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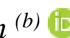
Analysis of factors that moderate the effect of performance finance against tax aggressiveness in Indonesia

 *Reschiwati* [(a)*] *Asni Burhan* [(b)] *Hamilah* [(c)]

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ABSTRACT

This study aims to analyze the factors that affect tax aggressiveness. These factors are profitability as proxied by Return on Assets, the intensity of fixed assets, leverage, liquidity as proxied by Current Ratio, and inventory intensity. This study uses the audit committee as a moderating variable on the factors that affect tax aggressiveness. The population used manufacturing companies in the consumer goods sector listed on the Indonesia Stock Exchange from 2016-to 2020. The sample was selected using the purposive sampling method and a selection of 26 companies. Data processing uses panel regression with the Eviews 10 data processing application. The data processing results conclude that partially only Return on Assets affects tax aggressiveness. Fixed asset intensity, leverage, Current Ratio, and inventory intensity do not affect tax aggressiveness. This study also proves that the audit committee is a moderating variable that weakens the impact of Return On Assets, Current Ratio, Tax Intensity, and Leverage on Tax Aggressiveness.

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Introduction

The most significant known state revenue is sourced from taxes; the government tries to increase tax revenues every year to meet state expenditures. In the Indonesian tax law, people are indirectly forced to pay taxes; each year, the government targets state revenue. government has issued various regulations to support state revenues.

In Law No. 36 of 2008, article 1, paragraph 2, and paragraph 3, it is defined that a personal tax subject is a tax subject who is domiciled in Indonesia or not domiciled in Indonesia. Then what is referred to as the subject of corporate tax is a group of individuals and capital that becomes a single unit and carries out a business or who does not carry out a business, for example, PT (limited company), CV (committee company), other companies, BUMN (a business entity owned by the state) or BUMD (regional-owned enterprises) in any form and designation, socio-political organizations, mass organizations, foundations, associations, partnerships, pension funds, cooperatives, joint venture firms, or other organizations, permanent establishments, institutions, and other forms of corporate bodies. other (Undang-undang Republik Indonesia No.36 pasal 6 ayat 1 huruf a, 2008)

In contrast to the company, the tax levied on the income received is considered an expense or expense. With a high burden, the company's profit will be low, this is not desired by the company. Various methods are implemented for taxpayers (companies) in minimizing tax payments, from illegal to legal, such actions are known as tax aggressiveness: ROA, increased assets, increased debt, calculate the Current Ratio (CR), and increase inventory. ROA is a ratio of profitability which is an illustration to managers and investors of how efficient the company's management is when utilizing assets to earn a profit so that the taxes to be paid are low. Previous researchers Sarjito Surya (2016) said that if there is an effect of probability on tax aggressiveness. Enlarging fixed assets is

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one way to minimize tax payments. Previous researchers related to the intensity of fixed assets is Dharma & Ardiana (2016) which stated that the intensity of fixed assets had a negative effect on tax aggressiveness.

The debt policy implemented by the board of directors is an action to reduce profits so that the tax burden is reduced. Jayanto Purba & Kuncahyo (2020) his research says if there is an effect of leverage on tax aggressiveness. An unusual way to minimize the tax burden is by testing the liquidity ratio, namely the Current ratio, which describes the company's ability to pay the company's current debt. The board of directors sees whether the available current assets can pay the tax burden owed (Indriadi & Donny, 2018). Previous researchers have said that there is an effect of liquidity on tax aggressiveness. Enlarging inventory is included in an investment carried out by company management in minimizing tax payments, the amount of inventory causes high costs and cost of goods, Previous researchers stated that inventory intensity affects ETR (Suryarini & SyamsuddinTrisni, 2019). In carrying out their duties, management is supervised by the audit committee. Management is the executor of the company's activities. The audit committee is a proxy for corporate governance. The commissioners and audit committees are in charge of overseeing the company's running of policies for the improvement of the company. The audit committee extends the hand of the stakeholders who have invested in the company in question to oversee the actions of management (Aksoy & Hacioglu, 2021). To achieve the company's vision and mission, namely obtaining large profits, the audit committee must carry out strict supervision on management actions, especially tax aggressiveness policies. The government expects to get a lot of taxes, on the other hand, taxpayers (companies) want low tax payments. Here comes the gab, whose goals are conflicting. With the existence of a very large gap between the principal and the agent, problems arise. With the problems that the authors have described, therefore the authors are interested in research entitled Analysis of Factors That Moderate the Effect of Financial Performance on Tax Aggressiveness.

