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Judul Artikel	: Determinants of Tax Aggressivity in Food and Beverage Sub Sector Companies on The Indonesian Stock Exchange
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Jakarta, 6 Oktober 2025

Dr. Martua Eliakim Tambunan

KORESPONDENSI

Determinants of Tax Aggressivity in Food and Beverage Sub-Sector Companies on The Indonesian Stock Exchange

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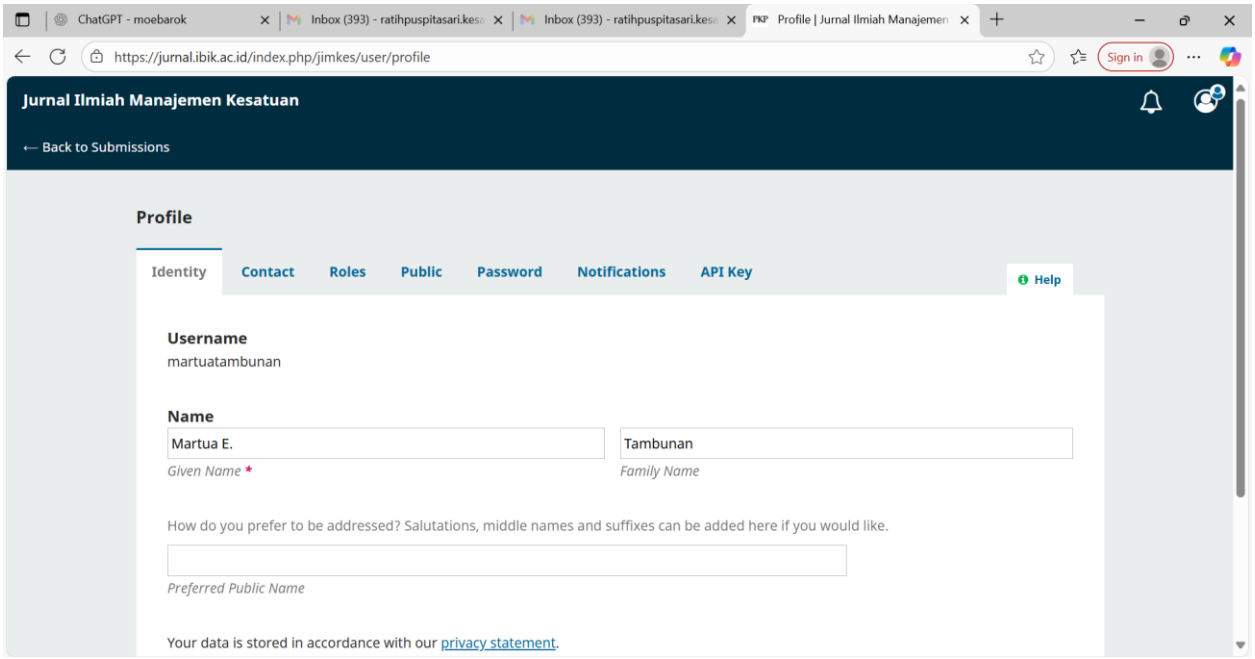

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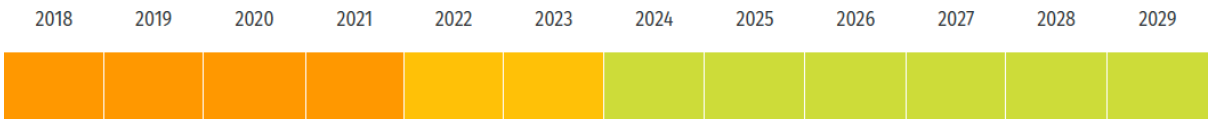
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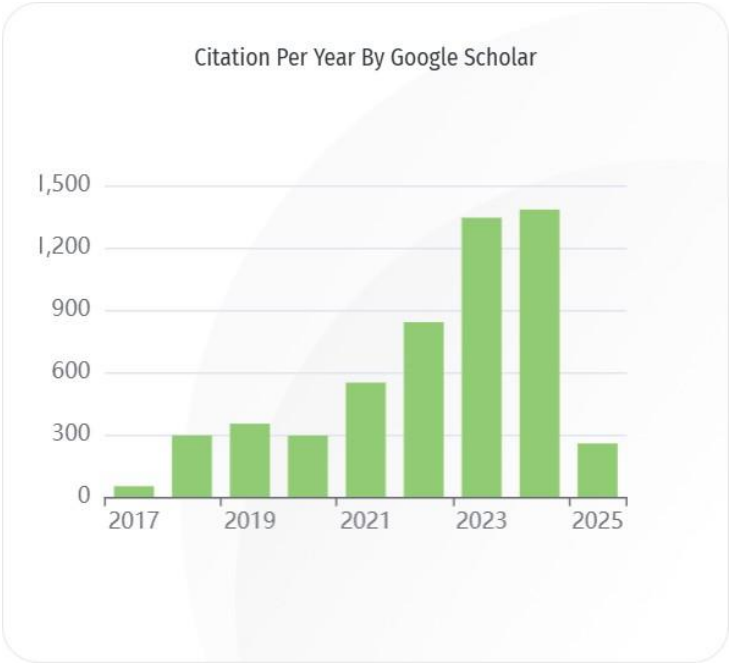
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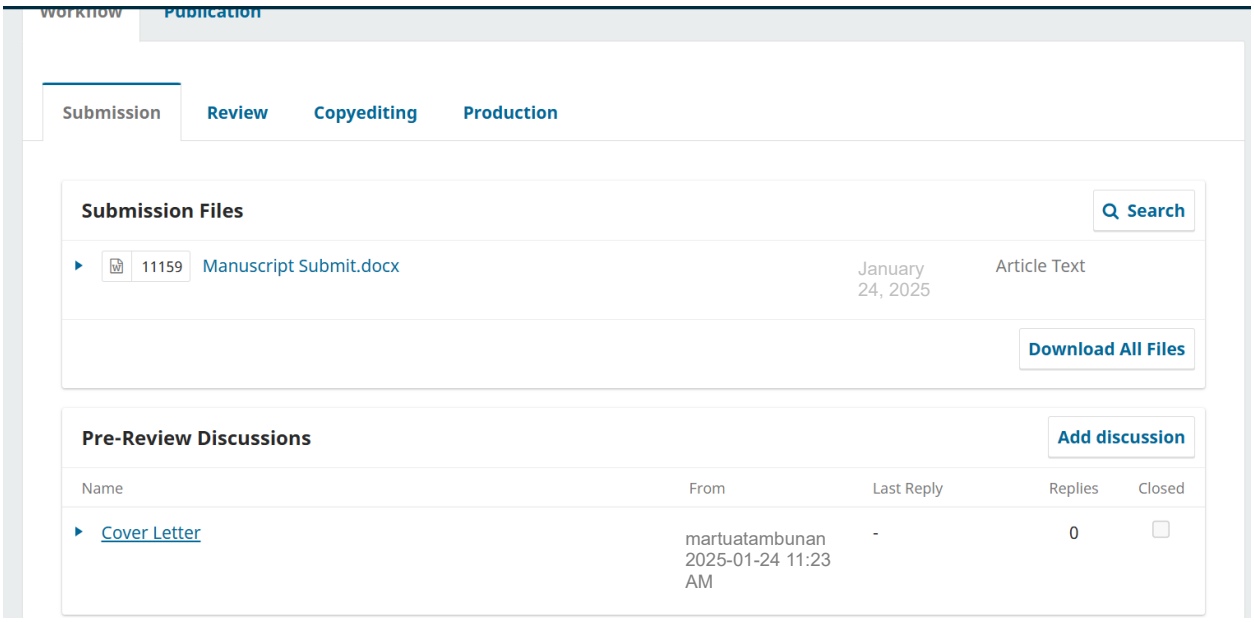

COVER LETTER

Jakarta, 24 Januari 2025
Kepada
Redaksi Jurnal Ilmiah Manajemen Kesatuan

Saya, Martua E. Tambunan dan Angel Samaria, dengan ini mengajukan manuskrip kami yang berjudul "Determinants of Tax Aggressivity in Food and Beverage Sub-Sector Companies 2019-2021 on The Indonesian Stock Exchange" untuk dipertimbangkan untuk publikasi di Jurnal Ilmiah Manajemen Kesatuan.

Dalam penelitian ini, kami menganalisis faktor-faktor yang mempengaruhi agresivitas pajak pada perusahaan sub-sektor makanan dan minuman yang terdaftar di Bursa Efek Indonesia selama periode 2019 hingga 2021. Kami menemukan bahwa profitabilitas, ukuran perusahaan, dan pengungkapan tanggung jawab sosial perusahaan (CSR) secara signifikan mempengaruhi agresivitas pajak, dengan hasil yang menunjukkan bahwa perusahaan yang memiliki CSR tinggi cenderung lebih patuh terhadap kewajiban pajak.

Kami percaya bahwa temuan ini memberikan kontribusi penting bagi literatur manajemen dan pajak, serta dapat menjadi referensi bagi praktisi dan pembuat kebijakan dalam memahami dinamika pajak di sektor ini.

Kami telah mengikuti panduan penulisan yang ditetapkan oleh Jurnal Ilmiah Manajemen Kesatuan dan memastikan bahwa manuskrip ini belum pernah dipublikasikan sebelumnya. Kami juga siap untuk melakukan revisi berdasarkan umpan balik dari para reviewer.

Terima kasih atas perhatian dan kesempatan yang diberikan. Kami berharap dapat mendengar kabar baik dari Anda segera.

Hormat kami,
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MANUSCRIPT

Determinants of Tax Aggressivity in Food and Beverage Sub-Sector Companies 2019-201 on The Indonesian Stock Exchange

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Abstract
Taxes are an obligation of companies that must be carried out to the state. In carrying out their tax obligations, companies often carry out tax aggressiveness with the aim of minimizing the tax burden that must be paid to the state. These studies aim to examine and analyzing on tax aggressiveness in food and beverage sub-sector company from 2019 to 2021 which are listed on the Indonesia Stock Exchanges. The determining factors include profitability, leverage, company's size and corporate social responsibility. These studies use method of collecting documentation data where researchers view, study, classify and examine secondary data, namely the companies' financials statement as the research sample. Researchers use the panel data regression model as a data analysis method to test the hypothesis. The sampling techniques in these studies use a non-probabilities sampling techniques with a purposives sampling approach with sample criteria registered on the IDX for the period 2019 – 2021 and samples from 16 company, so in total there are 48 observations. The result showed that profitability significantly has negative effect on tax aggressiveness. Leverage insignificantly has negative effect of tax aggressiveness. Company's size insignificantly has negative effect of tax aggressiveness. Corporate social responsibility significantly has negative effect on tax aggressiveness.
Keywords: Tax Aggressiveness, Profitability, Leverage, Company's Size, Disclosure of Corporate Social Responsibility

1. Introduction

Tax is the largest source of state income for a number of sovereign countries including Indonesia. Therefore, the government is making every effort to be able to increase the country's tax revenue. The Minister of Finance of the Republic of Indonesia said that tax revenue in 2022 reached 2,626.4 trillion rupiah or 115.9% of the target stated in PP No. 98 of 2022. Meanwhile, customs and excise revenue reached 317.8 trillion rupiah or 106.3% of the specified target. The increasing performance of the APBN provides a positive signal for economic recovery after being hit by COVID 19. Tax is an obligation of Taxpayers to the state which is enforceable based on legislation without obtaining direct incentives and is used for the needs of the country for the greatest possible public welfare.
The Indonesian economy is supported by various industries that contribute to tax revenues. One of the industries that contributes to taxation is the food and beverage industry. Food and beverage companies in Indonesia experienced growth from 2020 to 2021 by 2.54% to 775.1 trillion rupiah. The Central Statistics Agency (BPS) reported that the Gross Domestic Product (GDP) of national food and beverage companies based on applicable tariffs (ADHB) was 1.12 quadrillion rupiah in 2021. This value accounts for 38.05% of non-oil and gas management companies or 6.61% of the national GDP which reached 16.97 quadrillion rupiah (Havidah et al., 2024). The food and beverage industry is an industry that can survive during the COVID-19 pandemic because people still have to consume healthy and nutritious food to maintain their immunity. Furthermore, the government is paying full attention to growth in the food and beverage sector. Steps taken by the government, for example, through the Ministry of Industry of the Republic of Indonesia, which pays attention to the growth of coconut-based palm sugar commodities because of Indonesia's potential as the largest coconut producer in the world. The Ministry of Industry also encourages the growth of sugarcane-

based sugar companies, especially in eastern Indonesia, such as West Nusa Tenggara and East Nusa Tenggara. The government also continues to take an active role in facilitating the promotion of food and beverage company commodities through exhibition events at home and abroad. One of them was held at the Company Exhibition Plaza with around 60 food and beverage industry companies participating. The 2022 Indonesian G20 Presidency event is also a moment to introduce national company commodities, including food and beverage (mamin) commodities which are expected to expand the export market (Havidah et al., 2024).

Tax aggressiveness that occurs in the food and beverage industry in Indonesia can be seen through an example of tax avoidance practices carried out by PT Indofood Sukses Makmur Tbk (INDF) in the form of a request for a Certificate of Exemption (SKB) for the transfer of land and/or building rights to the Directorate General of Taxes (DGT) amounting to 1.3 billion rupiah in 2010. This case began when PT Indofood Sukses Makmur Tbk established a new industry and transferred capital, liabilities, and instant noodle manufacturing operations to PT Indofood CBP Sukses Makmur Tbk. In the end, the DGT decided that PT Indofood Sukses Makmur Tbk still had to pay its taxes of 1.3 billion rupiah and finally had a permanent legal decision (in kracht) at the Supreme Court. Another example occurred at PT. Coca-Cola Indonesia (CCI) where CCI increased its advertising expenses, thereby reducing taxable income. The DGT found that there was an unreasonableness in CCI's advertising expenses that led to tax avoidance in 2002-2006. Based on the DGT's calculation, CCI's taxable income should be 603.48 billion rupiah. Meanwhile, in CCI's financial records, its taxable income is 492.59 billion rupiah. So there is an underpayment of tax of 49.24 billion rupiah.

The tax aggressiveness of an industry can be calculated through the proxy Effective Tax Rate (ETR). ETR is the effective tax rate of an industry that can be calculated from the income tax liability (current tax liability) divided by profit before tax. Industries that have a low ETR level indicate the implementation of tax aggressiveness. There are determinants that influence the tax aggressiveness of an industry, including profitability (Abidin, 2018; Reminda, 2017; Kasmir, 2017; Shantikawati, 2020; Basyaib, 2007; Tristiawan & Yusuf (2022; Fionasari et al., 2017). Profitability is the capability of an industry to gain profit from its business activities. The higher the level of profitability of an industry, the higher the profit obtained by the industry. High profits reflect the high tax burden of the industry. Thus, it can be stated that if the ROA of the industry is high, then the industry also has a high tax burden. Research conducted by Abidin (2018) stated that profitability has a negative effect on tax aggressiveness in the manufacturing industry in the consumption sub-sector listed on the Indonesia Stock Exchange (IDX) in the period 2015-2019. Research conducted by Reminda (2017) produced different findings, namely that profitability has a significant positive effect on tax aggressiveness in the banking industry listed on the IDX for the period 2013-2015.

Industry size is a scale used to categorize the size of an industry through the size of income (profit), amount of capital, and amount of assets (Basyaib, 2007). In general, industry size is only divided into 3 criteria, namely large industry, medium industry, and small industry (Machfoedz, 1994). This division is based on the number of industrial assets where the greater the number of assets owned by an industry, the higher the industry size will be. Research conducted by Shantikawati (2020) shows that industry size has no effect on tax aggressiveness in the mining industry listed on the IDX for the period 2014-2018. Meanwhile, research conducted by Tristiawan & Yusuf (2022) states that industry size has a significant effect on tax evasion.

Corporate Social Responsibility (CSR) is the commitment of industry or the business world to contribute to sustainable economic growth by paying attention to the social responsibility of the industry and focusing on the balance between attention to economic, social, and environmental factors. Half of the industry considers that communicating CSR activities or programs is as important as the CSR activity itself. By communicating its CSR, more and more people will find the industry's social investment so that the level of industry risk of experiencing social turmoil will be reduced. Research conducted by Nurlis et al. (2021) states that CSR has a significant negative effect on tax aggressiveness.

2. Theoretical Basis and Hypothesis

2.1 Tax Aggressiveness

Tax aggressiveness is nothing new in the industry. Tax aggressiveness is an action where an industry carries out various efforts to be able to reduce the industry's tax payable because taxes are commercially a burden for the industry. The higher the tax payable of an industry, the lower the industry's after-tax income so that the dividends distributed will be smaller. In other words, the higher the tax rate will reduce the welfare of shareholders. Efforts to reduce taxes aggressively are known as tax aggressiveness. Tax aggressiveness can be carried out in 2 ways, namely tax avoidance (legal) and tax evasion (illegal). Tax avoidance is carried out by exploiting loopholes in tax policies and regulations. While tax evasion is carried out by deliberately not reporting the income earned to the tax authorities. Tax aggressiveness is a familiar thing for business people in industries everywhere which is carried out to minimize industrial taxes (Manurung, & Lumbantoruan, 2021). Tax aggressiveness has its own advantages and disadvantages for the industry. The advantage is that with tax aggressiveness, the industry can save on its tax debts and increase industry income. This also has a positive impact on managers (agents) where managers usually get bonuses because of their satisfactory work results. While the disadvantage is that if this action is found by the Directorate General of Taxes to be inconsistent with applicable tax provisions, the industry will receive sanctions and fines in accordance with applicable laws. There are a number of ways to calculate tax aggressiveness, including using the Effective Tax Rate (ETR), Book Tax Difference (BTD), Residual Tax Difference (RTC), and Cash Effective Tax Rate (CETR). This study calculates tax aggressiveness using ETR for reasons of simplicity in research but can achieve research objectives.

2.2 Profitability

Profitability is the capability of an industry to gain profit from its business activities such as sales, assets and equity. The profitability ratio is used to show the efficiency of the industry. This is in line with the definition put forward by Kasmir (2017) where the profitability ratio is used to calculate the effectiveness of management based on the returns obtained from sales and investments made by the industry. Profitability is able to show how much profit the industry has or the profits owned by the industry (Parang et al., 2022).

