights on income. Capital.(Pramaiswari and Fidiana 2022) Profitability describes the company's financial performance in generating profits from

asset management, known as return on assets (ROA). ROA is related to the company's net profit and the imposition of income tax for the company (Kurniasih & Sari, 2013). The higher the company's profitability, the higher the company's net profit will be. (Luh and Puspita 2017). Return On Asset is a ratio used to measure a bank's ability to generate profits relative to its total assets. This ratio measures a company's ability to generate net income based on a certain level of assets. (Khamisah, Nani, and Ashsifa 2020).

Leverage

The leverage ratio measures the size of the company's financial ratio using debt for company financing, which is described by capital. The leverage provided by external parties is used as a funding source to facilitate a company's operations or assets (Ngadiman & Puspitasari, 2017). According to Sartono (2015), leverage shows the proportion of debt usage in investment financing. Companies that do not have leverage means using their capital. The larger the company's debt, the smaller the taxable profit because the tax incentives received from debt interest are more significant. This impacts companies' increasing use of debt (Jasmine et al., 2017). The higher interest burden will impact reducing corporate tax payments because the small taxable profit results in lower tax avoidance actions by the company. Maulani et al. (2021). According to Irham Fahmi (2012), the leverage ratio measures how much a company is financed by debt. This ratio can show the extent to which a company is financed by debt or external parties, with the company's capabilities described by capital.

Capital Intensity

Capital intensity is how much the company invests in fixed assets. It reflects how much capital a company needs to generate income, whose capital increase can be obtained from a decrease in fixed assets (sold) or an increase in the number of fixed assets (purchased) (Natalya, 2018). Meiranto (2015) defines capital intensity as a company's investment activities linked to investments in fixed assets and inventory owned by the company.

Capital Intensity or capital intensity is the ratio between fixed assets (such as equipment, machinery, and various properties) to total assets, where this ratio describes the amount of company assets invested in the form of assets. Prabowo and Sahlan (2021). According to Muzakki and Darsono (2015), the capital intensity variable is measured by the company's total net fixed assets divided by the company's total assets. Dwiyanti and Jati (2019) stated that capital intensity is the higher a company's capital intensity, the higher its level of tax avoidance.

Company Size

Company size is the total of all the company's assets. According to Riadi and Murchison (2020), the company's size can show and classify its small or large size. Several methods are used to show the company's size, such as total capital and total assets. If the company's size is increasing, the

total assets and total capital show that the company's condition is improving, and there are also more loopholes and weaknesses that the company can use to carry out tax efforts.(Hermawan, Sudradjat, and Amyar 2021). Indicators such as total assets, profits, and sales can reflect the company's size. Company size can affect the company's social performance (Limajatini et al., 2017)

Company size is a key factor for investors when deciding whether to invest their capital in a particular company.(Yehezkiel and Gultom 2024). Companies that have a large amount of fixed assets will cause the amount of tax paid to be lower. This shows that companies with high fixed asset levels have a lower tax burden than those with low fixed assets (Sinaga & Sukartha, 2018).

METHOD

Population and Sample

Population is a generalization area consisting of objects/subjects with specific qualities and characteristics applied by researchers to be studied, and conclusions are drawn. The population in this study is manufacturing companies listed on the Indonesia Stock Exchange from 2019 to 2023.

A sample is a part of a population that has specific characteristics and numbers that are taken using a method that is considered to be able to represent the population. The sample in this study was selected using the purposive sampling technique. The purposive sampling technique is a sampling technique based on specific considerations. The sampling criteria used in this study are as follows:

Table 1 Sampling Criteria Table

No	Information	Amount
1	Manufacturing companies listed on the Indonesia Stock Exchange in 2019 2019-2023	166
2	The company did not publish complete financial reports during 2019-2023.	(14)
3	Companies that do not use Rupiah currency	(26)
4	Companies that do not have profits in the financial statements that increased during 2019-2023	(127)
	The number that meets the criteria	9
	Total data 9 x 5	45

