Financial Performance as a Mediation of Tax Avoidance Determinants in LQ45 Companies on the Indonesia Stock Exchange

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ABSTRACT: Taxes are the main source of revenue in the State Budget (APBN) which accounted for 73% of all state revenue in 2019. Taxes have such an important role in sustaining the continuity of government and development. However, realized tax receipts never reached the target level between 2009 and 2020. This is because there are companies that carry out tax avoidance actions. The purpose of this study is to specifically analyze the variables that affect tax evasion in the LQ45 index companies of the Indonesian Stock Exchange. This research was conducted during the period 2017 –2022. The sampling technique used in this study is purposive sampling, in which criteria are determined based on the variables studied. The data analysis technique used is multiple simple linear regression analysis and a residual test for moderating variables. The F-test results show that institutional ownership, sales growth and Ln_total assets have a positive and insignificant effect on tax evasion. T-test results show that institutional ownership and sales growth have a negative and insignificant effect on tax evasion. However, Ln-Total_Asset has a negative and significant effect on tax evasion.

Keywords: GCG, Sales Growth, Firm Size, Financial Performance, Tax Avoidance

INTRODUCTION

In a country, taxes become one of the revenues that have a very large contribution to the development of the country. However, in reality, the realization of tax revenue has never reached the targeted figure since 2009 - 2020. The Government of Indonesia has made various efforts so that tax revenues can achieve the targets launched by implementing tax incentive policies (Ardhi & Lubis, 2023; Nugraha & Wijaya, 2023; Rulandari & Rahmayani, 2023). However, this policy is used as an opportunity for companies as a loophole in carrying out tax avoidance practices (Anwar & Wijaya, 2023; Wibawa & Tobing, 2023). Based on the tax justice network report, Indonesia is expected to face losses of US $ 4.86 billion per year or equivalent to Rp68.7 trillion due to tax avoidance. The loss is caused by corporate taxpayers who engage in tax avoidance in Indonesia

(Herman & Chaidir, 2023; Lestari & Fauzi, 2023; Mwenda et al., 2023). Based on information from the Ministry of Finance of the Republic of Indonesia, there were fluctuations in the realization of tax revenues to the tax revenue target in 2017-2022. The purpose and realization of tax revenue is given in Table 1.

Table 1. Target and Realization of Tax Revenue in Indonesia (in trillion rupiah)

Years	Target tax recipients	Realization of tax recipients	Tax achievement (%0
2017	1.283,5	1.151,1	89,4%
2018	1.424,0	1.315,9	92,41
2019	1.577,5	1.332,0	84,44
2020	1.198,8	1.069,9	89,25
2021	1.229,6	1.231,8	100,19
2022	1.485,0	1.716,8	115,60

Source : (Www.kemenkeu.go.id, 2023)

Based on Table 1, the realization of tax revenues in 2018 - 2020 was not realized according to the target of tax revenue. In 2019, the realization of tax receipts did not reach the target set by the government. This condition is caused by one of the companies in Indonesia, namely PT. Adaro Energy Tbk, which is suspected of tax avoidance practices by conducting transfer pricing carried out in 2019. Where, PT. Adaro Energy Tbk, has paid taxes of Rp1.75 trillion or US$125 million less than the amount it should have paid in Indonesia.

In 2020, the realization of tax revenue decreased drastically by 19.6% from the previous year. This is due to the practice of tax avoidance during the Covid-19 pandemic has increased, resulting in decreased state tax revenue during 2020. The problem formulation of this study is whether GCG, sales growth and firm size affect tax evasion and the effect of financial performance on tax evasion as mediators of GCG, sales growth and firm size. The novelty of the present study is profitability as a moderating variable, whereas in the previous study the moderating variable was firm size.

METHOD

Research Design

This study is a quantitative study that includes a type of causality study, namely studies that aim to determine the effect between two or more variables. The scope of this study is limited to tax evasion. In this study, the type of relationship is causal because it seeks to find the causal relationship (effect) of the independent variable (X) with the dependent/related variable (Y).

Time and Location of Research

The research period used is 5 years, from 2017 to 2022. This study uses up to date data so that it is expected to be able to describe current conditions that are more relevant to the research year. This study was conducted on LQ45 company in Indonesia Stock Exchange.