2.3 Leverage

Leverage is an investment strategy using debt to increase the value of the company. The leverage ratio is used to calculate how far the industry's capital is financed using debt, which means the total debt used by the industry to fund its business activities compared to using industry assets (Kasmir, 2017). The industry can use the level of leverage to reduce profits, which ultimately reduces its tax liability (Adisamartha & Noviari, 2015). Regulation of the Minister of Finance Number PMK No. 169 / PMK.010 / 2015 concerning Determination of the Amount of the Ratio between Debt and Company Capital for Income Tax Calculation Purposes further regulates the ratio of debt to capital that can be recognized in calculating interest expenses. The determination of the ratio between debt and capital for income tax calculation purposes is determined at a maximum of four to one (4:1). Furthermore, there are 5 types of leverage ratios according to Hery (2017), namely:

a. Debt Ratio used to calculate the ratio between the amount of debt and the amount of assets.
b. Debt to Equity Ratio used to calculate the ratio between the amount of debt and the amount of equity.
c. Long Term Debt to Equity Ratio used to calculate the ratio between long-term debt and equity.
d. Times Interest Earned Ratio used to show how far the industry is able to pay off interest.
e. Operating Income to Liabilities Ratio which shows how far the industry is able to pay off all its obligations.

2.4 Industry Size

Previous research conducted by Basyaib (2007) said that industry size is a scale used to categorize the size of an industry in various ways, namely by the size of income (profit), the amount of capital, and the amount of assets. In general, industry size is only divided into 3 criteria, namely large industry, medium industry, and small industry (Machfoedz, 1994). Industry size is the scale of the size of the industry that can be categorized based on various methods, including income size, amount of assets and amount of equity (Brigham & Houston, 2012). This division is based on the amount of industry assets where the greater the amount of assets owned by an industry, the industry will obtain a higher industry size.

2.5 Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a commitment of industry or business world to contribute to sustainable economic growth by paying attention to the social responsibility of the industry and focusing on the balance between attention to economic, social, and environmental factors. CSR is a concept or action implemented by industry as a sense of responsibility to the environment where the industry is established. Examples of CSR include maintaining the environment around the business premises, ensuring the prosperity of the surrounding community, and also providing financial support to maintain public facilities around the industrial environment. Guidelines for CSR activities in Indonesia are also stated in Law Number 40 of 2007 concerning Limited Liability Companies Article 74 paragraph 1. The advantages of industry implementing CSR disclosure are:

a. Industry can grow a positive image and strengthen brand image in the eyes of the public.
b. Finding new opportunities for cooperation between one industry and another.
c. Can help grow the welfare of the people who are the target of CSR.
d. Helping to grow environmental sustainability around the industry.

The influence of CSR on tax aggressiveness can be analyzed through CSR disclosure in financial reports and company annual reports. Industries with low CSR rankings are suspected of being socially irresponsible and more aggressive in avoiding taxes (Puspita & Putra, 2021). Furthermore, other studies state that industries with low social responsibility are industries that are more aggressive in tax planning and do not have a good understanding of tax benefits compared to other industries (Adisamartha & Noviari, 2015). Tax aggressiveness is seen as unethical and irresponsible by the public, therefore tax evasion is inconsistent with CSR (Puspita & Putra, 2021; Nurlis et al. 2021). Thus, CSR has a significant negative influence on tax aggressiveness. Based on the description of the theoretical study above, the relationship between tax aggressiveness and its determinants in the form of profitability, leverage, company size and corporate social responsibility can be described with a framework of thought and hypothesis.

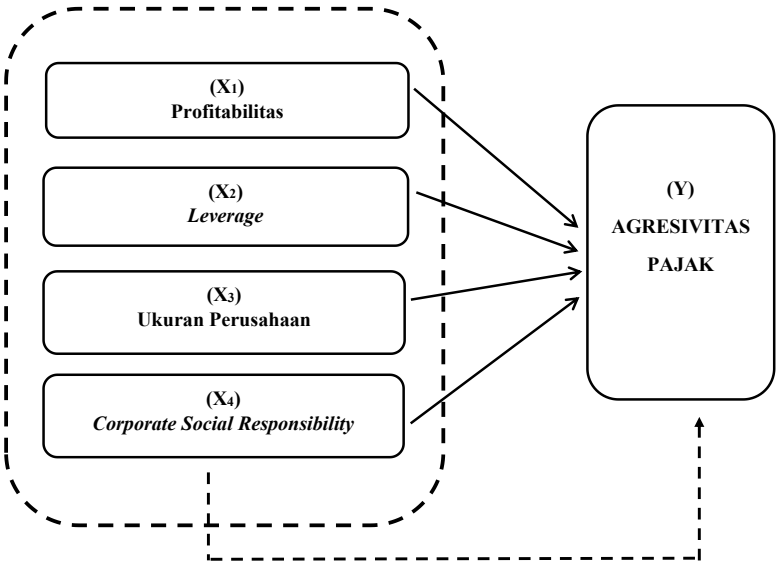

Figure 1. Framework of thought

H1: Profitability has an effect on tax aggressiveness.
H2: Leverage has an effect on tax aggressiveness.
H3: Company size has an effect on tax aggressiveness.
H4: Corporate Social Responsibility has an effect on tax aggressiveness.

3. Research methods

3.1 Types of research

The type of research used in this study is quantitative research. Berryman (2019) states that quantitative research is research that involves theory, design, hypothesis and subject determination supported by data collection and data analysis before drawing conclusions. Quantitative research is based on numbers from data collection to analysis. This study uses a causal associative research design to establish a causal relationship between one variable and another. Thus, this type of research is a causal associative research using quantitative data to see the effect of profitability, leverage, industry size, and CSR disclosure on tax aggressiveness. This study uses financial report data from the food and beverage sub-sector industry listed on the Indonesia Stock Exchange during 2019 to 2021.

3.2 Population

The population used in this study is the food and beverage industry listed on the Indonesia Stock Exchange. Population is a group of people, animals, plants, or objects that have certain special characteristics to be studied. Population is a generalization of the object of a study (Mulyantiningsih, 2011).

3.3 Sample

A sample is a part of a research population that is thought to represent a picture of the population. In general, samples are used in research with a large population. If the research population is large, it is not possible for researchers to analyze all the data so that researchers will use samples to analyze it. The results of the analysis are expected to represent the entire research carried out. The sample in this study is the food and beverage sub-sector in the period 2019 to 2021. The author uses the purposive sampling technique as a sample collection method. Purposive sampling is included in nonprobability sampling, where sampling is carried out non-randomly so that the chances of each

population being determined as a sample are not the same. In this technique, the author will formulate specific standards to be studied. The standard criteria used in this study are:

1. Food and beverage industries listed on the Indonesia Stock Exchange (IDX) throughout the research period (2019 - 2021),
2. Industries that disclose detailed financial records of corporate social responsibility data in financial records,
3. Industries that have positive profits throughout the research period (2019 - 2021).

Table 1. Sample criteria

No.	Information	Amount
1	Food and beverage sub-sector industries listed on the Indonesia Stock Exchange (IDX) throughout the research period (2019 - 2021) and presenting detailed financial records along with corporate social responsibility data	25
2	Industries that have negative profits throughout the research period (2019 - 2021)	(7)
3	Industries that have income tax benefits throughout the research year (2019 - 2021)	(2)
	Total industries selected as samples	16

3.4 Method of collecting data

This study uses a documentation data collection method where researchers view, study, categorize, and review secondary data sourced from financial reports and their notes in the food and beverage sub-sector industry listed on the Indonesia Stock Exchange for the period 2019 - 2021. This study uses a panel data regression model as a data analysis technique to carry out hypothesis testing.

3.5 Operationalization of Variables

Operationalization of variables based on theoretical basis, framework of thought and hypothesis is as follows:

Table 2. Operationalization of Variables

Variables	Definition	Measurement	Rumus
Profitability (X1)	ROA ratio is a ratio that compares net income with total assets	ROA Ratio	*Return on Asset* = $\frac{laba\ bersih}{total\ asset}\ x\ 100\%$
Leverage (X2)	Leverage ratio is a ratio that compares the amount of debt with the company's capital	DER Ratio	*Debt Equity Ratio* $\frac{Total\ Debt}{Equity}\ x\ 100\%$
Company Size (X3)	Company size is a scale used to classify the size of a company according to various methods, namely by the size of income (profit), total assets, and total capital.	Natural Log of Total Assets	Ln (Total Asset)
Corporate Social Responsibility	Corporate Social Responsibility is the commitment of a company or business	Total Amount of CSR that should be	$\frac{\sum Xyi}{ni}\ x\ 100\%$

Disclosure (X4)	world to contribute to sustainable economic development by paying attention to social responsibility	reported divided by the reported CSR index	
Tax Aggressiveness (Y)	A ratio to measure the effectiveness of a company in paying taxes which is measured by comparing the income tax burden with income before tax.	ETR Proxy	$\frac{Income\ tax\ burden}{Income\ before\ tax}$

3.6 Data Analysis Techniques

Descriptive statistics are used to explain research data without having to make a conclusion. There are a number of formulas that describe values in descriptive statistics, namely mean, sum, standard deviation, variance, range, maximum and minimum for each variable.
Model specification tests are used to determine which model is most appropriate in analyzing panel data. There are three test tests that can be used to determine which panel data regression model is most appropriate to use in this study. The model specification tests are as follows:

3.7 Hypothesis Testing

Hypothesis testing is useful for testing the significance of the regression coefficient obtained (Nachrowi & Usman, 2006). If the regression coefficient obtained with statistics is equal to zero, then there is no sufficient evidence to say that the independent variable has an influence on the dependent variable. This study uses panel data regression analysis in hypothesis testing. In general, panel data will get different intercepts and slopes of coefficients in each industry and each time period. The panel data regression equation model is as follows:

$$Y = \alpha + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \beta_4 X_{4it} + \varepsilon_{it}$$

Information:
Y = Tax aggressiveness
α = Constant
β1, β2, β3, β4 = Independent Variable Coefficients
X1 = Profitability
X2 = Leverage
X3 = Industry Size
X4 = Corporate Social Responsibility Disclosure
ε = error term
i = Total food and beverage sub-sector industry
t = Research period, namely 2019 - 2021

To see the influence of each variable x (independent) on the dependent variable, a partial test (t-test) can be carried out. If the significance number t is lower than α (0.05), it can be said that there is a strong influence between the independent variable and the dependent variable (Ghozali, 2018). The basis for drawing conclusions from the t-test is as follows:

a. If the t value of the regression result (t count) is above the t value listed in the table and the probability is below 0.05 then the x (independent) variable has an influence on the y (dependent) variable.
b. If the t value of the regression result (t count) is below the t value listed in the table and the probability is above 0.05 then the x (independent) variable has no influence on the y (dependent) variable.

If the t-test is carried out to see the influence of each independent variable on the dependent variable, then the F-test is carried out to show whether all independent variables have a simultaneous influence on the dependent variable (Ghozali, 2018). The basis for drawing a decision is:

a. If the significance value is lower than 0.05 then simultaneously the independent variables have an influence on the dependent variable.
b. If the significance value is higher than 0.05 then simultaneously the independent variables have no influence on the dependent variable.

The coefficient of determination is used to find the influence of independent variables on dependent variables. If the adjusted R2 value approaches 1, it can be used as an indicator as an independent variable that can assume from its dependent variable. Cross data usually has a smaller adjusted R2 value compared to time series data (Ghozali, 2018). If the adjusted R2 value is below 0.5, this indicates that the dependent variable can be described by the independent variable at a very low level and if the coefficient value is negative, it will be assumed to be 0 (Ghozali, 2018).

4. Results and Discussion

Table 3. Descriptive Statistics

	Y	X1	X2	X3	X4
Mean	0.250229	0.102990	0.672264	23.32390	0.582418
Median	0.229126	0.099489	0.632912	27.49022	0.604396
Maximum	0.814617	0.416320	1.658416	30.62263	0.769231
Minimum	0.032015	0.000526	0.121670	13.61995	0.230769
Std. Dev.	0.108886	0.073239	0.419301	6.105754	0.141855
Skewness	3.515638	1.689201	0.428476	-0.393814	-0.377656
Kurtosis	18.40842	8.179258	0.090074	1.419822	2.054001
Jaruquw-bera	573.7166	76.47663	3.124664	6.234637	2.930821
Probability	0.000000	0.000000	0.209074	0.044276	0.945779
Sum	12.01100	4.943521	32.26866	1119.547	27.95604
Sum Sq. Dev	0.557244	0.252108	8.263236	1752.171	0.945779
Observations	48	48	48	48	48

Based on the results of data processing carried out by the author in the eviews 12 application with a total sample of 48 industries, it has a minimum value of 0.000526 by PT Sekar Bumi Tbk. The maximum value of 0.416320 was obtained by PT Multi Bintang Indonesia Tbk. The average value (mean) is 0.102990 with a standard deviation of 0.073239. The standard deviation shows a picture of the distribution of data on average. The standard deviation is said to be good if the results obtained are below the mean value. In this study, the standard deviation value is 0.073239 which is smaller than the mean value. Thus, the standard deviation can be called good and has illustrated all of this study.

The results of the tests carried out showed that PT Multi Bintang Indonesia in 2021 had the largest DER of 1.658416 or 166%. DER is one of the ratios that reflects the capability of the industry to meet all its obligations which is indicated by how much assets are used to pay off debts. An industry

with a high DER level means that the industry has a higher total debt compared to its assets and has a high interest burden. The industry can use this method to implement tax payment efficiency because interest is a deductible expense that can reduce the total tax payable.
PMK No. 169/PMK010.2015 concerning the Determination of the Amount of Debt and Industrial Assets for Income Tax Calculation Needs Article 2 states that "The amount of the difference between debt and assets as referred to in Article 1 paragraph (1) is determined at a maximum of four to 1 (4:1)". So it can be stated that even though it has the largest DER value, the DER ratio of PT Multi Bintang Indonesia in 2021 is still included in the healthy criteria. Meanwhile, the lowest DER value is owned by PT Campina Ice Cream Industry Tbk at 0.121670 or 12.2%. The lower the DER value of an industry, the lower the level of debt and interest burden. Thus, the opportunity for the industry to carry out tax aggressiveness will be lower. Industries with low DER values are one of the aspects that are attractive to investors because they are considered healthy and worthy of investing in them.
Based on the results of data management obtained with a total sample of 48 industries, the minimum value of ln (assets) was 13.61995 owned by PT Akasha Wira Internasional in 2019. While the maximum value of ln (assets) was 30.62263 owned by PT Mayora Indah Tbk in 2021. The mean value was 23.32390 and the standard deviation was 6.105754. The standard deviation is said to be good if its value is lower than its mean value. Thus, it can be stated that the standard deviation in this study is said to be good and has illustrated all of this research.
Based on the results of data management obtained with a total sample of 48 industries, the minimum CSR disclosure value was 0.230769 owned by PT Ultra Jaya Milk Industry & Trading in 2019. Meanwhile, the maximum CSR disclosure value was 0.769231 owned by PT Indofood Sukses Makmur and PT Garuda Putra Putri Jaya Tbk in 2020 and 2021. The mean value was 0.582418 and the standard deviation was 0.141855. The standard deviation is said to be good if its value is lower than its mean value. Thus, it can be stated that the standard deviation in this study is said to be good and has illustrated all of this study. The chow test is used to determine between the common effects model and the fixed effects model. If the cross-section probability F> 5%, then the specified model is the common effects model. If the cross-section probability F <5%, then the specified model is the fixed effects model.

Table 4. Chow Test

Effects Test	Statisti399c	d.f	Prob.
Cross-Section F	7.011	(15,28)	0.0000
Cross-Section Chi-Square	74.852609	15	0.0000

Based on the results of the chow test, the results of the probability cross sections F value were obtained as much as 0.0002 < 0.05 so that based on the chow test, the specified model is a fixed effects model. The hausman test is used to determine between the fixed effects model and the random effects model with certainty. If the probability chi-square number is > 5%, then the specified model is a random effects model. If the probability chi-square number is < 5%, then the specified model is a fixed effects model.

Table 5. Hausman test

Test Summary	Chi-Sq.Statistic	Chi-Sq.d.f	Prob.
Cross-Section random	10.627756	4	0.0311

Based on the results of the Housman test, the chi-square probability value was obtained as much as 0.0311 < 0.05 so that based on the Housman test, the specified model is a fixed effects model. The LM test is used to determine between the random effects model and the common effects model with

certainty. If the Breusch-Pagan probability is > 5%, then the specified model is the common effects model. If the Breusch-Pagan probability is < 5%, then the specified model is the random effects model.

Table 6. LM test

Test Hypothesis			
	Cross-section	Time	Both
Breusch-Pagen	12.43938 (0.0004)	0.627664 (0.4282)	13.06705 (0.0003)
Honda	3.526951 (0.0002)	0.792252 (0.2141)	3.054138 (0.0011)
King-Wu	3.526951 0.0002)	0.792252 (0.2141))	1.953926 (0.0254)
Standerdized Honda	4.415900 (0.0000)	1.362785 (0.0865)	0.509531 (0.3052)
Standerdized King-Wu	4.415900 (0.0000)	1.362785 (0.0865)	0.179499 (0.4288)
Gourrieoux, et al.			13.06705 (0.0005)

Based on the results of the LM test, the Breusch-Pagan probability value was obtained as much as 0.0003 <0.05 so that based on the LM test, the specified model is a random effects model. From the three tests that have been carried out, it can be stated that the best model that can be used in this study is the fixed effects model. The t test is carried out to see the effect of each variable x (independent) on the dependent variable (dependent) which can be carried out with a partial test (t test). If the significance number t is lower than α (0.05) then it can be said that there is a strong influence between the independent variable and the dependent variable (Ghozali, 2018).