In this study, it is aimed to analyze the factors that affect tax aggressiveness. These factors are profitability as proxied by Return on Assets, the intensity of fixed assets, leverage, liquidity as proxied by Current Ratio, and inventory intensity. This study uses the audit committee as a moderating variable on the factors that affect tax aggressiveness. The problems in this study are reflected in the form of questions, namely: (1) Does Return on Assets, Fixed Asset Intensity, Leverage, Inventory Intensity, Current assets affect tax aggressiveness, either partially or simultaneously, (2) Can the Audit Committee moderate the effect of Return on Assets, Fixed Asset Intensity, Leverage, Inventory Intensity, Current asset to tax aggressiveness.

This paper is organized as follows: following the introduction part, a second part is a literature review with theoretical and conceptual background that shed a light on linkage between theory and conceptual outline. The third part introduces the background information on research and methodology. After analysis and findings of the study, authors provide discussions and implications. Finally, this paper concludes with key points, recommendations, future research directions and limitations.

Literature Review

Theoretical Background and Conceptual

Agency Theory

In agency theory, there is an agreement on a working relationship that occurs between those who own the company (principal) and the manager (agent) who runs the company (Arfan, 2013). Sometimes managers do not want to report on the actual condition of the company. This problem is because managers cover up their performance weaknesses and use them for the manager's interest. Things like this occur between principals and agents with different interests. The other interests between the principal and the agent will influence various issues related to the company's activities, for example, policies on corporate tax issues. Indonesia's taxation mechanism uses a self-assessment system, where companies are given the authority to calculate and report their taxes; agents use this opportunity in committing fraud on the taxable income is changed and made lower so that the tax charged is more down.

Attribution Theory

Heider initially discovered attribution theory in 1958. (Robbins & Stephen, 2017) interprets this theory as the way how individuals observe a person's behavior. Attribution theory is a theory that discusses individual behavior, where the behavior will create an impression. The impression formed will be concluded to be a factor that influences the individual's behavior. Individual behavior is influenced by two kinds of factors, namely external and internal factors. Examples of internal factors are the awareness of taxpayers to report their taxes in a precise and timely manner and understand the law on taxation. In contrast, external factors include the existence of a warning letter from the tax office so that taxpayers report their taxes on time.

Perception Theory

Philips (1997) defines perception as an individual step to select, organize, and interpret information exposure to produce a meaningful reflection. Awareness of the public used as obedient taxpayers will be related to public perceptions of taxes. Perceptions are formed from internal factors, namely depending on the personal characteristics themselves, while from external related to the circumstances and the surrounding environment. Motivation and assessment are internal factors that shape individual taxpayers' perceptions, influencing the perception of taxpayers' obedience when carrying out their tax obligations.

Tax Aggressiveness

Tax aggressiveness is the behavior or attitude of management in planning the lowest possible tax payments. Management takes advantage of existing opportunities, both from the tax regulations themselves and outside the tax regulations. Hlaing (2012) argues that tax aggressiveness is the activity of preparing tax plans for all companies that participate in efforts to minimize effective taxes. The benefits of tax aggressiveness are savings on taxes to make profits even more significant. Then the drawback of tax aggressiveness is getting a penalty from the tax office because of the discovery of frauds during the audit. And the declining stock price because the stockholders found that they had carried out tax aggressiveness, while the government for tax aggressiveness lacked state revenue from the tax sector.

Profitability

It is included in a company's capability to earn profits during a predetermined period in the level of sales, assets, and shares determined. According to Sartono R (2010), profitability is the capability of a company to earn profits related to personal capital, accumulated assets, and sales. One of the types of profitability analysis is ROA analysis. ROA is an instrument used in assessing the percentage of profits from the accumulated total assets of the company. Companies with high profitability must try to carry out strategic actions to minimize the tax burden so that the tax burden is low. Profit, according to PSAK No. 46 (Paragraph 7), accounting profit is net profit or loss for a period before deducting tax expenses.

Fixed Asset Intensity

According to Agoes & Sukrisno (2013), fixed assets are assets that have a form that has a useful life of 1 year in a place used to maintain, request, and obtain income which is the purpose of taxation. Fixed assets will experience depreciation every year and for the company to reduce costs. PSAK No. 16 of 2007 explains that fixed assets are tangible assets obtained in ready-to-use or pre-built form, used for company operations, are not intended to be sold in the framework of the company's everyday activities, and have a useful life of more than one year.

