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The effect of Institutional Ownership, Sales Growth and Profitability on Tax Avoidance

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ABSTRACT: This research aims to test, analyze and obtain empirical evidence about the influence of institutional ownership, sales growth and profitability on tax avoidance. The object of this research is manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange (BEI) in 2018-2022. This research used quantitative research methods and causal research design. The sampling technique in this research used non-probability sampling with purposive sampling as the basis for determining the sample so that a sample of 55 samples was obtained. The data used is secondary data obtained from the official website of the Indonesia Stock Exchange (BEI) during the 2018-2022 period. The data analysis method used was multiple linear regression analysis with several tests such as descriptive statistical tests, classical assumption tests, and hypothesis testing using SPSS version 26 statistical software. The results showed that the institutional ownership variable has no effect on tax avoidance, while the sales growth and profitability has a negative and significant effect on tax avoidance.
KEYWORDS: *Institutional Ownership, Sales Growth, Profitability, Tax Avoidance*

I. INTRODUCTION

The Indonesian state requires its citizens to comply with tax obligations to support economic development and sustainability. Taxes are the main source of income for the state, which is needed to finance various development programs and public services. However, the level of tax compliance in Indonesia is still a serious concern. Even though the number of taxpayers continues to increase from year to year, their compliance in paying taxes has not reached the expected level.

Table 1. Target and Realization of Tax Revenue for the Period 2018- 2022

Years	Tax Revenue Target (Trillion Rupiah)	Tax Revenue Realization (Trillion Rupiah)	Realization Percentage (%)
2018	1,423,90	1.313,30	92,20%
2019	1,577,56	1.313,32	84,48%
2020	1,198,80	1.069,98	89,25%
2021	1,229,58	1.227,53	103,90%
2022	1,716,80	1.485,00	115,60%
Total Average			**96,03%**

Source :www.kemenkeu.go.id and Ministry of Finance Performance Report

The size of the tax revenue target with the realization of tax revenue is according to the data published by the Ministry of Finance in the table presented for the 2018-2022 period. From this table, it can be seen that the tax revenue target with the realization of tax revenue in Indonesia in the 2018-2022 APBN is difficult to realize the tax target of 100%. However, 2021 and 2022 show an increase in the realization of the tax revenue target, namely 103.90% and 115.60%, while from 2018-2020 no one has reached the target. Even though there is an increase in tax revenue from 2018-2022, tax revenue over the last 5 years has still not reached 100% so it has not been able to reach the predetermined target. One of the reasons why tax revenues are not realized according to the target is the existence of corporate taxpayers who practice tax avoidance. For taxpayers, taxes are a burden that reduces their income. What's more, taxpayers do not get direct benefits when paying taxes. So this is what results in reduced state treasury revenues.

Evidence of tax avoidance findings is suspected to have been carried out by PT Bantoel Internasional Investama. According to the Tax Justice Network report, PT Bentoel Internasional Investama carries out tax avoidance in two ways, namely paying debt interest through the company internally and paying royalties, fees, and IT costs. To avoid taxes, transactions are channeled through subsidiaries in countries that have tax agreements with the Indonesian government. In its report, PT Bentoel stated that the payment of interest costs for loans and royalties to the same parent company amounted to US$ 164 million which is equivalent to IDR 2.25 trillion, as well as IT fees and fees to their parent company, namely BAT, which caused Bentoel to suffer a loss of 27%. The Indonesian government, which has an agreement with the Netherlands, stipulates that loan interest is not subject to tax. The existence of this agreement encouraged PT Bentoel International Investama to use it with a loan from Rothmans Far East BV in the Netherlands. Based on documents held by the Dutch company, it is known that the money was borrowed through the British subsidiary BAT. Indonesian regulations impose a 25% tax on royalties, fees, and costs, but PT Bentoel can avoid this by making such payments to several BAT subsidiaries in the UK. This is due to the existence of a tax treaty between Indonesia and the UK, where payments related to royalties, fees, and expenses are only subject to 15% tax. As a result of the scheme carried out by PT Bentoel, Indonesia experienced a tax revenue shortfall of $13.7 million per year (National Kontan, 2019).

This case reveals that the level of tax avoidance carried out by companies in Indonesia is still high considering that there are still loopholes to hide true transactions. Tax avoidance is a tax avoidance effort carried out by a company whose aim is to legally reduce its tax obligations by exploiting weaknesses in the applicable tax regulations. On the other hand, the government still does not expect tax avoidance practices because tax avoidance practices can hamper the tax collection process thereby reducing state revenues originating from taxes (Puspitasari & Wulandari, 2022).