Table 7. t-test

Variable	Coefficient	Std.Error	t-Statistic	Prob.
C	1.855718	1.054333	1.760087	0.0893
X1	-0.075291	0.012848	-5.860087	0.0000
X2	-0.044044	0.048478	-0.908529	0.3714
X3	-0.064782	0.046527	-1.392335	0.1748
X4	-0.451256	0.119724	-3.769136	0.0008

Table 8. Effects Specification

R-squard	0.907602	Mean dependent var	0.250229
Adjusted R-squared	0.844903	S. D. Dependent Var	0.108886
S.E. of regression	0.042882	Akaike info Criterion	-3.166388
Sum Squared Reside	0.051488	Schwarz Criterion	-2.386721
Log likelihood	95.99331	Hannan-Quinne Criter	-2.871751
F-Statistic	14.47556	Durbin-Watson Stat	3.129417
Prob (F-Statistic)	0.000000		

From these estimates, a panel data analysis model was created for the factors influencing tax aggressiveness in food and beverage sub-sector companies for the 2019-2021 period.

$$\mathbf{Y = 1{,}855718 - 0{,}0752991 X_1 - 0{,}044044 X_2 - 0{,}064782 X_3 - 0{,}451256 X_4}$$

The constant value has a positive value of 1.855718, which means that there is a unidirectional influence between the independent variable and the dependent variable. This shows that if all independent variables (profitability, leverage, company size, and CSR disclosure) do not change, the tax aggressiveness value is 1.855718. The regression coefficient of variable 1 is -0.0752991, which means that there is an opposite influence between the profitability variable and tax aggressiveness. If the profitability variable increases by 1%, then tax aggressiveness will decrease by 0.0752991, assuming that the other variables remain constant.
The regression coefficient of variable 2 is -0.044044, which means that there is an opposite influence between the leverage variable and tax aggressiveness. If the leverage variable increases by 1%, then tax aggressiveness will decrease by 0.044044, assuming that other variables remain constant. The regression coefficient of variable 3 is -0.064782, which means that there is an opposite influence between the company size variable and tax aggressiveness. If the company size variable increases by 1%, then tax aggressiveness will decrease by 0.064782, assuming that other variables remain constant. The regression coefficient of variable 4 is -0.451256, which means that there is an opposite influence between the CSR disclosure variable and tax aggressiveness. If the CSR disclosure variable increases by 1%, then tax aggressiveness will decrease by 0.451256.
Low tax evasion is indicated by a high ETR value. In line with signaling theory, industries that report high profits share good signals because they reflect good industry conditions. Meanwhile, industries with low profits share bad signals because they reflect poor industry conditions. Industries with high profits will be able to pay off their tax obligations in line with applicable policy provisions so that the industry minimizes the practice of tax aggressiveness. Industries with large profits are relatively compliant in carrying out their tax obligations to maintain the industry's image in the eyes of investors (Rahmayani et al., 2023).
Based on the test results, it was found that leverage has a negative but insignificant effect on tax aggressiveness. The results of the α analysis showed 0.3714 > 0.05 and the t value (count) 0.908529 < 2.01669 t (table) 2.01290. The direction of the t-count indicates a negative direction indicating that high or low levels of debt in the industry will not affect the tax aggressiveness carried out by the industry. In general, industries can use high debt levels as one way to carry out tax aggressiveness because the higher the debt reflects the higher interest burden that must be borne by the industry. Interest expenses are included in deductible expenses so that they can reduce the industry's taxable profit. However, the industry must also be careful with high debt levels because the industry must prepare larger sources of funds to pay off the debt. If the industry is unable to pay off its debt, it will create financial distress and a bad image in the eyes of investors and creditors.
This means that the food and beverage industry can efficiently and effectively use the capital structure to develop assets so that its industry can grow. The results of this study are supported by research conducted by Rahmayani et al. (2023) obtained the results of leverage with the DER proxy having no effect on tax aggressiveness where debt can indeed be used by the industry to reduce its taxable profits, but high debt can trigger a decrease in industry income because the industry has to pay off large interest expenses.
Based on the test results, it was found that the industry size variable has a negative but insignificant effect on tax aggressiveness. The results of the regression coefficient significance test of the industry size variable showed a significant result for the effect of industry size on tax aggressiveness of 0.1748> 0.05 and a t value (calculation) of 1.3923335 <t (table) of 2.01669. Thus, it can be stated that industry size has a negative but insignificant effect on tax aggressiveness. The existence of a negative but insignificant effect does not mean that it is a reason to carry out tax avoidance. This is because there is an opinion that tax is a burden for industry. Large industries relatively gain large profits. Large profits make the industry have large tax liabilities.
Based on the test results, it was found that the CSR variable has a significant negative effect on tax aggressiveness. The results of the significance test of the regression coefficient of the CSR disclosure variable showed that the significance result for the influence of CSR disclosure on tax aggressiveness was 0.0008 <0.05 and the t value (calculation) was 3.769136> t (table) 2.01669. Thus, it can be

stated that CSR disclosure has a negative effect on tax aggressiveness. This shows that the higher the level of CSR disclosure of an industry, the lower the practice of tax evasion. Industries that have implemented CSR activities are expected to be less aggressive in taxes. This is in line with the legitimacy theory where industries carry out their business activities in line with the values and norms that apply in society. In order to maintain public trust, industries must avoid things that are contrary to the values, norms and expectations of society. Thus, industries that express high CSR will be obedient in paying taxes to maintain their image and public trust.
According to Puspita & Putra (2021) who studied the relationship between aggressive tax evasion and irresponsible CSR activities, industries with low CSR rankings are suspected of being socially irresponsible and therefore more aggressive in avoiding taxes. Likewise, Adisamartha & Noviari (2015) said that industries with low social responsibility are those that are more tax aggressive and do not have a good understanding of tax benefits compared to other industries. Tax evasion in some people is an irresponsible social action, where the industry does not carry out its tax obligations fairly. "Tax aggressiveness is seen as unethical and irresponsible by the public, therefore tax evasion is inconsistent with CSR (Puspita & Putra, 2021). The results of this study are in line with research conducted by Nurlis et al. (2021) showing that CSR has a significant negative effect on tax aggressiveness.

Table 8. Results of the Determination Coefficient Test

R-squard	0.907602	Mean dependent var	0.250229
Adjusted R-squared	0.844903	S. D. Dependent Var	0.108886
S.E. of regression	0.042882	Akaike info Criterion	-3.166388
Sum Squared Reside	0.051488	Schwarz Criterion	-2.386721
Log likelihood	95.99331	Hannan-Quinne Criter	-2.871751
F-Statistic	14.47556	Durbin-Watson Stat	3.129417
Prob (F-Statistic)	0.000000		

If the adjusted R2 value approaches 1, it can be used as an indicator as an independent variable that can assume from its dependent variable. Based on the results of the test carried out, the adjusted R2 results were 0.844903 or 84%, which means that tax aggressiveness is influenced by profitability, leverage, industry size, and CSR disclosure by 84% and the remaining 16% is influenced by other variables outside of this research variable..

5. Conclusion

The food and beverage sub-sector industry is a defensive industry, namely an industry that can survive in a crisis situation. The results of the study show that despite being impacted by Covid 19 during 2020 and 2021, the performance of the food and beverage industry continues to provide positive signals to investors by showing profitability that does not reflect excessive tax aggressiveness. The level of leverage in the food and beverage sub-sector industry does not have a significant effect on tax aggressiveness. The results of this study indicate that the food and beverage sub-sector industry has a fairly good capital structure that does not rely on debt as a means to minimize tax payments through excessive interest payments. The size of the food and beverage sub-sector industry does not show a significant effect on tax aggressiveness. The results of this study indicate that there is no small, medium or large business scale in the food and beverage sub-sector industry that has the potential for tax aggressiveness. CSR compliance is in line with tax compliance. This conclusion is reflected in the results of the study which shows a significant negative effect of the level of CSR disclosure on tax aggressiveness.
There are several managerial implications in this study. First, the food and beverage sub-sector industry can be used as a good benchmark against other defensive industries such as the pharmaceutical and public utility industries in viewing tax compliance of other defensive industries

related to tax aggressiveness. Second, tax restrictions on the debt-to-equity ratio of 4:1 must be considered if the condition of the food and beverage sub-sector company is at a loss which requires a larger debt injection. This is necessary so that food and beverage sub-sector companies can recover from the downturn and then be able to provide better tax contributions in the future. Third, with the enactment of the sustainability report obligation from the OJK based on POJK Number 51/POJK.03/2017 and SEOJK Number 16/SEOJK.04/2021, CSR obligations can be better monitored. The results of the study show that companies with good CSR do not take aggressive tax planning actions. Thus, the Directorate General of Taxes can consider the sustainability report as one of the indicators of tax compliance.

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Note	From
Dear Martua E. Tambunan, Angel Samaria: We have reached a decision regarding your submission to Jurnal Ilmiah Manajemen Kesatuan, "Determinants of Tax Aggressivity in Food and Beverage Sub-Sector Companies on The Indonesian Stock Exchange". **Our decision is: Revisions Required**	kelola 2025-02-14 1:15 PM

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To ensure a smooth review process, please highlight all corrections made in the manuscript to draw attention to the changes. Additionally, provide a detailed rebuttal letter addressing each reviewer's comment point-by- point. This will help us track the revisions and understand how you have responded to the feedback.

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ARTICLE REVIEW RESULT #1

Determinants of Tax Aggressivity in Food and Beverage Sub-Sector Companies 2019–2021 on The Indonesian Stock Exchange

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1. Kekuatan Naskah

- **Topik Relevan:** Fokus pada agresivitas pajak di sektor makanan dan minuman cukup aktual karena sektor ini resilient pasca-COVID-19 dan memiliki kontribusi signifikan pada PDB serta penerimaan pajak.
- **Tujuan Jelas:** Meneliti pengaruh profitabilitas, leverage, ukuran perusahaan, dan CSR terhadap agresivitas pajak.
- **Metodologi Tepat:** Menggunakan data panel 2019–2021, dengan purposive sampling, total 48 observasi, dan analisis regresi data panel (fixed effect model).
- **Hasil Konsisten dengan Literatur:** Profitabilitas dan CSR terbukti berpengaruh signifikan negatif terhadap agresivitas pajak, sementara leverage dan ukuran perusahaan tidak signifikan.
- **Kontribusi Praktis:** Menawarkan implikasi bagi manajemen, investor, regulator, serta otoritas pajak.

---

2. Kelemahan Naskah

- **Bahasa dan Tata Tulis:**
  - Masih terdapat banyak penggunaan *Indonesian-English mixed style* yang belum konsisten (misalnya “industries” vs “companies”).
  - Beberapa kalimat panjang dan berulang, perlu perbaikan agar lebih ringkas.
- **Kebaruan (Novelty):**
  - Penelitian masih terkesan replikasi dari studi sebelumnya. Perlu ditegaskan lebih kuat kebaruan empiris (misalnya fokus pada sub-sektor makanan dan minuman pasca-pandemi).
- **Analisis Diskusi:**
  - Diskusi hasil belum mendalam, terutama pada variabel leverage dan ukuran perusahaan yang tidak signifikan. Perlu eksplorasi faktor eksternal (misalnya regulasi pajak, praktik transfer pricing).
- **Referensi:**
  - Beberapa referensi utama masih relatif lama (misalnya Basyaib, 2007; Machfoedz, 1994). Untuk standar Sinta 2, perlu memperkuat dengan rujukan jurnal internasional terkini (2019–2024).
  - Beberapa sitasi tidak konsisten dengan format APA (misalnya “Ghozali, 2018” hanya disebut tanpa detail lengkap).
- **Struktur:**
  - Bagian *Abstract* masih lemah dalam aspek kebaruan, metodologi detail, dan kontribusi.
  - Tidak ada bagian “Limitations & Future Research” yang lazim untuk artikel jurnal Sinta 2.

---

3. Kelayakan untuk Publikasi Sinta 2

- **Nilai Positif:** Topik relevan, metodologi sesuai, hasil signifikan, kontribusi praktis ada.
- **Nilai Negatif:** Bahasa, gaya akademik, kekuatan diskusi, dan referensi masih perlu perbaikan signifikan.

4. Rekomendasi Perbaikan

1. **Bahasa & Format:**
    - Gunakan bahasa akademik formal yang konsisten (full English atau full Bahasa Indonesia, sesuai target jurnal).
    - Periksa EYD, grammar, serta ringkas kalimat panjang.
2. **Kebaruan & Kontribusi:**
    - Tegaskan kontribusi empiris (misalnya "studi ini mengisi gap pada literatur agresivitas pajak di sektor defensif pasca-COVID-19").
    - Jelaskan perbedaan hasil dengan riset terdahulu secara kritis.
3. **Analisis Diskusi:**
    - Perlu memperdalam interpretasi hasil yang tidak signifikan (leverage & ukuran).
    - Kaitkan dengan teori keagenan, teori legitimasi, dan teori sinyal lebih kuat.
4. **Referensi:**
    - Tambahkan 5–8 rujukan jurnal internasional Scopus/WoS terbaru (2019–2024).
    - Konsistenkan format daftar pustaka dengan APA 7th.
5. **Struktur Artikel:**
    - Tambahkan bagian *Limitations* dan *Future Research Directions*.
    - Perbaiki *Abstract* agar lebih padat (tujuan, metode, hasil utama, kontribusi).

REVISED ARTICLE

Determinants of Tax Aggressivity in Food and Beverage Sub-Sector Companies on The Indonesian Stock Exchange

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ABSTRACT

Tax is an obligation that must be fulfilled by companies to the state. In fulfilling their tax obligations, companies often engage in tax aggressiveness to minimize the tax burden they must pay. This study aims to examine and analyze the influence of factors such as profitability, leverage, company size, and corporate social responsibility on tax aggressiveness in the food and beverage sub-sector companies listed on the Indonesia Stock Exchange during the period from 2019 to 2021. This research uses a quantitative approach with data collection through documentation, where the researcher analyzes the financial statements of the companies listed as samples. The data analysis method used is panel data regression to test the proposed hypotheses. The sampling technique employed is non-probability sampling with a purposive sampling approach, selecting 16 companies as the sample, resulting in 48 observations. The results show that profitability has a negative and significant effect on tax aggressiveness. Leverage and company size do not have a significant effect on tax aggressiveness, while corporate social responsibility has a significant negative effect on tax aggressiveness. This study provides valuable insights for companies and regulators regarding the factors that may influence tax behavior in the food and beverage industry.

***Keywords**: Tax Aggressiveness, Profitability, Leverage, Company Size, Corporate Social Responsibility (CSR).*

ABSTRAK

Pajak merupakan kewajiban yang harus dilaksanakan oleh perusahaan terhadap negara. Dalam menjalankan kewajiban perpajakan, perusahaan sering kali terlibat dalam agresivitas pajak untuk meminimalkan beban pajak yang harus dibayar. Penelitian ini bertujuan untuk mengkaji dan menganalisis pengaruh faktor-faktor seperti profitabilitas, leverage, ukuran perusahaan, dan tanggung jawab sosial perusahaan terhadap agresivitas pajak pada perusahaan subsektor makanan dan minuman yang terdaftar di Bursa Efek Indonesia selama periode 2019 hingga 2021. Penelitian ini menggunakan pendekatan kuantitatif dengan metode pengumpulan data dokumentasi, di mana peneliti menganalisis laporan keuangan perusahaan yang terdaftar sebagai sampel. Metode analisis data yang digunakan adalah regresi data panel untuk menguji hipotesis yang telah diajukan. Teknik pengambilan sampel menggunakan non-probability sampling dengan pendekatan purposive sampling, memilih 16 perusahaan sebagai sampel yang menghasilkan 48 observasi. Hasil penelitian menunjukkan bahwa profitabilitas memiliki pengaruh negatif dan signifikan terhadap agresivitas pajak. Leverage dan ukuran perusahaan tidak berpengaruh signifikan terhadap agresivitas pajak, sementara tanggung jawab sosial perusahaan memiliki pengaruh negatif yang signifikan terhadap agresivitas pajak. Penelitian ini memberikan wawasan penting bagi perusahaan dan regulator mengenai faktor-faktor yang dapat mempengaruhi perilaku pajak dalam industri makanan dan minuman.

***Kata kunci**: Agresivitas Pajak, Profitabilitas, Leverage, Ukuran Perusahaan, Tanggung Jawab Sosial Perusahaan (CSR).*

INTRODUCTION

The Indonesian economy is supported by various industries that contribute to tax revenues. One of the industries that contributes to taxation is the food and beverage industry. Food and beverage companies in Indonesia experienced growth from 2020 to 2021 by 2.54% to 775.1 trillion rupiah. The Central Statistics Agency (BPS) reported that the Gross Domestic Product (GDP) of national food and beverage companies based on applicable tariffs (ADHB) was 1.12 quadrillion rupiah in 2021. This value accounts for 38.05% of non-oil and gas management companies or 6.61% of the national GDP which reached 16.97 quadrillion rupiah (Havidah et al., 2024). The food and beverage industry is an industry that can survive during the COVID-19 pandemic because people still have to consume healthy and nutritious food to maintain their immunity. Furthermore, the government is paying full attention to growth in the food and beverage sector. Steps taken by the government, for example, through the Ministry of Industry of the Republic of Indonesia, which pays attention to the growth of coconut-based palm sugar commodities because of Indonesia's potential as the largest coconut producer in the world. The Ministry of Industry also encourages the growth of sugarcane-based sugar companies, especially in eastern Indonesia, such as West Nusa Tenggara and East Nusa Tenggara. The government also continues to take an active role in facilitating the promotion of food and beverage company commodities through exhibition events at home and abroad. One of them was held at the Company Exhibition Plaza with around 60 food and beverage industry companies participating. The 2022 Indonesian G20 Presidency event is also a moment to introduce national company commodities, including food and beverage (mamin) commodities which are expected to expand the export market (Havidah et al., 2024).

Tax aggressiveness that occurs in the food and beverage industry in Indonesia can be seen through an example of tax avoidance practices carried out by PT Indofood Sukses Makmur Tbk (INDF) in the form of a request for a Certificate of Exemption (SKB) for the transfer of land and/or building rights to the Directorate General of Taxes (DGT) amounting to 1.3 billion rupiah in 2010. This case began when PT Indofood Sukses Makmur Tbk established a new industry and transferred capital, liabilities, and instant noodle manufacturing operations to PT Indofood CBP Sukses Makmur Tbk. In the end, the DGT decided that PT Indofood Sukses Makmur Tbk still had to pay its taxes of 1.3 billion rupiah and finally had a permanent legal decision (in kracht) at the Supreme Court. Another example occurred at PT. Coca-Cola Indonesia (CCI) where CCI increased its advertising expenses, thereby reducing taxable income. The DGT found that there was an unreasonableness in CCI's advertising expenses that led to tax avoidance in 2002-2006. Based on the DGT's calculation, CCI's taxable income should be 603.48 billion rupiah. Meanwhile, in CCI's financial records, its taxable income is 492.59 billion rupiah. So there is an underpayment of tax of 49.24 billion rupiah.

Tax aggressiveness, commonly measured using the Effective Tax Rate (ETR), reflects the extent to which a company seeks to minimize its tax obligations. ETR is calculated by dividing current tax expense by profit before tax. A lower ETR typically signals a higher level of tax aggressiveness. Several factors are believed to influence tax aggressiveness, such as profitability, leverage, company size, and corporate social responsibility (CSR) disclosure (Kasmir, 2017; Shantikawati, 2020; Basyaib, 2007; Tristiawan & Yusuf, 2022). Profitability, often measured by Return on Assets (ROA), indicates a company's ability to generate income from its assets. In theory, more profitable companies should face higher tax liabilities, potentially prompting them to engage in more aggressive tax strategies. However, existing research presents mixed results. For example, Abidin (2018) found a negative relationship between profitability and tax aggressiveness in the consumer goods sector, while Reminda (2017) reported a positive effect in the banking industry. Similarly, studies on CSR disclosure also show inconsistent findings. Nurlis et al. (2021) found that CSR disclosure negatively affects tax aggressiveness, suggesting that socially responsible companies are more compliant with tax regulations. In contrast, Fionasari et al. (2017) found no significant effect. These inconsistencies indicate a lack of consensus in the literature and highlight the need for further investigation. Particularly, limited studies focus on the food and beverage industry, a sector that plays a vital role in Indonesia's economy and showed resilience during the COVID-19 pandemic.