Leverage

Sarton(2010) argues, "Leverage is the use of assets and sources of funds by companies with a fixed burden to increase greater profits for stakeholders. Leverage is debt owed by the company. The company's head of funds comes from internal and external sources, from internal sources from company profits and company owners, as reflected in the shares. In contrast, funds from external sources are debts to outside parties. Brigham & Houston (2010) said the leverage ratio indicates how much external capital is used in the company's operational activities. The interest expense caused by the debt can minimize the tax burden, and the tax burden is reduced. The company can take advantage of the level of Leverage to minimize and will have an impact on the lower tax burden. According to IFRS, a liability is a present obligation of the company arising from past events, the settlement of which is expected to result in an outflow of resources from the company in realizing economic benefits.

Liquidity

According to Adisamartha & Noviari (2015) liquidity, it is defined as the ownership of a source of funds that can fulfill obligations and needs that will touch deadlines and the capability to sell or buy assets in a short time.

Companies with a high proportion of liquidity illustrate that they can carry out their current obligations, which indicates that the company's finances are healthy. If necessary, they can sell their assets (Suyanto & Supramono, 2012). The company's current liabilities consist of payment of salaries, other operating costs, and tax expenses. Companies with high liquidity can pay taxes, so management is no longer tax aggressive.

Inventory Intensity

Abdul Halim(2016) says that inventory intensity is a picture of how big a company is when investing in existing inventory. Inventory intensity describes how a company can invest in its assets in the form of inventory. Statement of Financial Accounting Standards (PSAK) No. 14 (Indonesian Institute of Accountants, 2015:14.2) Inventory is an asset available for sale in the ordinary course of business s, in the production process of the sale or the form of materials, or the state of equipment for use in the production process or service purchase. Inventory is an asset that will be sold in business activities during the production process, sold, or in the form of materials or equipment used during the production process or the purchase of work (Agoes S., 2013). High inventory will lead to high maintenance costs but reduce company profits and tax burden (Hacioglu & Aksoy, 2021).

Audit Committee

The Audit Committee is a committee appointed by the board of commissioners who carry out the responsibility for supervising the company's processing. According to Tjager (2003), the audit committee is a committee created. It has the responsibility of the board of commissioners to ensure that the GCG guidelines have been implemented and demonstrate adequate and consistent transparency and transparency by the executives. Based on the circular letter of Bapepam NO.SE.03PM2000, it is stated that the audit committee in an Indonesian public company has at least three members headed by an independent commissioner of the company with two members who are not representatives from the company's internal (BAPEPAM, 2000).

Framework

The proxy of probability is ROA, which is the company's profit ratio; if profit is high, then the tax burden is high, management is to carry out tax aggressiveness, the intensity of fixed assets is an investment from the company in the form of fixed assets, costs arise. Tax aggressiveness. Leverage is a debt policy carried out by the company; with debt, interest costs occur, which will reduce profits, so management is reluctant to do tax aggressiveness. Inventory intensity is the company's investment in inventory, if the company increases inventory investment, the costs incurred will be high, so management does not carry out tax aggressiveness. The Audit Committee is a supervisor of management performance in the company, the presence of independent commissioners and the audit committee can strengthen or weaken aggressive actions.

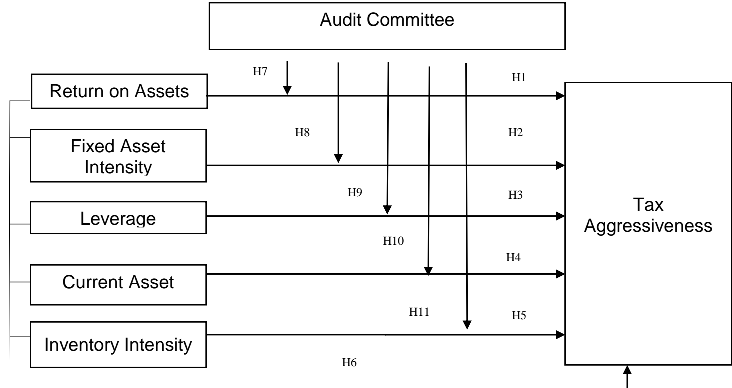


Figure 1: Conceptual Framework

Based on the framework of the study, The main Hypotheses are:

H1: There is an effect of ROA on tax aggressiveness
H2: there is no effect of the intensity of fixed assets on tax aggressiveness
H3: There is no effect of Leverage on tax aggressiveness
H4: There is no effect of Current Ratio on Tax Aggressiveness
H5: there is no effect of inventory intensity on tax aggressiveness.
H6: simultaneously there is the effect of profitability, fixed asset intensity, leverage, current ratio, and inventory intensity on tax aggressiveness.
H7: The audit committee weakens the effect of ROA on tax aggressiveness
H8: The Audit Committee strengthens the effect of the intensity of fixed assets significantly on tax aggressiveness
H9: The Audit Committee strengthens the effect of leverage on tax aggressiveness
H10: The audit committee weakens the effect of CR (LIQ) on tax aggressiveness
H11: The audit committee weakens the effect of inventory intensity on tax aggressiveness