Variable Operational Definition

The denpendent variable (Y) in this study is tax avoidance:

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

Independent Variable (X)

GCG as measured by Institutional Ownership (IP)

$$\text{Institutional Ownership (IP)} = \frac{\text{Number of institutional shares}}{Number\ of\ shares\ outstanding} \: x \: 100\%$$

Sales Growth

$$Sales\ Growth = \frac{net\ sales_t - net\ sales_{t-1}}{net\ sales_{t-1}}$$

Firm Size is proxied by:

LN (Total Assets)

Financial Performance which is the ratio of profitability by proxy:

$$Return\ On\ Asset = \frac{\text{Profit After Tax}}{\text{Total Assets}}$$

Population and Sample

The main population of this study is all LQ45 companies in Indonesia Stock Exchange from 2017 - 2022, which is 67 populations which can be shown in table 2.

Table 2 List of Study Populations

No	Kode Emiten	Nama Perusahaan
1	AALI	PT Astra Agro Lestari, Tbk
2	ACES	PT Ace Hardware Indonesia, Tbk
3	ADHI	PT Adhi Karya (Persero), Tbk
4	ADRO	PT Adaro Energy Indonesia, Tbk
5	AKRA	PT AKR Corporindo, Tbk
6	ANTM	PT Aneka Tambang, Tbk
7	ASII	PT Astra International, Tbk
8	ASRI	PT Alam Sutera Realty, Tbk
9	BBCA	PT Bank Central Asia, Tbk
10	BBNI	PT Bank Negara Indonesia, Tbk
11	BBRI	PT Bank Rakyat Indonesia, Tbk
12	BBTN	PT Bank Tabungan Negara, Tbk
13	BJBR	PT Bank Pembangunan Daerah Jawa Barat dan Banten, Tbk
14	BKSL	PT Sentul City, Tbk
15	BMRI	PT Bank Mandiri, Tbk
16	BMTR	PT Global Mediacom, Tbk
17	BRPT	PT Barito Pacific, Tbk
18	BSDE	PT Bumi Serpong Damai, Tbk
19	BTPS	PT Bank BTPN Syariah, Tbk
20	BUMI	PT Bumi Resources, Tbk
21	CPIN	PT Charoen Pokphand Indonesia, Tbk
22	CTRA	PT Ciputra Development, Tbk
23	ELSA	PT Elnusa, Tbk
24	ERAA	PT Erajaya Swasembada, Tbk
25	EXCL	PT XL Axiata, Tbk
26	GGRM	PT Gudang Garam, Tbk
27	HMSP	PT Hanjaya Mandala Sampoerna, Tbk
28	ICBP	PT Indofood CBP Sukses Makmur, Tbk
29	INCO	PT Vale Indonesia, Tbk
30	INDF	PT Indofood Sukses Makmur, Tbk
31	INDY	PT Indika Energy, Tbk
32	INKP	PT Indah Kiat Pulp & Paper, Tbk
33	INTP	PT Indocement Tunggal Prakarsa, Tbk
34	ITMG	PT Indo Tambangraya Megah, Tbk
35	JPFA	PT Japfa Comfeed Indonesia, Tbk
36	JSMR	PT Jasa Marga, Tbk
37	KLBF	PT Kalbe Farma, Tbk
38	LPKR	PT Lippo Karawaci, Tbk
39	LPPF	PT Matahari Department Store, Tbk
40	LSIP	PT PP London Sumatra Indonesia, Tbk
41	MDKA	PT Merdeka Copper Gold, Tbk
42	MEDC	PT Medco Energi Internasional, Tbk
43	MIKA	PT Mitra Keluarga Karyasehat, Tbk
44	MNCN	PT Media Nusantara Citra, Tbk
45	MYRX	PT Hanson International, Tbk
46	PGAS	PT Perusahaan Gas Negara, Tbk
47	PPRO	PT PP Properti, Tbk
48	PTBA	PT Tambang Batubara Bukit Asam, Tbk
49	PTPP	PT Pembangunan Perumahan (Persero), Tbk
50	PWON	PT Pakuwon Jati, Tbk
51	SCMA	PT Surya Citra Media, Tbk
52	SMGR	PT Semen Indonesia (Persero), Tbk
53	SMRA	PT Summarecon Agung, Tbk
54	SRIL	PT Sri Rejeki Isman, Tbk
55	SSMS	PT Sawit Sumbermas Sarana, Tbk
56	TBIG	PT Tower Bersama Infrastructure, Tbk
57	TINS	PT Timah, Tbk
58	TKIM	PT Pabrik Kertas Tjiwi Kimia, Tbk
59	TLKM	PT Telekomunikasi Indonesia, Tbk
60	TOWR	PT Sarana Menara Nusantara, Tbk
61	TPIA	PT Chandra Asri Petrochemical, Tbk
62	TRAM	PT Trada Alam Minera, Tbk
63	UNTR	PT United Tractors, Tbk
64	UNVR	PT Unilever Indonesia, Tbk
65	WIKA	PT Wijaya Karya (Persero), Tbk
66	WSBP	PT Waskita Beton Precast, Tbk
67	WSKT	PT Waskita Karya (Persero), Tbk