Therefore, this study seeks to fill the research gap by examining the effects of profitability, leverage, company size, and CSR disclosure on tax aggressiveness in food and beverage companies listed on the Indonesia Stock Exchange during the 2019–2021 period. Based on the background and formulation of the problem above, this study aims to analyze the influence of several internal company factors on tax aggressiveness in the food and beverage industry in Indonesia. Specifically, the study seeks to examine the effect of profitability, leverage, company size, and corporate social responsibility (CSR) disclosure on tax aggressiveness, as measured by the effective tax rate (ETR).

LITERATURE REVIEW

Profitability negatively affects tax aggressiveness, as indicated by a regression coefficient of -0.0752991. This supports the idea that more profitable companies are less likely to engage in aggressive tax behavior. According to signaling theory, high profitability sends positive signals to investors and stakeholders, encouraging firms to comply with tax regulations to maintain reputation and trust. Abidin (2018) and Rahmayani et al. (2023) confirm that firms with higher profits are more transparent and compliant in paying taxes to uphold a strong corporate image, thereby reducing tax aggressiveness. Companies with higher profitability are typically more compliant with tax obligations, as they seek to maintain a positive reputation among investors and stakeholders. According to signaling theory, firms with strong earnings send positive signals to the market, reflecting their financial health and ethical standing (Rahmayani et al., 2023; Manurung & Lumbantoruan, 2021). Engaging in aggressive tax practices could undermine that image and attract regulatory scrutiny. Therefore, profitable firms are more likely to avoid tax aggressiveness to preserve long-term trust and legitimacy. Thus, based on this description, the following hypothesis is proposed:

H1: Profitability has a negative effect on tax aggressiveness.

Leverage demonstrates a negative but statistically insignificant relationship with tax aggressiveness, suggesting that the use of debt financing does not significantly influence a firm's tax behavior. Although debt interest is tax-deductible, companies in the food and beverage sector maintain low debt-to-equity ratios, indicating sound capital structures (Ilham et al., 2021). As supported by Masyitah et al. (2022) and Rahmayani et al. (2023), low reliance on debt limits opportunities for aggressive tax strategies. Therefore, leverage may reduce taxable income in theory but may not significantly impact tax avoidance in industries with low debt levels. High levels of debt can offer tax-saving advantages through interest expense deductions. However, excessive leverage may also lead to financial risk and scrutiny from both creditors and tax authorities. Firms with sound capital structures may prioritize long-term stability over short-term tax benefits. According to Basyaib (2007), financial risk management discourages overly aggressive tax strategies. Additionally, highly leveraged firms face pressure to meet debt obligations, making them more conservative in their tax practices. Therefore, this study proposes the hypothesis:

H2: Leverage has a negative effect on tax aggressiveness.

Company size shows a negative but insignificant effect on tax aggressiveness. Larger firms tend to have more exposure and scrutiny, which discourages aggressive tax behavior. However, both large and small firms may still seek ways to minimize tax obligations (Primasari, 2019). While large firms have higher liabilities and public accountability, smaller firms may aggressively avoid taxes to retain more profit. The inconsistent influence of firm size is supported by Rahmayani et al. (2023), who argue that size alone does not determine tax compliance due to varying strategic motivations across firms regardless of their scale. This showed that larger firms are generally more visible and subject to greater public and regulatory scrutiny. As such, they are more likely to adopt transparent and compliant tax practices to avoid reputational risk. According to legitimacy theory, large companies are expected to behave responsibly to maintain public trust (Primasari, 2019; Rahmayani et al., 2023). While they may have the resources to engage in tax planning, they also face higher accountability pressures, making tax aggressiveness less appealing. Thus, the hypothesis is proposed:

H3: Company size has a negative effect on tax aggressiveness.

CSR disclosure has a significant negative effect on tax aggressiveness, with a coefficient of -0.451256. This aligns with legitimacy theory, which suggests that companies engaging in CSR activities aim to align with societal norms and maintain public trust. Firms with high CSR tend to avoid unethical practices like tax evasion to preserve their responsible image (Lanis & Richardson, 2012). As supported by Puspita & Putra (2021), and Adisamartha & Noviari (2015), companies with low CSR are often linked with higher tax aggressiveness, indicating that strong CSR commitments are associated with better tax compliance behavior.

Firms that actively disclose and engage in CSR activities demonstrate their commitment to ethical behavior and social responsibility. According to legitimacy theory, these companies aim to align with societal expectations, which includes paying fair taxes. Engaging in tax avoidance contradicts CSR values and could damage a firm's credibility (Puspita & Putra, 2021; Lanis & Richardson, 2012). Therefore, companies that are socially responsible tend to avoid aggressive tax practices to protect their reputation and stakeholder trust. Based on this reasoning, the following hypothesis is proposed:
H4: Corporate Social Responsibility has a negative effect on tax aggressiveness.

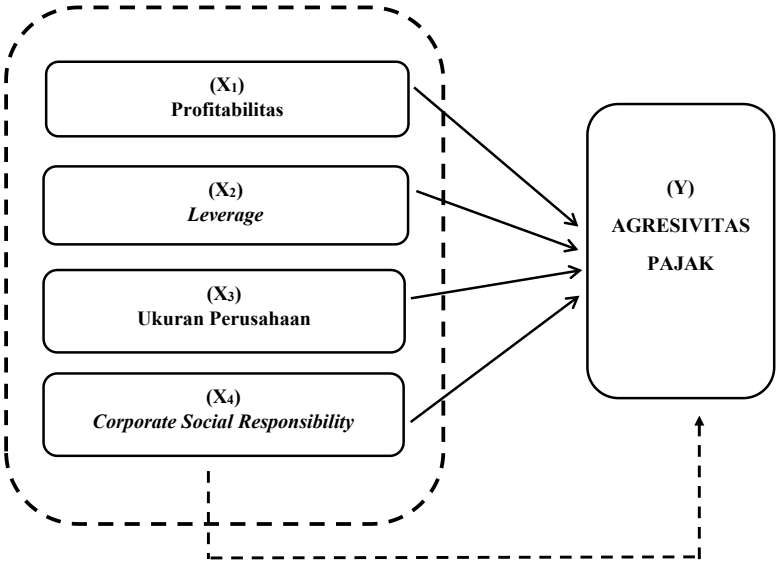

Figure 1. Research Framework

RESEARCH METHODS

This study utilizes a quantitative research approach, as defined by Berryman (2019), which involves theory, design, hypotheses, and data collection and analysis to draw conclusions. Quantitative research relies on numerical data for analysis. The study employs a causal associative research design to explore the relationship between profitability, leverage, industry size, and CSR disclosure on tax aggressiveness. Financial report data from food and beverage sub-sector companies listed on the Indonesia Stock Exchange (IDX) from 2019 to 2021 are used.

The population in this study consists of food and beverage companies listed on the Indonesia Stock Exchange. The population refers to a group of objects or entities with specific characteristics to be studied (Mulyantiningsih, 2011). A sample is a subset of the population that represents it in the study. Due to the large population, a sample is used for analysis to make generalizations. This study examines food and beverage sub-sector companies for the years 2019 to 2021. The author uses a purposive sampling technique, a non-probability method where specific criteria are set for sample selection. The criteria for inclusion are: 1) Food and beverage companies listed on the IDX from 2019 to 2021, 2) Companies that disclose detailed CSR data in their

financial statements, and 3) Companies that reported positive profits during the research period (2019–2021). These criteria ensure a representative and relevant sample for the study (Table 1).

Table 1. Sample criteria

No.	Information	Amount
1	Food and beverage sub-sector industries listed on the Indonesia Stock Exchange (IDX) throughout the research period (2019 - 2021) and presenting detailed financial records along with corporate social responsibility data	25
2	Industries that have negative profits throughout the research period (2019 - 2021)	(7)
3	Industries that have income tax benefits throughout the research year (2019 - 2021)	(2)
	Total industries selected as samples	16

This study uses a documentation data collection method where researchers view, study, categorize, and review secondary data sourced from financial reports and their notes in the food and beverage sub-sector industry listed on the Indonesia Stock Exchange for the period 2019 - 2021. This study uses a panel data regression model as a data analysis technique to carry out hypothesis testing. Operationalization of variables based on theoretical basis, framework of thought and hypothesis is in Table 2.

Table 2. Operationalization of Variables

Variables	Definition	Measurement	Rumus
Profitability (X1)	ROA ratio is a ratio that compares net income with total assets	ROA Ratio	$Return\ on\ Asset = \frac{laba\ bersih}{total\ asset}\ x\ 100\%$
Leverage (X2)	Leverage ratio is a ratio that compares the amount of debt with the company's capital	DER Ratio	$Debt\ Equity\ Ratio\ \frac{Total\ Debt}{Equity}\ x\ 100\%$
Company Size (X3)	Company size is a scale used to classify the size of a company according to various methods, namely by the size of income (profit), total assets, and total capital.	Natural Log of Total Assets	Ln (Total Asset)
Corporate Social Responsibility Disclosure (X4)	Corporate Social Responsibility is the commitment of a company or business world to contribute to sustainable economic development by paying attention to social responsibility	Total Amount of CSR that should be reported divided by the reported CSR index	$\frac{\sum Xyi}{ni}\ x\ 100\%$

Tax Aggressiveness (Y)	A ratio to measure the effectiveness of a company in paying taxes which is measured by comparing the income tax burden with income before tax.	ETR Proxy	$\frac{Income\ tax\ burden}{Income\ before\ tax}$

Descriptive statistics summarize research data using measures like mean, sum, standard deviation, variance, range, maximum, and minimum values for each variable. Model specification tests identify the most suitable panel data regression model. Three tests help determine the appropriate model for this study. Hypothesis testing evaluates the significance of regression coefficients (Nachrowi & Usman, 2006). If the regression coefficient equals zero, there's insufficient evidence to claim an influence of the independent variable on the dependent variable. This study uses panel data regression analysis for hypothesis testing, where each industry and time period may have different intercepts and slopes.

$$Y = \alpha + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \beta_4 X_{4it} + \varepsilon_{it}$$

Information:
Y = Tax aggressiveness
α = Constant
β1, β2, β3, β4 = Independent Variable Coefficients
X1 = Profitability
X2 = Leverage
X3 = Industry Size
X4 = Corporate Social Responsibility Disclosure
ε = error term
i = Total food and beverage sub-sector industry
t = Research period, namely 2019 - 2021

To assess the influence of each independent variable on the dependent variable, a partial (t-test) can be conducted. If the significance value is below 0.05, it indicates a strong influence between the independent and dependent variables (Ghozali, 2018). The conclusions drawn from the t-test are as follows: If the t value is higher than the critical t value and the probability is below 0.05, the independent variable affects the dependent variable. Conversely, if the t value is lower and the probability is above 0.05, there's no effect.

An F-test is used to determine whether all independent variables simultaneously influence the dependent variable (Ghozali, 2018). If the significance value is below 0.05, all independent variables have a simultaneous effect. If the significance value is above 0.05, there's no simultaneous effect. The coefficient of determination (adjusted R2) indicates the degree of influence of independent variables on the dependent variable. A value close to 1 suggests a stronger influence, while a value below 0.5 indicates a weak influence. In cross-sectional data, adjusted R2 is typically smaller than in time-series data. If the adjusted R2 is negative, it is assumed to be 0 (Ghozali, 2018).

RESULTS AND DISCUSSION

Based on data processing using EViews 12 with a sample of 48 industries (Table 3), the minimum value of ROA was 0.000526 for PT Sekar Bumi Tbk, and the maximum value was 0.416320 for PT

Multi Bintang Indonesia Tbk. The average ROA was 0.102990, with a standard deviation of 0.073239, indicating a good distribution of data, as the standard deviation is smaller than the mean. In 2019, PT Multi Bintang Indonesia had the highest ROA of 41.6%, showing optimal asset utilization, while PT Sekar Bumi Tbk had the lowest ROA of 0%, meaning no net profit was generated from its assets.

Table 3. Descriptive Statistics

	Y	X1	X2	X3	X4
Mean	0.250229	0.102990	0.672264	23.32390	0.582418
Median	0.229126	0.099489	0.632912	27.49022	0.604396
Maximum	0.814617	0.416320	1.658416	30.62263	0.769231
Minimum	0.032015	0.000526	0.121670	13.61995	0.230769
Std. Dev.	0.108886	0.073239	0.419301	6.105754	0.141855
Skewness	3.515638	1.689201	0.428476	-0.393814	-0.377656
Kurtosis	18.40842	8.179258	0.090074	1.419822	2.054001
Jarque-Bera	573.7166	76.47663	3.124664	6.234637	2.930821
Probability	0.000000	0.000000	0.209074	0.044276	0.945779
Sum	12.01100	4.943521	32.26866	1119.547	27.95604
Sum Sq. Dev	0.557244	0.252108	8.263236	1752.171	0.945779
Observations	48	48	48	48	48

For DER, PT Multi Bintang Indonesia Tbk in 2021 had the highest value of 1.658416 (166%), reflecting a high debt burden, yet within healthy limits per PMK No. 169/PMK010.2015, which allows a maximum ratio of 4:1. PT Campina Ice Cream Industry Tbk had the lowest DER of 0.121670 (12.2%), indicating lower debt and interest burden, reducing opportunities for tax aggressiveness. In terms of assets, PT Mayora Indah Tbk had the highest ln (assets) value of 30.62263, with a mean of 23.32390 and a standard deviation of 6.105754. Lastly, CSR disclosure values ranged from 0.230769 to 0.769231, with a mean of 0.582418 and a standard deviation of 0.141855, both within expected limits. The Chow test determined the appropriate model for analysis.

Table 4. Chow Test

Effects Test	Statisti399c	d.f	Prob.
Cross-Section F	7.011	(15,28)	0.0000
Cross-Section Chi-Square	74.852609	15	0.0000

Based on the results of the Chow Test (Table 4), the results of the probability cross sections F value were obtained as much as 0.0002 < 0.05 so that based on the chow test, the specified model is a fixed effects model. The hausman test is used to determine between the fixed effects model and the random effects model with certainty. If the probability chi-square number is > 5%, then the specified model is a random effects model. If the probability chi-square number is < 5%, then the specified model is a fixed effects model.

Table 5. Hausman test

Test Summary	Chi-Sq.Statistic	Chi-Sq.d.f	Prob.
Cross-Section random	10.627756	4	0.0311

Based on the results of the Hausman test (Table 5), the chi-square probability value was obtained as much as 0.0311 < 0.05 so that based on the Housman test, the specified model is a fixed effects model. The LM test is used to determine between the random effects model and the common effects model with certainty. If the Breusch-Pagan probability is > 5%, then the specified model is the

common effects model. If the Breusch-Pagan probability is < 5%, then the specified model is the random effects model.

Table 6. LM test

	Cross-section	Time	Both
Breusch-Pagan	12.43938 (0.0004)	0.627664 (0.4282)	13.06705 (0.0003)
Honda	3.526951 (0.0002)	0.792252 (0.2141)	3.054138 (0.0011)
King-Wu	3.526951 0.0002)	0.792252 (0.2141))	1.953926 (0.0254)
Standardized Honda	4.415900 (0.0000)	1.362785 (0.0865)	0.509531 (0.3052)
Standardized King-Wu	4.415900 (0.0000)	1.362785 (0.0865)	0.179499 (0.4288)
Gourrieoux et al.			13.06705 (0.0005)

Based on the results of the LM test (Table 6), the Breusch-Pagan probability value was obtained as much as 0.0003 <0.05 so that based on the LM test, the specified model is a random effects model. From the three tests that have been carried out, it can be stated that the best model that can be used in this study is the fixed effects model. The t test is carried out to see the effect of each variable x (independent) on the dependent variable (dependent) which can be carried out with a partial test (t test). If the significance number t is lower than α (0.05) then it can be said that there is a strong influence between the independent variable and the dependent variable (Ghozali, 2018).

Table 7. Effects Specification

R-squared	0.907602	Mean dependent var	0.250229
Adjusted R-squared	0.844903	S. D. Dependent Var	0.108886
S.E. of regression	0.042882	Akaike info Criterion	-3.166388
Sum Squared Reside	0.051488	Schwarz Criterion	-2.386721
Log likelihood	95.99331	Hannan-Quinne Criter	-2.871751
F-Statistic	14.47556	Durbin-Watson Stat	3.129417
Prob (F-Statistic)	0.000000		

Table 7 presents the results of the regression analysis using the fixed effects model. The F-statistic value of 14.47556 with a probability of 0.000000 indicates that the model is statistically significant. Since the p-value is less than 0.05, it confirms that the independent variables—profitability, leverage, company size, and CSR disclosure—simultaneously have a significant effect on tax aggressiveness (Ghozali, 2018). This means that changes in these variables collectively influence variations in the level of tax aggressiveness within the sampled companies. Furthermore, the adjusted R-squared value of 0.844903 suggests that 84% of the variation in tax aggressiveness is explained by the independent variables in this model, while the remaining 16% is influenced by factors not examined in this study. A high adjusted R-squared value close to 1 indicates a strong explanatory power of the model. These

findings support the reliability and relevance of the variables chosen in analyzing corporate tax behavior.

Table 8. t-test

Variable	Coefficient	Std.Error	t-Statistic	Prob.
C	1.855718	1.054333	1.760087	0.0893
X1	-0.075291	0.012848	-5.860087	0.0000
X2	-0.044044	0.048478	-0.908529	0.3714
X3	-0.064782	0.046527	-1.392335	0.1748
X4	-0.451256	0.119724	-3.769136	0.0008

From these estimates, a panel data analysis model was created for the factors influencing tax aggressiveness in food and beverage sub-sector companies for the 2019-2021 period.

$$\mathbf{Y = 1{,}855718 - 0{,}0752991*X_1 - 0{,}044044*X_2 - 0{,}064782*X_3 - 0{,}451256*X_4}$$

The constant value has a positive value of 1.855718, which means that there is a unidirectional influence between the independent variable and the dependent variable. This shows that if all independent variables (profitability, leverage, company size, and CSR disclosure) do not change, the tax aggressiveness value is 1.855718. The regression coefficient of variable 1 is -0.0752991, which means that there is an opposite influence between the profitability variable and tax aggressiveness. If the profitability variable increases by 1%, then tax aggressiveness will decrease by 0.0752991, assuming that the other variables remain constant (Table 8).

The study examines the influence of profitability, leverage, company size, and CSR disclosure on tax aggressiveness in the food and beverage industry. The constant value of 1.855718 indicates a positive relationship between the independent variables and tax aggressiveness, meaning that without any changes in these factors, tax aggressiveness is expected to be 1.855718.

The regression coefficient for profitability is -0.0752991, indicating that a 1% increase in profitability leads to a 0.0752991 decrease in tax aggressiveness, assuming other factors remain constant. This suggests that higher profitability is associated with lower tax aggressiveness, as industries with large profits are more likely to comply with tax obligations to maintain a positive image. These findings align with signaling theory, which posits that industries reporting high profits send positive signals to investors, while low profits suggest poor performance.