Research and Methodology

Population and Sample

The population in this study are manufacturing companies in the consumer goods sub-sector listed on the 2016-2020 BEI, as many as 37 companies. The purposive sampling technique was used in sampling with the following conditions: Manufacturing companies in the consumer goods sub-sector listed on the IDX in 2016-2020 were 37 companies minus zero (0) companies still listed on the IDX. Stock Exchange. Indonesia, minus 1 (one) company that presents incomplete annual financial report data, minus ten companies that do not generate profits. So the number of samples obtained is 26 companies.

Operational Variables

The variables used in the research that the researchers carried out were independent variables which included profitability, fixed asset intensity, leverage, liquidity, and inventory intensity. The moderator variable consisted of the audit committee variable, and the dependent variable was tax aggressiveness.

Table 1: Definition of Variables and Operational Variables

Variable	Definition	Indicator
Tax Aggressiveness Dependent Variable	The action of a plan to manipulate taxable income both legally and illegally.	TR= Tax fee / Profit before tax
ROA Independent Variable	one of the profitability ratios that describes how much assets management uses to generate revenue.	ROA = Erning After Tax / Total Assets
Fixed asset Intensity Independent Variable	assets used for company operations, where in these assets there is a depreciation expense as a deduction from gross profit.	IAT = Total Net Fixed Assets / Total Assets
Leverage Independent Variable	is a debt policy implemented by the company for the company's operations, where interest costs are attached, as a deduction from profits.	LEV= Long-Term Debt / Total Assets
CR Independent Variable	one of the ratios of liquidity that describes the availability of current assets to finance current liabilities.	CR= Current Assets / Current liabilities
Inventory Intensity Independent Variable	The company's investment is in the form of inventory used for company operations, where in the inventory there are storage costs.	IP = Total Inventory / Total assets
Audit Committee Variable Moderating	Appointed by the board of commissioners who carry out the task of controlling financial reports that protect parties outside the company from fraud committed by management.	Audit Committee (AC)= Number of audit committee members in a company

According to its nature, the type of data in the research that the researchers carried out was quantitative data, and the secondary data and obtained from the company's financial reporting from the 2016-2020 period, the method that researchers used in conducting the research were the non-participant method, financial statement information was obtained from the website www. IDX. Co. id, while the data collection method uses the documentation method. For processing research data, the author uses Eviews 10.

Model Selection, Which model is more suitable for the research data that the researchers carry out begins with the Cow test, which is a test to choose the CEM or FEM model. If the result is a probability value < 0.05, it is determined that the FEM model is better and vice versa. If the FEM model is more in line with the data, continue with the Hausman test, namely the FEM model test with REM. Therefore, if the results are 0 < 0.05, the correct model is REM.

Assumption test Classic panel data

The classical assumption test consists of the Normality test to determine the distribution of data on the independent variable and the dependent variable or both in a regression model having data with a normal distribution of data with the abnormal distribution. If the results of the normality test > 0.05, then the results obtained are accepted, and the assumption of normality is accepted.

Multicollinearity has the aim of finding correlations in the independent variables. The test is carried out on the regression model, which has > 1 independent variable. If the results of the Multicollinearity Test are <10 or <5, then it is free from multicollinearity, so the results are acceptable, or the multicollinearity requirements are met.

Hypothesis testing

The partial regression significance test (t-test) finds each variable's effect on the independent and dependent variables. The simultaneous regression test (f test) is used to find the effect of the independent variables simultaneously on the dependent variable. The coefficient test aims to find the percentage and ratio of accumulated amounts on the dependent variable related to the independent variable.

Moderating Regression Analysis (MRA)

To see whether the moderated independent variable strengthens or weakens the dependent variable.

Findings and Discussions

Model Selection

Cows test, in the implementation of the Chow test, the basic test that is used as a decision is if the p-value of the Chi-square Cross-section <0.05 will be selected Fixed Effect as well as if the p-value of the Chi-square Cross-section> 0.05 it will be selected Common Effect.

Table 2: Chow Test results

Effects Test	Statistics	df	Prob.
Cross-section F	1.592552	(25.98)	0.0560
Cross-section Chi-square	44.321684	25	0.0100

Source: Processed Data Eviews 10.2022

Based on the statistical tests that have been carried out, the results of the Chi-square cross-section are 0.0100, where 0.0100 < 0.05, it can be concluded that the accepted model is Fixed Effect, which is the best model when compared to the Common Effect.