In general, many factors influence companies to avoid tax, including institutional ownership, sales growth, and profitability. Institutional Ownership is ownership of company shares owned by a company. Institutional ownership plays a crucial role in reducing agency problems within the company because institutional shareholders will help in supervising, disciplining, and influencing managers to optimize management performance (Yuni & Setiawan, 2019). The greater the institutional investor's share ownership, the greater the management's encouragement to act by the investor's goals, regardless of the interests of other parties (Gunawan & Wijaya, 2020). Based on the results of research on institutional ownership conducted by Phandi & Tjun (2021); Iqbal (2022); Achmad Tarmizi & Didin Hikmah Perkasa (2022) stated that institutional ownership has a positive effect on tax avoidance. However, in research conducted by Pramesti et al. (2022); Dwi Fortuna & Herawaty (2022) state that institutional ownership has a negative effect on tax avoidance.

Apart from Institutional Ownership, another indicator that influences tax avoidance is Sales Growth. According to Kasmir (2018:107), Sales Growth is a ratio that describes a company's ability to optimize its resources by looking at how many sales can be achieved during a certain period of time. An increase in sales within the company results in the profits received by the company also increasing. With increasing profits, the tax burden that companies have to pay also increases so that companies will try to carry out tax avoidance. Based on the results of research conducted by Amri (2023); Ellyanti & Suwarti (2022) state that sales growth has a positive and significant effect on tax avoidance. Meanwhile, in the research of Nugroho et al (2022); Kurnia, Rohaeni & Samsinar (2022); Augustpaosa Nariman (2021) states that sales growth has a negative effect on tax avoidance.

The next indicator that can influence tax avoidance is profitability. Profitability is a measure used to assess a company's ability to generate profits by utilizing the company's capital and assets as well as from its daily sales activities. The greater the profit the company makes, the greater the tax the company will pay. This is because profits are considered as the basis for tax imposition, so that when a company's profits increase, the company tries to take tax avoidance measures to minimize its tax burden. This is in line with research conducted by Sudibyo (2022); Sholekah & Oktaviani (2022); Ardianto & Marfiana (2021) state that profitability influences tax avoidance. Meanwhile Ramadini & Umaimah (2023); Murniati & Soviati (2022); Manita, Samsiah & Azhari (2022) concluded that profitability has a negative effect on tax avoidance.

Several results from previous research show inconsistencies in findings. Therefore, researchers want to test again by developing previous research to determine the consistency of results using independent variables including Institutional Ownership, Sales Growth and Profitability. This research is up to date by using the latest financial report data from 2018 to 2022 from manufacturing companies in the consumer goods industry sector. In this research, manufacturing companies, especially the consumer goods industrial sector, were chosen as research objects because the consumer goods industrial sector still plays a productive role in industry and the economy in Indonesia. With the high consumer nature of Indonesian society, demand for consumer goods is also increasing. Apart from that, manufacturing companies have quite a lot of sectors and are the largest tax supporting sector compared to other sectors.

II. CONCEPTUAL MODEL AND HYPOTESIS

Agency Theory

According to Jensen & Meckling (1976), agency theory explains the contractual relationship between the principal and agent, where the principal is the party who has the power to make decisions for the future of the company and delegates his responsibilities to another party, namely the agent, who carries out management functions to realize the company's activities in accordance with with what the principal wants. Both principals and agents have their respective authorities and responsibilities in accordance with mutual agreements that have been determined.

In terms of taxation, the relationship between the use of agency theory and tax avoidance is due to a two-sided conflict of interest between the agent and the principal. Taxes from the government side are one of the largest sources of state income, whereas for corporate or individual taxpayers the taxes paid become a burden that will reduce profits. In this case, both have different desires, the government (principal) wants the maximum possible income from tax collection, but the company as a taxpayer (agent) wants to minimize its tax obligations in order to get maximum profit. With these differences in interests, it provides opportunities for companies to implement various policies to maximize their company's performance, one of which is reducing the company's tax burden by carrying out tax avoidance practices, which is detrimental to the government due to reduced state income from the taxation sector (Khomsiya et al., 2021). Another relationship between agency theory and tax research is that with a conflict of interest between the principal and agent, supervision and control of the manager's activities is required, where this effort results in costs that must be incurred by the principal, namely agency costs. This is done to avoid the negative impact of tax avoidance.

