

Analysis Of Thin Capitalization And Inventory Intesity Aggressivity Taxes On Food And Beverage Companies Listed On The Indonesian Stock Exchange

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Abstract

The purpose of this research is to analyze influence Thin Capitalization and Inventory Intensity against aggressiveness tax. Study This including type study quantitative with use data secondary report finance. The population of this study was 30 companies in Indonesia Stock Exchange for period 2018-2022. The research sample used a purposive sampling method and obtained a sample of 13 companies. Data analysis using multiple regression analysis. The research results show that both Partial nor simultaneous Thin Capitalization and Inventory Intensity do not influence on aggressiveness tax during 2018-2022 period

Keyword : Aggressiveness Tax, Thin Capitalization and Inventory Intensity

Introduction

Taxes are one of the largest sources of income for the country where taxes play an important role in the economy in Indonesia. Taxes are used as a state expenditure budget to carry out its programs with the aim of increasing economic growth through the development of infrastructure and public facilities. Based on the realization of revenue in 2020 from total state revenue, namely Rp. 1,699.648 billion, the largest revenue came from tax revenue, namely Rp. 1,698,649 billion, amounting to Rp. 294.141 billion came from non-tax state revenues, and Rp. 1,300 billion came from grants. From these data it can be seen that Indonesia's state income is very dependent on tax revenues (Ministry of Finance, 2021)

Companies as taxpayers have an obligation to pay taxes in accordance with Law Number 36 of 2008 which regulates domestic corporate income tax rates and

permanent business forms, namely the amount of tax paid by the company in a year is calculated by multiplying taxable income by the tax rate. applicable. In Indonesia, the government's efforts to optimize revenue from the tax sector are still experiencing obstacles. The government's aim to maximize tax sector revenues is in conflict with the company's aim to maximize its profits. As taxpayers, companies view tax as a cost that will reduce company profits and will reduce the amount of net profit generated. Thus, companies use various methods to minimize their tax burden (Indradi, 2018). Opportunistic actions taken by taxpayers to minimize the tax burden are explained through agency theory. Agency theory explains that the principle and agent have conflicting interests. The efforts made by companies to minimize their taxes will cause differences in the amount of realized tax revenue with the targets set by the government.

Tax-ratio is one measure that can reflect the efforts to minimize taxes by a country. Tax ratio is the ratio between state revenues from the tax sector and Gross Domestic Product (GDP). The tax ratio also reflects tax compliance which is influenced by the public's understanding of taxes and the culture of tax compliance including the law enforcement system. Ministry of Finance of the Republic of Indonesia, Director General of Taxes Robert Pakpahan explained that the ideal figure for the tax ratio when referring to international standards is 15% (Ministry of Finance, 2020)

Tax ratio Indonesian country for 2018-2022 on an ongoing basis in succession below figure 15%. This figure shows that the tax ratio in Indonesia is still relatively fluctuating during 2018-2022. This ratio is influenced by various factors such as effectiveness in tax collection, tax policy including tax rates, various incentives and tax exemptions which are given to implement economy and public, and the possibility of occurring tax crimes such as aggressive tax avoidance and tax evasion (Ministry of

Finance , 2020). Aggressiveness tax is effort Which done by company as must tax To use minimize burden tax Which is borne, Good in a way legal (*tax avoidance*) by exploiting loopholes the law is not violating and not contradictory with provision taxation or in a way illegal (*tax evasion*) (Pohan,. 2016)

In the Tax Justice Network report entitled The State of Tax Justice 2021: it is reported that due to tax avoidance, Indonesia is estimated to have lost up to IDR 68.7 trillion. The report said that in practice multinational companies shift their profits to countries considered tax havens with the aim of underreporting how much profit is actually generated in the countries where they do business. That way, corporations can pay less tax than they would otherwise pay. (Santoso, 2021)

According to (Putri & Nadia, 2020) Aggressiveness can be measured in several ways, namely the effective tax rate (ETR), cash effective tax rate (CETR), and book tax difference (BTD). In this research, tax aggressiveness is measured by the effective tax rate (ETR). Effective Tax Rate (ETR) is the application of a company's effectiveness in managing its tax burden (Diana, 2018). The size of the ETR value which reflects a company's tax aggressiveness is influenced by the various accounting policies it has. Several previous studies have linked tax aggressiveness to several factors that influence it. The purpose of this research is to find out and analyze the influence of Thin Capitalization and Inventory Intensity on Tax Aggressiveness. The benefit of this research is to develop theory and knowledge in the field of accounting, especially in taxation which is related to tax aggressiveness and for investors it can be used as consideration when investing their capital to avoid companies taking aggressive tax actions and to see how big the company's responsibility is in pay taxes.

Aggressiveness Tax

According to Frank, Lynch and Rego (2009) in Susanto, et al (2019) corporate tax aggressiveness is something action engineer income hit tax Which designed through action tax planning using methods that are classified as legal (*tax avoidance*) or illegal (*tax evasion*).