Hausman Test, in the implementation of the basic Hausman test that is used to determine the decision, if the value of the p-value Cross-section Chi-square <0.05 will be selected Fixed Effect as well as if -value-Cross-section Chi-square> 0.05 and will select Random Effects.

Table 3: Housman's Test Results

Test Summary	Chi-Sq. Statistics	Chi-Sq. df	Prob.
Random cross-section	2.168596	6	0.9036

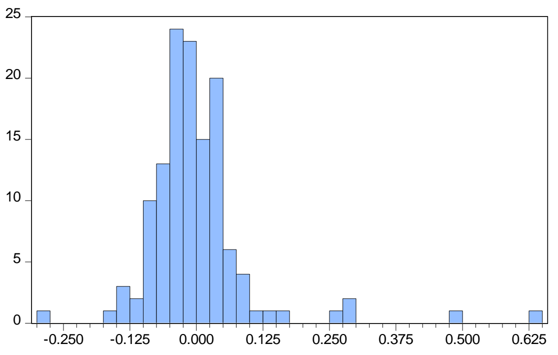
Source: Processed Data Eviews 10.2022

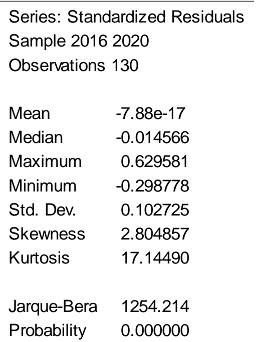
Based on statistical tests that have been carried out, the results of random cross-section probability are 0.9036 where 0.9036 > 0.05, and Random Effect is the best model than Fixed Effect. For panel data, model testing is only carried out 2 (two) times. So, the model that was chosen to process the data in the research that the researchers carried out was Random Effect (REM).

Classic Assumption Test

Normality test

Table 4: Normality Test Results





Source: Processed Data Eviews 10.2022

Regression normality test, the results of the tests that have been carried out get a prob value of 0.0000, when compared to the alpha level or a significant 5% (0.05) then this value is smaller (0.0000) < 0.05. prob jb > alpha level so the conclusion is not normally distributed and vice versa. With the central limit theorem, the results of prob of 0.0000 are considered to be normally distributed. The central limit theory is used for large samples, namely n>30, (Central Limit Theorem (CLT), 2020), where the sample of this study is more than 30, which is 130 samples, this research is fulfilled.

Multicollinearity Test

Table 5: Multicollinearity Test Results

	ROA	IAT	LEV	CR	IP	AC	ETR
ROA	1.0000000	0.092869	-0.342747	0.076219	-0.162833	-0.134990	-0.246208
IAT	0.092869	1.0000000	0.121074	-0.440948	-0.234604	0.112948	0.110520
LEV	-0.342747	0.121074	1.0000000	-0.322920	-0.262636	0.200622	-0.005878
LIQ	0.076219	-0.440948	-0.322920	1.0000000	0.126091	-0.123389	-0.168986
IP	-0.162833	-0.234604	-0.262636	0.126091	1.0000000	0.066845	0.081869
AC	-0.134990	0.112948	0.200622	-0.123389	0.066845	1.0000000	0.257261
ETR	-0.246208	0.110520	-0.005878	-0.168986	0.081869	0.257261	1.0000000

Source: Processed Data Eviews 10.2022

The tests that have been carried out from the results of the multicollinearity test can be seen independent variables. For each ROA value of 1.00000, IAT value of 0.092869, LEV value of -0.342747, CR (LIQ) value of 0.076219, IPS value of -0.162833, KAU value of -0.134990, AGP value of -0.246208. When compared between the independent variables, the value does not exceed 10, therefore it is determined if there is no multicollinearity in the seven independent variables. Based on the criteria of classical assumptions, a good linear regression is that which does not find multicollinearity. Therefore, the above model does not find multicollinearity fulfilled.

Partial regression significance test (t-test)

Table 6: Partial Regression Significance Test Results (t-test)

Variable	Coefficient	Std. Error	t-Statistics	Prob.
C	0.110422	0.105658	1.045094	0.2980
ROA	-0.305914	0.119193	-2.566539	0.0115
IAT	0.045248	0.080274	0.563665	0.5740
LEV	-0.230697	0.140325	-1.644023	0.1027
CR	-0.008397	0.007146	-1.175069	0.2422
IP	0.015388	0.101735	0.151260	0.8800
AC	0.075060	0.030340	2.473988	0.0147

Source: Processed Data Eviews 10.2022

Judging from the data table above, the ROA variable has a probability value of 0.0115 < 0.05, it is smaller than 0.05, so it has a significant effect. So the first hypothesis (H1) ROA has a significant effect on tax aggressiveness.