Institutional Ownership

Institutional Ownership is the amount of company share ownership owned by an institution such as a bank, insurance company, pension fund, investment company, non-governmental organization or other institution in the form of a company (Hery, 2017:30). The existence of institutional ownership will encourage more supervision of optimal management. Management is more careful in making decisions because it will directly impact themselves as shareholders. So that increasing the number of share ownership by managers can reduce the company's tendency to avoid taxes.

Sales Growth

According to Kasmir (2018: 107), Sales Growth is a company's ability to optimize its resources by looking at how many sales can be achieved during a certain period of time. Sales growth reflects operational readiness, productivity and the company's ability to accept the market and reflects investment success in the past period which can be used as a forecast for future growth. According to Mustika & Meirini (2021) sales growth is characterized by an increase in market share which influences the company's sales growth so that it can increase company profits. High sales growth indicates that the company has good growth opportunities in the future, so the company can offer high stock returns to investors.

Profitability

Profitability is a company's ability to achieve profits during a certain period, which is measured by the company's success and ability to use its assets productively by comparing the profits earned in a period with the total assets owned by the company (Muchtar, 2021: 86). The aim is to see the company's development over a certain period of time, whether there has been an increase or decrease in profits so that it can be used as evaluation material for stakeholders to improve the company's performance in generating profits.

The Effect of Institutional Ownership on Tax Avoidance

Institutional ownership isshareownership owned by institutions. The existence of institutional ownership can influence a company, especially in tax avoidance. Supervision carried out by institutional investors depends on the size of investment ownership (Dwi Fortuna & Herawaty, 2022). Institutional investors who control more shares will be able to carry out stricter supervision to ensure that management does not engage in deviant behavior that could harm share owners. Vice versa, the less institutional ownership, the lower the level of supervision, making it susceptible to fraud within the company.

In line with research conducted by Pramesti, Endiana & Adella (2022), Dwi Fortuna & Herawaty (2022), Darsani & Sukartha, (2021) which states that institutional ownership has a negative effect on tax avoidance. This is because the greater the share ownership by institutional institutions, the tighter the supervision and control carried out by external parties will reduce the space for managers to carry out tax avoidance actions.

H1: Institutional Ownership has a negative effect on tax avoidance

The Effect of Sales Growth on Tax Avoidance

Sales growth is the level of development of a company's sales over time. Sales growth affects tax avoidance. Because the higher the current year's sales volume compared to last year's sales, the company's profits will also increase. Increased profits indicate that the company must pay a higher amount of the tax it owes (Ellyanti & Suwarti, 2022). So, in this case companies tend to use various methods to reduce the tax burden they have to pay so that the profits they receive do not decrease.

This is in accordance with research conducted by Amri & Subadriyah (2023), Fathoni & Indrianto (2021) which states that sales growth has a negative effect on tax avoidance. If a company experiences an increase in sales, this will provide an opportunity to earn large profits and be able to pay taxes.

H2: Sales Growth has a negative effect on tax avoidance

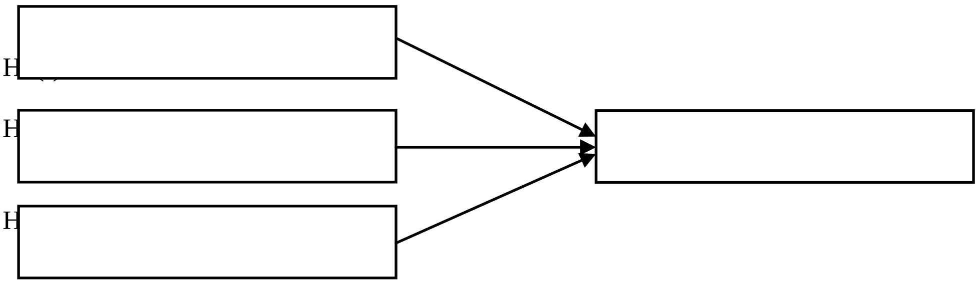
The effect of Profitability on Tax Avoidance

Profitability is a measurement of a company's financial performance which is used to describe the success of a company in generating profits from its operating activities. Profitability has an influence on tax avoidance. If the company's profitability is high, it indicates that company management can manage its operations efficiently and effectively, resulting in greater profits for the company. The tax law treats business profits as the basis for determining the amount of tax a company must pay (Solihati, 2021). If the profit received is higher, the tax paid will be greater, and vice versa, if the profit received is too low, this indicates that management's performance is not good, so it is suspected that management intends to reduce its tax burden so that the profit it should receive does not decrease (Anasta, 2021).