Leverage, with a regression coefficient of -0.044044, shows a negative but insignificant relationship with tax aggressiveness. Despite the potential for high debt to enable tax avoidance through interest deductions, the study found no significant effect, likely because most industries in the sample have a lower debt-to-equity ratio, implying better capital structures and less reliance on debt for tax planning.

The company size variable has a negative but insignificant effect on tax aggressiveness. Larger industries may seek to reduce their tax liabilities due to higher profits, yet small industries still engage in tax avoidance despite lower profits. This is consistent with the findings of Rahmayani et al. (2023) and Primasari (2019), which show mixed results regarding the influence of company size on tax aggressiveness.

The CSR disclosure variable, with a coefficient of -0.451256, has a significant negative effect on tax aggressiveness. The study reveals that industries with higher CSR disclosure are less likely to engage in tax evasion. This is in line with legitimacy theory, which suggests that companies strive to

align their practices with societal norms and values. Industries that disclose CSR activities are more likely to be seen as responsible and trustworthy, thus avoiding tax aggressiveness to maintain public trust. This finding is supported by Puspita & Putra (2021) and Adisamartha & Noviari (2015), who argue that industries with low CSR rankings tend to be more aggressive in tax avoidance. Also, the results of this study are in line with Rahmayani et al. (2023) and Primasari (2019).

Based on the test results, it was found that the CSR variable has a significant negative effect on tax aggressiveness. The results of the significance test of the regression coefficient of the CSR disclosure variable showed that the significance result for the influence of CSR disclosure on tax aggressiveness was 0.0008 <0.05 and the t value (calculation) was 3.769136> t (table) 2.01669. Thus, it can be stated that CSR disclosure has a negative effect on tax aggressiveness. This shows that the higher the level of CSR disclosure of an industry, the lower the practice of tax evasion. Industries that have implemented CSR activities are expected to be less aggressive in taxes. This is in line with the legitimacy theory where industries carry out their business activities in line with the values and norms that apply in society. In order to maintain public trust, industries must avoid things that are contrary to the values, norms and expectations of society. Thus, industries that express high CSR will be obedient in paying taxes to maintain their image and public trust.

According to Puspita & Putra (2021) who studied the relationship between aggressive tax evasion and irresponsible CSR activities, industries with low CSR rankings are suspected of being socially irresponsible and therefore more aggressive in avoiding taxes. Likewise, Adisamartha & Noviari (2015) said that industries with low social responsibility are those that are more tax aggressive and do not have a good understanding of tax benefits compared to other industries. Tax evasion in some people is an irresponsible social action, where the industry does not carry out its tax obligations fairly. "Tax aggressiveness is seen as unethical and irresponsible by the public, therefore tax evasion is inconsistent with CSR (Puspita & Putra, 2021). The results of this study are in line with research conducted by Nurlis et al. (2021) showing that CSR has a significant negative effect on tax aggressiveness.

CONCLUSION

This study aimed to investigate the factors influencing tax aggressiveness in the food and beverage sub-sector in Indonesia during the COVID-19 pandemic period. The findings reveal that profitability plays a significant role, showing a negative effect on tax aggressiveness, indicating that more profitable companies in the industry do not engage in excessive tax avoidance strategies. In contrast, leverage and company size do not have a significant impact on tax aggressiveness, suggesting that the food and beverage sub-sector companies do not rely heavily on debt to minimize tax liabilities or show any notable tax aggressiveness regardless of their size. A crucial finding is that corporate social responsibility (CSR) disclosure has a significant negative effect on tax aggressiveness, implying that companies committed to CSR tend to adhere to better tax compliance.

The study's significance lies in its contribution to understanding the dynamics of tax behavior in a defensive industry, which is particularly valuable for policymakers, tax authorities, and investors. It highlights the importance of CSR as a tool for improving tax compliance, which could serve as a benchmark for other industries facing similar challenges. However, this study has some limitations, such as not considering international tax rate disparities or the effects of major capital ownership structures on tax aggressiveness. Future research should explore these aspects to provide a more comprehensive understanding of tax behavior in multinational companies and industries with dominant ownership structures. Overall, this research underscores the potential of CSR to influence tax compliance and provides valuable insights for improving tax policy and corporate governance in the food and beverage sub-sector.

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ARTICLE REVIEW RESULT #2

Review Result #3169
Jurnal Ilmiah Manajemen Kesatuan (JIMKES)
Title Change:
• Change the research title to "Determinants of Tax Aggressivity in Food and Beverage Sub-Sector Companies on The Indonesian Stock Exchange"
Correct Abstract:
• Revise the abstract to describe the purpose, methods, results, and conclusions of the study concisely and accurately.
Research Gap:
• Add an explanation of the research gap between this study and previous studies.
Research Objectives at the End of the Introduction:
• Make sure the purpose of the study is clearly stated at the end of the introduction.
Improved Research Methods:
• Revise the research methods to provide a more detailed explanation of the data collection techniques, data analysis, and research procedures used.
Shortened Description of Table 3:
• Condense the description in Table 3 to make it more concise and easy to understand.
Shorter and Clearer Hypothesis Test Results:
• Shorten the explanation of the hypothesis test results and focus on the most important findings.
Tables 8 and 9:
• Make sure Tables 8 and 9 do not present the same information. If there is duplication, remove one of the tables.
More Specific Description of the F-Test:
• Provide a more detailed description of the F-test used in the analysis, including the purpose and interpretation of the results.
Justification of Previous Research Findings:
• Provide justification and connection to relevant previous research findings.
Revise Conclusion:
• Revise the conclusion section to be more structured and provide direction for further research.

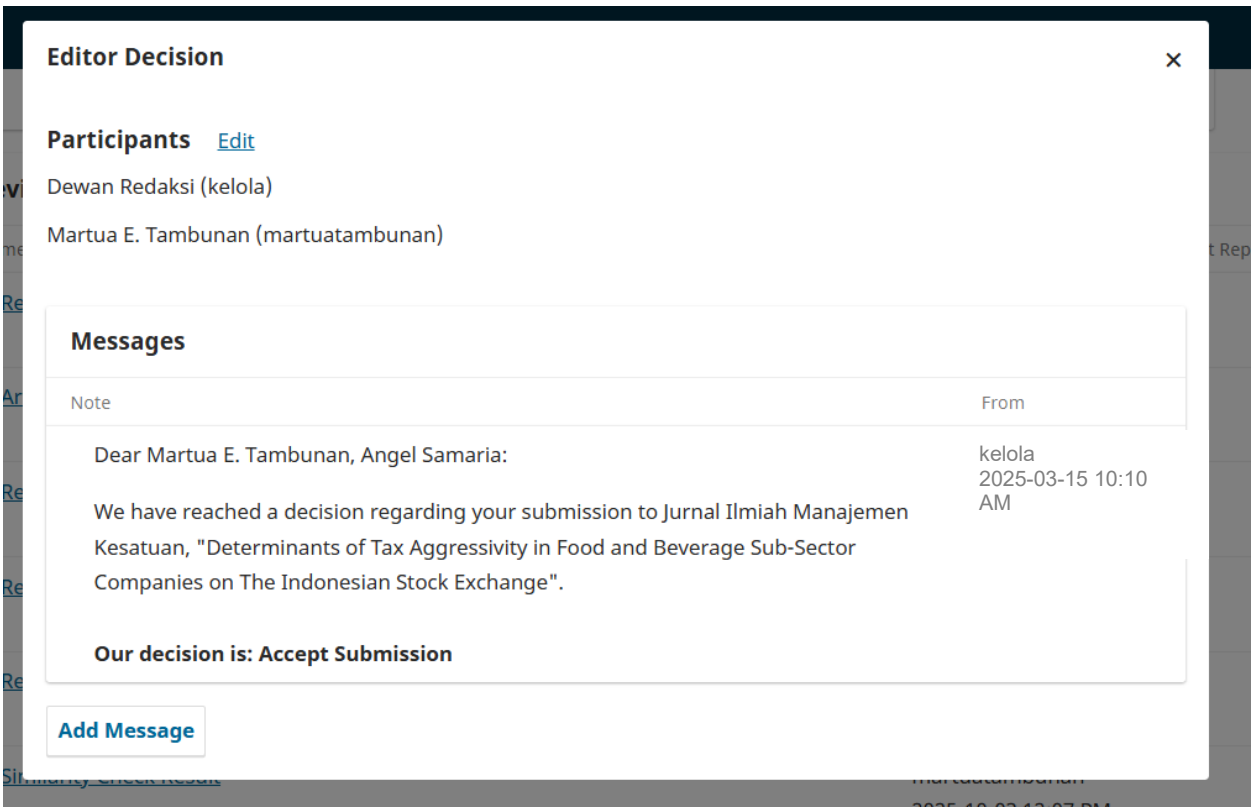
REVISED ARTICLE #2

Yth. Dewan Redaksi

Berikut adalah beberapa perbaikan yang telah dilakukan sesuai arahan:
Judul telah diubah menjadi "Determinants of Tax Aggressivity in Food and Beverage Sub-Sector Companies on The Indonesian Stock Exchange"
Abstract telah dilengkapi denganthe purpose, methods, results, and conclusions of the study concisely and accurately.
Research Gap telah dijelaskan. The Purpose of Study telah ditegaskan di akhir bagian Introduction.
Novelty tela dipertegas
Teknik Pengumpulan Data telah dipertegas. Analisis Data dan prosedurnya telah dilengkapi dan diperjelas.
Tabel 3, Tabel 8 dan tabel 9 telah diperbaiki
Keterkaitan dengan penelitian terdahulu telah dinyatalan secara clear
Conclusion telah diperbaiki

Demikian perbaikan yang telah dilakukan. Mohon dapat diarahkan lebih lanjut

EDITOR DECISION



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Determinants of Tax Aggressivity in Food and Beverage Sub-Sector Companies on The Indonesian Stock Exchange

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ABSTRACT

Tax is an obligation that must be fulfilled by companies to the state. In fulfilling their tax obligations, companies often engage in tax aggressiveness to minimize the tax burden they must pay. This study aims to examine and analyze the influence of factors such as profitability, leverage, company size, and corporate social responsibility on tax aggressiveness in the food and beverage sub-sector companies listed on the Indonesia Stock Exchange during the period from 2019 to 2021. This research uses a quantitative approach with data collection through documentation, where the researcher analyzes the financial statements of the companies listed as samples. The data analysis method used is panel data regression to test the proposed hypotheses. The sampling technique employed is non-probability sampling with a purposive sampling approach, selecting 16 companies as the sample, resulting in 48 observations. The results show that profitability has a negative and significant effect on tax aggressiveness. Leverage and company size do not have a significant effect on tax aggressiveness, while corporate social responsibility has a significant negative effect on tax aggressiveness. This study provides valuable insights for companies and regulators regarding the factors that may influence tax behavior in the food and beverage industry.

Keywords: *Tax Aggressiveness, Profitability, Leverage, Company Size, Corporate Social Responsibility.*

ABSTRAK

Pajak merupakan kewajiban yang harus dilaksanakan oleh perusahaan terhadap negara. Dalam menjalankan kewajiban perpajakan, perusahaan sering kali terlibat dalam agresivitas pajak untuk meminimalkan beban pajak yang harus dibayar. Penelitian ini bertujuan untuk mengkaji dan menganalisis pengaruh faktor-faktor seperti profitabilitas, leverage, ukuran perusahaan, dan tanggung jawab sosial perusahaan terhadap agresivitas pajak pada perusahaan subsektor makanan dan minuman yang terdaftar di Bursa Efek Indonesia selama periode 2019 hingga 2021. Penelitian ini menggunakan pendekatan kuantitatif dengan metode pengumpulan data dokumentasi, di mana peneliti menganalisis laporan keuangan perusahaan yang terdaftar sebagai sampel. Metode analisis data yang digunakan adalah regresi data panel untuk menguji hipotesis yang telah diajukan. Teknik pengambilan sampel menggunakan non-probability sampling dengan pendekatan purposive sampling, memilih 16 perusahaan sebagai sampel yang menghasilkan 48 observasi. Hasil penelitian menunjukkan bahwa profitabilitas memiliki pengaruh negatif dan signifikan terhadap agresivitas pajak. Leverage dan ukuran perusahaan tidak berpengaruh signifikan terhadap agresivitas pajak, sementara tanggung jawab sosial perusahaan memiliki pengaruh negatif yang signifikan terhadap agresivitas pajak. Penelitian ini memberikan wawasan penting bagi perusahaan dan regulator mengenai faktor-faktor yang dapat mempengaruhi perilaku pajak dalam industri makanan dan minuman.

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***Kata kunci**: Agresivitas Pajak, Profitabilitas, Leverage, Ukuran Perusahaan, Tanggung Jawab Sosial Perusahaan.*

INTRODUCTION

The Indonesian economy is supported by various industries that contribute to tax revenues. One of the industries that contributes to taxation is the food and beverage industry. Food and beverage companies in Indonesia experienced growth from 2020 to 2021 by 2.54% to 775.1 trillion rupiah. The Central Statistics Agency (BPS) reported that the Gross Domestic Product (GDP) of national food and beverage companies based on applicable tariffs (ADHB) was 1.12 quadrillion rupiah in 2021. This value accounts for 38.05% of non-oil and gas management companies or 6.61% of the national GDP which reached 16.97 quadrillion rupiah (Havidah et al., 2024). The food and beverage industry is an industry that can survive during the COVID-19 pandemic because people still have to consume healthy and nutritious food to maintain their immunity. Furthermore, the government is paying full attention to growth in the food and beverage sector. Steps taken by the government, for example, through the Ministry of Industry of the Republic of Indonesia, which pays attention to the growth of coconut-based palm sugar commodities because of Indonesia's potential as the largest coconut producer in the world. The Ministry of Industry also encourages the growth of sugarcane-based sugar companies, especially in eastern Indonesia, such as West Nusa Tenggara and East Nusa Tenggara. The government also continues to take an active role in facilitating the promotion of food and beverage company commodities through exhibition events at home and abroad. One of them was held at the Company Exhibition Plaza with around 60 food and beverage industry companies participating. The 2022 Indonesian G20 Presidency event is also a moment to introduce national company commodities, including food and beverage (mamin) commodities which are expected to expand the export market (Havidah et al., 2024).

Tax aggressiveness that occurs in the food and beverage industry in Indonesia can be seen through an example of tax avoidance practices carried out by PT Indofood Sukses Makmur Tbk (INDF) in the form of a request for a Certificate of Exemption (SKB) for the transfer of land and/or building rights to the Directorate General of Taxes (DGT) amounting to 1.3 billion rupiah in 2010. This case began when PT Indofood Sukses Makmur Tbk established a new industry and transferred capital, liabilities, and instant noodle manufacturing operations to PT Indofood CBP Sukses Makmur Tbk. In the end, the DGT decided that PT Indofood Sukses Makmur Tbk still had to pay its taxes of 1.3 billion rupiah and finally had a permanent legal decision (in kracht) at the Supreme Court. Another example occurred at PT. Coca-Cola Indonesia (CCI) where CCI increased its advertising expenses, thereby reducing taxable income. The DGT found that there was an unreasonableness in CCI's advertising expenses that led to tax avoidance in 2002-2006. Based on the DGT's calculation, CCI's taxable income should be 603.48 billion rupiah. Meanwhile, in CCI's financial records, its taxable income is 492.59 billion rupiah. So, there is an underpayment of tax of 49.24 billion rupiah.

Tax aggressiveness, commonly measured using the Effective Tax Rate (ETR), reflects the extent to which a company seeks to minimize its tax obligations. ETR is calculated by dividing current tax expense by profit before tax. A lower ETR typically signals a higher level of tax aggressiveness. Several factors are believed to influence tax aggressiveness, such as profitability, leverage, company size, and corporate social responsibility (CSR) disclosure (Kasmir, 2017; Shantikawati, 2020; Basyaib, 2007; Tristiawan & Yusuf, 2022). Profitability, often measured by Return on Assets (ROA), indicates a company's ability to generate income from its assets. In theory, more profitable companies should face higher tax liabilities, potentially prompting them to engage in more aggressive tax strategies. However, existing research presents mixed results. For example, Abidin (2018) found a negative relationship between profitability and tax aggressiveness

in the consumer goods sector, while Reminda (2017) reported a positive effect in the banking industry. Similarly, studies on CSR disclosure also show inconsistent findings. Nurlis et al. (2021) found that CSR disclosure negatively affects tax aggressiveness, suggesting that socially responsible companies are more compliant with tax regulations. In contrast, Fionasari et al. (2017) found no significant effect. These inconsistencies indicate a lack of consensus in the literature and highlight the need for further investigation. Particularly, limited studies focus on the food and beverage industry, a sector that plays a vital role in Indonesia's economy and showed resilience during the COVID-19 pandemic.

Therefore, this study seeks to fill the research gap by examining the effects of profitability, leverage, company size, and CSR disclosure on tax aggressiveness in food and beverage companies listed on the Indonesia Stock Exchange during the 2019–2021 period. Based on the background and formulation of the problem above, this study aims to analyze the influence of several internal company factors on tax aggressiveness in the food and beverage industry in Indonesia. Specifically, the study seeks to examine the effect of profitability, leverage, company size, and corporate social responsibility (CSR) disclosure on tax aggressiveness, as measured by the effective tax rate (ETR).

LITERATURE REVIEW

Profitability negatively affects tax aggressiveness, as indicated by a regression coefficient of -0.0752991. This supports the idea that more profitable companies are less likely to engage in aggressive tax behavior. According to signaling theory, high profitability sends positive signals to investors and stakeholders, encouraging firms to comply with tax regulations to maintain reputation and trust. Abidin (2018) and Rahmayani et al. (2023) confirm that firms with higher profits are more transparent and compliant in paying taxes to uphold a strong corporate image, thereby reducing tax aggressiveness. Companies with higher profitability are typically more compliant with tax obligations, as they seek to maintain a positive reputation among investors and stakeholders. According to signaling theory, firms with strong earnings send positive signals to the market, reflecting their financial health and ethical standing (Rahmayani et al., 2023; Manurung & Lumbantoruan, 2021). Engaging in aggressive tax practices could undermine that image and attract regulatory scrutiny. Therefore, profitable firms are more likely to avoid tax aggressiveness to preserve long-term trust and legitimacy. Thus, based on this description, the following hypothesis is proposed:

H1: Profitability has a negative effect on tax aggressiveness.

Leverage demonstrates a negative but statistically insignificant relationship with tax aggressiveness, suggesting that the use of debt financing does not significantly influence a firm's tax behavior. Although debt interest is tax-deductible, companies in the food and beverage sector maintain low debt-to-equity ratios, indicating sound capital structures (Ilham et al., 2021). As supported by Masyitah et al. (2022) and Rahmayani et al. (2023), low reliance on debt limits opportunities for aggressive tax strategies. Therefore, leverage may reduce taxable income in theory but may not significantly impact tax avoidance in industries with low debt levels. High levels of debt can offer tax-saving advantages through interest expense deductions. However, excessive leverage may also lead to financial risk and scrutiny from both creditors and tax authorities. Firms with sound capital structures may prioritize long-term stability over short-term tax benefits. According to Basyaib (2007), financial risk management discourages overly aggressive tax strategies. Additionally, highly leveraged firms face pressure to meet debt obligations, making them more conservative in their tax practices. Therefore, this study proposes the hypothesis:

H2: Leverage has a negative effect on tax aggressiveness.