For the Asset Intensity variable with a probability value of 0.5740 > 0.05), it is greater than 0.05, so the second hypothesis (H2) The intensity of fixed assets does not affect tax aggressiveness.

For the Leverage variable, the probability value is 0.1027 > 0.05, is greater than 0.05, so it has no effect. So the third hypothesis (H 3) Leverage does not affect tax aggressiveness.

For the variable Current Ratio, the probability value is 0.2422 > 0.05, which is greater than 0.05, so it has no effect. So the fourth hypothesis (H4) is that the Current Ratio does not affect tax aggressiveness.

For Inventory Intensity (IP), the probability value is 0.8800 > 0.05, which is greater than 0.05, so it has no effect. So the conclusion of the fifth hypothesis (H5) is that Inventory Intensity does not affect Tax Aggressiveness.

Simultaneous regression significance test (f test)

Table 7: Simultaneous Regression Significance Test Results (f test)

R-squared	**0.126736**	**Mean dependent var**	**0.195867**
Adjusted R-squared	0.084138	SD dependent var	0.102145
SE of regression	0.097753	Sum squared resid	1.175349
F-statistics	2.975146	Durbin-Watson stat	1.194812
Prob(F-statistic)	0.009525		

Source: Processed Data Eviews 10.2022

Based on the data above, the result of Prob (F statistic) is 0.009525 < 0.05, So simultaneously profitability, fixed asset intensity, leverage, current ratio, and inventory intensity significantly influence tax aggressiveness.

Coefficient of Determination Test

Table 8: Coefficient of Determination Test Results

R-squared	**0.126736**	**Mean dependent var**	**0.195867**
Adjusted R-squared	0.084138	SD dependent var	0.102145
SE of regression	0.097753	Sum squared resid	1.175349
F-statistics	2.975146	Durbin-Watson stat	1.194812
Prob(F-statistic)	0.009525		

Source: Processed Data Eviews 10.2022

The results of the Adjusted R-squared 0.084138 equal to 8.4%, then the magnitude of the influence of the independent variables Return On Investment, Intensity of fixed assets, Leverage, Current Ratio, Inventory Intensity, and the Audit Committee on the dependent variable is 8.4% then the residual is 91.6% (100- 8.4) is described with other variables outside the model or research.

Moderating Regression Analysis (MRA)

Audit Committee as Moderating Variable (AC)

The Audit Committee moderates the relationship between Profitability (ROA) and Tax Aggressiveness.

Table 9: Audit Committee Test Results in Moderate Profitability (ROA)

Variable	Coefficient	Std. Error	t-Statistics	Prob.
C	-0.308546	0.146642	-2.104074	0.0374
ROA	11.53115	3.492967	3.301248	0.0013
AC	0.202886	0.047940	4.232070	0.0000
M1	-3.925469	1.162935	-3.375484	0.0010

Source: Processed Data Eviews 10.2022

The seventh hypothesis (H 7) made in the research that the researcher carried out was the Audit Committee which moderated the relationship between ROA and tax aggressiveness.

The test results, the coefficient value of -3.925469 ROA interaction with the Audit Committee (M 1), and the probability value of 0.0010 < 0.05 , determined to be significant, so the conclusion of the hypothesis seventh (H7) “The audit committee weakens the effect of ROA on tax aggressiveness.”

The Audit Committee moderates the relationship between fixed asset intensity (IAT) and tax aggressiveness.

Table 10: Audit Committee Test Results Moderate IAT

Variable	Coefficient	Std. Error	t-Statistics	Prob.
C	1.649974	0.528094	3.124393	0.0022
IAT	-3.229099	1.047211	-3.083522	0.0025
AC	-0.464554	0.175222	-2.651236	0.0090
M2	1.095086	0.348169	3.145269	0.0021

Source: Processed Data Eviews 10.2022

The eighth hypothesis (H 8) made in the research that the researcher carried out was that the Audit Committee moderated the relationship between Fixed Asset Intensity and tax aggressiveness. The results of the test that had been carried out, the coefficient value was 1.095086 which interacted with the Fixed Asset Intensity with the Audit Committee (M 2), with an n probability value of 0.0021 < 0.05, determined to be significant, so the conclusion of the eighth hypothesis (H8) "The Audit Committee strengthens the effect of the intensity of fixed assets significantly on tax aggressiveness".