Source: Processed data (2024)

Nine companies were used as samples, and the research period was 5 years of observation. Hence, the results of the samples collected are 166 companies of financial report data for manufacturing companies listed on the Indonesia Stock Exchange for the period 2019-2023. The list of companies is as follows:

Table 2 Research Sample Table

No	Company name	Code
1.	PT. Kedawung Setia Industrial Tbk	(KDSI)
2.	PT. Impack Pratama Industry Tbk	(IMPC)
3.	PT. Budi Starch & Sweetener Tbk	(BUDI)
4.	PT. Indonesian Fiberboard Industry	(IF)

5.	PT.	(CLEO)
6.	PT. Tempo Scan Pacific Tbk	(TSPC)
7.	PT.	(WII)
8.	PT. Akasha Wira International Tbk	(ADES)
9.	PT. Indonesia Tobacco Tbk	(ITIC)

Data Collection Techniques

1. Literature study.
2. Accessing websites and sites.
3. Research via the Internet.

Data Analysis Techniques Literature study.

1. Descriptive Statistical Analysis
2. Classical Assumption Test
3. Multiple Regression Analysis
4. Hypothesis Testing
5. Moderate Regression Analysis (MRA)

RESULTS AND DISCUSSION

Descriptive Statistics

Descriptive statistics is a method for summarizing or recording data in tables, graphs, or numerical summaries. The statistical data that will be tested for each variable are mean, standard deviation, maximum value, and minimum value.

Table 3 Descriptive Statistical Test Results Table

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
PROFITABILITY	45	1.00	193.00	11.8444	28.04943
LEVERAGE	45	7.00	209.00	59.2444	36.86471
CAPITAL INTENSITY	45	3.00	107.00	46.9778	23.07743
TAX AVOIDANCE	45	-121.00	234.00	-18.4222	46.02543
COMPANY SIZE	45	2096.00	3006.00	2806.0222	137.79027
Valid N (listwise)	45				

Source: SPSS 26 Output

Based on descriptive table 4.1, the tax avoidance variable has a minimum value of -121.00, a maximum value of 234.00, an average value of -18.4222, and a standard deviation value of 46.02543. In the profitability variable, the minimum value is 1.00, the maximum value is 193.00, the average value is 11.8444, and the standard deviation value is 28.04943. The leverage variable's minimum value is 7.00, the maximum value is 209.00, the average value is 59.2444, and the standard deviation value is 36.86471. Meanwhile, the capital intensity variable has a minimum value of 3.00 and a maximum of 107.00. The average value of capital intensity is 46.9778, and the standard deviation is 23.07743

The company size variable's minimum value is 2096.00, and the maximum is 3006.00, with an average value of 2806.0222 and a standard deviation value of 137.79027.

Normality Test

Table 4 Kolmogorov-Smirnov Normality Test Results

One-Sample Kolmogorov-Smirnov Test			
			Unstandardized Residual
N			45
Normal Parameters,b		Mean	.0000000
		Std. Deviation	43.73544055
Most Extreme Differences	Extreme Absolute		.255
	Positive		.255
	Negative		-.194
Test Statistics			.255
Asymp. Sig. (2-tailed)			.000c
Monte Carlo Sig. (2-tailed)	Sig.		.005d
	99% Confidence Interval	Lower Bound	.003
		Upper Bound	.007
a. Test distribution is Normal.			
b. Calculated from data.			
c. Lilliefors Significance Correction.			
d. Based on 10000 sampled tables with starting seed 1502173562.			

Source: SPSS 26 Output

Based on 4.2, the significance value (Asymp.sig2-tailed) is 0.007. Because the significance value is greater than 0.05, the residual value is normally distributed.