Company size shows a negative but insignificant effect on tax aggressiveness. Larger firms tend to have more exposure and scrutiny, which discourages aggressive tax behavior. However, both large and small firms may still seek ways to minimize tax obligations (Primasari, 2019). While large firms have higher liabilities and public accountability, smaller firms may aggressively avoid taxes to retain more profit. The inconsistent influence of firm size is supported by Rahmayani et al. (2023), who argue that size alone does not determine tax compliance due to varying strategic motivations across firms regardless of their scale. This showed that larger firms are generally more visible and subject to greater public and regulatory scrutiny. As such, they are more likely to adopt transparent and compliant tax practices to avoid reputational risk. According to legitimacy theory, large companies are expected to behave responsibly to maintain public trust (Primasari, 2019; Rahmayani et al., 2023). While they may have the resources to engage in tax planning, they also face higher accountability pressures, making tax aggressiveness less appealing. Thus, the hypothesis is proposed:

H3: Company size has a negative effect on tax aggressiveness.

CSR disclosure has a significant negative effect on tax aggressiveness, with a coefficient 10 -0.451256. This aligns with legitimacy theory, which suggests that companies e10aging in CSR activities aim to align with societal norms and maintain public trust. Firms with high CSR tend to avoid unethical practices like tax evasion to preserve their responsible image (Lanis & Richardson, 2012). As supported by Puspita & Putra (2021), and Adisamartha & Noviari (2015), companies with low CSR are often linked with higher tax aggressiveness, indicating that strong CSR commitments are associated with better tax compliance behavior.

Firms that actively disclose and engage in CSR activities demonstrate their commitment to ethical behavior and social responsibility. According to legitimacy theory, these companies aim to align with societal expectations, which includes paying fair taxes. Engaging in tax avoidance contradicts CSR values and could damage a firm's credibility (Puspita & Putra, 2021; Lanis & Richardson, 2012). Therefore, companies that are socially responsible tend to avoid aggressive tax practices to protect their reputation and stakeholder trust. Based on this reasoning, the following hypothesis is proposed:

H4: Corporate Social Responsibility has a negative effect on tax aggressiveness.

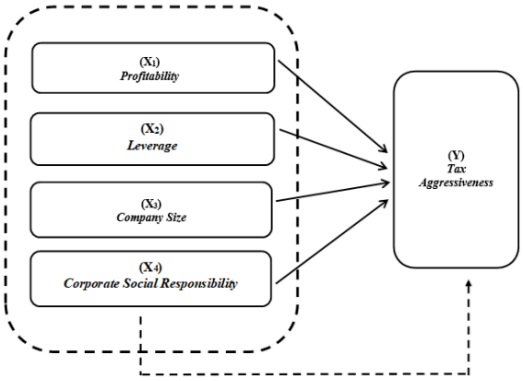

Figure 1. Research Framework

RESEARCH METHODS

This study utilizes a quantitative research approach, as defined by Berryman (2019), which involves theory, design, hypotheses, and data collection and analysis to draw conclusions. Quantitative research relies on numerical data for analysis. The study employs a causal associative research design to explore the relationship between profitability, leverage, industry size, and CSR disclosure on tax aggressiveness. Financial report data from food and beverage sub-sector companies listed on the Indonesia Stock Exchange (IDX) from 2019 to 2021 are used.

The population in this study consists of food and beverage companies listed on the Indonesia Stock Exchange. The population refers to a group of objects or entities with specific characteristics to be studied (Mulyantiningsih, 2011). A sample is a subset of the population that represents it in the study. Due to the large population, a sample is used for analysis to make generalizations. This study examines food and beverage sub-sector companies for the years 2019 to 2021. The author uses a purposive sampling technique, a non-probability method where specific criteria are set for sample selection. The criteria for inclusion are: 1) Food and beverage companies listed on the IDX from 2019 to 2021, 2) Companies that disclose detailed CSR data in their financial statements, and 3) Companies that reported positive profits during the research period (2019–2021). These criteria ensure a representative and relevant sample for the study (Table 1).

Table 1. Sample criteria

No.	Information	Amount
1	Food and beverage sub-sector industries listed on the Indonesia Stock Exchange (IDX) throughout the research period (2019 - 2021) and presenting detailed financial records along with corporate social responsibility data	25
2	Industries that have negative profits throughout the research period (2019 - 2021)	(7)
3	Industries that have income tax benefits throughout the research year (2019 - 2021)	(2)
	Total industries selected as samples	16

This study uses a documentation data collection method where researchers view, study, categorize, and review secondary data sourced from financial reports and their notes in the food and beverage sub-sector industry listed on the Indonesia Stock Exchange for the period 2019 - 2021. This study uses a panel data regression model as a data analysis technique to carry out hypothesis testing. Operationalization of variables based on theoretical basis, framework of thought and hypothesis is in Table 2.

Table 2. Operationalization of Variables

Variables	Definition	Measurement	Formula
Profitability (X1)	ROA ratio is a ratio that compares net income with total assets	ROA Ratio	$Return\ on\ Asset = \frac{laba\ bersih}{total\ asset}\ x\ 100\%$
Leverage (X2)	Leverage ratio is a ratio that compares the amount of debt with the company's capital	DER Ratio	$Debt\ Equity\ Ratio \frac{Total\ Debt}{Equity}\ x\ 100\%$
Company Size (X3)	Company size is a scale used to classify the size of a company according to various methods, namely by the size of income (profit), total assets, and total capital.	Natural Log of Total Assets	Ln (Total Asset)
Corporate Social Responsibility Disclosure (X4)	Corporate Social Responsibility is the commitment of a company or business world to contribute to sustainable economic development by paying attention to social responsibility	Total Amount of CSR that should be reported divided by the reported CSR index	$\frac{\sum Xyi}{ni}\ x\ 100\%$
Tax Aggressiveness (Y)	A ratio to measure the effectiveness of a company in paying taxes which is measured by comparing the income tax burden with income before tax.	ETR Proxy	$\frac{Income\ tax\ burden}{Income\ before\ tax}$

Descriptive statistics summarize research data using measures like mean, sum, standard deviation, variance, range, maximum, and minimum values for each variable. Model specification tests identify the most suitable panel data regression model. Three tests help determine the appropriate model for this study. Hypothesis testing evaluates the significance of regression coefficients (Nachrowi & Usman, 2006). If the regression coefficient equals zero, there's insufficient evidence to claim an influence of the independent variable on the dependent variable. This study uses panel data regression analysis for hypothesis testing, where each industry and time period may have different intercepts and slopes.

$$Y = \alpha + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \beta_4 X_{4it} + \varepsilon_{it}$$

Information:
Y = Tax aggressiveness
α = Constant
β1, β2, β3, β4 = Independent Variable Coefficients
X1 = Profitability
X2 = Leverage
X3 = Industry Size
X4 = Corporate Social Responsibility Disclosure
ε = error term
i = Total food and beverage sub-sector industry
t = Research period, namely 2019 - 2021

To assess the influence of each independent variable on the dependent variable, a partial (t-test) can be conducted. If the significance value is below 0.05, it indicates a strong influence between the independent and dependent variables (Ghozali, 2018). The conclusions drawn from the t-test are as follows: If the t value is higher than the critical t value and the probability is below 0.05, the independent variable affects the dependent variable. Conversely, if the t value is lower and the probability is above 0.05, there's no effect.

An F-test is used to determine whether all independent variables simultaneously influence the dependent variable (Ghozali, 2018). If the significance value is below 0.05, all independent variables have a simultaneous effect. If the significance value is above 0.05, there's no simultaneous effect. The coefficient of determination (adjusted R2) indicates the degree of influence of independent variables on the dependent variable. A value close to 1 suggests a stronger influence, while a value below 0.5 indicates a weak influence. In cross-sectional data, adjusted R2 is typically smaller than in time-series data. If the adjusted R2 is negative, it is assumed to be 0 (Ghozali, 2018).

RESULTS AND DISCUSSION

Based on data processing using EViews 12 with a sample of 48 industries (Table 3), the minimum value of ROA was 0.000526 for PT Sekar Bumi Tbk, and the maximum value was 0.416320 for PT Multi Bintang Indonesia Tbk. The average ROA was 0.102990, with a standard deviation of 0.073239, indicating a good distribution of data, as the standard deviation is smaller than the mean. In 2019, PT Multi Bintang Indonesia had the highest ROA of 41.6%, showing optimal asset utilization, while PT Sekar Bumi Tbk had the lowest ROA of 0%, meaning no net profit was generated from its assets.

Table 3. Descriptive Statistics

	Y	X1	X2	X3	X4
Mean	0.250229	0.102990	0.672264	23.32390	0.582418
Median	0.229126	0.099489	0.632912	27.49022	0.604396
Maximum	0.814617	0.416320	1.658416	30.62263	0.769231
Minimum	0.032015	0.000526	0.121670	13.61995	0.230769
Std. Dev.	0.108886	0.073239	0.419301	6.105754	0.141855
Skewness	3.515638	1.689201	0.428476	-0.393814	-0.377656
Kurtosis	18.40842	8.179258	0.090074	1.419822	2.054001
Jarque-Bera	573.7166	76.47663	3.124664	6.234637	2.930821
Probability	0.000000	0.000000	0.209074	0.044276	0.945779
Sum	12.01100	4.943521	32.26866	1119.547	27.95604
Sum Sq. Dev	0.557244	0.252108	8.263236	1752.171	0.945779
Observations	48	48	48	48	48

For DER, PT Multi Bintang Indonesia Tbk in 2021 had the highest value of 1.658416 (166%), reflecting a high debt burden, yet within healthy limits per PMK No. 169/PMK010.2015, which allows a maximum ratio of 4:1. PT Campina Ice Cream Industry Tbk had the lowest DER of 0.121670 (12.2%), indicating lower debt and interest burden, reducing opportunities for tax aggressiveness. In terms of assets, PT Mayora Indah Tbk had the highest ln (assets) value of 30.62263, with a mean of 23.32390 and a standard deviation of 6.105754. Lastly, CSR disclosure values ranged from 0.230769 to 0.769231, with a mean of 0.582418 and a standard deviation of 0.141855, both within expected limits. The Chow test determined the appropriate model for analysis.

Table 4. Chow Test

Effects Test	Statisti399c	d.f	Prob.
Cross-Section F	7.011	(15,28)	0.0000
Cross-Section Chi-Square	74.852609	15	0.0000

Based on the results of the Chow Test (Table 4), the results of the probability cross sections F value were obtained as much as 0.0002 < 0.05 so that based on the chow test, the specified model is a fixed effects model. The hausman test is used to determine between the fixed effects model and the random effects model with certainty. If the probability chi-square number is > 5%, then the specified model is a random effects model. If the probability chi-square number is < 5%, then the specified model is a fixed effects model.

Table 5. Hausman test

Test Summary	Chi-Sq.Statistic	Chi-Sq.d.f	Prob.
Cross-Section random	10.627756	4	0.0311

Based on the results of the Hausman test (Table 5), the chi-square probability value was obtained as much as 0.0311 < 0.05 so that based on the Housman test, the specified model is a fixed effects model. The LM test is used to determine between the random effects model and the common effects model with certainty. If the Breusch-Pagan probability is > 5%, then the specified model is the common effects model. If the Breusch-Pagan probability is < 5%, then the specified model is the random effects model.

Table 6. LM test

	Cross-section	Time	Both
Breusch-Pagan	12.43938 (0.0004)	0.627664 (0.4282)	13.06705 (0.0003)
Honda	3.526951 (0.0002)	0.792252 (0.2141)	3.054138 (0.0011)
King-Wu	3.526951 0.0002)	0.792252 (0.2141))	1.953926 (0.0254)
Standardized Honda	4.415900 (0.0000)	1.362785 (0.0865)	0.509531 (0.3052)
Standardized King-Wu	4.415900 (0.0000)	1.362785 (0.0865)	0.179499 (0.4288)
Gourrieoux et al.			13.06705 (0.0005)

Based on the results of the LM test (Table 6), the Breusch-Pagan probability value was obtained as much as 0.0003 <0.05 so that based on the LM test, the specified model is a random effects model. From the three tests that have been carried out, it can be stated that the best model that can be used in this study is the fixed effects model. The t test is carried out to see the effect of each variable x (independent) on the dependent variable (dependent) which can be carried out with a partial test (t test). If the significance number t is lower than α (0.05) then it can be said that there is a strong influence between the independent variable and the dependent variable (Ghozali, 2018).

Table 7. Effects Specification

R-squared	0.907602	Mean dependent var	0.250229
Adjusted R-squared	0.844903	S. D. Dependent Var	0.108886
S.E. of regression	0.042882	Akaike info Criterion	-3.166388
Sum Squared Reside	0.051488	Schwarz Criterion	-2.386721
Log likelihood	95.99331	Hannan-Quinne Criter	-2.871751
F-Statistic	14.47556	Durbin-Watson Stat	3.129417
Prob (F-Statistic)	0.000000		

Table 7 presents the results of the regression analysis using the fixed effects model. The F-statistic value of 14.47556 with a probability of 0.000000 indicates that the model is statistically significant. Since the p-value is less than 0.05, it confirms that the independent variables—profitability, leverage, company size, and CSR disclosure—simultaneously have a significant effect on tax aggressiveness (Ghozali, 2018). This means that changes in these variables collectively influence variations in the level of tax aggressiveness within the sampled companies. Furthermore, the adjusted R-squared value of 0.844903 suggests that 84% of the variation in tax aggressiveness is explained by the independent variables in this model, while the remaining 16% is influenced by factors not examined in this study. A high adjusted R-squared value close to 1 indicates a strong explanatory power of the model. These findings support the reliability and relevance of the variables chosen in analyzing corporate tax behavior.

Table 8. t-test

Variable	Coefficient	Std.Error	t-Statistic	Prob.
C	1.855718	1.054333	1.760087	0.0893
X1	-0.075291	0.012848	-5.860087	0.0000
X2	-0.044044	0.048478	-0.908529	0.3714
X3	-0.064782	0.046527	-1.392335	0.1748
X4	-0.451256	0.119724	-3.769136	0.0008

From these estimates, a panel data analysis model was created for the factors influencing tax aggressiveness in food and beverage sub-sector companies for the 2019-2021 period.

$$Y = 1{,}855718 - 0{,}0752991 * X_1 - 0{,}044044 * X_2 - 0{,}064782 * X_3 - 0{,}451256 * X_4$$

The constant value has a positive value of 1.855718, which means that there is a unidirectional influence between the independent variable and the dependent variable. This shows that if all independent variables (profitability, leverage, company size, and CSR disclosure) do not change, the tax aggressiveness value is 1.855718. The regression coefficient of variable 1 is -0.0752991, which means that there is an opposite influence between the profitability variable and tax aggressiveness. If the profitability variable increases by 1%, then tax aggressiveness will decrease by 0.0752991, assuming that the other variables remain constant (Table 8).

The study examines the influence of profitability, leverage, company size, and CSR disclosure on tax aggressiveness in the food and beverage industry. The constant value of 1.855718 indicates a positive relationship between the independent variables and tax aggressiveness, meaning that without any changes in these factors, tax aggressiveness is expected to be 1.855718.

The regression coefficient for profitability is -0.0752991, indicating that a 1% increase in profitability leads to a 0.0752991 decrease in tax aggressiveness, assuming other factors remain constant. This suggests that higher profitability is associated with lower tax aggressiveness, as industries with large profits are more likely to comply with tax obligations to maintain a positive image. These findings align with signaling theory, which posits that industries reporting high profits send positive signals to investors, while low profits suggest poor performance.

Leverage, with a regression coefficient of -0.044044, shows a negative but insignificant relationship with tax aggressiveness. Despite the potential for high debt to enable tax avoidance through interest deductions, the study found no significant effect, likely because most industries in the sample have a lower debt-to-equity ratio, implying better capital structures and less reliance on debt for tax planning.

The company size variable has a negative but insignificant effect on tax aggressiveness. Larger industries may seek to reduce their tax liabilities due to higher profits, yet small industries still engage in tax avoidance despite lower profits. This is consistent with the findings of Rahmayani et al. (2023) and Primasari (2019), which show mixed results regarding the influence of company size on tax aggressiveness.

The CSR disclosure variable, with a coefficient of -0.451256, has a significant negative effect on tax aggressiveness. The study reveals that industries with higher CSR disclosure are less likely to engage in tax evasion. This is in line with legitimacy theory, which suggests that companies strive to align their practices with societal norms and values. Industries that disclose CSR activities are more likely to be seen as responsible and trustworthy, thus avoiding tax aggressiveness to maintain public trust. This finding is supported by Puspita & Putra (2021) and Adisamartha & Noviari (2015), who argue that industries with low CSR rankings tend to be more aggressive in tax avoidance. Also, the results of this study are in line with Rahmayani et al. (2023) and Primasari (2019).

Based on the test results, it was found that the CSR variable has a significant negative effect on tax aggressiveness. The results of the significance test of the regression coefficient of the CSR disclosure variable showed that the significance result for the influence of CSR disclosure on tax aggressiveness was 0.0008 <0.05 and the t value (calculation) was 3.769136> t (table) 2.01669. Thus, it can be stated that CSR disclosure has a negative effect on tax aggressiveness. This shows that the higher the level of CSR disclosure of an industry, the lower the practice of tax evasion. Industries that have implemented CSR activities are expected to be less aggressive in taxes. This is in line with the legitimacy theory where industries carry out their business activities in line with the values and norms that apply in society. In order to maintain public trust, industries must avoid things that are contrary to the values, norms and expectations of society. Thus, industries that express high CSR will be obedient in paying taxes to maintain their image and public trust.

According to Puspita & Putra (2021) who studied the relationship between aggressive tax evasion and irresponsible CSR activities, industries with low CSR rankings are suspected of being socially irresponsible and therefore more aggressive in avoiding taxes. Likewise, Adisamartha & Noviari (2015) said that industries with low social responsibility are those that are more tax aggressive and do not have a good understanding of tax benefits compared to other industries. Tax evasion in some people is an irresponsible social action, where the industry does not carry out its tax obligations fairly. "Tax aggressiveness is seen as unethical and irresponsible by the public, therefore tax evasion is inconsistent with CSR (Puspita & Putra, 2021). The results of this study are in line with research conducted by Nurlis et al. (2021) showing that CSR has a significant negative effect on tax aggressiveness.