This is supported by research conducted by Sudibyo (2022); Sholekah & Oktaviani (2022); Ardianto & Marfiana (2021) state that profitability has a positive effect on tax avoidance. If the profits received are higher, the taxes paid will be greater, which will reduce company profits and management performance compensation. Thus,motivating companies to minimize their tax burden. The higher the profitability of a company, the greater the company's incentive to avoid taxes.

H3: Profitability has a positive effect on tax avoidance

Based on the above theoretical framework, it can be illustrated in the conceptual framework as follows:



III. RESEARCH METHOD

The type of research method used in this research is a quantitative research method using data obtained through data collection techniques in the form of financial reports taken from the Indonesia Stock Exchange website. The population used is 153 manufacturing companies in the consumer goods industry sector registered on the IDX for the 2018-2022 period. The sample in this study used a purposive sampling technique and obtained 11 sample companies, with the criteria: (1) Manufacturing companies in the consumer goods industrial sector listed on the Indonesia Stock Exchange in 2018-2022, (2) Manufacturing companies in the consumer goods industrial sector that always make a profit from 2018-2022, and (3) Manufacturing companies in the consumer goods industry sector whose sales always increase from 2018-2022. So, the total data sample studied was 55. The data analysis model used in this research was multiple linear regression analysis.

Table 2. Variable Operationalization

Variable names	Indicator	Scale
Independent Variable		
Institutional Ownership	$KI = \frac{\text{Proportion of Shares Owned by Institutions}}{\text{Number of Shares Issues}} \times 100$	Ratio
Sales Growth	$SG = \frac{\text{Current year sales} - \text{Previous year sales}}{\text{Previous year sales}}$	Ratio
Profitability	$ROA = \frac{\text{Net Income}}{\text{Total Assets}}$	Ratio
Dependent Variable		
Tax Avoidance	$ETR = \frac{\text{Tax expense}}{\text{Net Income Before Tax}}$	Ratio

IV. RESULTS AND DISCUSSION

Descriptive Statistics

Based on the results of the descriptive statistical analysis test presented in Table 3 below, it can be explained as follows:

Institutional Ownership has a minimum value of 0.45989 owned by PT Pan Brothers Tbk (PBRX) in 2022 and a maximum value of 0.94253 owned by PT Multipolar Tbk (MLPL) in 2018-2020. Then the average value of institutional ownership shows a result of 0.5907158 and a standard deviation value of 0.14606428.

Sales Growth has a minimum value of 0.00087 owned by PT Pan Brothers Tbk (PBRX) in 2022 and a maximum value of 0.32084 owned by PT Hartadinata Abadi Tbk (HRTA) in 2022. Then the average sales growth value is 0 .1129415 and the standard deviation value is 0.06793670.

Profitability has a minimum value of 0.00322 owned by PT Pan Brothers Tbk (PBRX) in 2022 and a maximum value of 0.20439 by PT Multipolar Tbk (MLPL) in 2022. Meanwhile, the mean is 0.0702971 and the standard deviation value is 0, 04516309.

Tax Avoidance has a minimum value of 0.11788 owned by PT Multipolar Tbk (MLPL) in 2021 while the maximum value of tax avoidance is 0.65862 owned by PT Pan Brothers Tbk. The average value of tax avoidance is 0.2454469 and the standard deviation value is 0.07868453.

Table 3. Descriptive Statistics Results

	N	Minimum	Maximum	Mean	Std. Deviation
Kepemilikan Institusional	55	.45989	.94253	.5907158	.14606428
Sales Growth	55	.00087	.32084	.1129415	.06793670
Profitabilitas	55	.00322	.20439	.0702971	.04516309
Tax Avoidance	55	.11788	.65862	.2454469	.07868453
Valid N (listwise)	55				

Source: Data Processed by SPSS 26, 2024

Classical Assumptions

The Classic Assumption Test consists of the normality test, heteroscedasticity test, multicollinearity test, and autocorrelation test. The results of the classical assumption test are presented in Table 4 as follows:

Table 4. Classical Assumption Test Results

Classical Assumption Test	Methos	Results	Requirements	Description
Normality	Kolmogrov Smirnov	0,200	Sig > 0,05	Normally distributed
Multicollinearity	VIF and Tolarance		Tolerance > 0,10 and VIF < 10	No multicollinearity
	Institutional Ownership	0,950		
	Sales Growth	0,735		
	Profitability	0,763		
Heteroscedasticity	Glejser Test:			No heteroscedasticity
	Institutional Ownership	0,052	Sig > 0,05	
	Sales Growth	0,984		
	Profitability	0,325		
Autocorrelation	Runs Test	0,221	Asymp. Sig. (2-tailed) > 0,05	No autocorellation