Table 5 Multicollinearity Test Results

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	206,506	149,469		1,382	.175		
	PROFITABILITY	-.185	.273	-.113	-.678	.502	.815	1.227
	LEVERAGE	.032	.193	.026	.169	.867	.949	1,054
	CAPITAL INTENSITY	.298	.331	.149	.898	.374	.818	1.223
	COMPANY SIZE	-.085	.052	-.255	-1.643	.108	.940	1,063
a. Dependent Variable: TAX AVOIDANCE								

Source: SPSS 26 Output

Based on Table 5 it can be seen that all variables obtained Variance Inflation Factor (VIF) values for profitability, leverage, and capital insensitivity of less than ten and tolerance values of more than 0.1, which means that there is no multicollinearity in the data.

Table 6 Heteroscedasticity Test Results Table

Source: SPSS 26 Output

Based on Table 8, it can be seen that multiple linear regression in the research is as follows:

$$Y = 0.070 + 0.185X_1 + 0.000X_2 + 0.000X_3 + 0.213(X_1Z) + 0.000(X_2Z) - 0.000(X_3Z) + \varepsilon$$

Based on the results of the moderated regression analysis test, the explanation of the regression equation is:

1. It is known that the significance value of the constant variable is $0.70 > 0.05$, so it can be concluded that the profitability variable does not affect tax avoidance.
2. It is known that the significance value of the profitability variable is $0.000 < 0.05$, so it can be concluded that the leverage variable affects tax avoidance.
3. It is known that the significance value of the profitability variable is $0.000 < 0.05$, so it can be concluded that the leverage variable affects tax avoidance.
4. It is known that the significance value of the profitability variable is $0.000 < 0.05$, so it can be concluded that the capital insensitivity variable affects tax avoidance.
5. The interaction variable of profitability with company size obtained a positive coefficient value of 0.005 with a significance value of 0.123. This means that, statistically, company size cannot moderate the effect of profitability on tax avoidance.
6. The interaction variable of leverage with company size obtained a positive coefficient value of 0.004 and a significance value 0.000. This means that, statistically, company size is able to moderate the effect of leverage on tax avoidance.
7. The interaction variable of Capital insensitivity with company size obtained a positive coefficient value of 0.0011 and a significance value of 0.000. This means that, statistically, company size is able to moderate the effect of capital insensitivity on tax avoidance.

Coefficient of Determination

Table 9 Results of Determination Coefficient (R^2)

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.312a	.097	.007	45.87012	2.232
a. Predictors: (Constant), Company Size, Leverage, Capital Intensity, Profitability					
b. Dependent Variable: Tax Avoidance					

Source: SPSS 26 Output

Based on Table 9, the coefficient of determination (R square) value is 0.097 (the value of 0.312 is the square of $0.312 \times 0.312 = 0.097$). The coefficient of determination's value, 0.097, equals 9.7%. This figure means that the independent variable affects the dependent variable by 9.7%, while the rest (100% - 9.7% - 90.3%) is influenced by other variables outside this regression model.

Hypothesis Testing

Hypothesis Testing with t-Test

If the profitability significance value of 0.185 is more significant than 0.05 or the sig value of $0.185 > 0.05$, then H_a is accepted, and H_0 is accepted. This is to the statistical testing results that compare the t count with the t table, where the t count value is -1.351 with a title of 2.26216 or $-1.351 < 2.26216$. H_a is rejected, and H_0 is accepted, meaning that profitability does not partially affect tax avoidance. If the significance value of leverage of 0.000 is smaller than 0.05 or the sig value of $0.000 < 0.05$, then H_a is rejected, and H_0 is accepted. This is to the statistical testing results that compare the t count with the t table, where the t count value is -3.879 with a title of 2.26216 or $-3.879 < 2.26216$. H_a is accepted, and H_0 is rejected, meaning that leverage partially affects tax avoidance.