Source: (Idx.co.id, 2022)

In this study, the sampling technique is purposive sampling based on the criteria given in Table 3.

Table 3 List of Research Sample Criteria

Sample criteria	Number of Companies
Companies listed on the Indonesia Stock Exchange and included in the LQ45 Index in the 2017-2022 period	67
companies that are inconsistent in the LQ45 Index for the 2017-2022 period	(37)
Companies included in the Financial and Financial Sub-Sector	(7)
Companies that attach incomplete tax payment data for research during the 2017-2022 period	(1)
Total	22

Source : (Data processed, 2023)

Based on Table 3 there are 22 companies in the study sample whose data are presented in Table 4.

Table 4. Research Sample

No	Issuer Code	Company Name
1	ADRO	PT Adro Energy Indonesia,Tbk
2	AKRA	PT AKR Corporindo,Tbk
3	ANTM	PT Aneka Tambang,Tbk
4	ASII	PT Astra International,Tbk
5	BSDE	PT Bumi Serpong Damai,Tbk
6	EXCL	PT XL Axiata,Tbk
7	GGRM	PT Gudang Garam,Tbk
8	HMSP	PT Hanjaya Mandala Sampoerna,Tbk
9	ICBP	PT Indofood CBP Sukser Makmur,Tbk
10	INCO	PT Vale Indonesia,Tbk
11	INDF	PT Indofood Sukses Makmur,Tbk
12	INTP	PT Indocement Tunggal Perkasa,Tbk
13	JSMR	PT Jasa Marga,Tbk
14	KLBF	PT Kalbe Farma,Tbk
15	PGAS	PT Perusahaan Gas Negara,Tbk
16	PTBA	PT Tambang Batubara Bukit Asam,Tbk
17	PTPP	PT Pembangunan Perumahan (Persero),Tbk
18	SMGR	PT Semen Indonesia (Persero),Tbk
19	TLKM	PT Telekomunikasi Indonesia,Tbk
20	UNTR	PT United Tractors,Tbk
21	UNVR	PT Unilever Indonesia,Tbk

22	WIKA	PT Wijaya Karya (Persero),Tbk

Source : (Data processed, 2023)

Data Types and Data Sources

The data used is secondary data from the IDX website, the details of which are given in Table 5.

Table 5 Types of Research Data and Data Sources

Variable	Data analyzed	Data sources
GCG (KI)	Number of institutional shares and number of outstanding shares for the period 2017-2022	Indonesia Stock Exchange and Financial Statements
Sales Growth	Net Sales$_t$– Net sales$_{t-1}$ for the period 2017-2022	Indonesia Stock Exchange and Financial Statements
Firm Size	Total assets for the period 2017-2022	Indonesia Stock Exchange and Financial Statements
Financial Performance (ROA)	Net Profit After Tax and Total Assets for the 2017-2022 Period	Indonesia Stock Exchange and Financial Statements
Tax Avoidance	Payment of tax and profit before tax for the period 2017-2022	Indonesia Stock Exchange and Financial Statements

Source : (Data processed, 2023)

Data Analysis Techniques
1. The classical assumption test is performed to assess whether an Ordinary Least Squares (OLS) linear regression model has classical assumption problems. Normality, multicollinearity, autocorrelation and heteroskedasticity tests were used in this study.
2. Test the correlation coefficient (r) and determination (Adjusted R Square), used to measure how much ability all independent variables have in explaining their dependent variables (Ghozali, 2016).
3. First hypothesis testing
   1) A simultaneous significance test (F-test) is performed to show whether all the independent variables simultaneously or together have a significant effect on the dependent variable. When using an alpha of 5%, the test criterion is Sig. of α, then reject H0. This means that simultaneously GCG, sales growth and firm size have a significant impact on tax evasion and vice versa.
   2) An individual significance test (T-test) is performed to show whether individual or partially independent variables have a significant effect on the dependent variable. When using an alpha of 5% or 0.05, the test criterion is whether the Sig. of α, then reject H0. This means that GCG, sales growth and firm size significantly affect tax evasion and vice versa.
4. Testing the Second Hypothesis
   In this study, the residual test is used to test the second hypothesis. The residual test is performed by transferring the dependent variable to the absolute value of the residual regression of the independent variable on the hypothesized variable as a moderating variable.