Legal tax aggressiveness (tax avoidance) or tax avoidance is carried out by the company by reducing the tax object become the basis for tax imposition in accordance with applicable statutory provisions. Whereas *taxes evasion* or embezzlement tax Which nature illegal that is action manipulation must tax For reduce amount tax owed or The same very No pay the tax And dodge from payment tax (Halim, 2019:8) Taxes evasion tend ignore Constitution taxation in a way on purpose For avoid tax payments, for example the practice of manipulating financial statements, transfer pricing, or not report SPT in a way whole And charge costs Which should No become deduction tax.

Thin Capitalization

According to Taylor and Richardson (2012) in Afifah and Prastiwi (2020) *Thin capitalization* is formation structure capital company with combination ownership debt Which a lot and little capital. Companies can use interest expenses as a way to lowering the tax base, namely taxable income. That way, the interest expense will increase and make taxable income smaller. It will impact on reduced reception tax country.

Rules regarding thin capitalization are regulated by Law number 36 of 2008 on Income Tax in article 18 (1) Which mentioned that Minister of Finance has the authority to issue decisions regarding the size of the ratio between debt and capital company for tax calculation purposes. The size of the ratio between debt and capital in accordance with Minister of Finance Regulation no. 169/PMK.010/ 2015 concerning

Determining the Amount Comparison between Debt And Capital Company For Necessity Counting Tax Income set most tall as big as four appeal One (4:1). When company If you use debt that exceeds the predetermined limit, the loan costs will be higher can taken into account as deduction income hit tax is only worth comparison Which has set in regulation minister finance the.

Inventory Intensity

According to Statement of Accounting Standards (PSAK) No. 14 of 2016: "Inventory is an asset: (a) available for sale in the ordinary course of business; (b) in the production process for sale the; (c) or in the form of materials or equipment for use in the production process or giving service". *Inventory Intensity* that is size how much big supply Which invested by the company. If a company invests in existing inventory in warehouse can result appearance cost storage as well as cost maintenance. Due matter the can cause burden company increase so that in a way can automatically reduce the company's profits. If the company's profits decrease by exists *Inventory Intensity* Which tall so company become will more aggressive to level burden tax Which accepted (Andhari & Sukartha, 2018).

Methods

The type of research used in this research is quantitative research. Approach Quantitative research can be interpreted as research based on the philosophy of positivism, used For research on population or sample certain (Sugiyono, 2019:15)

Population and Determination sample

food and beverage sector companies registered in Indonesian Stock Exchange (BEI) for the 2018-2022 period. Data is obtained through documentation collect secondary

data form report financial gain from the official Bursa website Indonesian securities, namely www.idx.co.id By analyzing data using descriptive statistics and analysis regression linear multiple. Sample study This taken with use technique *purposive sampling*. As for the criteria Which used in choose a sample is as following :

1. Company manufacture sector food and drink that registered in Exchange EffectIndonesia (BEI) period year 2018-2022
2. Company Which consistent publish report finance And serve information Which related with variable Which needed during period 2018-2022
3. Company Which No experience loss during period year 2018-2022 Which cause distortion in measurement aggressiveness tax
4. Company Which use unit rupiah in report his finances

Based on criteria Which has determined on study This there is 65 company Which will used as sample.

Results And Discussion

Analysis Regression Multiple

Table 1
Results Regression Linear Multiple

Coefficients ^a						
Model	Dependent Variable	Unstandardized Coefficients		Standardized Coefficients	Q	Sig.
		B	Std. Error	Beta		
1	(Constant)	,254	,024		10,699	,000
	DER	-.017	,020	-.139	-.869	,388
	INT	,014	,040	,044	,344	,732

a. Dependent Variables: ETR

Source: Exercise data SPSS, 2022.

From table on can is known that based on mark coefficient so can obtained model equality regression as follows:

$$\text{ETR} = 0.254 - 0.017 \text{ DER} + 0.014 \text{ INT} - 0.001 \text{ CR} + e$$

So that from results regression linear multiple above can is known that:

1. Constant (α)

The constant value is 0.254 with a positive value. The value of this constant shows that if the independent variables DER, INT, and CR have a value of 0, then the variable valuedependent ETR as big as 0.254.

2. Coefficient Regression Variable *Thin Capitalization* (DER)

Mark coefficient regression *Thin Capitalization* (DER) as big as -0.017 with direction negative relationship indicates that every 1% increase in *Thin Capitalization* this will be followed by a decrease in Tax Aggressiveness (ETR) of 1.7% with assumption variable independent other considered constant.

3. Coefficient Regression Variable *Inventory Intensity* (INT)

Mark coefficient regression *Intensity Supply* (INT) as big as 0.014 with direction The positive relationship shows that for every 1% increase in *Inventory Intensity* so will followed by enhancement Aggressiveness Tax (ETR) as big as 1.4 % with assumption variable independent other considered constant.