If the significance value of capital insensitivity of 0.000 is smaller than 0.05 or the sig value of $0.000 < 0.05$, then H_a is rejected, and H_0 is accepted. This is by the results of statistical testing comparing the t count with the t table, where the t count value is 4.848 with a t table of 2.03452 or $4.848 < 2.03452$. H_a is accepted, and H_0 is rejected, meaning capital insensitivity partially affects tax avoidance.

The results of the significance show that the variable $X1*Z$ (interaction between the profitability variable ($X1$) and company size (Z)) has a value of 0.213, which is greater than 0.05 or a sig value of $0.213 > 0.05$, so H_a is rejected, and H_0 is accepted. This is by the results of statistical tests comparing the t count with the t table, where the t count value is 1.266 with a t table of 2.03452 or $1.266 < 2.03452$, so H_a is rejected, and H_0 is accepted, meaning that profitability does not moderate the relationship between profitability and tax avoidance.

The results of the significance show that the variable $X2*Z$ (interaction between the leverage variable ($X2$) and company size (Z)) has a value of 0.000, which is smaller than 0.05 or a sig value of $0.000 < 0.05$, so H_a is rejected, and H_0 is accepted. This is by the results of statistical tests comparing the t count with the t table, where the t count value is -3.901 with a t table of 2.03452 or $-3.901 > 2.03452$, so H_a is accepted, and H_0 is rejected, meaning that the company size is a moderator in the relationship between leverage and tax avoidance.

The results of the significance show that the variable $X3*Z$ (interaction between the capital insensitivity variable ($X3$) and company size (Z)) has a value of 0.000, which is smaller than 0.05 or a sig value of $0.000 < 0.05$, so H_a is accepted, and H_0 is rejected. This is to the results of statistical tests comparing the t count with the t table, where the t count value is -4.798 with a t table of 2.03452 or $-4.798 < 2.03452$, so H_a is rejected, and H_0 is accepted, meaning that the company size moderates the relationship between leverage and tax avoidance.

CONCLUSION

Based on the research results from the analysis results in the previous chapter, it can be concluded that:

1. Based on the results of the partial test with the t-test. the calculated $t_{\text{value}} = -1.351 < t_{\text{table}} 2.6216$ with a significance level of $0.185 > 0.05$, then H_0 is accepted and H_1 is rejected. So, it can be concluded that profitability partially does not affect tax avoidance.
2. Based on the results of the partial test with the t-test, the calculated $t_{\text{value}} = -3.879 > t_{\text{table}} 2.6216$ with a significance level of $0.000 < 0.05$, H_0 is rejected, and H_2 is accepted. So, it can be concluded that leverage partially influences tax avoidance.
3. Based on the results of the partial test with the t-test, the calculated $t_{\text{value}} = -4.848 < t_{\text{table}} 2.6216$ with a significance level of $0.000 < 0.05$, then H_0 is rejected and H_3 is accepted. The capital insensitivity variable (X_3) obtained a calculated $t_{\text{value}} = -4.848 < t_{\text{table}} 2.6216$ with a significance level of $0.000 < 0.05$, then H_0 is rejected and H_3 is accepted. So, it can be concluded that capital intensity partially influences tax avoidance.
4. company size moderates the profitability variable obtained a t-value of $1.266 < t_{\text{table}} 2.03452$ with a significance level of $0.213 > 0.05$, then H_0 is accepted, and H_4 is rejected. So, it can be concluded that company size does not affect the profitability variable on tax avoidance.
5. Company size moderates the leverage variable; the calculated t value is $-3.901 < t_{\text{table}} 2.03452$ with a significance level of $0.000 < 0.05$, so H_0 is rejected, and H_5 is accepted, so it can be concluded that company size affects the leverage variable on tax avoidance.
6. Company size moderates the capital insensitivity variable obtained a calculated t value of $-4.798 < t_{\text{table}} 2.03452$ with a significance level of $0.000 < 0.05$, then H_0 is rejected, and H_6 is accepted. So, it can be concluded that company size affects the capital intensity variable on tax avoidance.

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