The Audit Committee moderates Leverage's relationship to Tax Aggressiveness.

Table 11: Audit Committee Test Results moderate leverage

Variable	Coefficient	Std. Error	t-Statistics	Prob.
C	0.093333	0.599423	0.155704	0.8765
LEV	-0.434611	3.006989	-0.144534	0.8853
AC	0.061814	0.199430	0.309953	0.7571
M3	0.114127	0.997059	0.114464	0.9091

Source: Processed Data Eviews 10.2022

The ninth hypothesis (H 9) made in the research that the researchers carried out was that the Audit Committee moderated the Leverage relationship on tax aggressiveness. In the results of the tests that had been carried out, the coefficient value was 0.114127 in the interaction of leverage with the audit committee (M 3), with a probability value of 0.9091> 0.05 is not significant.

The Audit Committee moderates the relationship of CR to Tax Aggressiveness

Table 12: Audit Committee Test Results Moderate Current Ratio

Variable	Coefficient	Std. Error	t-Statistics	Prob.
C	-0.084983	0.199638	-0.425685	0.6711
CR	0.051645	0.071528	0.722016	0.4716
AC	0.124632	0.064822	1.922673	0.0568
M4	-0.019701	0.023606	-0.834565	0.4055

Source: Processed Data Eviews 10.2022

The tenth hypothesis (H 10) made in the research that the researcher carried out was that the Audit Committee moderated the relationship between CR and tax aggressiveness. From the results of the tests that have been carried out, the coefficient of contention is -0.019701 interaction of CR with the Audit Committee (M4) with a probability value of 0.4055 > 0.05 is not significant.

The Audit Committee moderates the relationship between Inventory Intensity (IP) and Tax Aggressiveness.

Table 13: Audit Committee Test Results moderate IP

Variable	Coefficient	Std. Error	t-Statistics	Prob.
C	-0.274606	0.164173	-1.672660	0.0969
IP	2.322601	1.044205	2.224277	0.0279
AC	0.178611	0.054815	3.258415	0.0014
M5	-0.751878	0.347520	-2.163554	0.0324

Source: Processed Data Eviews 10.2022

The eleventh hypothesis (H 11) made in the research that the researcher carried out was that the Audit Committee moderated the relationship between inventory intensity and tax aggressiveness. From the results of the tests that have been carried out, the coefficient of contention is -0.751878 in the interaction of Inventory Intensity with the Audit Committee (M 5), with a probability value of 0.0324 < 0.05, which is significant, so the conclusion of the hypothesis eleventh (H11) “The audit committee weakens the effect of inventory intensity on tax aggressiveness”

Discussion

Based on the results of the tests that have been carried out, the following findings can be found:

The first hypothesis (H1), there is an effect of ROA on tax aggressiveness, every 1 point increase in ROA will increase tax aggressiveness by -0, 305914. The results of the study are supported by previous research conducted by Amelia Adinda Nancy Supit (2014) which says that ROA has an effect on tax aggressiveness. With high profits, it encourages directors to do tax aggressiveness, thus causing losses for investors, because the dividends they receive are reduced. Meanwhile, the results of this study are not supported by research conducted by Maulana & Ahmad (2020) which states that ROA has no effect on tax aggressiveness.

The second hypothesis (H2), there is no effect of the intensity of fixed assets on tax aggressiveness. Previous research is in line with this research, namely the research conducted by Fajar Adisamartha & Noviati (2015) which states that the intensity of fixed assets has no effect on tax aggressiveness. Due to high interest costs and low profits, directors are reluctant to do tax aggressiveness. This has an impact on shareholders to get high dividends. The results of this study are not in line with the research conducted by Tabrani & Jamaluddin (2020), which states that the intensity of fixed assets affects tax aggressiveness.

The third hypothesis (H3), There is no effect of Leverage on tax aggressiveness. The results of this study are supported by research conducted by Kiswanto & Firdayanti(2020), which says that leverage has a positive effect on tax aggressiveness. With a high debt policy, directors do not carry out aggressiveness The results of this study are not supported by research conducted by Dharma & Ardiana (2016) which says leverage has an effect on tax aggressiveness

Fourth hypothesis (H4) There is no effect of Current Ratio on Tax Aggressiveness. This result is not supported by the research conducted by Suyanto & Supramono (2012) which states that liquidity has an effect on tax aggressiveness. The results of this study

are not supported by research conducted by JayantoPurba & Kuncahyo (2020). CR does not have an effect on tax aggressiveness, the lack of company funds encourages directors to carry out tax aggressiveness to pay the tax burden.