Test Coefficient Determination

Table 2 Results Test Coefficient Determination

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.129 _a	.017	-.032	.05892
a. Predictors: (Constant), CR, INT, INT				
Source: Exercise data SPSS, 2022.				

Based on results test Coefficient Determination (R^2) on can seen that mark *R Square* is 0.017 so it can be concluded that the percentage contribution is influenced by

independent variables (*Thin Capitalization and Inventory Intensity*) on variables Tax Aggressiveness (ETR) is 1.7%. This shows that the variable ability is large independent, namely *Thin Capitalization and Inventory Intensity* in influencing the dependent variable is Tax Aggressiveness which can be explained by this regression equation model is 1.7% while the remaining 98.3% is influenced or explained by variables other Which No entered in model study This.

Simultaneous Test (F Test)

Table 3. Results Test Simultaneous (Test F)

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	,004	3	,001	,342	,795 ^b
	Residual	,212	61	,003		
	Total	,215	64			
a. Dependent Variable: ETR						
b. Predictors: (Constant), INT, INTSource: Exercise data SPSS, 2022.						

Based on the F test results in table 3, it can be seen that the F value is 0.342 with value significance of 0.795. This shows that the value is significant more than 0.05 then Ho accepted. So can concluded that variable free or variable independent *Thin Capitalization and Inventory Intensity* simultaneous (together) No influential to variable dependent Aggressiveness Tax.

Test Significant Parameter Individual (Test t)

Table 4. Results Test Significant Parameter Individual (Test t)

Coefficients ^a					
	Model	Unstandardized Coefficients		Standardized Coefficients	Q
		B	Std. Error	Beta	
1	(Constant)	,254	,024		10,699
	DER	-.017	,020	-.139	-.869
	INT	.014	,040	,044	,344
a. Dependent Variables: ETR					

Source: Exercise data SPSS, 2022.

Based on results testing hypothesis each variable independent to variable dependent on table test t on can concluded that results test t from variable Thin

Capitalization (DER) own mark significance as big as 0.388 with tcount as big as -0.869. This calculation shows that the results are not significant because $0.388 > 0.05$, so the hypothesis first rejected. So the conclusion of the first hypothesis is that there is no Thin effect Capitalization on Tax Aggressiveness. The *Inventory Intensity* (INT) variable has The significance value is 0.732 with a tcount of 0.344. These calculations show the results which is not significant because $0.732 > 0.05$ then the second hypothesis is rejected. So that's the conclusion The second hypothesis is that there is no influence of *Inventory Intensity* on Aggressiveness Tax.

Discussion

Influence *Thin Capitalization* to Aggressiveness Tax

Based on the results of hypothesis testing for variables Projected *Thin Capitalization* with DER No influential in a way significant to action Aggressiveness Tax. If associated with agency theory, managers as agents work in the interests of the owner as principal with method increase mark company. When do action *thin capitalization* with more choose fund his business with debt in a way excessive than with equity, it will cause the company value to decrease. This is not appropriate with what is expected by the company owner, the practice of *thin capitalization* is aimed at For avoid tax will add risk form penalty if action the known to the tax authorities. The company will also be at risk bankruptcy when company fail pay his debts Which can give rise to financial distress. Results study This in line with study from Olivia & Dwimulyani (2020) show that thin capitalization No influential to action Avoidance Tax.

Influence *Inventory Intensity* to Aggressiveness Tax

Based on the results of hypothesis testing for the *Inventory Intensity variable* , it shows

that *Inventory Intensity* Which projected with INT No influential in a way significant against acts of Tax Aggressiveness. This shows that *Inventory Intensity* is part of investing is not the right way to be aggressive tax. *Inventory Intensity* cannot have a good impact on tax planning What the company does is supported by the political cost theory put forward by Zimmerman in Richardson and Lanis (2007) which means that when a company able to achieve high profits, which means the company value is good, then the company will be in the spotlight and target by the government to make regulatory decisions such as This is the case with attracting and imposing taxes on the company. It means company with a high level of *Inventory Intensity* will not be more aggressive towards taxes and make company tend will pay tax with Correct.

The results of this research are in line with research conducted by Andhari and Sukartha, (2018) And Avrinia Wulansari, et al (2021) explain that *Inventory Intensity* No influential to aggressiveness tax.

Conclusion

Based on with results study about influence *Thin Capitalization* and *Inventory Intensity* Against Aggressiveness Tax on Company Manufacture Which listed on the Indonesia Stock Exchange for the 2016-2020 period using regression analysis techniques multiple linear, it can be concluded from the t test (Partial) that the *Thin capitalization variable* is not influential to aggressiveness tax, *Inventory Intensity* No influential to tax aggressiveness. F Test Results (Simultaneous) proves that the independent variable or independent variables *Thin Capitalization* and *Inventory Intensity* simultaneously (together) have no effect on the variable dependent Aggressiveness Tax.

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