If the regression results are significant and the regression coefficient is negative, it can be concluded that the variable hypothesized as a moderating variable is actually capable of regulating the relationship between the independent variable and the dependent variable. With the residual model, the regression equation can be formulated as follows:

M = a + b1X1 + b2X2 + e.................................... ([Suliyanto, 2011](#))

lel = a + b1 Y

The criteria in the residual test include:

1) If the significance of ≤ 0.05, then H0 is rejected, meaning that financial performance is able to moderate the effect of GCG, sales growth and firm size on tax avoidance.
2) If the significance > 0.05, then H0 is accepted, meaning that financial performance is unable to moderate the effect of GCG, sales growth and firm size on tax avoidance.

RESULT AND DISCUSSION

Test Classical Assumptions Before Transformation

1) Normality Test

Table 6 Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		KI	SG	Ln_Total_Aset	ROA	TA
N		132	132	132	132	132
Normal Parameters[a,b]	Mean	6207.1515	1312.9621	317291.5	878.363636	5598.393939
	Std.	1235.6266	3589.7639	7693.639	889.3797159	8916.0957958
Most Extreme Differences	Absolute	.129	.186	.171	.171	.274
	Positive	.129	.186	.171	.171	.274
	Negative	-.098	-.168	-.138	-.138	-.253
Kolmogorov-Smirnov Z		1.487	2.133	.815	1.965	3.151
Asymp. Sig. (2-tailed)		.024	.000	.520	.001	.001

Source : (Data processed, 2023)

From Table 6, it is explained that the variable of managerial ownership has a value of 0.024, sales growth is 0.000, return on assets is 0.001, and tax evasion is 0.001, which shows that the value is lower at $\alpha = 0.05$, while Ln_total. assets is higher at $\alpha = 0.05$, namely 0.520, so it can be concluded that the data is not normally distributed.

2) Multicollinearity Test

Table 7 Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	KI	.918	1.089
	SG	.994	1.006
	Ln_Total_Aset	.923	1.083

Source : (Data processed, 2023)

From table 7, it can be concluded from Table 7 that the tolerance value of each variable is greater than 0.1, namely 0.918 (institutional ownership), 0.994 (sales growth) and 0.923 (Ln_total assets). In addition, the VIF value of each research variable shows that it is less than 10, namely 1.089 (institutional ownership), 1.006 (sales growth), and 1.083 (Ln_total assets). Thus, it can be concluded that this study did not show multicollinearity.

3) Heteroscedasticity Test
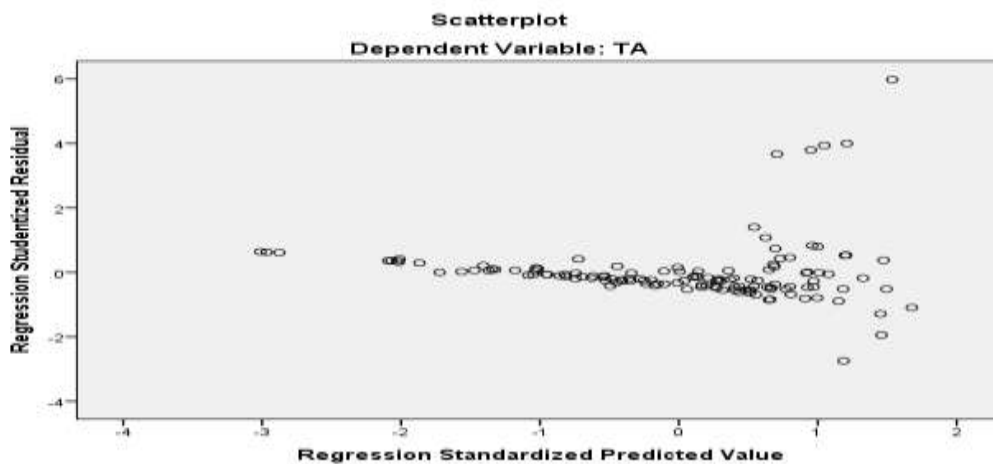
Source : (Data processed, 2023)

Figure 1

Heteroscedasticity Test

If you look at figure 1, the points are not randomly distributed and do not form a specific pattern, so this regression model has a heteroskedasticity problem.