CONCLUSION

This study aimed to investigate the factors influencing tax aggressiveness in the food and beverage sub-sector in Indonesia during the COVID-19 pandemic period. The findings reveal that profitability plays a significant role, showing a negative effect on tax aggressiveness, indicating that more profitable companies in the industry do not engage in excessive tax avoidance strategies. In contrast, leverage and company size do not have a significant impact on tax aggressiveness, suggesting that the food and beverage sub-sector companies do not rely heavily on debt to minimize tax liabilities or show any notable tax aggressiveness regardless of their size. A crucial finding is that corporate social responsibility (CSR) disclosure has a significant negative effect on tax aggressiveness, implying that companies committed to CSR tend to adhere to better tax compliance.

The study's significance lies in its contribution to understanding the dynamics of tax behavior in a defensive industry, which is particularly valuable for policymakers, tax authorities, and investors. It highlights the importance of CSR as a tool for improving tax

compliance, which could serve as a benchmark for other industries facing similar challenges. However, this study has some limitations, such as not considering international tax rate disparities or the effects of major capital ownership structures on tax aggressiveness. Future research should explore these aspects to provide a more comprehensive understanding of tax behavior in multinational companies and industries with dominant ownership structures. Overall, this research underscores the potential of CSR to influence tax compliance and provides valuable insights for improving tax policy and corporate governance in the food and beverage sub-sector.

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Determinants of Tax Aggressivity in Food and Beverage Sub-Sector Companies on The Indonesian Stock Exchange

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ABSTRACT

Tax is an obligation that must be fulfilled by companies to the state. In fulfilling their tax obligations, companies often engage in tax aggressiveness to minimize the tax burden they must pay. This study aims to examine and analyze the influence of factors such as profitability, leverage, company size, and corporate social responsibility on tax aggressiveness in the food and beverage sub-sector companies listed on the Indonesia Stock Exchange during the period from 2019 to 2021. This research uses a quantitative approach with data collection through documentation, where the researcher analyzes the financial statements of the companies listed as samples. The data analysis method used is panel data regression to test the proposed hypotheses. The sampling technique employed is non-probability sampling with a purposive sampling approach, selecting 16 companies as the sample, resulting in 48 observations. The results show that profitability has a negative and significant effect on tax aggressiveness. Leverage and company size do not have a significant effect on tax aggressiveness, while corporate social responsibility has a significant negative effect on tax aggressiveness. This study provides valuable insights for companies and regulators regarding the factors that may influence tax behavior in the food and beverage industry.

***Keywords**: Tax Aggressiveness, Profitability, Leverage, Company Size, Corporate Social Responsibility.*

ABSTRAK

Pajak merupakan kewajiban yang harus dilaksanakan oleh perusahaan terhadap negara. Dalam menjalankan kewajiban perpajakan, perusahaan sering kali terlibat dalam agresivitas pajak untuk meminimalkan beban pajak yang harus dibayar. Penelitian ini bertujuan untuk mengkaji dan menganalisis pengaruh faktor-faktor seperti profitabilitas, leverage, ukuran perusahaan, dan tanggung jawab sosial perusahaan terhadap agresivitas pajak pada perusahaan subsektor makanan dan minuman yang terdaftar di Bursa Efek Indonesia selama periode 2019 hingga 2021. Penelitian ini menggunakan pendekatan kuantitatif dengan metode pengumpulan data dokumentasi, di mana peneliti menganalisis laporan keuangan perusahaan yang terdaftar sebagai sampel. Metode analisis data yang digunakan adalah regresi data panel untuk menguji hipotesis yang telah diajukan. Teknik pengambilan sampel menggunakan non-probability sampling dengan pendekatan purposive sampling, memilih 16 perusahaan sebagai sampel yang menghasilkan 48 observasi. Hasil penelitian menunjukkan bahwa profitabilitas memiliki pengaruh negatif dan signifikan terhadap agresivitas pajak. Leverage dan ukuran perusahaan tidak berpengaruh signifikan terhadap agresivitas pajak, sementara tanggung jawab sosial perusahaan memiliki pengaruh negatif yang signifikan terhadap agresivitas pajak. Penelitian ini memberikan wawasan penting bagi perusahaan dan regulator mengenai faktor-faktor yang dapat mempengaruhi perilaku pajak dalam industri makanan dan minuman.

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INTRODUCTION

The Indonesian economy is supported by various industries that contribute to tax revenues. One of the industries that contributes to taxation is the food and beverage industry. Food and beverage companies in Indonesia experienced growth from 2020 to 2021 by 2.54% to 775.1 trillion rupiah. The Central Statistics Agency (BPS) reported that the Gross Domestic Product (GDP) of national food and beverage companies based on applicable tariffs (ADHB) was 1.12 quadrillion rupiah in 2021. This value accounts for 38.05% of non-oil and gas management companies or 6.61% of the national GDP which reached 16.97 quadrillion rupiah (Havidah et al., 2024). The food and beverage industry is an industry that can survive during the COVID-19 pandemic because people still have to consume healthy and nutritious food to maintain their immunity. Furthermore, the government is paying full attention to growth in the food and beverage sector. Steps taken by the government, for example, through the Ministry of Industry of the Republic of Indonesia, which pays attention to the growth of coconut-based palm sugar commodities because of Indonesia's potential as the largest coconut producer in the world. The Ministry of Industry also encourages the growth of sugarcane-based sugar companies, especially in eastern Indonesia, such as West Nusa Tenggara and East Nusa Tenggara. The government also continues to take an active role in facilitating the promotion of food and beverage company commodities through exhibition events at home and abroad. One of them was held at the Company Exhibition Plaza with around 60 food and beverage industry companies participating. The 2022 Indonesian G20 Presidency event is also a moment to introduce national company commodities, including food and beverage (mamin) commodities which are expected to expand the export market (Havidah et al., 2024).

Tax aggressiveness that occurs in the food and beverage industry in Indonesia can be seen through an example of tax avoidance practices carried out by PT Indofood Sukses Makmur Tbk (INDF) in the form of a request for a Certificate of Exemption (SKB) for the transfer of land and/or building rights to the Directorate General of Taxes (DGT) amounting to 1.3 billion rupiah in 2010. This case began when PT Indofood Sukses Makmur Tbk established a new industry and transferred capital, liabilities, and instant noodle manufacturing operations to PT Indofood CBP Sukses Makmur Tbk. In the end, the DGT decided that PT Indofood Sukses Makmur Tbk still had to pay its taxes of 1.3 billion rupiah and finally had a permanent legal decision (in kracht) at the Supreme Court. Another example occurred at PT. Coca-Cola Indonesia (CCI) where CCI increased its advertising expenses, thereby reducing taxable income. The DGT found that there was an unreasonableness in CCI's advertising expenses that led to tax avoidance in 2002-2006. Based on the DGT's calculation, CCI's taxable income should be 603.48 billion rupiah. Meanwhile, in CCI's financial records, its taxable income is 492.59 billion rupiah. So, there is an underpayment of tax of 49.24 billion rupiah.

Tax aggressiveness, commonly measured using the Effective Tax Rate (ETR), reflects the extent to which a company seeks to minimize its tax obligations. ETR is calculated by dividing current tax expense by profit before tax. A lower ETR typically signals a higher level of tax aggressiveness. Several factors are believed to influence tax aggressiveness, such as profitability, leverage, company size, and corporate social responsibility (CSR) disclosure (Kasmir, 2017; Shantikawati, 2020; Basyaib, 2007; Tristiawan & Yusuf, 2022). Profitability, often measured by Return on Assets (ROA), indicates a company's ability to generate income from its assets. In theory, more profitable companies should face higher tax liabilities, potentially prompting them to engage in more aggressive tax strategies. However, existing research presents mixed results. For example, Abidin (2018) found a negative relationship between profitability and tax aggressiveness

in the consumer goods sector, while Reminda (2017) reported a positive effect in the banking industry. Similarly, studies on CSR disclosure also show inconsistent findings. Nurlis et al. (2021) found that CSR disclosure negatively affects tax aggressiveness, suggesting that socially responsible companies are more compliant with tax regulations. In contrast, Fionasari et al. (2017) found no significant effect. These inconsistencies indicate a lack of consensus in the literature and highlight the need for further investigation. Particularly, limited studies focus on the food and beverage industry, a sector that plays a vital role in Indonesia's economy and showed resilience during the COVID-19 pandemic.

Therefore, this study seeks to fill the research gap by examining the effects of profitability, leverage, company size, and CSR disclosure on tax aggressiveness in food and beverage companies listed on the Indonesia Stock Exchange during the 2019–2021 period. Based on the background and formulation of the problem above, this study aims to analyze the influence of several internal company factors on tax aggressiveness in the food and beverage industry in Indonesia. Specifically, the study seeks to examine the effect of profitability, leverage, company size, and corporate social responsibility (CSR) disclosure on tax aggressiveness, as measured by the effective tax rate (ETR).

LITERATURE REVIEW

Profitability negatively affects tax aggressiveness, as indicated by a regression coefficient of -0.0752991. This supports the idea that more profitable companies are less likely to engage in aggressive tax behavior. According to signaling theory, high profitability sends positive signals to investors and stakeholders, encouraging firms to comply with tax regulations to maintain reputation and trust. Abidin (2018) and Rahmayani et al. (2023) confirm that firms with higher profits are more transparent and compliant in paying taxes to uphold a strong corporate image, thereby reducing tax aggressiveness. Companies with higher profitability are typically more compliant with tax obligations, as they seek to maintain a positive reputation among investors and stakeholders. According to signaling theory, firms with strong earnings send positive signals to the market, reflecting their financial health and ethical standing (Rahmayani et al., 2023; Manurung & Lumbantoruan, 2021). Engaging in aggressive tax practices could undermine that image and attract regulatory scrutiny. Therefore, profitable firms are more likely to avoid tax aggressiveness to preserve long-term trust and legitimacy. Thus, based on this description, the following hypothesis is proposed:

H1: Profitability has a negative effect on tax aggressiveness.

Leverage demonstrates a negative but statistically insignificant relationship with tax aggressiveness, suggesting that the use of debt financing does not significantly influence a firm’s tax behavior. Although debt interest is tax-deductible, companies in the food and beverage sector maintain low debt-to-equity ratios, indicating sound capital structures (Ilham et al., 2021). As supported by Masyitah et al. (2022) and Rahmayani et al. (2023), low reliance on debt limits opportunities for aggressive tax strategies. Therefore, leverage may reduce taxable income in theory but may not significantly impact tax avoidance in industries with low debt levels. High levels of debt can offer tax-saving advantages through interest expense deductions. However, excessive leverage may also lead to financial risk and scrutiny from both creditors and tax authorities. Firms with sound capital structures may prioritize long-term stability over short-term tax benefits. According to Basyaib (2007), financial risk management discourages overly aggressive tax strategies. Additionally, highly leveraged firms face pressure to meet debt obligations, making them more conservative in their tax practices. Therefore, this study proposes the hypothesis:

H2: Leverage has a negative effect on tax aggressiveness.

Company size shows a negative but insignificant effect on tax aggressiveness. Larger firms tend to have more exposure and scrutiny, which discourages aggressive tax behavior. However, both large and small firms may still seek ways to minimize tax obligations (Primasari, 2019). While large firms have higher liabilities and public accountability, smaller firms may aggressively avoid taxes to retain more profit. The inconsistent influence of firm size is supported by Rahmayani et al. (2023), who argue that size alone does not determine tax compliance due to varying strategic motivations across firms regardless of their scale. This showed that larger firms are generally more visible and subject to greater public and regulatory scrutiny. As such, they are more likely to adopt transparent and compliant tax practices to avoid reputational risk. According to legitimacy theory, large companies are expected to behave responsibly to maintain public trust (Primasari, 2019; Rahmayani et al., 2023). While they may have the resources to engage in tax planning, they also face higher accountability pressures, making tax aggressiveness less appealing. Thus, the hypothesis is proposed:

H3: Company size has a negative effect on tax aggressiveness.

CSR disclosure has a significant negative effect on tax aggressiveness, with a coefficient of -0.451256. This aligns with legitimacy theory, which suggests that companies engaging in CSR activities aim to align with societal norms and maintain public trust. Firms with high CSR tend to avoid unethical practices like tax evasion to preserve their responsible image (Lanis & Richardson, 2012). As supported by Puspita & Putra (2021), and Adisamartha & Noviari (2015), companies with low CSR are often linked with higher tax aggressiveness, indicating that strong CSR commitments are associated with better tax compliance behavior.

Firms that actively disclose and engage in CSR activities demonstrate their commitment to ethical behavior and social responsibility. According to legitimacy theory, these companies aim to align with societal expectations, which includes paying fair taxes. Engaging in tax avoidance contradicts CSR values and could damage a firm's credibility (Puspita & Putra, 2021; Lanis & Richardson, 2012). Therefore, companies that are socially responsible tend to avoid aggressive tax practices to protect their reputation and stakeholder trust. Based on this reasoning, the following hypothesis is proposed:

H4: Corporate Social Responsibility has a negative effect on tax aggressiveness.

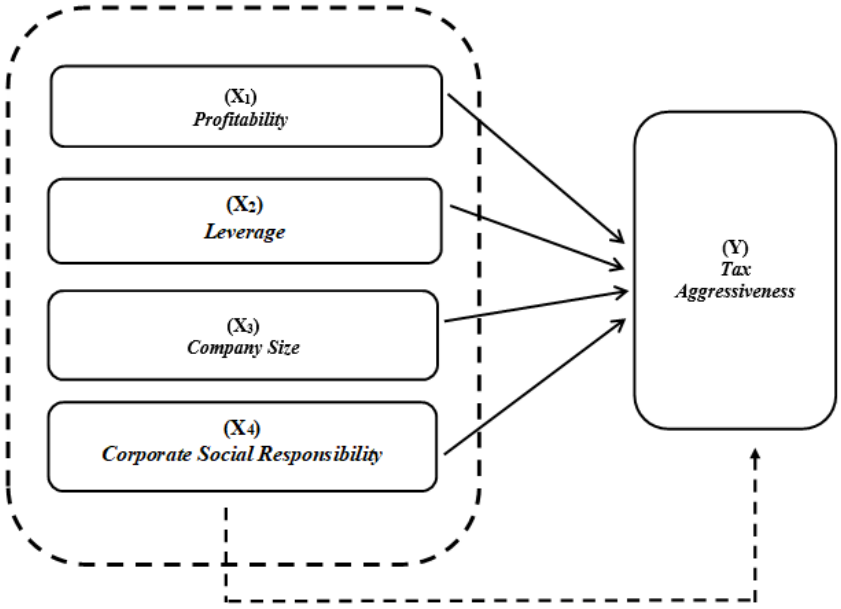

Figure 1. Research Framework

RESEARCH METHODS

This study utilizes a quantitative research approach, as defined by Berryman (2019), which involves theory, design, hypotheses, and data collection and analysis to draw conclusions. Quantitative research relies on numerical data for analysis. The study employs a causal associative research design to explore the relationship between profitability, leverage, industry size, and CSR disclosure on tax aggressiveness. Financial report data from food and beverage sub-sector companies listed on the Indonesia Stock Exchange (IDX) from 2019 to 2021 are used.

The population in this study consists of food and beverage companies listed on the Indonesia Stock Exchange. The population refers to a group of objects or entities with specific characteristics to be studied (Mulyantiningsih, 2011). A sample is a subset of the population that represents it in the study. Due to the large population, a sample is used for analysis to make generalizations. This study examines food and beverage sub-sector companies for the years 2019 to 2021. The author uses a purposive sampling technique, a non-probability method where specific criteria are set for sample selection. The criteria for inclusion are: 1) Food and beverage companies listed on the IDX from 2019 to 2021, 2) Companies that disclose detailed CSR data in their financial statements, and 3) Companies that reported positive profits during the research period (2019–2021). These criteria ensure a representative and relevant sample for the study (Table 1).

Table 1. Sample criteria

No.	Information	Amount
1	Food and beverage sub-sector industries listed on the Indonesia Stock Exchange (IDX) throughout the research period (2019 - 2021) and presenting detailed financial records along with corporate social responsibility data	25
2	Industries that have negative profits throughout the research period (2019 - 2021)	(7)
3	Industries that have income tax benefits throughout the research year (2019 - 2021)	(2)
	Total industries selected as samples	16

This study uses a documentation data collection method where researchers view, study, categorize, and review secondary data sourced from financial reports and their notes in the food and beverage sub-sector industry listed on the Indonesia Stock Exchange for the period 2019 - 2021. This study uses a panel data regression model as a data analysis technique to carry out hypothesis testing. Operationalization of variables based on theoretical basis, framework of thought and hypothesis is in Table 2.

Table 2. Operationalization of Variables

Variables	Definition	Measurement	Formula
Profitability (X1)	ROA ratio is a ratio that compares net income with total assets	ROA Ratio	*Return on Asset* = $\frac{laba\ bersih}{total\ asset}\ x\ 100\%$
Leverage (X2)	Leverage ratio is a ratio that compares the amount of debt with the company's capital	DER Ratio	*Debt Equity Ratio* $\frac{Total\ Debt}{Equity}\ x\ 100\%$
Company Size (X3)	Company size is a scale used to classify the size of a company according to various methods, namely by the size of income (profit), total assets, and total capital.	Natural Log of Total Assets	Ln (Total Asset)
Corporate Social Responsibility Disclosure (X4)	Corporate Social Responsibility is the commitment of a company or business world to contribute to sustainable economic development by paying attention to social responsibility	Total Amount of CSR that should be reported divided by the reported CSR index	$\frac{\sum Xyi}{ni}\ x\ 100\%$
Tax Aggressiveness (Y)	A ratio to measure the effectiveness of a company in paying taxes which is measured by comparing the income tax burden with income before tax.	ETR Proxy	$\frac{Income\ tax\ burden}{Income\ before\ tax}$

Descriptive statistics summarize research data using measures like mean, sum, standard deviation, variance, range, maximum, and minimum values for each variable. Model specification tests identify the most suitable panel data regression model. Three tests help determine the appropriate model for this study. Hypothesis testing evaluates the significance of regression coefficients (Nachrowi & Usman, 2006). If the regression coefficient equals zero, there's insufficient evidence to claim an influence of the independent variable on the dependent variable. This study uses panel data regression analysis for hypothesis testing, where each industry and time period may have different intercepts and slopes.

$$Y = \alpha + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \beta_4 X_{4it} + \varepsilon_{it}$$

Information:
Y = Tax aggressiveness
α = Constant
β1, β2, β3, β4 = Independent Variable Coefficients
X1 = Profitability
X2 = Leverage
X3 = Industry Size
X4 = Corporate Social Responsibility Disclosure
ε = error term
i = Total food and beverage sub-sector industry
t = Research period, namely 2019 - 2021

To assess the influence of each independent variable on the dependent variable, a partial (t-test) can be conducted. If the significance value is below 0.05, it indicates a strong influence between the independent and dependent variables (Ghozali, 2018). The conclusions drawn from the t-test are as follows: If the t value is higher than the critical t value and the probability is below 0.05, the independent variable affects the dependent variable. Conversely, if the t value is lower and the probability is above 0.05, there's no effect.