Source: Data Processed by SPSS 26, 2024

The normality test in this study used the Kolmogrov-Smirnov method. This research carries out a normality test by changing the data into a natural logarithm (Ln) model, so that the data is normally distributed with a significant value of 0.200. The multicollinearity test aims to test whether the independent variables have a relationship or correlation with more than one variable. if the tolerance is > 0.10 or VIF < 10 then multicollinearity does not occur, and if the tolerance value < 0.10 or VIF > 10 then multicollinearity occurs. In this study, the tolerance value was > 0.10 and the VIF value was < 10, so it can be concluded that multicollinearity did not occur.

The heteroscedasticity test aims to test whether in the regression model there is an inequality of variance and residuals between one study and another. The test used in this research is the Glejser test. The test method is to look at the significance value, if > 0.05, it means there is no heteroscedasticity and if the significance is < 0.05, then there is heteroscedasticity. Based on Table 4, the results of the Glejser test state that all independent variables have a sig value above 0.05. Thus, it can be concluded that the variables studied did not experience heteroscedasticity. Then the autocorrelation test is used to see whether there is a correlation between disturbance errors in one period and the previous period in the linear regression model. This research uses the Runs Test with Asymp criteria. Sig. (2-tailed) > 0.05. Based on the results in the regression model, there is no autocorrelation.

Coefficient of determination test (R2)

Table 5. Coefficient of determination Test (R2) Results

Model	R	R Square	Adjusted R Square
1	.640[a]	.410	.375

Source: Data Processed by SPSS 26, 2024

Based on Table 5, the R-square value is 0.410 or 41%. This percentage can be interpreted as meaning that 41% of the tax avoidance variable is explained by the institutional ownership, sales growth and profitability variables explained in the model. Meanwhile, the remaining 59% was influenced by variables not examined in this research.

F-test

Table 6. F-test Results

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.533	3	.511	11.808	.000[b]
	Residual	2.207	51	.043		
	Total	3.740	54			

Source: Data Processed by SPSS 26, 2024

Based on Table 6 above, it can be seen that the significance value is 0.000. When compared with a significance level of 0.05, it means (0.000 < 0.05). Because the significance value is smaller than 0.05, it can be concluded that the multiple linear regression model is suitable for use in research.

T-test

This hypothesis decision making is seen from the value (sig < 0.05) then the hypothesis is accepted and vice versa. The results of the T test in table 7 show that the Sig value of institutional ownership is 0.829 > 0.05 with a negative t-value which shows that institutional ownership has no effect on tax avoidance. Meanwhile, the results of calculating the Sig value of sales growth are 0.001 < 0.05 with a t value - if the count is negative then the hypothesis is accepted which shows that sales growth has a negative effect on tax avoidance. And the results of calculating the profitability sig value are 0.020 < 0.05 with a negative t-value which shows that profitability has a negative effect on tax avoidance.

Table 7. T-test Results

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.039	.149		-13.726	.000
	Institutional Ownership	-.043	.199	-.024	-.217	.829

Profitability	-.151	.042	-.448	-3.568	.001
Sales Growth	-.075	.031	-.295	-2.396	.020

Based on Table 7. T-test results, the multiple regression model in this study is as follows:

Y = -2,039 - 0,043 KI – 0,075 SG – 0,151 ROA + e

The Effect of Institutional Ownership on Tax Avoidance

Based on the results of hypothesis testing that has been carried out, it states that institutional ownership has no effect on tax avoidance. Thus, the first hypothesis (H1) in this study is rejected. The results of this research prove that the large or small proportion of share ownership owned by institutional parties is not very meaningful as a tool to monitor the actions of internal company parties in carrying out tax avoidance efforts so that tax avoidance in a company can be avoided.The results of this research do not support agency theory where institutional ownership should have a very important role in minimizing agency conflicts that occur between managers and shareholders. The existence of institutional investors is considered capable of being an effective monitoring mechanism in every decision taken by managers. However, this does not really apply to this research.

The results of this research are supported by previous research conducted by Amiludin (2022); Ridwan & Dyah Pekerti (2022); Septanta (2023) which stated that institutional ownership has no effect on tax avoidance. This is because institutional owners have an incentive to ensure that management makes decisions that are profitable for them, so companies tend to only focus on company profit bonuses, which causes their motives to tend to be profit management, not tax avoidance.