4) Autocorrelation Test

Table 8 Autocorrelation Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.229[a]	.052	.030	8780.1624103	2.181

Source : (Data processed, 2023)

From the results of table 8 provides information that du < d < 4 - du or 1.7624 < 2.181 < 2.2376 deciding that there is no positive or negative autocorrelation does not reject the conclusion.

1. Test Classical Assumptions After Transformation

1) Normality Test

Table 9 Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		101
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.70692951
Most Extreme Differences	Absolute	.113
	Positive	.076
	Negative	-.113
Kolmogorov-Smirnov Z		1.138
Asymp. Sig. (2-tailed)		.150

Source : (Data processed, 2023)

From table 9 it is explained that the value of Asymp. Sig. (2 tailed) is at 0.150 which is greater α = 0.05 so that the data is normally distributed.

2) Multicollinearity Test

Table 10 Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Ln_Kepemilikan_Institusional	.902	1.109
	Ln_Sales_Growth	.973	1.027
	Ln_Total_Aset	.922	1.084

Source : (Data processed, 2023)

From table 10, it can be concluded that the tolerance value for each variable is greater than 0.1, namely 0.902 (institutional ownership), 0.973 (sales growth), and 0.922 (asset Ln_total). Furthermore, the VIF value of each research variable shows smaller than 10, namely 1,109 (institutional ownership), 1,027 (sales growth), and 1,084 (Ln_total assets). So it can be concluded that this study did not occur multicollinearity.

3) Heteroscedasticity Test
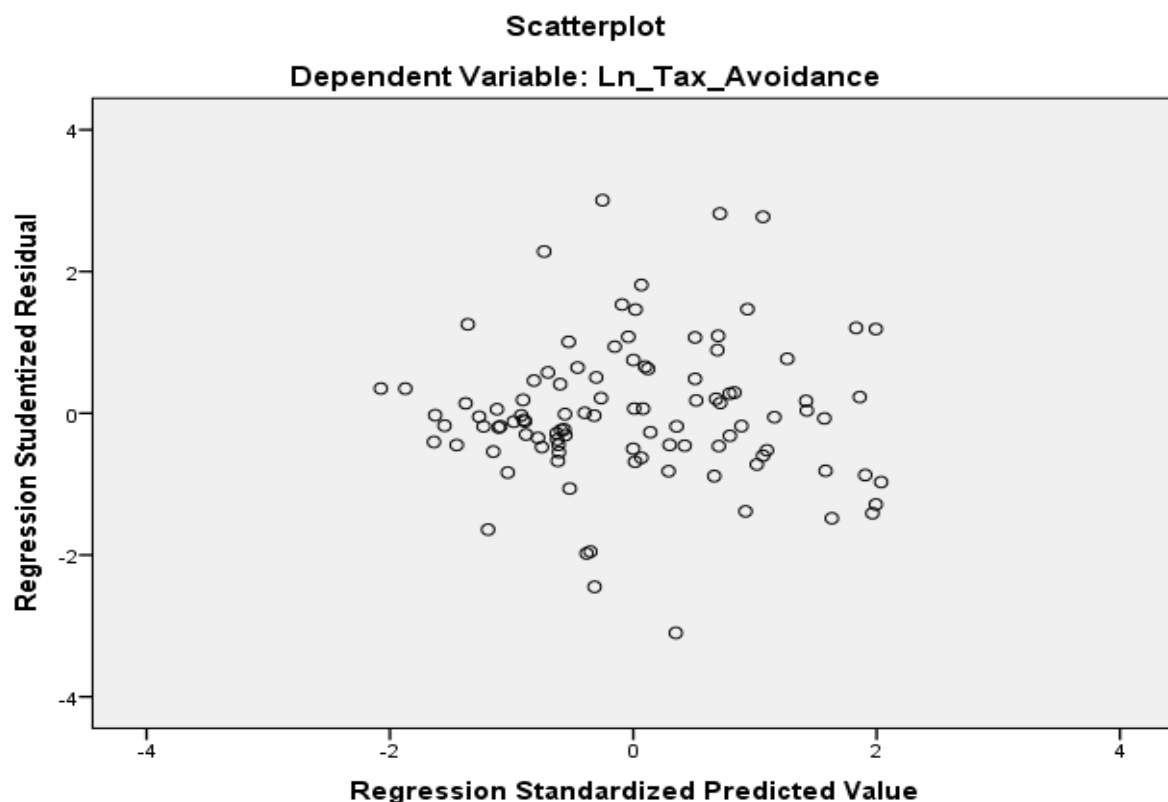
Source : (Data processed, 2023)

Figure 2

Heteroscedasticity Test

If you look at figure 2 that the dots spread randomly above or below the zero number and do not show a certain pattern. So that this regression model does not occur heteroscedasticity problems.