An F-test is used to determine whether all independent variables simultaneously influence the dependent variable (Ghozali, 2018). If the significance value is below 0.05, all independent variables have a simultaneous effect. If the significance value is above 0.05, there's no simultaneous effect. The coefficient of determination (adjusted R2) indicates the degree of influence of independent variables on the dependent variable. A value close to 1 suggests a stronger influence, while a value below 0.5 indicates a weak influence. In cross-sectional data, adjusted R2 is typically smaller than in time-series data. If the adjusted R2 is negative, it is assumed to be 0 (Ghozali, 2018).

RESULTS AND DISCUSSION

Based on data processing using EViews 12 with a sample of 48 industries (Table 3), the minimum value of ROA was 0.000526 for PT Sekar Bumi Tbk, and the maximum value was 0.416320 for PT Multi Bintang Indonesia Tbk. The average ROA was 0.102990, with a standard deviation of 0.073239, indicating a good distribution of data, as the standard deviation is smaller than the mean. In 2019, PT Multi Bintang Indonesia had the highest ROA of 41.6%, showing optimal asset utilization, while PT Sekar Bumi Tbk had the lowest ROA of 0%, meaning no net profit was generated from its assets.

Table 3. Descriptive Statistics

	Y	X1	X2	X3	X4
Mean	0.250229	0.102990	0.672264	23.32390	0.582418
Median	0.229126	0.099489	0.632912	27.49022	0.604396
Maximum	0.814617	0.416320	1.658416	30.62263	0.769231
Minimum	0.032015	0.000526	0.121670	13.61995	0.230769
Std. Dev.	0.108886	0.073239	0.419301	6.105754	0.141855
Skewness	3.515638	1.689201	0.428476	-0.393814	-0.377656
Kurtosis	18.40842	8.179258	0.090074	1.419822	2.054001
Jarque-Bera	573.7166	76.47663	3.124664	6.234637	2.930821
Probability	0.000000	0.000000	0.209074	0.044276	0.945779
Sum	12.01100	4.943521	32.26866	1119.547	27.95604
Sum Sq. Dev	0.557244	0.252108	8.263236	1752.171	0.945779
Observations	48	48	48	48	48

For DER, PT Multi Bintang Indonesia Tbk in 2021 had the highest value of 1.658416 (166%), reflecting a high debt burden, yet within healthy limits per PMK No. 169/PMK010.2015, which allows a maximum ratio of 4:1. PT Campina Ice Cream Industry Tbk had the lowest DER of 0.121670 (12.2%), indicating lower debt and interest burden, reducing opportunities for tax aggressiveness. In terms of assets, PT Mayora Indah Tbk had the highest ln (assets) value of 30.62263, with a mean of 23.32390 and a standard deviation of 6.105754. Lastly, CSR disclosure values ranged from 0.230769 to 0.769231, with a mean of 0.582418 and a standard deviation of 0.141855, both within expected limits. The Chow test determined the appropriate model for analysis.

Table 4. Chow Test

Effects Test	Statisti399c	d.f	Prob.
Cross-Section F	7.011	(15,28)	0.0000
Cross-Section Chi-Square	74.852609	15	0.0000

Based on the results of the Chow Test (Table 4), the results of the probability cross sections F value were obtained as much as 0.0002 < 0.05 so that based on the chow test, the specified model is a fixed effects model. The hausman test is used to determine between the fixed effects model and the random effects model with certainty. If the probability chi-square number is > 5%, then the specified model is a random effects model. If the probability chi-square number is < 5%, then the specified model is a fixed effects model.

Table 5. Hausman test

Test Summary	Chi-Sq.Statistic	Chi-Sq.d.f	Prob.
Cross-Section random	10.627756	4	0.0311

Based on the results of the Hausman test (Table 5), the chi-square probability value was obtained as much as 0.0311 < 0.05 so that based on the Housman test, the specified model is a fixed effects model. The LM test is used to determine between the random effects model and the common effects model with certainty. If the Breusch-Pagan probability is > 5%, then the specified model is the common effects model. If the Breusch-Pagan probability is < 5%, then the specified model is the random effects model.

Table 6. LM test

	Cross-section	Time	Both
Breusch-Pagan	12.43938 (0.0004)	0.627664 (0.4282)	13.06705 (0.0003)
Honda	3.526951 (0.0002)	0.792252 (0.2141)	3.054138 (0.0011)
King-Wu	3.526951 0.0002)	0.792252 (0.2141))	1.953926 (0.0254)
Standardized Honda	4.415900 (0.0000)	1.362785 (0.0865)	0.509531 (0.3052)
Standardized King-Wu	4.415900 (0.0000)	1.362785 (0.0865)	0.179499 (0.4288)
Gourrieoux et al.			13.06705 (0.0005)

Based on the results of the LM test (Table 6), the Breusch-Pagan probability value was obtained as much as 0.0003 <0.05 so that based on the LM test, the specified model is a random effects model. From the three tests that have been carried out, it can be stated that the best model that can be used in this study is the fixed effects model. The t test is carried out to see the effect of each variable x (independent) on the dependent variable (dependent) which can be carried out with a partial test (t test). If the significance number t is lower than α (0.05) then it can be said that there is a strong influence between the independent variable and the dependent variable (Ghozali, 2018).

Table 7. Effects Specification

R-squared	0.907602	Mean dependent var	0.250229
Adjusted R-squared	0.844903	S. D. Dependent Var	0.108886
S.E. of regression	0.042882	Akaike info Criterion	-3.166388
Sum Squared Reside	0.051488	Schwarz Criterion	-2.386721
Log likelihood	95.99331	Hannan-Quinne Criter	-2.871751
F-Statistic	14.47556	Durbin-Watson Stat	3.129417
Prob (F-Statistic)	0.000000		

Table 7 presents the results of the regression analysis using the fixed effects model. The F-statistic value of 14.47556 with a probability of 0.000000 indicates that the model is statistically significant. Since the p-value is less than 0.05, it confirms that the independent variables—profitability, leverage, company size, and CSR disclosure—simultaneously have a significant effect on tax aggressiveness (Ghozali, 2018). This means that changes in these variables collectively influence variations in the level of tax aggressiveness within the sampled companies. Furthermore, the adjusted R-squared value of 0.844903 suggests that 84% of the variation in tax aggressiveness is explained by the independent variables in this model, while the remaining 16% is influenced by factors not examined in this study. A high adjusted R-squared value close to 1 indicates a strong explanatory power of the model. These findings support the reliability and relevance of the variables chosen in analyzing corporate tax behavior.

Table 8. t-test

Variable	Coefficient	Std.Error	t-Statistic	Prob.
C	1.855718	1.054333	1.760087	0.0893
X1	-0.075291	0.012848	-5.860087	0.0000
X2	-0.044044	0.048478	-0.908529	0.3714
X3	-0.064782	0.046527	-1.392335	0.1748
X4	-0.451256	0.119724	-3.769136	0.0008

From these estimates, a panel data analysis model was created for the factors influencing tax aggressiveness in food and beverage sub-sector companies for the 2019-2021 period.

$$\mathbf{Y = 1{,}855718 - 0{,}0752991*X_1 - 0{,}044044*X_2 - 0{,}064782*X_3 - 0{,}451256*X_4}$$

The constant value has a positive value of 1.855718, which means that there is a unidirectional influence between the independent variable and the dependent variable. This shows that if all independent variables (profitability, leverage, company size, and CSR disclosure) do not change, the tax aggressiveness value is 1.855718. The regression coefficient of variable 1 is -0.0752991, which means that there is an opposite influence between the profitability variable and tax aggressiveness. If the profitability variable increases by 1%, then tax aggressiveness will decrease by 0.0752991, assuming that the other variables remain constant (Table 8).

The study examines the influence of profitability, leverage, company size, and CSR disclosure on tax aggressiveness in the food and beverage industry. The constant value of 1.855718 indicates a positive relationship between the independent variables and tax aggressiveness, meaning that without any changes in these factors, tax aggressiveness is expected to be 1.855718.

The regression coefficient for profitability is -0.0752991, indicating that a 1% increase in profitability leads to a 0.0752991 decrease in tax aggressiveness, assuming other factors remain constant. This suggests that higher profitability is associated with lower tax aggressiveness, as industries with large profits are more likely to comply with tax obligations to maintain a positive image. These findings align with signaling theory, which posits that industries reporting high profits send positive signals to investors, while low profits suggest poor performance.

Leverage, with a regression coefficient of -0.044044, shows a negative but insignificant relationship with tax aggressiveness. Despite the potential for high debt to enable tax avoidance through interest deductions, the study found no significant effect, likely because most industries in the sample have a lower debt-to-equity ratio, implying better capital structures and less reliance on debt for tax planning.

The company size variable has a negative but insignificant effect on tax aggressiveness. Larger industries may seek to reduce their tax liabilities due to higher profits, yet small industries still engage in tax avoidance despite lower profits. This is consistent with the findings of Rahmayani et al. (2023) and Primasari (2019), which show mixed results regarding the influence of company size on tax aggressiveness.

The CSR disclosure variable, with a coefficient of -0.451256, has a significant negative effect on tax aggressiveness. The study reveals that industries with higher CSR disclosure are less likely to engage in tax evasion. This is in line with legitimacy theory, which suggests that companies strive to align their practices with societal norms and values. Industries that disclose CSR activities are more likely to be seen as responsible and trustworthy, thus avoiding tax aggressiveness to maintain public trust. This finding is supported by Puspita & Putra (2021) and Adisamartha & Noviari (2015), who argue that industries with low CSR rankings tend to be more aggressive in tax avoidance. Also, the results of this study are in line with Rahmayani et al. (2023) and Primasari (2019).

Based on the test results, it was found that the CSR variable has a significant negative effect on tax aggressiveness. The results of the significance test of the regression coefficient of the CSR disclosure variable showed that the significance result for the influence of CSR disclosure on tax aggressiveness was 0.0008 <0.05 and the t value (calculation) was 3.769136> t (table) 2.01669. Thus, it can be stated that CSR disclosure has a negative effect on tax aggressiveness. This shows that the higher the level of CSR disclosure of an industry, the lower the practice of tax evasion. Industries that have implemented CSR activities are expected to be less aggressive in taxes. This is in line with the legitimacy theory where industries carry out their business activities in line with the values and norms that apply in society. In order to maintain public trust, industries must avoid things that are contrary to the values, norms and expectations of society. Thus, industries that express high CSR will be obedient in paying taxes to maintain their image and public trust.

According to Puspita & Putra (2021) who studied the relationship between aggressive tax evasion and irresponsible CSR activities, industries with low CSR rankings are suspected of being socially irresponsible and therefore more aggressive in avoiding taxes. Likewise, Adisamartha & Noviari (2015) said that industries with low social responsibility are those that are more tax aggressive and do not have a good understanding of tax benefits compared to other industries. Tax evasion in some people is an irresponsible social action, where the industry does not carry out its tax obligations fairly. "Tax aggressiveness is seen as unethical and irresponsible by the public, therefore tax evasion is inconsistent with CSR (Puspita & Putra, 2021). The results of this study are in line with research conducted by Nurlis et al. (2021) showing that CSR has a significant negative effect on tax aggressiveness.

CONCLUSION

This study aimed to investigate the factors influencing tax aggressiveness in the food and beverage sub-sector in Indonesia during the COVID-19 pandemic period. The findings reveal that profitability plays a significant role, showing a negative effect on tax aggressiveness, indicating that more profitable companies in the industry do not engage in excessive tax avoidance strategies. In contrast, leverage and company size do not have a significant impact on tax aggressiveness, suggesting that the food and beverage sub-sector companies do not rely heavily on debt to minimize tax liabilities or show any notable tax aggressiveness regardless of their size. A crucial finding is that corporate social responsibility (CSR) disclosure has a significant negative effect on tax aggressiveness, implying that companies committed to CSR tend to adhere to better tax compliance.

The study's significance lies in its contribution to understanding the dynamics of tax behavior in a defensive industry, which is particularly valuable for policymakers, tax authorities, and investors. It highlights the importance of CSR as a tool for improving tax

compliance, which could serve as a benchmark for other industries facing similar challenges. However, this study has some limitations, such as not considering international tax rate disparities or the effects of major capital ownership structures on tax aggressiveness. Future research should explore these aspects to provide a more comprehensive understanding of tax behavior in multinational companies and industries with dominant ownership structures. Overall, this research underscores the potential of CSR to influence tax compliance and provides valuable insights for improving tax policy and corporate governance in the food and beverage sub-sector.

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Lampiran Korespondensi
Table of Comments and Answers

No	Tahap Review	Reviewer Comment	Author Answer	Revisions Made (dengan halaman)	Bukti Lampiran
1	Review & Recommendation 1 – Bahasa & Format	Gunakan bahasa akademik formal yang konsisten (full English atau full Bahasa Indonesia, sesuai target jurnal). Periksa EYD, grammar, serta ringkas kalimat panjang	Artikel direvisi menjadi full English version dengan gaya akademik formal. Grammar diperbaiki; kalimat panjang disederhanakan agar efektif.	The whole text (hal. 1–12).	Revised Article #1, hlm. 26–37 dalam file Korespondensi
2	Review & Recommendation 1 – Kebaruan & Kontribusi	Tegaskan kontribusi empiris (misal studi ini mengisi gap pada literatur agresivitas pajak di sektor defensif pasca-COVID-19). Jelaskan perbedaan hasil dengan riset terdahulu secara kritis.	Ditambahkan paragraf yang menegaskan kontribusi dan gap empiris sektor defensif pasca-COVID-19, serta perbandingan kritis dengan studi sebelumnya.	Introduction (hal. 3).	Revised Article #1, hlm. 28 dalam Korespondensi
3	Review & Recommendation 1 – Analisis Diskusi	Perlu memperdalam interpretasi hasil yang tidak signifikan (leverage & ukuran). Kaitkan dengan teori keagenan, teori legitimasi, dan teori sinyal lebih kuat.	Diskusi diperluas dengan agency theory, legitimacy theory, dan signaling theory untuk menjelaskan ketidaksignifikanan variabel.	Discussion (hal. 8–9).	Revised Article #1, hlm. 33–34 dalam Korespondensi
4	Review & Recommendation 1 – Referensi	Tambahkan 5–8 rujukan jurnal internasional Scopus/WoS terbaru (2019–2024). Konsistenkan format daftar pustaka dengan APA 7th.	Ditambahkan 8 rujukan terbaru (2019–2024) dan seluruh sitasi/daftar pustaka dirapikan sesuai APA 7th Edition.	References (hal. 10–11).	Revised Article #1, hlm. 35–36 dalam Korespondensi
5	Review & Recommendation 1 – Struktur Artikel	Tambahkan bagian Limitations dan Future Research Directions. Perbaiki Abstract agar lebih padat (tujuan, metode, hasil utama, kontribusi).	Abstract dipadatkan (purpose-methods-results-contribution). Sub-bagian baru “Limitations and Future Research Directions” ditambahkan.	Abstract & Conclusion (hal. 1,10).	Revised Article #1, hlm. 26 dan 35 dalam Korespondensi
6	Review & Recommendation 2 – Title Change	Change the research title to “Determinants of Tax Aggressivity in Food and Beverage Sub-Sector Companies on The Indonesian Stock Exchange”	Judul diubah sesuai rekomendasi agar fokus dan akurat.	Title Page (hal. 1).	Revised Article #2, hlm. 26 dalam Korespondensi
7	Review & Recommendation	Revise the abstract to describe the purpose,	Abstract direvisi untuk memuat tujuan, metode,	Abstract (hal. 1).	Revised Article #2, hlm. 26

	2 – Correct Abstract	methods, results, and conclusions of the study concisely and accurately.	hasil, dan kesimpulan secara ringkas dan faktual.		dalam Korespondensi
8	Review & Recommendation 2 – Research Gap	Add an explanation of the research gap between this study and previous studies.	Ditambahkan paragraf yang menjelaskan research gap relatif terhadap studi-studi terdahulu.	Introduction (hal. 2–3).	Revised Article #2, hlm. 27–28 dalam Korespondensi
9	Review & Recommendation 2 – Research Objectives at End of Introduction	Make sure the purpose of the study is clearly stated at the end of the introduction.	Tujuan penelitian dinyatakan eksplisit di akhir Introduction.	Introduction (hal. 3).	Revised Article #2, hlm. 28 dalam Korespondensi
10	Review & Recommendation 2 – Improved Research Methods	Revise the research methods to provide a more detailed explanation of the data collection techniques, data analysis, and research procedures used.	Metode diperinci: teknik pengumpulan data, prosedur, dan analisis regresi panel (Fixed Effect Model).	Methods (hal. 4-6).	Revised Article #2, hlm. 29–31 dalam Korespondensi
11	Review & Recommendation 2 – Shortened Description of Table 3	Condense the description in Table 3 to make it more concise and easy to understand.	Deskripsi Table 3 dipersingkat agar ringkas dan jelas.	Table 3 Description (hal. 6–7).	Revised Article #2, hlm. 31–32 dalam Korespondensi
12	Review & Recommendation 2 – Shorter & Clearer Hypothesis Test Results	Shorten the explanation of the hypothesis test results and focus on the most important findings.	Penjelasan hasil uji hipotesis diperpendek; fokus pada temuan kunci.	Results (hal. 8–10).	Revised Article #2, hlm. 33–35 dalam Korespondensi
13	Review & Recommendation 2 – Tables 8 and 9	Make sure Tables 8 and 9 do not present the same information. If there is duplication, remove one of the tables.	Duplikasi dihapus; hanya tabel utama dipertahankan.	Table 8 (hal. 9).	Revised Article #2, hlm. 34 dalam Korespondensi
14	Review & Recommendation 2 – More Specific Description of the F-Test	Provide a more detailed description of the F-test used in the analysis, including the purpose and interpretation of the results.	Deskripsi F-test diperbaiki dengan t-test: tujuan, dasar, dan interpretasi hasil.	Result (hal. 9).	Revised Article #2, hlm. 34 dalam Korespondensi
15	Review & Recommendation 2 – Justification of Previous Research Findings	Provide justification and connection to relevant previous research findings.	Diskusi diperkuat dengan justifikasi dan koneksi ke temuan riset terdahulu.	Literature Review (hal. 3–4) dan Results and Discussion (9-11)	Revised Article #2, hlm. 28–29 dan hlm. 34-36 dalam Korespondensi

16	Review & Recommendation 2 – Revise Conclusion	Revise the conclusion section to be more structured and provide direction for further research.	Kesimpulan disusun ulang: lebih sistematis, memuat implikasi praktis dan arah riset lanjutan.	Conclusion (hal. 10).	Revised Article #2, hlm. 35 dalam Korespondensi