The Effect of Sales Growth on Tax Avoidance

Based on the results of hypothesis testing that has been carried out, it is stated that sales growth has a negative and significant effect on tax avoidance. Thus, the second hypothesis (H2) in this study is accepted. The results of this research prove that as a company's sales growth increases, it becomes less likely that the company will take tax avoidance actions. This is because high sales growth can increase a company's turnover and profits, thereby increasing the company's ability to pay taxes more easily. Therefore, high sales growth can be an incentive for companies to comply with tax regulations and avoid tax avoidance practices.The results of this research support agency theory that increased sales growth will be able to unite the interests of principals and agents so that company performance will be better. Companies will carry out careful tax planning, because companies have more funds to pay for consultant services to produce optimal taxes and tax avoidance activities tend to decrease (Napitupulu et al, 2020). Of course, this has an impact on all parties, because the taxes paid will be returned to the taxpayer, even though it is not felt directly, but there is definitely a change that will be felt because they have paid taxesin accordance with existing provisions for the welfare of the people.

The results of this research are supported by previous research conducted by Nugroho et al., (2022); Kurnia, Rohaeni & Samsinar (2022); Augustpaosa Nariman (2021); Muti'ah et al., (2021) which states that sales growth has a negative effect on tax avoidance. This means that companies that experience strong sales growth will have a greater amount of tax debt that they have to pay. So, companies tend to be more careful in making profits ethically and comply with tax regulations more strictly.

The Effect of Profitability on Tax Avoidance

Based on the results of hypothesis testing that has been carried out, it states that profitability has a negative and significant effect on tax avoidance. Thus, the third hypothesis (H3) in this study is rejected. The results of this research prove that a company that generates large profits by using all its assets indicates that the company is classified as having a good ability to make profits so that the company will be able to carry out its tax obligations fully and honestly.Thus, the company does not have to carry out tax avoidance actions.Referring to agency theory, it is stated that the principal has an interest in maximizing profits and minimizing potential losses in order to maintain a good company image. Therefore, agents try to optimize company profits by avoiding a bad company image, which can be done by minimizing the tax burden through corporate tax planning.

The results of this research are supported by previous research conducted by Ramadini & Umaimah (2023); Murniati & Soviati (2022); Manita, Samsiah & Azhari (2022) which stated that profitability has a negative effect on tax avoidance. The greater the level of company profitability, the company tends to reduce tax avoidance. If the company has a high level of profit, managers will be more careful in carrying out tax avoidance because the risks they receive are quite high, including loss of reputation, threats of punishment, fines to the tax authorities, and the costs required to carry out tax avoidance. Therefore, companies don’t mind if they are required to pay taxes based on existing and applicable regulations and provisions.

V. CONCLUSION

Based on the results of data analysis and the discussion that has been carried out is as follows conclusion that can be drawn: (1) Institutional ownership has no effect on tax avoidance, meaning that the size or size of institutional ownership has no impact on the company's decision to undertake tax avoidance efforts. This is because institutional ownership only plays a supervisory role and monitors company activities, but is not actively involved in company decision making. (2) Sales growth has a negative and significant effect on tax avoidance. This is because high sales growth can increase a company's turnover and profits so that the greater the amount of tax it has to pay, the company tends to be more careful and comply with tax regulations more strictly. (3) Profitability has a negative and significant effect on tax avoidance. The higher the profitability, the lower the company's tendency to avoid taxes. A high level of profitability indicates good conditions for the company, which indicates its ability to use internal funding sources.

Companies are expected to follow all applicable laws and tax regulations by paying the actual taxes. Apart from that, it is hoped that it can increase knowledge and insight regarding tax avoidance so that you can carry out tax planning wisely so as to avoid all forms of tax avoidance.

For the government, it is hoped that it can strengthen tax policies and supervision of manufacturing companies in the consumer goods industry sector that report their tax obligations in order to avoid tax avoidance efforts, so as to increase state revenues.

For academics, it is recommended that this research be able to add or change other variables that can influence tax avoidance. Future research should consider a broader sample. This aims to ensure that the conclusions produced later have a wider scope as well. Apart from that, further research can also use other tax avoidance proxies to obtain better and more comprehensive research results.A conclusion section must be included and should indicate clearly the advantages, limitations, and possible applications of the paper. Although a conclusion may review the main points of the paper, do not replicate the abstract as the conclusion. A conclusion might elaborate on the importance of the work or suggest applications and extentions.

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