4) Autocorrelation Test

Table 11 Autocorrelation Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.260ᵃ	.067	.039	.83482	2.031

Source : (Data processed, 2023)

From the results of table 11, provides information that du < d < 4 - du or 1.7624< 2.031< 2.2376 so that with the decision There is no positive or negative autocorrelation with conclusions not rejected.

2. Analysis of Correlation Coefficient (r) and Correlation of Determination (R)

Table 12 Results of Correlation Coefficient and Coefficient of Determination Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.260ᵃ	.067	.039	.83482

Source : (Data processed, 2023)

From table 12, the result of the R correlation coefficient value of 0.260 is obtained, which means that there is a low correlation between the tax avoidance variable and the independent variables of institutional ownership, sales growth, and asset Ln_total. While the value of the coefficient of determination (R Square) of 0.067 which means 6.7% high and low tax avoidance can be explained by institutional ownership, sales growth, and Ln_total asset while the remaining 93.3% is influenced by other factors that were not included in this study.

3. Test the First Hypothesis
   1) Simultaneous Test (Test F)

Table 13. F Test Results
ANOVAᵃ

`1Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.887	3	1.629	2.338	.078ᵇ
	Residual	67.601	97	.697		
	Total	72.488	100			

a. Dependent Variable: Ln_Tax_Avoidance

b. Predictors: (Constant), Ln_Ukuran_Perusahaan, Ln_Sales_Growth,

Source : (Data processed, 2023)

Based on table 13, it is known that the F_{count} value is 2.338 while Ftable with df = (132-3-1=128) is 2.68. It can be concluded that $F_{count} < F_{table}$ or 2.338 > 2.68 or significance level 0.078 > 0.05 then H_0 is rejected, meaning that institutional ownership, sales growth, and Ln_total assethave a positive and insignificant effect on tax avoidance.

2) Partial Test (Test t)

Table 14. Test Results t

Coefficients^a

Model		Unstandardized		Standardized	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	107.622	46.391		2.320	.022
	Ln_Kepemilikan_Institusio	-.893	.468	-.197	-1.908	.059
	Ln_Sales_Growth	-.090	.069	-.130	-1.307	.194
	Ln_Total_Aset	-7.190	3.557	-.206	-2.022	.046

Source : (Data processed, 2023)

Based on table 14, for each t-test result can be described as follows:

(1) The calculated value of institutional ownership is -1.908 while the t_{table} with df = (132-3=129) is 1.97852. It can be concluded that $t_{count} < t_{table}$ or -1.908 > 1.97852 or significance level 0.059 > 0.05 then H_0 is accepted, meaning that institutional ownership has a negative and insignificant effect on tax evasion.

(2) The calculated value of sales growth is -1.307 while the t_{table} with df = (132-3=129) is 1.97852. It can be concluded that $t_{count} < t_{table}$ or -1.307 < 1.97852 or a significance level of 0.194 > 0.05 then H_0 is accepted, meaning that sales growth has a negative and insignificant effect on tax avoidance.

(3) The calculated value of Ln-Total_Aset is -2.022 while the t_{table} with df = (132-3=129) is 1.97852. It can be concluded that $t_{count} > t_{table}$ or -2.022 > 1.97852 or a significance level of 0.046 < 0.05 then H_0 is rejected, meaning that Ln-Total_Aset has a negative and significant effect on tax evasion.

4. Test the Second Hypothesis

Table 15 Regression Analysis with Moderating Variables with Residual Test

Model		Unstandardized Coefficients		Standardized
		B	Std. Error	Beta
1	(Constant)	61.515	65.631	
	Ln_Kepemilikan_Institusion	.686	.662	.109
	Ln_Sales_Growth	-.030	.097	-.032
	Ln_Total_Aset	-4.807	5.031	-.100

Source : (Data processed, 2023)

Based on Table 15, the multiple linear regression equation model obtained is:

$$M = 61.515 + 0.686X1 - 0.030X2 - 4.807X3$$

This means that institutional ownership has a positive effect on tax evasion, while the sales growth and Ln_total assets has a negative effect on the financial performance (ROA) of the company LQ45 in the Indonesian stock market.