The fifth hypothesis (H5), there is no effect of inventory intensity on tax aggressiveness. The results of this study are supported by research conducted by Wulandari, Titisari & Nurlela (2020) which states that inventory intensity has no effect on tax aggressiveness. With the availability of large inventories, the board of directors does not carry out tax aggressiveness. With the large inventory resulting in over inventory, so it can bring losses to the company due to expiration. The results of this study are not in line with research from Suryarini & Syamsuddin Trisni (2019) which says that inventory intensity has an effect on tax aggressiveness.

The sixth hypothesis (H6), simultaneously there is the effect of profitability, fixed asset intensity, leverage, current ratio, and inventory intensity on tax aggressiveness. From the test results, the value of Prob (F statistic) is 0.019623 which is smaller than 0.05. This value is feasible, so the research can be continued.

The seventh hypothesis (H7) "The audit committee weakens the effect of ROA on tax aggressiveness. Every time there is an increase in ROA by one level, the aggressiveness increases by one level and vice versa if there is a decrease in ROA by one level, there is a decrease in tax aggressiveness by one level. The presence of the audit committee as a supervisor in a manufacturing company can suppress and prevent the directors from carrying out tax aggressiveness.

The eighth hypothesis (H8) "The Audit Committee strengthens the effect of the intensity of fixed assets significantly on tax aggressiveness. Every time there is an increase in fixed assets, it increases by one level, the increase in tax aggressiveness decreases by one level. And vice versa if the decline in fixed assets decreases by one level, the tax aggressiveness increases by one level. Lack of control from independent commissioners, so the directors are increasingly aggressive in tax planning.

The ninth hypothesis (H9) "The Audit Committee strengthens the effect of leverage on tax aggressiveness. If the increase in leverage increases by one level, it is followed by a decrease in tax aggressiveness by one level and vice versa for every decrease in leverage by one level, it is followed by an increase in tax aggressiveness. With the audit committee, management continue to implement tax aggressiveness, due to effective audit committee monitoring.

Tenth hypothesis (H10) "The audit committee weakens the effect of CR (LIQ) on tax aggressiveness." Every decrease in CR by one level is followed by an increase in tax aggressiveness by one level, whereas an increase in one level of CR is followed by a decrease in one level of tax aggressiveness. With effective supervision by the audit committee, the directors are reluctant to carry out tax aggressiveness.

The eleventh hypothesis (H11) "The audit committee weakens the effect of inventory intensity on tax aggressiveness" Every time there is a decrease in inventory intensity by one level, it is followed by an increase in tax aggressiveness by one level, whereas an increase in inventory intensity by one level is followed by a decrease in tax aggressiveness by one level. The Board of Directors does not carry out tax aggressiveness because the audit committee carries out effective supervision.

Conclusions

Based on the results of the analysis and discussion of the data, the researchers came to several conclusions. To test the hypothesis that examines the effect of independent variables on tax aggressiveness, only ROA has an effect on tax aggressiveness, then fixed asset intensity, leverage, CR, and inventory intensity are partially absent. effect on tax aggressiveness. This proves that if higher profits are obtained, the company encourages management to make tax savings so that the profits received will be reduced, this will be detrimental to investors, while the debt policy taken by high-risk companies can lead to bankruptcy, and dividends received by investors. small. Taken together, the intensity of fixed assets, Leverage, CR, and Intensity of inventory have a significant effect on tax aggressiveness which shows a coefficient of determination of 8.45%. Furthermore, in this test, the combined implications are also found if the audit committee strengthens the effect of the intensity of fixed assets and leverage. to tax aggressiveness. This problem proves that the presence of the audit committee as an organ of Good Corporate Governance in this manufacturing company can suppress management actions to plan tax savings, namely tax aggressiveness.

From the results of this study, the authors suggest that companies should maximize profits, prosper the owners of the company or shareholders and maintain the survival of the company. For investors, to invest not only look at stock prices and profits, on the contrary investors must pay attention to other financial reports such as profitability, leverage and so on. Ineffective supervision by the audit committee results in management being able to carry out tax policies by increasing costs so that profits are small.

The implication of this research is the lack of supervision carried out by the audit committee on the financial performance of manufacturing companies, which results in management carrying out tax aggressiveness, this can have a negative impact on the company, which has an impact on investors not investing in the company, then if an audit occurs at the company by the tax authorities and find the tax report submitted is not true, then the company will be subject to a fine. Meanwhile, the state suffers from a lack of income from taxes.

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