Furthermore, Table 16 is presented, the results of the ABS_Residual test on LQ45 Companies on the Indonesia Stock Exchange.

Table 16 Moderating Variable Analysis with ABS_Residual test

Coefficients[a]

Model		Unstandardized		Standardized	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.595	.727		.818	.415
	Ln_Tax_Avoidance	.031	.089	.033	.343	.733

Source : (Data processed, 2023)

Based on Table 16, the linear regression equation model with moderating variables using ABS_residual test is:

$$ABS\_RES = 0.595 + 0.031Y$$

This means that the value of the regression coefficient is 0.031 and the significance level is 0.733. Because the regression coefficient is positive and insignificant, it can be concluded that financial performance (ROA) is not a moderating variable because it is unable to strengthen or weaken the influence of institutional ownership, sales growth, and Ln_total asseton tax evasion.

The Effect of Institutional Ownership on Tax Avoidance

The calculated value of institutional ownership is -1.908 while the table with df = (132-3=129) is 1.97852. It can be concluded that t count < t_{table} or -1.908 > 1.97852 or significance level 0.059 >

0.05 then H_0 is accepted, meaning that institutional ownership has a negative and insignificant effect on tax evasion. This means that there will be more ownership in the company, the smaller the company will take tax avoidance actions because the company will maintain the good name of the company with the aim that stakeholders believe in the progress of the company in the future. In addition, according to (Charisma & Dwimulyani, 2019), the size or size of institutional ownership affects companies or management to minimize tax evasion practices. Institutional ownership will always supervise and encourage management to do its duties correctly and convey true information so that the company can increase its profits. This study is inconsistent with the study (Kristiani et al., 2020) with the results of research that institutional ownership (INST) has a significant effect on tax evasion (ETR). The greater the share ownership of institutions, the greater the opportunity to reduce corporate tax avoidance practices. These results suggest that these governance characteristics have a stronger association with more extreme tax avoidance, which is more likely a symptom of managerial over- and under-investment (Armstrong et al., 2015).

The Effect of Sales Growth on Tax Avoidance

The results of the previous analysis show that the calculated sales growth value was -1.307 while the table with df = (132-3=129) was 1.97852. It can be concluded that t count < t_{table} or -1.307 < 1.97852 or a significance level of 0.194 > 0.05 then H_0 is accepted, meaning that sales growth has a negative and insignificant effect on tax evasion. This means that with increasing sales, the company will not do tax evasion with the aim of being able to contribute to management that the company has good performance. This study is inconsistent with the study (Ainniyya et al., 2021), (Suryani, 2021) and (Suteja et al., 2022) by obtaining the results that sales growth significantly affects tax evasion in nature, this means that high sales growth indicates an increase in tax avoidance rates, so that sales growth has a positive effect on tax evasion. Changes in the value of company sales will directly change profits so that it will also affect the amount of tax. High growth requires new investment and funding, so companies will have more options to achieve low ETR. The results of this study are consistent with studies (Putri et al., 2021) and (Sembiring & Sa'adah, 2021) which states that sales growth and tax evasion have a significant negative influence.

The Effect of Firm Size on Tax Avoidance

Based on the study of the analysis that the calculated value of Ln-Total_Aset is -2.022 while the t_{table} with df = (132-3=129) is 1.97852. It can be concluded that t count > t_{table} or -2.022 > 1.97852 or a significance level of 0.046 < 0.05 then H_0 is rejected, meaning that Ln-Total_Aset has a negative and significant effect on tax evasion. This means that if the company has a lot of assets, it will illustrate a high company size so that the tax evasion action taken by the company is lower. Conversely, the smaller the value of the size of the company, the more it will have an impact on increasing the amount of tax avoidance. This research showed that size, significantly affected tax avoidance practices (Pratama, 2017), (Richie & Triyani, 2021) and (Adegbite & Bojuwon, 2019). In contrast to research (Aulia & Mahpudin, 2020) with the result that the larger the total assets indicate the larger the size of the company, and each increase in company size will increase tax avoidance. The results (Firmansyah & Bahri, 2022) showed that sales growth and company size did not affect tax avoidance. This is possible because large companies are able to manage taxation by doing tax planning so that optimal tax saving can be achieved. In this case, tax saving describes

tax avoidance that companies do in a legal way. This study is consistent with research (Sunarsih et al., 2019) and (Rinaldi & Cheisviyanny, 2015) The research results show that the company size variable has a significant negative effect on tax evasion.

The Effect of Managerial Ownership, Sales Growth, and Company Size on Tax Avoidance

From the results that the $F_{calculate}$ value is 2.338 while F_{table} with df = (132-3-1=128) is 2.68. It can be concluded that $F_{calculate} < F_{table}$ or 2.338 > 2.68 or significance level 0.078 > 0.05 then H_0 is rejected, meaning that institutional ownership, sales growth, and Ln_total assethave a positive and insignificant effect on tax avoidance. This means that when the number of shares owned by institutions increases, the level of management control is tightened, which prevents tax evasion. However, companies that experience increased sales growth are likely to carry out tax avoidance with the aim that the tax burden is paid with a small amount. In addition, the size of the company cannot influence the company to take tax avoidance actions because the company must maintain the company's good name for the continuity of business development in the future. This research is not in line with research (Prastiyanti & Mahardhika, 2022) showing that management ownership and firm size have significant effects on tax evasion. In addition, research (Wahyuni & Wahyudi, 2021) shows differences with this study, according to the results of this study, company size and sales growth do not affect tax evasion. Our additional regression results demonstrate that corporate governance controls related to board independence, institutional ownership and the use of BIG-4 auditors are significantly negatively associated with firms using capital-intensive tax avoidance structures. (Taylor & Richardson, 2013).

Financial Performance (ROA) Moderates the Effect of Managerial Ownership, Sales Growth, and Company Size on Tax Avoidance

Based on the results of the analysis presented in Table 16, the linear regression equation model with moderating variables using the ABS_residual test is:

$$ABS\_RES = 0.595+ 0.031Y$$

This means that the value of the regression coefficient is 0.031 and the significance level is 0.733. Because the regression coefficient is positive and insignificant, it can be concluded that financial performance (ROA) is not a moderating variable because it is unable to strengthen or weaken the influence of institutional ownership, sales growth, and Ln_total asseton tax evasion. This means that with the increase in company profits proxied by ROA, it gives an idea that companies that have institutional ownership with a large number of shares and increased sales growth and large size of ownership do not necessarily take tax avoidance measures. This research is different from the results of research (Manik & Darmansyah, 2022), (Sunarto et al., 2021) and (Mu'minah et al., 2023) That the moderating variable, i.e. profitability, is able to slow down the effect of liquidity, sales growth and financial leverage on tax evasion, because profitability is the profit belonging to taxpayers, which of course also affects the amount of the taxpayers tend to avoid and So is research (Sunarto et al., 2021)

CONCLUSION

Based on the results of the analysis, the author concludes that the institutional ownership variable has a negative and insignificant effect on partial tax evasion. This means that the more shares ownership in the company, the smaller the company will take tax avoidance actions because the company will maintain the good name of the company with the aim that stakeholders believe in the progress of the company in the future. Research (2) notes that the higher the share of institutional ownership, the lower the tax avoidance efforts of the company. Fluctuating sales growth has a negative and insignificant effect on partial tax evasion. This means that with increasing sales, the company will not do tax avoidance with the aim of being able to contribute to management that the company has good performance. The variable Ln-Total_Aset has a negative and significant effect on tax avoidance partially. That is, if a company has many assets, it indicates a large size of the company, in which case the company's tax avoidance measures are less. On the other hand, the smaller the value of firm size, the greater the effect on the amount of tax evasion. Institutional ownership, sales growth, and Ln_total assethave a positive and insignificant effect on tax avoidance simultaneously. This means that with the increase in the number of institutional ownership shares, the tighter level of supervision of management so as to prevent tax avoidance actions. However, companies experiencing sales growth avoid taxes by trying to pay a small portion of the tax burden. In addition, the size of the company cannot influence the company to take tax avoidance actions because the company must maintain the company's good name for the continuity of business development in the future. Financial performance (ROA) is not a moderating variable because it cannot strengthen or weaken the effects of institutional ownership, sales growth and Ln_total value tax avoidance. This is because it cannot strengthen or weaken the effects of institutional ownership, sales growth and asset tax avoidance.. This means that with the increase in company profits proxied by ROA, it gives an idea that companies that have institutional ownership with a large number of shares and increased sales growth and large size of ownership do not necessarily take tax avoidance measures.

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